

V O L V O

For life.
To give people
freedom to move
in a personal,
sustainable
and safe way.



VOLVO CAR GROUP

INTERIM REPORT FIRST QUARTER 2025

JANUARY–MARCH 2025



- Retail sales decreased by 6% to 172.2 (182.7) thousand cars.
- Revenue amounted to SEK 82.9 (93.9) bn. The decrease is mainly explained by lower wholesale volume, partially offset by favourable foreign exchange rate effects due to a weaker SEK on average over the quarter, as well as by used car sales.
- EBIT excluding share of income in JVs and associates was SEK 1.9 (6.8) bn. It was mainly impacted by the decrease in volume and unfavourable exchange rate effects from balance sheet revaluation. It was partially offset by material cost savings and manufacturing cost efficiencies.
- EBIT was SEK 1.9 (4.7) bn.
- EBIT margin excluding share of income in JVs and associates was 2.3 (7.2)%. EBIT margin was 2.3 (5.0)%.
- Basic earnings per share was SEK 0.40 (1.12).
- Operating and investing cash flow was SEK –6.3 (–12.2) bn, including the initial payment from the divestment of the shareholding in Lynk & Co.
- During the quarter, two new car models were launched. The new fully electric ES90 is the latest addition to our balanced product portfolio of premium Volvo cars. In addition a small, fully electric SUV was released – the new Volvo EX30 Cross Country.
- On 14 February, Volvo Cars announced the successful completion of the divestment of its 30% stake in Lynk & Co to Zhejiang Zeekr Intelligent Technology Co., Ltd.
- On 31 March, Jim Rowan stepped down as President and Chief Executive Officer and also left the board of Volvo Car AB (publ.).

UPDATES AFTER THE PERIOD



- On 1 April, Håkan Samuelsson succeeded Jim Rowan as President and Chief Executive Officer. On the Annual General Meeting held on 3 April, Håkan Samuelsson was elected as a new member of the Board of Directors of Volvo Car AB (publ.).
- Fredrik Hansson was appointed Chief Financial Officer (CFO), effective from 24 April. He succeeded Johan Ekdahl, who will take his next step outside of Volvo Cars.
- On 25 April the production of EX30 started in Ghent.
- Late April, Volvo Cars launched a cost and cash action plan, totalling SEK 18 bn in structural efficiencies and investment reductions to further protect our long-term strategy and profitability.

FORWARD LOOKING



- As previously guided, 2025 will be a challenging and transition year given the uncertainties around macroeconomic, geopolitical and market developments. As we enter into the year, we see that tougher market conditions and lower volumes combined with increased price pressure and tariff effects are impacting profitability.
- Our long-term strategy, foundations for growth and path to improved profitability remains. In order to further protect those, we have launched an accelerated cost and cash action plan totalling SEK 18 bn. This plan is designed to help offset the external headwinds and protect profitability and structural efficiencies on direct and indirect costs, with the majority of effects being realised in 2026.
- Given external developments and increased uncertainties, we are no longer providing financial guidance for 2025 and 2026.

VOLVO CAR GROUP

SEK bn unless otherwise stated	3 Months			12 Months	
	Jan–Mar 2025	Jan–Mar 2024	Δ%	LTM	Full year 2024
Retail sales, k units ¹⁾	172.2	182.7	–6	752.9	763.4
Revenue	82.9	93.9	–12	389.3	400.2
Research and development expenses	–4.3	–3.8	11	–17.4	–17.0
Operating income (EBIT) ²⁾	1.9	4.7	–59	19.6	22.3
EBIT excl. share of income in JVs and associates ²⁾	1.9	6.8	–72	22.1	27.0
Net income	1.0	3.6	–73	13.3	15.9
Basic earnings per share, SEK	0.40	1.12	–64	4.46	5.17
EBITDA ²⁾	7.7	10.1	–24	42.6	45.0
Cash flow from operating activities	–2.0	–0.9	115	46.3	47.4
Cash flow from investing activities	–4.2	–11.3	–62	–39.2	–46.2
Gross margin, % ²⁾	18.2	19.3	–5	19.6	19.8
EBIT margin, % ²⁾	2.3	5.0	–53	5.0	5.6
EBIT margin excl. share of income in JVs and associates, % ²⁾	2.3	7.2	–69	5.7	6.8
EBITDA margin, % ²⁾	9.3	10.8	–14	10.9	11.3

1) Non-financial operating metric.

2) Non-IFRS measure (alternative performance measure), see Alternative performance measures on page 27.



Q1 2025: a clear action plan for a turbulent world

Dear shareholders,

It's good to be back at Volvo Cars, even if it's during a challenging time for the company. The world has changed a lot in the last few years and the automotive industry is in the middle of a very difficult period with challenges we have not seen before. Over the last few weeks, I have worked with the management team and other colleagues on a plan to make the company stronger and more resilient.

“While our strategy is clear, we must get better at delivering results. Our direction going forward is focused on three areas: profitability, electrification and regionalisation.”

The current turbulence is reflected in our financial results for the first quarter. The result, though disappointing, was affected by currency effects and the drop in wholesale volumes after we lowered our inventories in Q4 last year. At the same time, we improved our free cash flow, supported by improvements in our working capital as well as the sale of our stake in Lynk & Co. We also continued on our path towards electrification and our fully electric share of 19 per cent in Q1 continued to be the highest among our premium competitors.

A clear direction

While our strategy is clear, we must get better at delivering results. Given the turbulence in the market, we need to further protect our cash flow generation and lower our fixed costs. While we still have a lot to do, our direction going forward is focused on three areas: profitability, electrification and regionalisation.

Profitability: To protect profitability and structural efficiencies on direct and indirect costs, as well as helping to offset external headwinds, we have launched an accelerated cost and cash action plan totalling SEK 18 bn. The majority of the effects from this plan will be realised in 2026.

The plan includes approximately SEK 3 bn in variable cost reductions and efficiencies of around SEK 5 bn in indirect cash spending, half of which will impact EBIT in 2026. Furthermore, the plan includes approximately SEK 10 bn in additional cash actions reducing working capital and capital expenditures during 2025 and 2026.

The reductions in investments are in addition to the already planned lower investments going forward as previously communicated. As part of the action plan, there will be redundancies at our operations around the globe, but we will come back with more details as soon as possible.

Electrification: Second of all, we remain firm on becoming a fully electric car company. It is the fastest growing segment, which is why we have been consistent in pursuing electrification. Despite weakening demand in the wider market, fully electric sales grew by almost 33 per cent in the first two months of 2025. Fully electric car sales outgrew the industry in 2024 as well.

We are a leader in this transition: 43 per cent of our cars sold in the first quarter were electrified, meaning fully electric or plug-in hybrid, and almost a fifth of our cars were fully



electric. The EX90 and ES90 demonstrate that our electric cars are also significantly more software-defined: they are both electric and smart.

At the same time, we are pragmatic. We need a transitional plug-in product for people and locations not yet ready for electric cars. Demand for our plug-ins will remain stronger for longer than we thought three years ago, and we are ready for that.

Regionalisation: Third, we need to adapt to a more regionalised world. This includes a more tailored approach for each region in terms of product, technology, manufacturing and commercial. We will empower our regions to better meet the needs of our customers, ensuring we are more resilient and fit for growth.

We will start by focusing on our strategies for the US and China markets, as priorities. In China, we will adapt faster to the fast-changing auto sector and customer demands, and we are looking into giving a larger operational responsibility to the market. We will soon reveal our first extended range plug-in hybrid in China – a good example of our ability to tailor our products to demands in different markets.

We are also undertaking a strategic restructuring of our operations in the US and have created a new region called Americas. This region includes the US, Canada and our Latin America markets. This further simplifies our global operations into three streamlined regions: Americas, Greater China, and Europe & Rest of the World.

In the US, we will sharpen the product line-up we need for growth and look into how we better can use the existing manufacturing footprint we have there in the coming years – producing more where we sell.

Earlier this month we started production of the EX30 in Ghent, as planned and on time. The EX30 is an important car for us, and this is a key step to become more regional and building where we sell.

Looking ahead

2025 will be a challenging and transition year given the uncertainties around macroeconomic, geopolitical and market developments. As we enter into the year, we see that tougher market conditions and lower volumes combined with increased price pressure and tariff effects are impacting profitability.

Our long-term strategy, foundations for growth and path to improved profitability remain. But given external developments and increased uncertainties, we are no longer providing financial guidance for 2025 and 2026.

