GEELY

GEELY SWEDEN HOLDINGS AB

ANNUAL REPORT 2025



With strong focus on mobility, technology development and new business models



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Geely Sweden Holdings' formal Annual Report is presented on pages 13–72 and 75–84 and has been audited by the Group's auditors.



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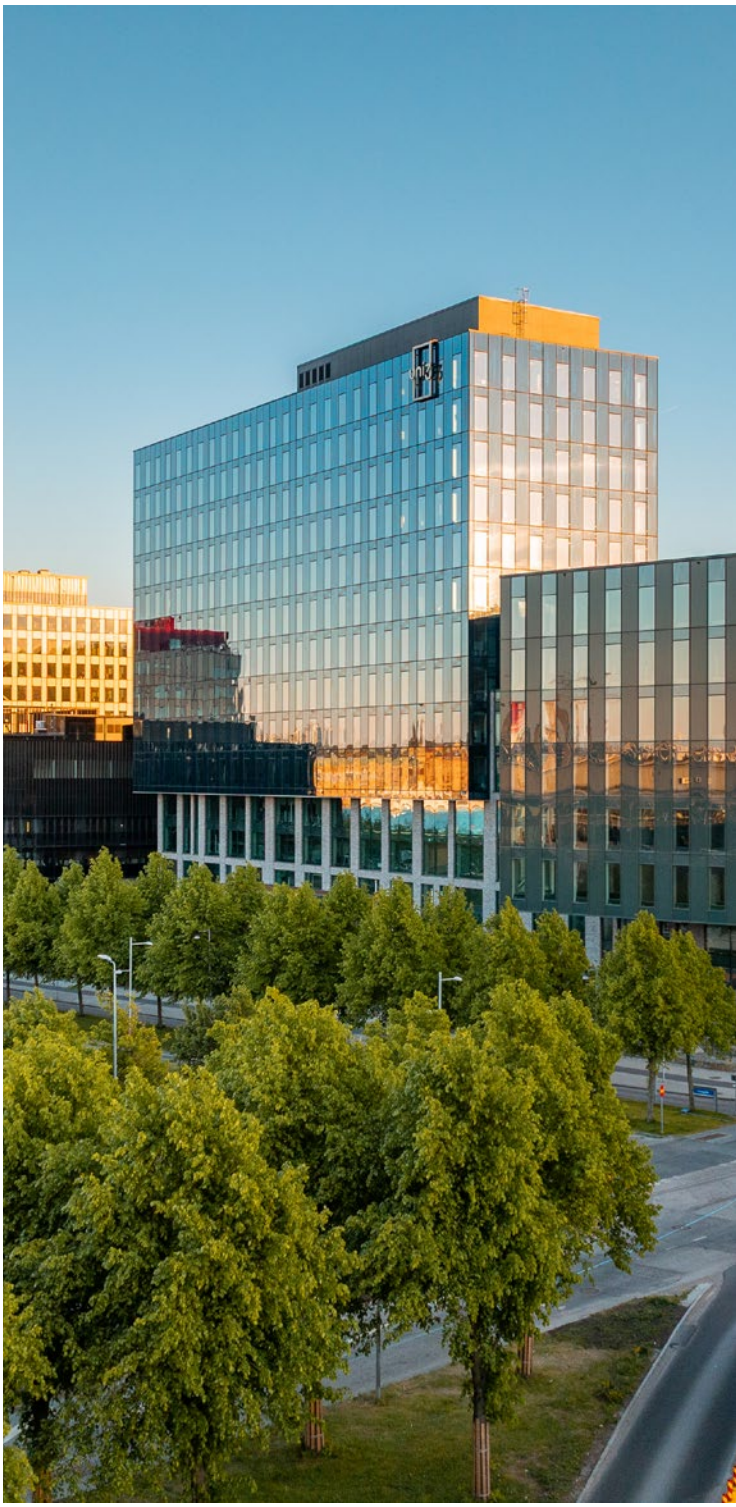
This is Geely Sweden Holdings

In Europe, Zhejiang Geely Holding Group (Geely Holding) is represented by Geely Sweden Holdings AB (Geely Sweden), which is responsible for managing and developing the majority of Geely Holding's investments. Geely Sweden's operations focus on mobility technology and the financial sector, and it plays a central role in overseeing and developing these strategic investments on behalf of its shareholders. Through a portfolio of carefully selected companies, Geely Sweden contributes to an innovative and dynamic industrial ecosystem. Geely Sweden is ultimately owned by Geely Holding, a privately owned industrial conglomerate headquartered in Hangzhou, China. Founded in 1986 by the Chairman of the Board, Eric Li, Geely Holding has evolved into a global group, particularly in the automotive sector, where it established its presence in 1997. Strategic focus areas include clean technologies, automation, mobility services and digital connectivity.