We made strong progress in recent years in electrification and we were one of the fastest growing premium car companies in the world. We need to continue in that direction with the right cars, a competitive cost base and increased resilience. This is the first outline of our action plan to navigate these headwinds and build a stronger, more efficient and more valuable Volvo Cars.

Håkan Samuelsson

President and CEO

Quarterly highlights

Volvo Cars to take full ownership of NOVO Energy

On 25 January, a share purchase agreement was signed between Volvo Car Corporation and Northvolt AB with respect to Northvolt AB's shares in NOVO Energy AB. Northvolt has subsequently entered into bankruptcy. Completion of the transaction is subject to required approvals, including from Swedish authorities.

EX30 Cross Country

On 10 February, Volvo Cars unveiled the new Volvo EX30 Cross Country. It is an all-road car that delivers safety, comfort and performance in a capable and adventurous package. It is fully electric, with a range of up to 427 km and zero tailpipe emissions and can be charged from 10–80% in as little as 26 minutes. The Volvo EX30 Cross Country is available to order in selected markets, with deliveries starting later this spring.

Volvo Cars completed the divestment of its 30% shareholding in Lynk & Co

On 14 February, Volvo Cars divested its entire shareholding in Lynk & Co to Zeekr, after approval at an Extraordinary General Meeting of Volvo Cars' shareholders on 6 February 2025 as well as other regulatory approvals. Cash consideration, including interest, received at closing amounted to RMB 3,824 m (SEK 5,637 m) with the remainder RMB 1,639 m, including interest, to be received within one year after closing date.

Volvo Cars revealed the all-new, fully electric Volvo ES90

On 5 March, Volvo Cars revealed the ES90 which is the latest addition to the balanced product portfolio of premium Volvo cars. The ES90 is the second car on the SPA2 platform equipped with a core compute system and built on the Volvo Cars Superset Tech Stack. It is the sixth fully electric model in the line-up, joining the EX90, EM90, EX40, EC40 and EX30 as the journey towards full electrification continues.

Håkan Samuelsson appointed President and CEO

On 30 March, the Board of Directors of Volvo Cars appointed Håkan Samuelsson as President and Chief Executive Officer. Håkan Samuelsson served on the Volvo Cars Board from 2010 and as CEO from 2012 to 2022. Håkan Samuelsson is replacing Jim Rowan, who has served as CEO since March 2022. Jim Rowan stepped down on 31 March, 2025, and left the Volvo Cars Board on the same date. Håkan was elected as a member of the Board by the AGM on 3 April.

Cost and Cash action plan

To protect profitability and structural efficiencies on direct and indirect costs, as well as helping to offset external headwinds, we have launched an accelerated cost and cash action plan totalling SEK 18 bn. The majority of the effects from this plan will be realised in 2026.

The plan includes approximately SEK 3 bn in variable cost reductions and efficiencies of around SEK 5 bn in indirect cash spending, half of which will impact EBIT in 2026. Furthermore, the plan includes approximately SEK 10 bn in additional cash actions reducing working capital and capital expenditures during 2025 and 2026.

The reductions in investments are in addition to the already planned lower investments going forward as previously communicated. As part of the action plan, there will be redundancies at our operations around the globe, but we will come back with more details as soon as possible.

Sustainability

In the first quarter, Volvo Cars maintained a high share of electrified cars of 43% and achieved a 22% reduction in CO₂ emissions per car. Fully electric cars accounted for 19 (21)% during the first quarter. Volvo Cars' ambitions are to reduce CO₂ emissions per car by 30–35% by 2025 and 65–75% by 2030 (compared to a 2018 baseline) and also reaching a share of electrified cars of 50–60% by 2025 and 90–100% by 2030.

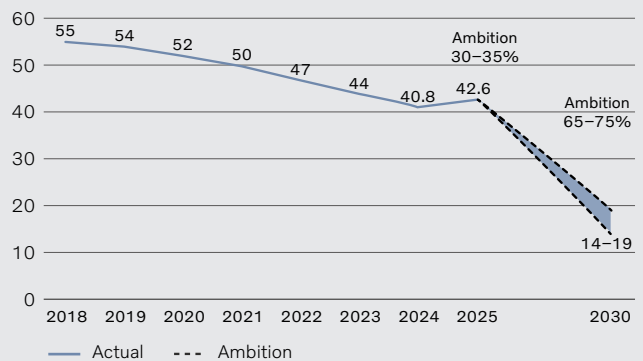
We added EX30 Cross Country and a refreshed XC60, one of the best-selling plug-in hybrids in Europe, to the product line-up. The fully electric Volvo ES90, which is Volvo Cars' next step towards electrifying the fleet and reducing CO₂ emissions across the value chain, was also launched. The new ES90 not only has zero tailpipe emissions but also showcases Volvo Cars' holistic sustainability efforts through climate action, circular economy, and responsible business practices. For example, it includes Volvo Cars' battery passport, using blockchain technology to track raw materials like lithium, cobalt, nickel, and graphite. The battery passport provides information on the CO₂ footprint of the battery pack and supports transparency in sourcing battery materials responsibly. The Life Cycle Assessment (LCA) report of the new ES90 will be published later this year and will include more environmental impact details of the car.

In March, Volvo Cars' new Megacasting building in Torslanda was awarded with a LEED Gold certification – making it the first Megacasting facility in the world to achieve this level of sustainability. This accomplishment reflects Volvo Cars' ongoing commitment to environmental responsibility, energy efficiency, and innovation across all aspects of the operations.

CO ₂ -reduction per car	CO ₂ -emissions per car, tonnes	Reduction, %
2018 ¹⁾	54.9	—
2024 ¹⁾	40.8	26
2025 Q1 ¹⁾	42.6	22.4
2025 ambition ¹⁾	35.7–38.4	30–35
2030 ambition ¹⁾	13.7–19.2	65–75

1) The CO₂-emissions do not include production and distribution of fuel and electricity.

CO₂ reduction (tonnes per car)



First quarter financial summary

SALES AND MARKET DEVELOPMENT

The overall global passenger car market for the first quarter increased by 4% compared to the same period last year but the global premium market decreased by 4%. The market is facing a challenging environment, with soft demand, economic uncertainty and ongoing geopolitical tensions. Demand remains unpredictable with several factors influencing the outcome, such as weaker consumer confidence and new import tariffs that continue to disrupt the industry.

Volvo Cars' retail sales decreased by 6% compared with the first quarter of 2024. The share of BEVs and PHEVs accounted for 43 (41)%, whereof BEV share accounted for 19 (21)% of retail sales. Wholesales decreased by 19% and production declined by 25% compared to the same period last year. The first quarter 2024 was supported by a quick ramp up of the EX30, which boosted both wholesales and production, affecting the comparable number. The high wholesale amount in the fourth quarter 2024 also had a dampening effect on wholesales this quarter. Wholesale for the full year 2025 is expected to be lower than retail deliveries, and the majority of that effect was seen during this first quarter.

Volvo Cars' market share per propulsion type, % ^{1 2)}	Jan–Feb 2025	Jan–Feb 2024
BEV	1.32	1.96
EREV	—	—
PHEV	3.81	4.31
ICE (incl. mild hybrids)	0.71	0.75
Volvo Cars' share of total market	1.00	1.07

Total industry volume share and growth by propulsion type, % ^{1 2)}	Jan–Feb 2025	Growth YoY
BEV	15	32
EREV	1	–13
PHEV	7	18
ICE (incl. mild hybrids)	77	–7
Total	100	–1

1) Volvo Cars is and will continue to be positioned in the premium segment of the automotive market. As the market is transforming with electrification and digitalisation the definition of premium is being redefined. To simplify and to avoid the risk of excluding important parts of the market, market share is reported in relation to the global passenger market.

2) Source: Includes content supplied by S&P Global Mobility Industry Performance in April 2025, capturing more than 85% of total world sales per February. All rights reserved.

Europe

The overall European passenger car market was in line with the same period last year, whereas the premium car market declined with 6%. The overall BEV segment increased by 29% and the PHEV segment increased by 6%. The market is affected by the ongoing geopolitical tensions and weaker consumer confidence.

Volvo Cars' retail sales decreased by 8%. However, the three largest markets (UK, Germany and Sweden) all increased their retail sales compared to the same period last year. The share of BEVs and PHEVs accounted for 61 (61)% of the sales for the quarter, whereof BEV sales accounted for 27 (35)% of retail sales.