Geely Holding has established R&D and design centres globally in Shanghai, Hangzhou, Ningbo, Gothenburg, Coventry, California, and Frankfurt employing more than 30,000 people and holding more than 14,000 patents. Geely Holding operates world-class vehicle and powertrain manufacturing plants in China, the US, the UK, Sweden, Belgium and Malaysia, and has a global sales and service network with more than 4,000 retail partners.

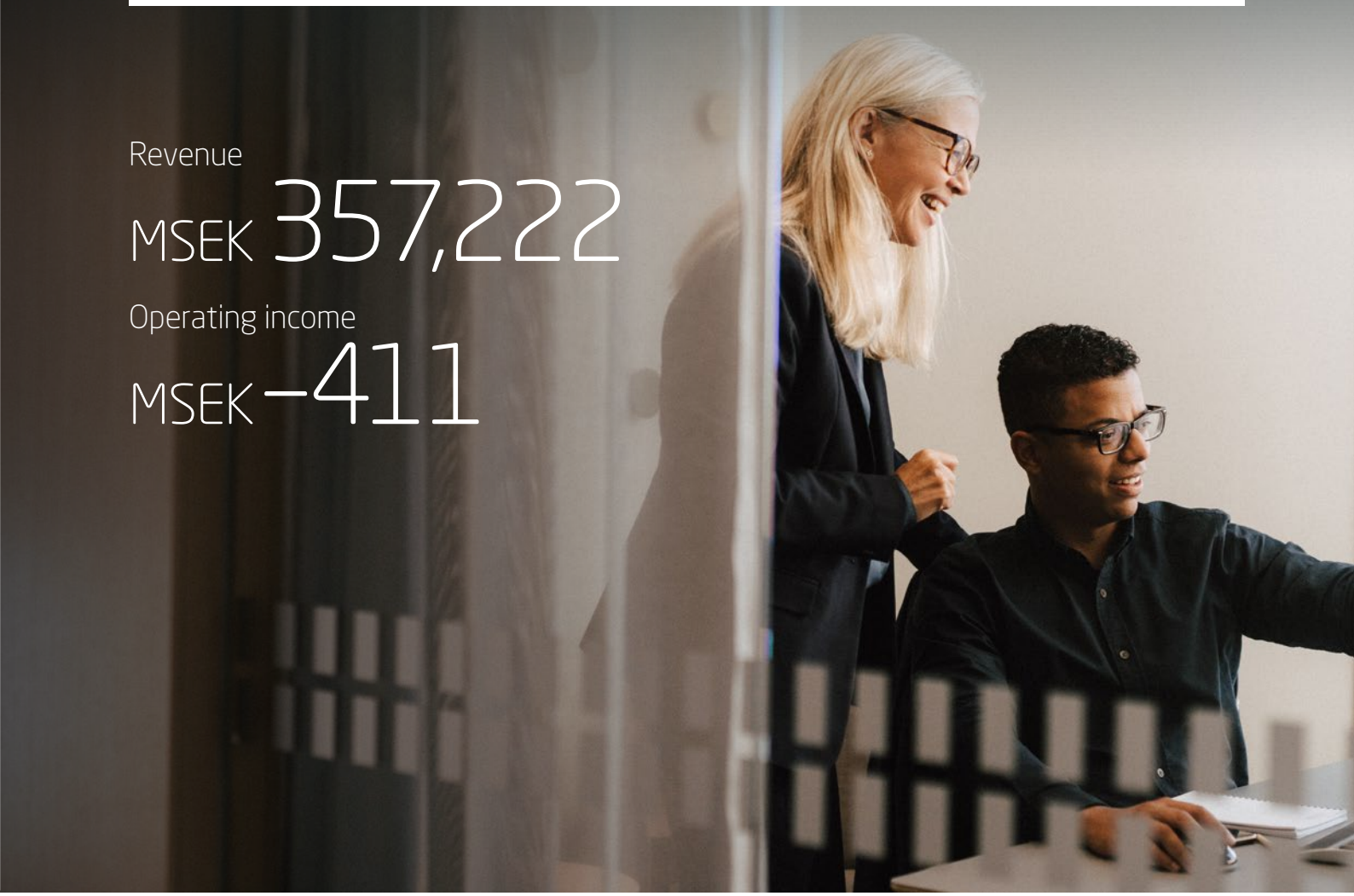
Geely Holding is a significant shareholder in companies such as Volvo Cars, Geely Auto, Polestar, Proton, Lotus and London Electric Vehicle Company. In addition, the Group holds long-term strategic investments in companies including Volvo Group, Mercedes-Benz and Aston Martin.

Geely Sweden's strategy is to act as an active and long-term owner that supports and develops its portfolio companies and promotes collaboration within the Group. This is achieved by providing access to Geely Holding's global network of industry and sector expertise, technology platforms, brands, customers and suppliers, as well as through participation in joint strategic development projects. The business model aims to create synergies, enable faster market entry and drive sustainable value creation in line with Geely Holding's overall strategic objectives.



2025 in Brief

- Volvo Cars started production of the fully electric Volvo ES90
- The Board of Directors of Volvo Cars appointed Håkan Samuelsson as CEO and President
- Volvo Cars divested its 30 per cent stake in Lynk & Co
- Volvo Cars took full ownership of Novo Energy
- Polestar strengthened its position through increased sales and the launch of the Polestar 5 four-door performance Grand Tourer
- Polestar's financing and capital structure were strengthened through new financing arrangements
- The stake in Saxo Bank was divested to J. Safra Sarasin Group



Revenue

MSEK 357,222

Operating income

MSEK −411

CEO Comment



At Geely Sweden Holdings, 2025 was a year of progress in an industry undergoing significant transformation and new challenges. Electrification, digitalisation, regionalisation and evolving market dynamics continue to reshape mobility, and our portfolio companies have navigated this environment with cost focus, discipline, resilience and with continued investments building the future.

In a world with uncertainties, it is important to keep perspective and to continue to deliver on the strategy. Our holdings are doing that, where Volvo Cars and Polestar are increasing focus on electrification in core segments and core markets while Volvo Group continues to invest in sustainable transport solutions.

In the light of the challenging global automotive industry it is encouraging to see that in 2025, the parent company Zhejiang Geely Holding achieved full year global vehicle sales of approximately 4.1 million units across its automotive brands, representing a year on year increase of 26%, marking the first time the Group surpassed four million vehicles sold in a single year.

Volvo Cars further strengthened its transition towards an electric and software-defined product portfolio, recording global sales of approximately 710,000 vehicles. The company expanded its electric lineup, advanced its core software capabilities, and maintained a strong focus on safety, sustainability, and operational efficiency. During the year, the fully electric Volvo EX30 Cross Country was introduced, the updated Volvo XC90 was launched, the fully electric Volvo EX90 became widely available, and the fully electric Volvo ES90 was unveiled. Collectively, these developments together with the launch of EX60 in 2026 further broadened Volvo's premium electric offering across both SUV and sedan segments.

Polestar delivered approximately 60,000 vehicles globally, marking its strongest retail year to date and an increase of 34% year-on-year. Despite this, Polestar continues to incur losses, however during Q4 2025 and beginning of 2026 Polestar has been able to attract USD 1 billion in new equity from external investors. Continued investments in core premium EV segments, combined with collaboration within the Geely ecosystem to drive efficiency and technological innovation, is the strategy for the future.

At Volvo Group, strong performance in core markets supported continued investments in sustainable transport solutions, including electric and alternative powertrains, as well as the expansion of digital services.

During 2025, our campus Uni3 by Geely in Gothenburg continued its role as a collaborative hub, bringing together colleagues, partners, and external stakeholders. The campus fostered cross-company and cross-disciplinary interaction, supporting innovation and reinforcing western Sweden's position as an important centre for mobility development.

Our shared service centre, Geely Europe Innovation & Collaboration AB, strengthened governance, efficiency, and coordination across key corporate functions, including Finance, HR, Tax, and IT. This enabled smoother operations and closer collaboration across Geely Holding's European activities.