China

The total Chinese passenger car market decreased by 5%, whereof the BEV and PHEV (incl. extended range electric vehicles) segments increased by 41% and 33% respectively. The premium segment decreased by 20% compared to the same period last year. Demand for internal combustion engine cars in China continues to decrease, intensifying the competition on electrified cars.

Volvo Cars' retail sales decreased by 12%. BEV and PHEV share combined accounted for 10 (6)% of the sales during the quarter, whereof BEV sales accounted for 2 (2)% of retail sales.

US

The total US passenger car market increased by 4% compared to the same period 2024, whereof the BEV segment increased by 11% and the PHEV segment decreased by 2%. The total US premium market increased by 2% compared to the same period last year. The market is navigating a complex and changing landscape shaped by policy decisions.

Volvo Cars' retail sales increased by 8% compared to the same period last year. BEV and PHEV share combined accounted for 28 (26)% in the quarter, whereof BEV share alone accounted for 8 (3)% of retail sales.

Other markets

Volvo Cars' retail sales in other markets decreased by 3%. The markets with highest retail sales were South Korea, Japan and Canada. The BEV and PHEV share of sales combined in other markets was 50 (40)%, whereof BEV accounted for 30 (22)%.

Sales development per carline

The SUVs, comprising of Volvo Cars' XC and EX models, accounted for 86 (82)% of total sales, driven by the best-selling models XC60 and XC40. During the first quarter, both the EX30 and the EX90 contributed to a year-over-year retail sales increase. The Sedan and Wagon (incl. MPV) segments' share of total sales amounted to 8 (12)% and 6 (6)% respectively.

VOLVO CAR GROUP

	3 Months			12 Months		
	Jan–Mar 2025	Jan–Mar 2024	Δ%	LTM	2024	Δ%
Retail sales, k units						
Europe	82.1	89.7	–8	362.2	369.7	–2
China	33.3	38.0	–12	151.7	156.4	–3
US	33.3	31.0	8	127.6	125.2	2
Other	23.5	24.1	–3	111.4	112.1	–1
Retail sales total	172.2	182.7	–6	752.9	763.4	–1
Electrified cars	74.5	75.0	–1	352.3	352.8	–
<i>whereof BEVs</i>	32.4	38.2	–15	169.5	175.2	–3
Electrified cars share	43%	41%		47%	46%	
<i>whereof BEV share</i>	19%	21%		23%	23%	
Wholesales	160.9	198.4	–19	745.1	782.6	–5
Production volume	176.0	235.5	–25	700.9	760.4	–8

	3 Months			12 Months		
	Jan–Mar 2025	Jan–Mar 2024	Δ%	LTM	2024	Δ%
Top 10 Retail sales by market, k units						
China	33.3	38.0	–12	151.7	156.4	–3
US	33.3	31.0	8	127.6	125.2	2
UK	18.5	13.6	36	71.3	66.4	7
Germany	16.6	15.1	10	63.6	62.0	3
Sweden	10.9	10.7	2	46.4	46.2	–
Poland	5.3	5.0	4	15.1	14.9	2
Netherlands	4.9	8.4	–41	27.2	30.7	–11
Belgium	4.3	6.9	–37	22.6	25.2	–10
Italy	3.7	6.6	–43	19.3	22.1	–13
South Korea	3.5	3.0	17	15.6	15.1	3

	3 Months			12 Months		
	Jan–Mar 2025	Jan–Mar 2024	Δ%	LTM	2024	Δ%
Retail sales by model, k units						
BEV						
EX30	17.3	14.5	19	100.9	98.1	3
EX40	8.9	17.4	–49	44.9	53.4	–16
EC40	3.3	6.0	–45	17.7	20.4	–13
EM90	0.1	0.2	–38	1.5	1.5	–6
EX90	2.8	0.0	N/A	4.6	1.8	154
Non-BEV						
XC60	60.4	56.4	7	234.8	230.9	2
XC40	30.3	29.0	4	121.7	120.5	1
XC90	25.8	26.3	–2	108.2	108.6	–
S60	6.9	10.9	–37	39.9	44.0	–9
S90	6.3	10.8	–41	35.8	40.2	–11
V60	7.6	8.8	–13	33.0	34.1	–3
V90	2.4	2.3	4	10.0	9.9	1
Total	172.2	182.7	–6	752.9	763.4	–1

V60 and V90 include the cross-country versions.

INCOME AND RESULT

The comparative figures refer to the consolidated income statement of the first quarter 2024 if not otherwise stated.

Volvo Cars' revenue amounted to SEK 82.9 (93.9) bn and wholesale volumes decreased by –19% to 160.9 (198.4) thousand cars. The volume impact on revenue amounted to SEK –14.9 bn, partially offset by positive effects from foreign exchange rates explained by a weaker SEK on average over the quarter amounting to SEK 2.1 bn, as well as used car sales. See complete revenue bridge below.

Gross income decreased by –16% to SEK 15.1 (18.1) bn, resulting in a gross margin of 18.2 (19.3)%. The margin was impacted unfavourably by sales mix and pricing, used cars and warranty cost. It was partially offset by material cost savings and manufacturing cost efficiencies. Foreign exchange rate effects in the cost of sales were negative, amounting to SEK –2.1. The net effect of foreign exchange rates in gross income was more or less flat, amounting to SEK 0.1 bn.

Research and development expenses increased by 11% to SEK –4.3 (–3.8) bn, primarily related to a decreased share of total spend that was capitalised. For details regarding research and development expenses, see the research and development table on page 11. Selling expenses decreased –2% to SEK –5.7 (–5.8) bn and administrative expenses decreased –9% to SEK –2.5 (–2.8) bn.

Other operating income and expenses decreased to SEK –0.8 (1.1) bn. The decrease is mainly related to unfavourable foreign exchange rate effects from the valuation of operating assets and liabilities, amounting to SEK –1.7 bn. Share of income in JVs and associates increased to SEK 0.1 (–2.1) bn.

Operating income (EBIT) excluding share of income in JVs and associates, decreased to SEK 1.9 (6.8) bn, corresponding to a margin of 2.3 (7.2)%. EBIT amounted to SEK 1.9 (4.7) bn, resulting in an EBIT margin of 2.3 (5.0)%. The decrease was mainly a consequence of a lower volume, amounting to SEK –3.5 bn, as well as unfavourable exchange rate effects of SEK –1.9 bn. See complete EBIT bridge below.

Net financial items amounted to SEK –0.5 (0.4) bn, primarily driven by market revaluation of investments in Volvo Cars Technology fund and other financial investments. The effective tax rate increased to 33.7 (29.6)%, mainly due to a market mix effect with varying corporate income tax rates. Net income was SEK 1.0 (3.6) bn, representing 1.2 (3.8)% of revenue. Basic earnings per share amounted to SEK 0.40 (1.12).

Changes to Revenue, SEK bn	Jan–Mar
Revenue Q1 2024	93.9
Volume	–14.9
Sales mix and pricing	–0.2
Sale of licences	–0.1
Foreign exchange rates	2.1
Contract manufacturing	–0.1
Other ¹⁾	2.2
Revenue Q1 2025	82.9
Change, %	–12

1) Including used cars, parts and accessories and emission credits.

Changes to Operating income, SEK bn	Jan–Mar
EBIT Q1 2024	4.7
Volume	–3.5
Sales mix and pricing	–1.4
Sale of licences	–0.1
Foreign exchange rates	–1.9
Share of income in JVs and associates ²⁾	2.2
Other ³⁾	1.9
EBIT Q1 2025	1.9
Change, %	–59

2) Positive change mainly due to unrecognised share of Polestar losses.

3) Including material cost savings, manufacturing cost efficiencies, used cars, change in capitalised expenses, depreciations and amortisations and parts and accessories.