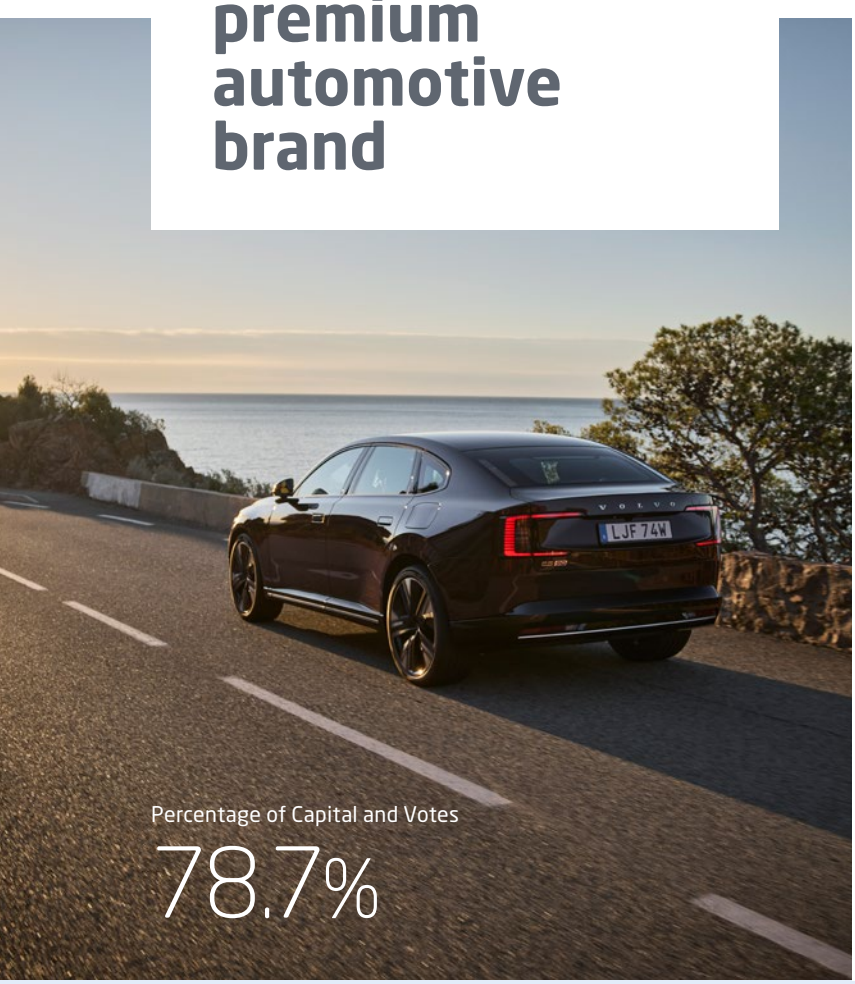
At Geely Sweden Holdings, we continue to develop our ownership governance processes with the aim of fostering coordination and global collaboration, thereby creating long-term value and sustainable growth.

In closing, I would like to express my sincere appreciation to our employees for their commitment and contributions throughout the year, and to our owners and other stakeholders for their continued support and trust.

Per Ansgar
Chief Executive Officer
Geely Sweden Holdings AB

Volvo Car Group

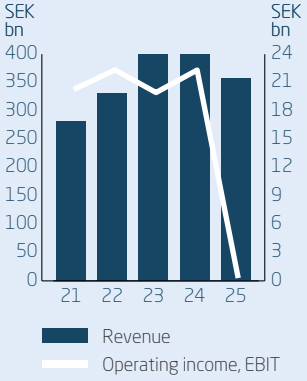
A fast-growing premium automotive brand



Volvo Cars is a global premium car brand focused on safety, sustainability and technological development. Founded in 1927, the company has its global headquarters in Gothenburg, with operations and sales across several key international markets.

Volvo Cars develops, manufactures and markets passenger cars in the premium segment, with a strategic focus on electrification, software-defined vehicles and digital services. Safety, quality and reduced environmental impact are core pillars of the company's long-term business and product strategy.

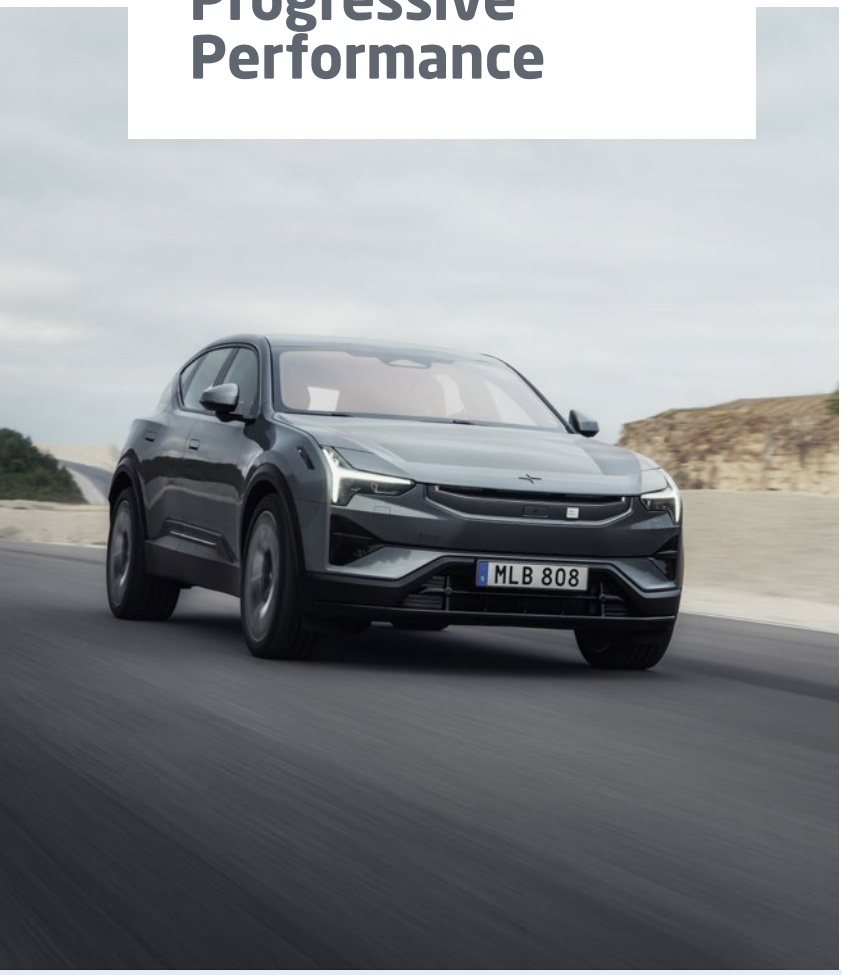
Revenue and operating income



Key ratios, MSEK	2025	2024	2023	2022	2021
Revenue	357,263	400,234	399,343	330,145	282,045
Operating income, EBIT	303	22,318	19,939	22,332	20,275
Net income	–2,968	15,934	14,066	17,003	14,177
Equity ratio %	39.8	36.6	36.6	35.4	33.5
Operating and investing cash flow	2,449	1,127	–8,975	–6,059	–4,885

Polestar

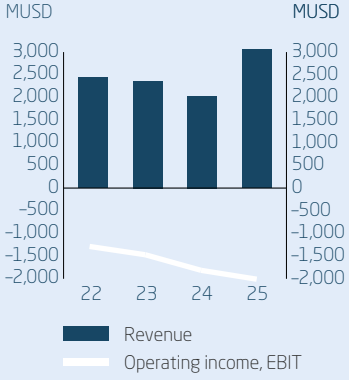
Pure Progressive Performance



Polestar is a global electric performance car brand focused on design, innovation and sustainable mobility. The company is headquartered in Gothenburg and operates across markets in North America, Europe and Asia-Pacific.

Polestar's product portfolio comprises fully electric vehicles in the premium and performance segments and is developed in line with the company's commercial and industrial strategy. Sustainability is an integral part of its business model and shapes both product development and activities throughout the value chain.

Revenue and operating income



Key ratios, MUSD	2025	2024	2023	2022
Revenue	3,058	2,034	2,368	2,441
Operating loss	–2,009	–1,813	–1,470	–1,287
Net loss	–2,357	–2,050	–1,182	–479
Operating and investing cash flow	–1,436	–1,404	–2,311	–1,790

Percentage of Capital

32.3%

Percentage of Votes

29.4%

Volvo Group

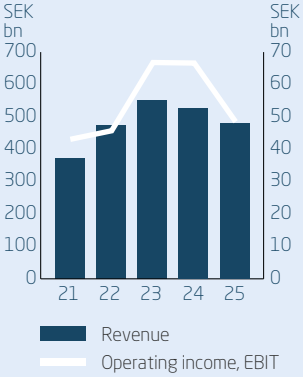
A global group with strong market positions



Volvo Group is a global provider of transport and infrastructure solutions, with operations in trucks, buses, construction equipment and related services. Founded in 1927, the Group is headquartered in Gothenburg and has a broad international presence and customer base.

Volvo Group's offering combines products, services and digital solutions, with a focus on productivity, uptime and transport efficiency. Development is driven towards more sustainable, electrified and automated solutions to enable robust and long-term value creation.

Revenue and operating income



Key ratios, MSEK	2025	2024	2023	2022	2021
Revenue	479,183	526,816	552,764	473,479	372,216
Operating income, EBIT	48,506	66,611	66,784	45,712	43,074
Net income	34,707	50,576	49,932	32,969	33,243
Equity ratio %	27.5	27.6	26.8	26.4	27.9
Operating and investing cash flow	18,118	22,306	–169	11,758	32,158