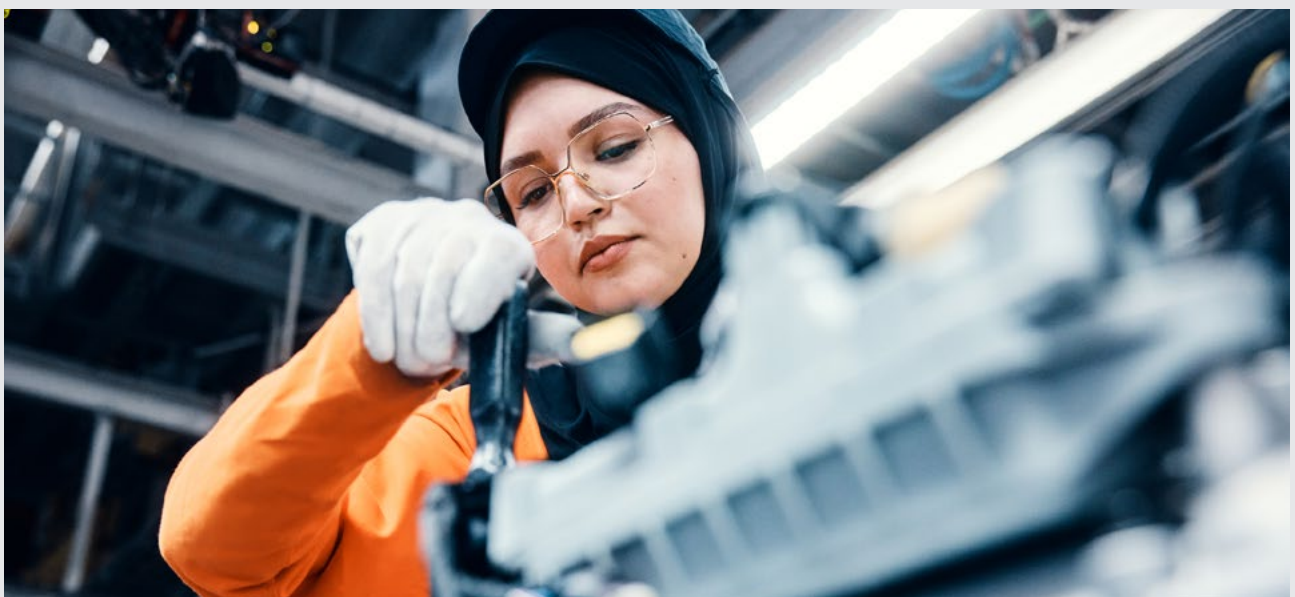
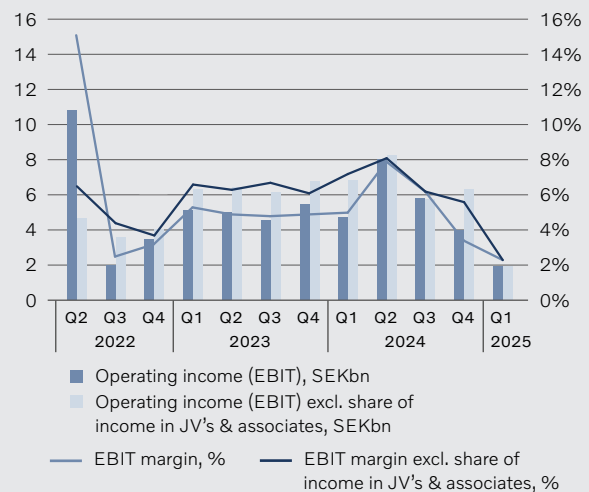
VOLVO CAR GROUP

	3 Months			Full year
	Jan–Mar 2025	Jan–Mar 2024	Δ%	2024
Research and development, SEK m				
Research and development spending	–6,533	–6,404	2.0	–28,308
Capitalised development costs	4,273	4,649	–8.1	18,724
Amortisation of research and development	–1,996	–2,072	–3.7	–7,399
Research and development expenses	–4,256	–3,827	11.2	–16,983

Revenue & Gross Margin



Operating Income (EBIT) & EBIT Margin



CASH FLOW

The comparative figures for the cash flow items refer to the consolidated cash flow statement for the first quarter 2024 unless otherwise stated. The comparative figures for the balance sheet items refer to the consolidated balance sheets of 31 December, 2024 unless otherwise stated.

Total cash and cash equivalents, including marketable securities, amounted to SEK 47.2 (56.4) bn. Net cash was SEK 20.1 (27.1) bn, with the decrease primarily driven by the working capital. Liquidity amounted to SEK 72.8 (88.5) bn, which includes undrawn credit facilities of SEK 25.7 (32.2) bn. The decrease in undrawn credit facilities reflects a drawdown on a credit facility by the European Investment Bank.

Cash flow from operating activities

Cash flow from operating activities amounted to SEK –2.0 (–0.9) bn. The amount comprises operating income of SEK 1.9 (4.7) bn, adjusted for depreciation and amortisation of SEK 5.7 (5.4) bn, along with paid income tax of SEK –0.2 (–0.9) bn.

The change in working capital amounted to SEK –8.1 (–12.1) bn. This was mainly driven by a SEK –7.5 (–13.7) bn change in inventory, which is largely attributable to the normal sales cycle. Additionally, changes in contract liabilities to customers of SEK –3.2 (–1.1) bn, primarily due to provisions related to sales, such as discounts and dealer incentives, which were largely driven by volume. This was partly offset by changes in other working capital assets/liabilities of SEK 4.9 (10.0) bn, largely driven by cars under repurchase contracts.

Cash flow from investing activities

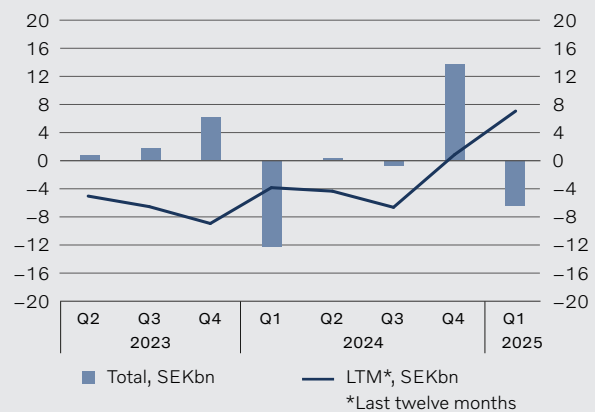
Cash flow from investing activities amounted to SEK –4.2 (–11.3) bn. Cash flow from investments in tangible assets amounted to SEK –5.2 (–5.6) bn, mainly driven by industrial infrastructure investments to support future product development. Investments in intangible assets amounted to SEK –4.7 (–5.1) bn, reflecting ongoing investments in new and upcoming car models, as well as advancements in technol-

ogy, including electrification and Advanced Driver Assistance Systems. The investing activities were partially offset by the initial payment from the divestment of the 30% shareholding in Lynk & Co, which amounted to SEK 5.6 bn.

Cash flow from financing activities

Cash flow from financing activities amounted to SEK –1.2 (–0.3) bn. The changes were primarily due to the repayment of a bond in the amount of SEK –5.7 bn, partially offset by a drawdown on a credit facility by the European Investment Bank amounting to SEK 4.6 bn.

Cash flow from Operating and Investing activities



Cash flow statement, SEK bn	3 Months		Full year
	Jan–Mar 2025	Jan–Mar 2024	
Cash flow from operating activities	–2.0	–0.9	47.4
Cash flow from investing activities	–4.2	–11.3	–46.2
Cash flow from operating and investing activities	–6.3	–12.2	1.1
Cash flow from financing activities	–1.2	–0.3	5.9
Cash flow for the period	–7.4	–12.5	7.0

EQUITY

Total equity increased to SEK 149.8 (142.2) bn, resulting in an equity ratio of 39.6 (36.6)%. The change is mainly attributable to divestment under common control (Lynk & Co) of SEK 4.6 bn, net income of SEK 1.0 bn as well as a positive effect on other comprehensive income of SEK 2.0 bn.

The change in other comprehensive income is related to a foreign exchange translation effect, including hedges of net investments in foreign operations of SEK –2.5 bn (net of

tax). Remeasurements of provisions for post-employment benefits had an effect of SEK 0.7 bn (net of tax). The change in fair value of cash flow hedge reserve related to currency and commodity price risks had a positive effect of SEK 3.8 bn (net of tax). The change in value of cash flow hedges is mainly due to appreciated SEK compared to most of the major currencies and positive effects from increased prices for raw materials.

Other Information

RISKS AND UNCERTAINTY FACTORS

To ensure that Volvo Cars is able to achieve short- and long-term objectives, enterprise risk management is part of daily activities at Volvo Cars. For a more in-depth description of risks related to Volvo Cars, see the Volvo Car Group's Annual Report 2024 page 46. We consider the risk and uncertainty factors to remain the same as described in the annual report except for the following update:

Macroeconomics and geopolitical uncertainty

The uncertain macro and geopolitical environment has intensified, including elevated interest rates, raw material price volatility, ongoing geopolitical complexity leading to new legislations and regulatory changes including on trade, subsidies, tariffs and duties or application of these by relevant authorities. The uncertainties in the financial markets are still high. The risks of further impact on demand from higher interest rate levels and lower consumer confidence, remain at an elevated level.