Percentage of Capital

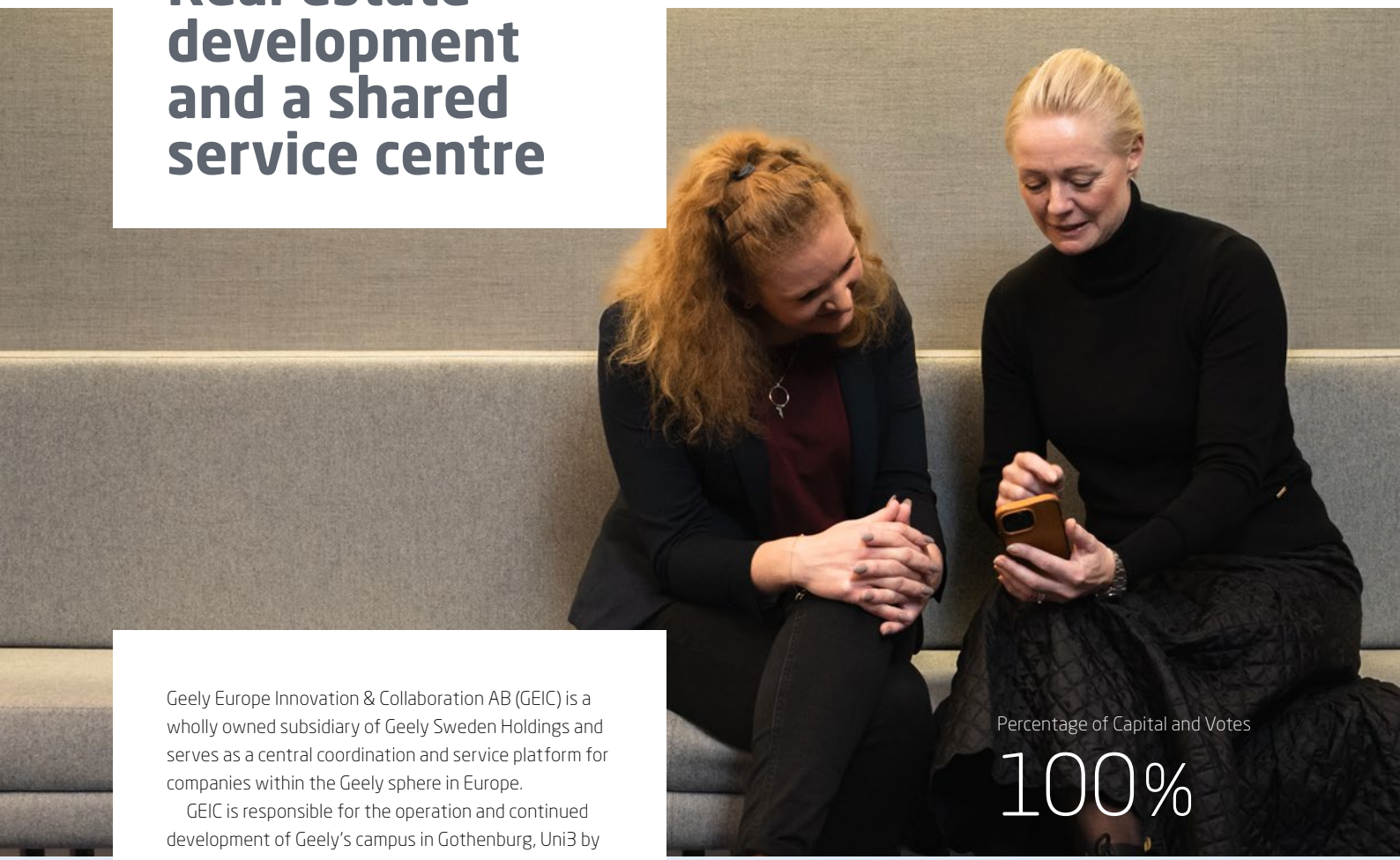
4.4%

Percentage of Votes

14.7%

Geely Europe Innovation and Collaboration

Real estate development and a shared service centre



Percentage of Capital and Votes

100%

Geely Europe Innovation & Collaboration AB (GEIC) is a wholly owned subsidiary of Geely Sweden Holdings and serves as a central coordination and service platform for companies within the Geely sphere in Europe.

GEIC is responsible for the operation and continued development of Geely's campus in Gothenburg, Uni3 by Geely, which serves as a shared meeting place and workplace for employees, partners and external stakeholders. The campus is designed to promote collaboration across company and competency boundaries, as well as to support innovation and knowledge sharing within the European organisation.

In addition to its real estate activities, GEIC operates a shared competence and service centre that provides Group-wide services to companies within the Geely sphere in Europe. The service offering includes finance, HR, tax and IT, with the purpose of strengthening governance, efficiency and coordination, as well as enabling scalable and cost-efficient ways of working.

GEIC is headquartered at Uni3 by Geely in Gothenburg and forms an integrated part of Geely Sweden's business model to support long-term value creation and sustainable development in Europe.

Board of Directors



Eric Li (Li Shufu)

Member of the Board
Since: 2010
Born: 1963
Education: MSc in Mechanical Engineering, BSc in Management Engineering

Other assignments
Founder and Chair of the Board Zhejiang Geely Holding Group Co., Ltd.; Member of the Board of other entities within the Zhejiang Geely Holding Group; Chair of the Board Volvo Car AB (publ.).

Previous positions
CEO Zhejiang Geely Holding Group Co., Ltd.



Daniel Li (Li Donghui)

Member of the Board
Since: 2012
Born: 1970
Education: MBA, MSc in Management Engineering

Other assignments
Chair of the Board Lotus Group International Limited and LEVC Global; Executive Vice Chair of the Board Zhejiang Geely Holding Group Co., Ltd.; Vice Chair of the Board Geely Automobile Holdings Co., Ltd.; Member of the Board Volvo Car AB (publ.); Director of Proton Holdings; Non-executive Director of Aston Martin Lagonda Global Holdings plc.

Previous positions
CEO, Executive Vice President and CFO of Zhejiang Geely Holding Group Co., Ltd.; Member of the Board ZEEKR Intelligent Technology Holding Ltd, Polestar Automotive Holding UK PLC and Saxo Bank A/S; Director of certain subsidiaries in Geely: Geely Automobile Holdings Ltd., Geely Holdings Group Ltd.; Independent Director of China CYTS Tours Holding Co. Ltd.; CFO and Vice President of Liugong Machinery; Executive Director of Geely Automobile Holdings Ltd.; Managing Director and several other senior positions at Cummins; CFO and other senior positions at BMW Brilliance Automotive; Senior positions at ASIMCO Braking System, Danfoss Tianjin.



Lone Fønss Schrøder

Chair of the Board
Since: 2019
Born: 1960
Education: Master of Laws, MSc in Economics and Business Administration

Other assignments
Chair of the Nomination Committee Volvo Car AB (publ.); Chair of the Board ECARX Holdings Inc and Ikano Bank AB; Vice Chair of the Board Akastor ASA; Member of the Board Ingka Holding B.V. (Ikea Group), Aker Solutions ASA and Aker Horizons ASA; Member of the Global Advisory Board of ServiceNow Inc.

Previous positions
Vice Chair of the Board and Chair of the Audit Committee Volvo Car AB (publ.), several senior management positions at A.P. Moller-Maersk A/S; CEO Concordium AG; President and CEO Wallenius Lines, Member of the Board of a.m.o Handelsbanken, Saxo Bank A/S, Vattenfall, Eukor, Yara and Queen's Gambit Growth Capital.



Per Ansgar

Member of the Board and CEO
Since: 2024
Born: 1963
Education: MSc in Industrial Engineering and Management

Other assignments Chair of the Board Geely Europe Innovation and Collaboration AB and Geely Europe Innovation Centre AB.

Previous positions
Group Controller and Deputy CFO Volvo Car AB (publ.); CFO Geely Sweden and Polestar.

Executive Management Team



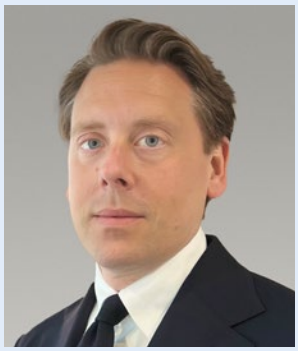
Per Ansgar
CEO



Lise-Lotte Hallbäck
Finance



Stefan Lundin
Public Relations and Communications



Peter Lundin
Legal



Jaden Jia
Capital Markets



Patrik Johansson
IT



Board of Directors' Report

The Geely Sweden Holdings Group

The terms Geely Sweden Holdings and the Group refer to Geely Sweden Holdings AB and its subsidiaries.

Geely Sweden Holdings AB (corporate registration number 556810–9010), with its registered office in Gothenburg, Sweden, is a wholly owned subsidiary of Shanghai Geely Zhaoyuan International Investment Co., Ltd., with its registered office in Shanghai, China, which is ultimately owned by Zhejiang Geely Holding Group Co., Ltd., with its registered office in Hangzhou, China.