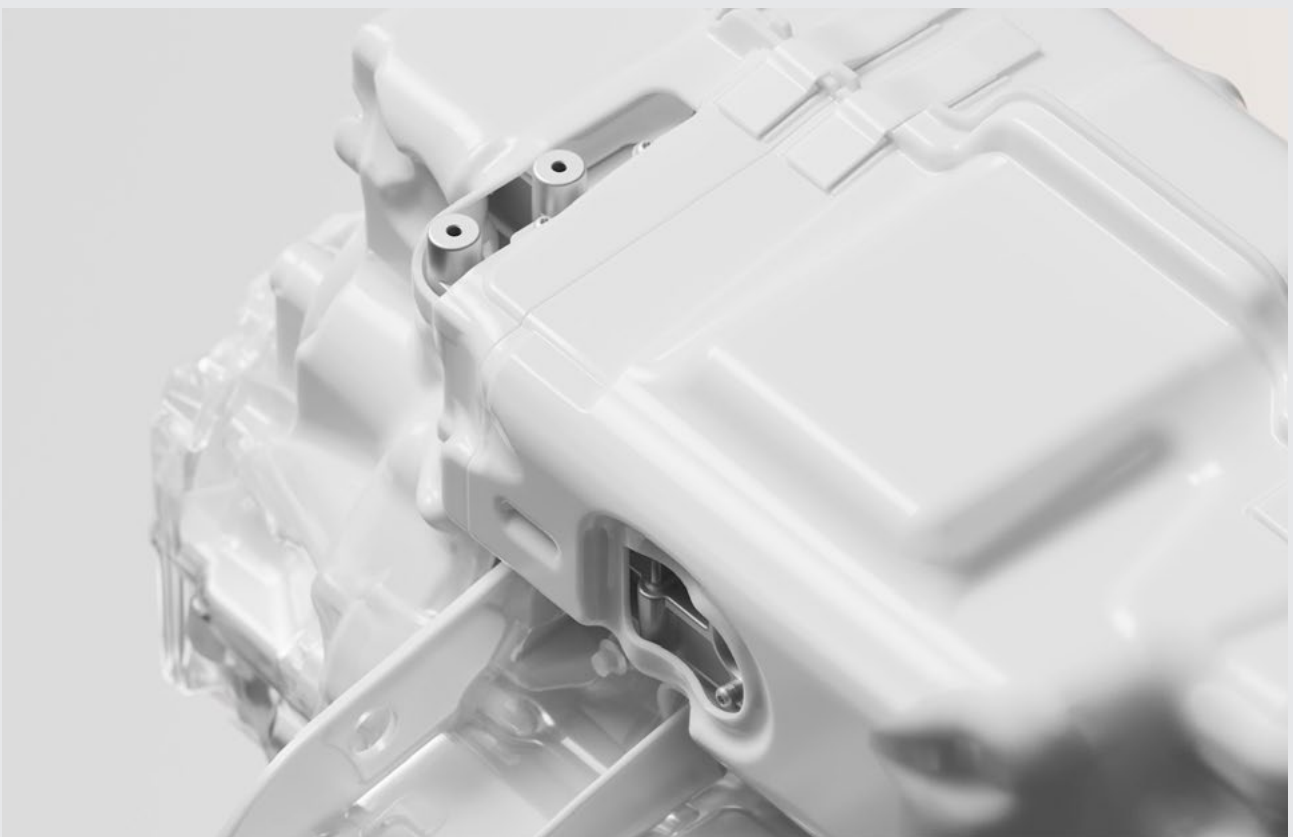
The tariffs announced during the first few months of the year have led to increased uncertainties. Volvo Cars will continue to follow developments closely and take actions accordingly. To what extent Volvo Cars' sales, revenue and profitability will be affected in coming periods remains uncertain.

PARENT COMPANY

The parent company does not conduct any operations and has no employees. The income statements and balance sheets for the parent company are presented on page 25.

EMPLOYEES

During the first three months 2025, Volvo Car Group employed 43.5 (42.0) thousand full-time employees (FTEs) and 3.0 (3.7) thousand agency personnel. The main drivers behind the increase are insourcing of previously bought services and converting consultants, along with the consolidation of NOVO and the ramp-up in Kosice.



VOLVO CAR GROUP



Consolidated Income Statements

SEK m	Note	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
Revenue	2	82,948	93,878	400,234
Cost of sales		–67,855	–75,806	–320,821
Gross income		15,093	18,072	79,413
Research and development expenses		–4,256	–3,827	–16,983
Selling expenses		–5,659	–5,772	–25,409
Administrative expenses		–2,542	–2,784	–12,038
Other operating income and expenses		–762	1,106	2,057
Share of income in joint ventures and associates		65	–2,089	–4,722
Operating income		1,939	4,706	22,318
Interest income and similar credits		463	681	2,190
Interest expenses and similar charges		–232	–444	–1,164
Other financial income and expenses	3	–699	155	–625
Income before tax	4	1,471	5,098	22,719
Income tax		–496	–1,511	–6,785
Net income		975	3,587	15,934
Net income attributable to				
Owners of the parent company		1,204	3,342	15,401
Non-controlling interests		–229	245	533
Basic earnings per share, SEK	5	0.40	1.12	5.17
Diluted earnings per share, SEK	5	0.40	1.12	5.17

Consolidated Comprehensive Income

SEK m	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
Net income for the period	975	3,587	15,934
Other comprehensive income			
<i>Items that will not be reclassified subsequently to income statement:</i>			
Remeasurements of provisions for post-employment benefits	848	1,523	–312
Tax on items that will not be reclassified to income statement	–176	–318	55
<i>Items that have been or may be reclassified subsequently to income statement:</i>			
Translation difference on foreign operations	–3,019	1,578	965
Translation difference of hedge instruments of net investments in foreign operations	606	–443	–316
Change in fair value of cash flow hedge related to currency and commodity price risks	4,815	–2,972	–5,383
Tax on items that have been or may be reclassified to income statement	–1,117	704	1,174
Other comprehensive income, net of income tax	1,957	72	–3,817
Total comprehensive income for the period	2,932	3,659	12,117
Total comprehensive income attributable to			
Owners of the parent company	3,550	3,238	11,285
Non-controlling interests	–618	421	832
	2,932	3,659	12,117

Consolidated Balance Sheets

SEK m	Note	31 Mar 2025	31 Dec 2024
ASSETS			
Non-current assets			
Intangible assets		86,177	83,781
Tangible assets		102,343	107,124
Investments in joint ventures and associates	4	6,714	8,998
Other long-term securities holdings	3,4	11,566	12,753
Deferred tax assets ¹⁾		11,120	12,260
Other non-current interest-bearing receivables		1,644	1,440
Non-current derivative assets	3	1,338	283
Other non-current assets ¹⁾		3,011	2,984
Total non-current assets		223,913	229,623
Current assets			
Inventories		64,876	62,455
Accounts receivable	4	23,554	22,780
Current tax assets		1,403	1,854
Current derivative assets	3	2,227	485
Other current assets		15,174	14,665
Cash and cash equivalents	3	47,181	56,373
Total current assets		154,415	158,612
TOTAL ASSETS		378,328	388,235
EQUITY & LIABILITIES			
Equity			
Equity attributable to owners of the parent company		145,690	137,461
Non-controlling interests		4,120	4,738
Total equity		149,810	142,199
Non-current liabilities			
Provisions for post-employment benefits		7,177	8,111
Deferred tax liabilities		11,812	11,080
Other non-current provisions		9,515	9,501
Liabilities to credit institutions	3	8,249	3,885
Non-current bonds	3	16,418	18,826
Non-current contract liabilities to customers		10,077	10,755
Other non-current interest-bearing liabilities		5,630	7,745
Non-current derivative liabilities	3	428	1,252
Other non-current liabilities	4	5,657	5,298
Total non-current liabilities		74,963	76,453
Current liabilities			
Provisions, current		11,040	11,379
Liabilities to credit institutions	3	1,087	1,059
Current bonds	3	1,499	5,723
Current contract liabilities to customers		28,697	34,997
Accounts payable	3,4	53,203	56,479
Current tax liabilities		2,330	1,246
Other current interest-bearing liabilities		2,356	2,490
Current derivative liabilities	3	1,283	2,890
Other current liabilities	4	52,060	53,320
Total current liabilities		153,555	169,583
TOTAL EQUITY & LIABILITIES		378,328	388,235

1) In the first quarter 2025, Volvo Cars has adjusted the presentation of certain unused tax credits in the US resulting in a reclass of SEK 1,165 (1,278) m to more accurately reflect the nature of these items.

Consolidated Statement of Changes in Equity

SEK m	31 Mar 2025	31 Dec 2024
Opening balance	142,199	130,485
Net income for the period	975	15,934
Other comprehensive income, net of income tax	1,957	-3,817
Total comprehensive income	2,932	12,117
Transactions with owners		
Capital contribution from non-controlling interests	—	3
Divestment of non-controlling interest ¹⁾	—	-210
Divestment of joint venture under common control ²⁾	4,656	—
Distribution of shares ³⁾	3	-90
Acquisition of treasury shares	—	-190
Issue of treasury shares	28	67
Share-based payments	-8	17
Transactions with owners	4,679	-403
Closing balance	149,810	142,199
Attributable to		
Owners of the parent company	145,690	137,461
Non-controlling interests	4,120	4,738
Closing balance	149,810	142,199

1) Refers to the divestment of non-controlling interest in HaleyTek AB.

2) Refers to the divestment of the joint venture company Lynk & Co Automotive Technology Co., Ltd. For further information, see Note 4 – Related party transactions.

3) Refers to distribution of Polestar shares.

Consolidated Statement of Cash Flows

SEK m	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
OPERATING ACTIVITIES			
Operating income	1,939	4,706	22,318
Depreciation and amortisation of non-current assets	5,739	5,418	22,730
Dividends received from joint ventures and associates	6	3	213
Interest and similar items received	463	681	2,190
Interest and similar items paid	–266	–715	–1,623
Other financial items	–1,059	–694	–836
Income tax paid	–225	–869	–4,448
Adjustments for other non-cash items	–532	2,674	2,754
	6,065	11,204	43,298
Movements in working capital			
Change in inventories	–7,473	–13,664	–2,757
Change in accounts receivable	–3,387	–6,670	–1,386
Change in accounts payable	–105	–1,667	–7,539
Change in provisions	1,228	969	–1,905
Change in contract liabilities to customers	–3,199	–1,100	8,709
Change in other working capital	4,854	9,991	8,952
Cash flow from movements in working capital	–8,082	–12,141	4,074
Cash flow from operating activities	–2,017	–937	47,372
INVESTING ACTIVITIES			
Investments in shares and participations	–33	–546	–1,901
Divestment of shares and participations	5,637	—	–217
Loans to affiliated companies	—	–45	–75
Investments in intangible assets	–4,728	–5,139	–19,774
Investments in tangible assets	–5,223	–5,572	–25,259
Disposal of tangible assets	109	38	981
Cash flow from investing activities	–4,238	–11,264	–46,245
Cash flow from operating and investing activities	–6,255	–12,201	1,127
FINANCING ACTIVITIES			
Proceeds from credit institutions	4,632	116	199
Proceeds from bond issuance	—	—	5,857
Acquisition of treasury shares	—	—	–190
Repayment of bond	–5,732	—	–6,936
Repayment of liabilities to credit institutions	–60	–188	–862
Repayment of interest-bearing liabilities	–547	–420	–2,053
Matured marketable securities	—	288	10,269
Other	546	–140	–368
Cash flow from financing activities	–1,161	–344	5,916
Cash flow for the period	–7,416	–12,545	7,043
Cash and cash equivalents at beginning of period	56,373	47,861	47,861
Exchange difference on cash and cash equivalents	–1,776	737	1,469
Cash and cash equivalents at end of period	47,181	36,053	56,373

NOTE 1 – Accounting policies

This interim report has been prepared in accordance with IAS 34 – Interim Financial Reporting and the Swedish Annual Accounts Act (1995:1554), with the required disclosures made in the notes to the financial statements and elsewhere in the interim report. The Volvo Car Group applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. The parent company applies RFR 2 – Reporting for legal entities and the Swedish Annual Accounts Act. The accounting principles in this report are, in all material aspects, consistent with those described in Volvo Car Group's Annual Report 2024 (available at investors.volvocars.com).

The IASB has published amendments to standards effective on or after 1 January 2025. These amendments have not had a material impact on the financial statements.

Material accounting policies & Critical accounting estimates and judgements

Consolidation of NOVO Energy AB and its subsidiaries

On 30 October 2024, Volvo Car Corporation assessed it had gained control of NOVO Energy AB from an accounting perspective following the notification to Northvolt AB of Volvo Cars intent to redeem Northvolt AB's shares in NOVO Energy AB. On 25 January 2025, a share purchase agreement was signed between Volvo Car Corporation and Northvolt AB with respect to Northvolt AB's shares in NOVO Energy AB. Northvolt has subsequently entered into bankruptcy. Completion of the transaction is subject to required approvals, including from Swedish authorities. Under current plans, approval and transaction completion may occur during the second quarter 2025.

NOTE 2 – Revenue

Revenue allocated to geographical regions

SEK m	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
Europe	44,924	51,555	208,914
of which Germany	8,531	7,401	30,795
of which Sweden ¹⁾	8,473	9,484	48,096
of which United Kingdom	8,212	5,935	30,438
US	15,328	15,182	69,496
China	12,127	14,901	63,682
Other markets	10,569	12,240	58,142
of which Japan	1,614	1,359	6,043
of which Turkey	1,252	1,810	8,051
Total	82,948	93,878	400,234

1) Includes the Contract manufacturing sales channel.

Revenue allocated to category

SEK m	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
Sales of new cars	60,008	73,937	303,880
Sales of used cars	6,878	5,171	27,403
Sales of parts and accessories	9,774	9,487	38,497
Revenue from subscription, leasing and rental business	1,459	1,336	6,709
Sales of licences and royalties	154	251	647
Contract manufacturing	1,999	1,992	13,151
Emissions credits	15	185	994
Other revenue	2,661	1,519	8,953
Total	82,948	93,878	400,234

Timing of revenue recognition

SEK m	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
At the point of delivery	80,047	91,177	388,210
Over the contract term	2,901	2,701	12,024
Total	82,948	93,878	400,234

NOTE 3 – Financial instruments

Valuation principles and classification of financial instruments, as described in the Volvo Car Group's Annual Report 2024, Note 19 – Financial instruments and financial risks and Note 20 – Marketable securities and cash and cash equivalents, have been applied consistently throughout the reporting period.

The table below presents financial instruments by category and measurement level.

		31 Mar 2025		31 Dec 2024	
	Measure- ment level	Carrying value	Fair value	Carrying value	Fair value
Financial assets carried at fair value					
Other securities holdings		11,566	11,566	12,753	12,753
<i>of which convertible loan¹⁾</i>	2	10,261	10,261	11,261	11,261
<i>of which equity instruments</i>	3	1,287	1,287	1,473	1,473
<i>of which equity instruments</i>	1	18	18	19	19
Non-current and current derivative assets		3,565	3,565	768	768
<i>of which currency derivatives – designated hedging instruments</i>	2	2,922	2,922	214	214
<i>of which commodity derivatives – designated hedging instruments</i>	2	379	379	229	229
<i>of which currency derivatives – not designated hedging instruments</i>	2	96	96	117	117
<i>of which interest rate swap derivatives</i>	2	168	168	208	208
		15,131	15,131	13,521	13,521
Financial assets carried at amortised cost					
Accounts receivables	—	23,554	23,554	22,780	22,780
Other interest-bearing assets, non-current and current ²⁾	—	4,447	4,457	2,167	2,179
Time deposits in banks	—	11,403	11,414	16,509	16,526
<i>of which cash and cash equivalents</i>	—	11,403	11,414	16,509	16,526
Cash and cash equivalents	—	35,778	35,778	39,864	39,864
		75,182	75,203	81,320	81,349
Financial liabilities carried at fair value					
Non-current and current derivative liabilities		1,711	1,711	4,142	4,142
<i>of which currency derivatives – designated hedging instruments</i>	2	737	737	2,160	2,160
<i>of which commodity derivatives – designated hedging instruments</i>	2	691	691	1,206	1,206
<i>of which currency derivatives – not designated hedging instruments</i>	2	154	154	625	625
<i>of which interest rate swap derivatives</i>	2	129	129	151	151
Financial liabilities carried at amortised cost					
Accounts payable	—	53,203	53,203	56,479	56,479
<i>of which accounts payable under supplier financing programmes</i>	—	4,205	4,205	3,458	3,458
<i>of which suppliers received payment from financial institution</i>	—	3,738	—	2,885	—
Non-current and current bonds and liabilities to credit institutions ³⁾	—	27,253	28,060	29,493	30,242
Other interest-bearing liabilities, non-current and current ⁴⁾	—	20,945	20,945	18,217	18,217
		101,401	102,208	104,189	104,938

1) The value of the conversion option connected to the convertible loan receivable to the Polestar Group is nil.

2) Includes items presented as Other current assets in the balance sheet, amounting to SEK 2,803 (727) m.

3) The carrying amount of the bonds, includes a fair value adjustment amounting to SEK 197 (235) m, which relates to fair value hedging.

4) Includes the repurchase value obligation on cars sold with repurchase commitment which are presented as Other non-current and current liabilities in the balance sheet amounting to SEK 20,063 (17,241) m.

Other security holdings

Investments in equity instruments, presented as Other securities holding, are traded infrequently. To estimate their fair value, Volvo Cars uses certain unobservable inputs. These equity instruments, classified under level 3 of the fair value hierarchy, are measured using the market approach. The primary valuation technique for unlisted equity instruments is based on the most recent transaction for the specific company. If certain changes in circumstances occur between the transaction date and the balance sheet date that would materially impact on the fair value, the carrying value is adjusted accordingly.

Equity instruments such as unlisted warrants, also measured under level 3 of the fair value hierarchy, are valued using the Black-Scholes model. When measuring these unlisted warrants, the most critical judgments involve assessing whether Volvo Cars will meet the vesting criteria and the timing of such fulfillment, as well as evaluating the risk-free interest rate and the volatility of the underlying share price. Earn-out rights, also measured under level 3 of the fair value hierarchy, are valued using assumptions for probability and timing for earn-out payments, contingent on future performance targets being achieved.

The table below presents the movements within Level 3, fair value hierarchy.

	31 Mar 2025	31 Dec 2024
	Equity instruments	Equity instruments
Opening balance	1,473	1,507
Additions- purchases/share issue	33	100
Changes in fair value	-97	-163
<i>of which recognised in Other financial income and expenses</i>	-97	414
<i>of which recognised in Share of income in joint ventures and associates</i>	—	-577
Exchange rate differences	-122	29
Closing balance	1,287	1,473

NOTE 4 – Related party transactions

Volvo Car Group has a close collaboration with its Related parties. The main part of the transactions is related to sales and purchases of cars, licences of technology and purchases of components. Related parties include companies outside the Volvo Car Group, but within the Geely sphere of companies as well as other companies, such as associates and joint ventures. All transactions with related parties are performed at arm's length.

Significant events and agreements with related parties during the first quarter

On 14 February, Volvo Cars divested its 30% shareholding in Lynk & Co Automotive Technology Co., Ltd to Zhejiang Zeekr Intelligent Technology Co., Ltd., after approval at an Extraordinary General Meeting of Volvo Cars' shareholders on 6 February 2025 as well as other regulatory approvals. Cash consideration, including interest, received at closing amounted to RMB 3,824 m (SEK 5,637 m) with the remaining part RMB 1,639 m, including interest, to be received within a year after closing date. The capital gain, recognised directly in equity due to divestment under common control, amounted to RMB 3,144 (SEK 4,656 m), including tax cost relating to the transaction which amounts to RMB 803 m and will be paid to local tax authorities during the second quarter 2025.

Transactions with related parties

Related party transactions are specified in the below tables. The nature of significant transactions with related parties are provided in Note 4 – Related party transactions in the Annual Report 2024.

Sales of goods, services and other

SEK m	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
Related companies ¹⁾²⁾	2,909	2,937	17,918
<i>of which Polestar Automotive Holding UK Group</i>	2,485	2,643	15,402
<i>of which Ningbo Fuhong Auto Sales Co., Ltd</i>	227	121	1,783
Joint ventures and associated companies	2,344	1,488	11,821
<i>of which Volvo Car Financial Services UK Ltd</i>	1,935	1,151	7,686

Purchases of goods, services and other

SEK m	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
Related companies ¹⁾²⁾	–8,146	–17,204	–54,451
<i>of which Powertrain Engineering Sweden AB</i>	–3,493	–4,062	–13,125
<i>of which Zhejiang Geely Automobile Co., Ltd</i>	–2,178	–10,329	–28,497
<i>of which Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd</i>	–778	–867	–3,933
<i>of which Geely Changxing Automatic Transmission Co., Ltd</i>	–505	–379	–1,795
<i>of which Viridi E-Mobility Technology (Ningbo) Co., Ltd</i>	–281	–379	–1,481
<i>of which Zhejiang Haoqing Automobile Manufacturing Co., Ltd</i>	–22	–322	–1,995
Joint ventures and associated companies	–263	–682	–2,262

SEK m	Receivables ³⁾		Payables ³⁾	
	31 Mar 2025	31 Dec 2024	31 Mar 2025	31 Dec 2024
Related companies ¹⁾²⁾	21,037	23,077	11,463	12,679
Joint ventures and associated companies	1,907	1,801	607	716

1) Related companies refer to entities that belong to the Geely sphere of companies. Joint ventures and associated companies within the Geely sphere are presented as related companies.

2) Including contract manufacturing.

3) Non-current part of receivables amounts to SEK 12,090 (13,120) m. Non-current part of payables amounts to SEK 1 (1) m.

NOTE 5 – Earnings per share

	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
Basic earnings per share, SEK m			
Net income attributable to owners of the parent company	1,204	3,342	15,401
Net income attributable to owners of ordinary shares in the parent company	1,204	3,342	15,401
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,974,883,386	2,979,524,179	2,977,042,500
Basic earnings per share, SEK	0.40	1.12	5.17

	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
Diluted earnings per share, SEK m			
Net income in basic earnings per share	1,204	3,342	15,401
Net income in diluted earnings per share	1,204	3,342	15,401
Weighted average number of ordinary shares outstanding, basic ¹⁾	2,974,883,386	2,979,524,179	2,977,042,500
Dilutive effect for share-based payment programmes	1,664,488	1,444,869	1,135,042
Weighted average number of ordinary shares outstanding, diluted	2,976,547,874	2,980,969,048	2,978,177,542
Diluted earnings per share, SEK	0.40	1.12	5.17

1) The weighted average number of outstanding shares takes into account the weighted average effect of changes in treasury shares during the period.

NOTE 6 – Significant events after the period

To protect profitability and structural efficiencies on direct and indirect costs, Volvo Cars launched an accelerated cost and cash action plan totalling SEK 18 bn in late April. The majority of effects from the plan will be realised in 2026.

The plan includes approximately SEK 3 bn in variable cost reductions and efficiencies of around SEK 5 bn in indirect cash spending, half of which will impact EBIT in 2026. Furthermore, the plan includes approximately SEK 10 bn in additional cash actions reducing working capital and capital expenditures during 2025 and 2026.

Details of the cost and cash action plan to reach the set targets are currently in progress. There are no financial effects in the first quarter.

The section Risks and uncertainty factors on page 13 contains information on Volvo Cars' assessments of the global environment on the Group.

Condensed Parent Company Income Statements

SEK m	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Administrative expenses	-8	-12	-41
Operating loss	-8	-12	-41
Interest income and similar credits	339	442	1,587
Interest expenses and similar charges	-227	-233	-1,011
Other financial income and expenses ¹⁾	-7	-6	6,500
Income before tax	97	191	7,035
Income tax	-31	-39	-583
Net income	66	152	6,452

1) Dividend of SEK 4,000 m and group contribution of SEK 2,525 m was received from subsidiary in December 2024.

Other comprehensive income and net income are consistent, since there are no items in other comprehensive income.

Condensed Parent Company Balance Sheets

SEK m	31 Mar 2025	31 Dec 2024
ASSETS		
Non-current assets	39,725	42,201
Current assets	18,759	22,874
TOTAL ASSETS	58,484	65,075
EQUITY & LIABILITIES		
Equity		
Restricted equity	61	61
Non-restricted equity	36,973	36,884
Total equity	37,034	36,945
Non-current liabilities	19,189	21,665
Current liabilities	2,261	6,465
Total liabilities	21,450	28,130
TOTAL EQUITY & LIABILITIES	58,484	65,075

GENERAL DEFINITIONS

Volvo Cars and Volvo Car Group

Volvo Car AB (publ.) together with its wholly-owned subsidiary Volvo Car Corporation and its subsidiaries are jointly referred to as “Volvo Car Group” or “Volvo Cars”.

Volvo Car AB (publ.), with its registered office in Gothenburg, Sweden, is a publicly listed company on the Nasdaq Stockholm Stock Exchange (traded under the ticker VOLCAR). The largest owner, holding 78.65% of shares and capital, is Geely Sweden Holdings AB, owned by Shanghai Geely Zhaoyuan International Investment Co., Ltd., registered in Shanghai, China, and ultimately owned by Zhejiang Geely Holding Group Ltd., registered in Hangzhou, China.

Volvo Car AB (publ.) holds shares in its subsidiary Volvo Car Corporation and provides the Group with certain financing solutions. Volvo Car AB (publ.), indirectly through Volvo Car Corporation and its subsidiaries, operates in the automotive industry with business relating to design, development, manufacturing, marketing and sale of cars and thereto related services.

Associated companies

Associated companies are companies in which Volvo Car Group has a significant but not controlling influence, which generally is when Volvo Car Group holds between 20% and 50% of the shares.

Joint venture companies (JVs)

Joint ventures refer to companies in which Volvo Car Group, through contractual cooperation together with one or more parties, has joint control over the operational and financial management and has rights to the net assets of the arrangement.

Retail sales

Retail sales refer to sales to end customers (including a portion of cars used as customer loaner and demo cars) and is a relevant measure of the demand for Volvo Cars from an end customer point of view.

Wholesales

Wholesales refer to new car sales to dealers and other customers including rentals.

Europe

Europe is defined as EU (European Union) + EFTA (European Free Trade Association) + UK (United Kingdom).

Passenger cars

Passenger cars are vehicles with at least four wheels, used for the transport of passengers, and comprising no more than eight seats in addition to the driver's seat.

Extended range electric vehicle (EREV)

EREV cars are cars charged by plug-in but also have a small gasoline engine that charges the battery while driving, which increases driving range.

Battery Electric Vehicles (BEV)

BEV cars include all vehicles which are 100% fully electrified cars.

Non Battery Electric Vehicles (Non-BEV)

Non-BEV cars include all vehicles which are not 100% fully electrified cars (BEV). For Volvo Cars, it includes Plug-in hybrid electric vehicles (PHEV), mild hybrid (MHEV) and internal combustion engine cars (ICE).

Electrified cars

Electrified cars include 100% fully electric cars, the same as the Battery Electric Vehicles (BEV), and Plug-in hybrid electric vehicles (PHEV), in both petrol and diesel with a cord for charging.

ICE

Internal combustion engine, including all powertrain types except Plug-in hybrid electric vehicles (PHEV) and fully electric vehicles (BEV).

MHEV

Mild hybrid electric vehicle utilises both a gas engine and an electric motor. The MHEV is used to start the engine and brake or slow the car, thereby recovering brake energy that is stored in the 48V battery.

Agency personnel

Agency personnel is referred to as specific competence that is sourced externally and assigned to meet fluctuating business resource needs.

Contract manufacturing

A business model in which a third-party company is contracted for the production of goods or components over a specified contract period.

Repurchase cars

Cars under repurchase agreement are cars such as company cars and cars sold to rental companies. These cars are sold under a contract with a commitment (the right or obligation to buy back the car).

Alternative performance measures presented by Volvo Car Group

The alternative performance measures presented and disclosed in this interim report are used internally by management in conjunction with IFRS measures to measure performance and make decisions regarding the future direction of the business. The Group believes that these alternative performance measures, when provided in combination with reported IFRS measures, provide helpful supplementary information for investors. These alternative performance measures are not a substitute for or superior to IFRS measures and should be used in conjunction with reported IFRS measures. Further, these alternative performance measures, as defined by the Group, may not be comparable to other similarly titled measures used by other groups.

Volvo Cars has applied the guidelines from ESMA (European Securities and Markets Authority) regarding alternative key figures (APMs, Alternative performance measures). Although these key figures are not defined or specified according to IFRS, they provide the valuable supplementary information to investors and the company's management regarding the company's performance.

Gross margin

Gross margin is defined as Gross income as a percentage of revenue. Gross margin presents the per cent of revenue that Volvo Cars retains after incurring the direct costs associated with producing the goods and services sold.

EBIT

EBIT is defined as net income excluding financial income and expenses, interest income and expenses and income taxes, representing the operating income as reported in the income statement. EBIT presents the operating income of Volvo Car Group.

EBIT margin

EBIT margin is defined as EBIT as a percentage of revenue. The EBIT margin presents the profitability of the operation in relation to the recognised revenue earned by Volvo Car Group during the accounting period.

EBIT excl. share of income in JVs & associates

EBIT excl. share of income in JVs & associates is defined as EBIT less the result from share of income in JVs & associates. This presents the profitability of the operation excluding share of income in JVs & associates during the accounting period.

EBIT margin excl. share of income in JVs & associates

EBIT margin excl. share of income in JVs & associates is also presented as a percentage of revenue. The margin presents the profitability of the operation excluding share of income in JVs & associates in relation to the recognised revenue earned by Volvo Car Group during the accounting period.

EBITDA

EBITDA is defined as EBIT excluding depreciation and amortisation of non-current assets. EBITDA presents an overview of the profitability of Volvo Car Group operations.

EBITDA margin

EBITDA margin is EBITDA as a percentage of revenue. The EBITDA margin presents the profitability of the operation in relation to the recognised revenue earned by the Group during the accounting period.

Net cash

Net cash is defined as cash, cash equivalents and marketable securities less liabilities to credit institutions and bonds. Net cash represents Volvo Car Group's ability to meet its financial obligations.

Liquidity

Liquidity is defined as cash, cash equivalents, undrawn credit facilities and marketable securities.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures are presented in SEK m unless otherwise stated.

The reconciliations of the respective key figures against the most directly reconcilable item in the financial statements can be found at: investors.volvocars.com/en/results-and-reports/results-centre

SEK m	Jan–Mar 2025	Jan–Mar 2024	Full year 2024
Revenue	82,948	93,878	400,234
Cost of sales	–67,855	–75,806	–320,821
Research and development expenses	–4,256	–3,827	–16,983
Operating income (EBIT)	1,939	4,706	22,318
EBIT excl. share of income in JVs & associates	1,874	6,795	27,040
Net income	975	3,587	15,934
EBITDA	7,678	10,124	45,048
Gross margin, %	18.2	19.3	19.8
EBIT margin, %	2.3	5.0	5.6
EBIT margin excl. share of income in JVs & associates, %	2.3	7.2	6.8
EBITDA margin, %	9.3	10.8	11.3

Gothenburg, 29 April 2025

Håkan Samuelsson
President and CEO

This report has not been subject to review by Volvo Car AB's auditors.

CONTACT

Analysts and investors

John Hernander
Head of Investor Relations
+46 31-793 94 00
investors@volvocars.com

Journalists and media

Volvo Cars Media Relations
+46 31-59 65 25
media@volvocars.com



FINANCIAL CALENDAR & CONFERENCE CALL

Webcast and conference call

At 08:00 CET on 29 April, President & CEO Håkan Samuelsson and CFO Fredrik Hansson will host a livestream for media, investors and analysts.

Link:

live.volvocars.com

For those tuning in from China, please use this link:

live.volvocars.com.cn

To call in, participants need to register and will then receive the dial-in details and individual PIN. [Link to register.](#)

Upcoming investor events

17 July 2025: Q2 2025 report

23 October 2025: Q3 2025 report

5 February 2026: Q4 2025 report

ABOUT THIS REPORT

FORWARD LOOKING STATEMENTS

This report contains statements concerning, among other things, Volvo Car Group's financial condition and results of operations that are forward-looking in nature. Such statements are not historical facts but, rather, represent Volvo Car Group's future expectations. Volvo Car Group believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions. However, forward-looking statements involve inherent risks and uncertainties, and a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Such important factors include but may not be limited to: Volvo Car Group's market position, growth in the automotive industry, and the effects of competition and other economic, business, competitive and/or regulatory factors affecting the business of Volvo Car Group, its associated companies and joint ventures, and the automotive industry in general. Forward-looking statements speak only as of the date they were made and, other than as required by applicable law, Volvo Car Group undertakes no obligation to update any of them in light of new information or future events.

Language

In the event of inconsistency or discrepancy between the English and the Swedish version of this publication, the Swedish version shall prevail.

Totals and roundings

Totals quoted in tables and statements may not always be the exact sum of the individual items because of rounding differences. The aim is that each line item should correspond to its source, and rounding differences may therefore arise.

V O L V O