Geely Sweden Holdings AB is a holding company whose principal purpose is to hold shares in subsidiaries. The Company is indirectly engaged in the automotive industry, primarily as the majority owner of Volvo Car AB (publ.). In addition, Geely Sweden Holdings operates a shared competence and service centre providing a range of business services. The Group also owns and manages real estate and operates motorsport activities, which are subject to restructuring in connection with the planned merger into Geely Sweden Holdings AB. Furthermore, the Group holds interests in Saxo Bank A/S, Polestar Automotive Holding UK PLC and AB Volvo. The Group also includes entities whose primary purpose is to hold and finance Geely Sweden Holdings' investments.

Industrial operations

Volvo Car AB is a consolidated subsidiary and constitutes the Group's principal operating business, which is conducted through Volvo Car Corporation and its subsidiaries (Volvo Cars). The Group's revenue, profit/(loss) and financial position are therefore highly dependent on the performance of Volvo Cars. During 2025, operations were conducted in a more challenging market environment characterised by weaker demand in several key markets, continued competitive pressure and cost challenges, including those related to the ongoing transition towards electrified powertrains. As a result, profitability developed weaker compared with the previous year.

Shared competence and service centre

Geely Europe Innovation and Collaboration AB (GEIC) is the Group's shared competence and service centre, providing business services primarily within IT, finance, tax and HR to companies within the Geely Group. The operations aim to create efficiency and synergies through coordinated support processes.

Real estate

Geely Sweden Holdings owns and manages real estate. The real estate operations are conducted primarily to support the Group's activities and to enable co-location and synergies within the Geely Group. Part of the property portfolio is owned and managed jointly with an external partner through joint venture structures.

Motorsport

Geely Group Motorsports International AB (GGMI) has been responsible for coordinating motorsport-related activities within the Geely Group. During 2025, a decision was made to merge the company into Geely Sweden Holdings AB. In connection with the merger, the remaining operations will be integrated into Geely Sweden Holdings AB. The merger process was initiated as of the balance sheet date.

Individual holdings

AB Volvo

The Group holds a strategic minority interest in AB Volvo corresponding to 4.4 per cent of the share capital and 14.7 per cent of the voting rights. The holding is measured at fair value, with changes in fair value recognised in other comprehensive income. During 2025, the change in fair value recognised in other comprehensive income amounted to SEK 2,318 (1,437) million. Dividends from AB Volvo impacted profit/(loss) for the year by SEK 1,637 (2,483) million.

Polestar

Polestar Automotive Holding UK PLC is accounted for as an associate using the equity method. During 2024, the Group recognised its share of Polestar's losses until the carrying amount of the investment was reduced to zero. Polestar continued to report losses during 2025, which were not recognised in the Group's profit/(loss), as the investment is recognised at SEK 0 million. During 2026, conversion of outstanding shareholder loans into equity have been and are expected to be carried out. These transactions increase the Group's exposure to Polestar and will result in the Group recognising its share of Polestar's results, including losses, to the extent that the Group's net investment exceeds zero.

Saxo Bank

The Group holds an indirect interest in Saxo Bank A/S through the joint venture Geely Financials Denmark A/S. Saxo Bank's results therefore affect the Geely Sweden Holdings Group's profit/(loss) through the equity method. During 2025, the Group's share of profit in the Geely Financials Denmark Group amounted to SEK 186 (9) million.

As of 31 December 2025, the underlying investment in Saxo Bank was classified as held for sale in the Geely Financials Denmark Group. The investment was subsequently divested during 2026.

Geely Sweden Holdings Group

Key ratios, MSEK	Full year 2025	Full year 2024	Full year 2023	Full year 2022	Full year 2021
Revenue	357,222	400,729	399,985	330,674	281,974
Operating income, EBIT	–411	22,065	20,136	22,679	20,853
Net income	–2,895	20,497	14,619	17,261	17,634
EBITDA	35,263	44,860	37,657	38,825	35,895
Cashflow from operating and investing activities	2,799	7,238	–8,411	–6,817	8,003
EBIT margin, %	–0.1	5.5	5.0	6.9	7.4
EBITDA margin, %	9.9	11.2	9.4	11.7	12.7
Equity ratio, %	42.5	39.3	38.7	34.6	34.0
Net cash	10,718	9,860	4,758	7,272	16,588

See definitions of Key Ratios on page 73.

Profit/(loss) and financial position

Profit before tax amounted to SEK –593 (27,276) million. Profit/(loss) for the year amounted to SEK –2,895 (20,497) million. Cash and cash equivalents amounted to SEK 63,300 (62,510) million. Interest-bearing liabilities excluding pension provisions amounted to SEK 29,534 (28,338) million. Total loan liabilities amounted to SEK 52,583 (52,886) million. The equity ratio was 42 (39) per cent.

Investments

Investments in intangible assets amounted to SEK 17,972 (20,930) million. Investments in property, plant and equipment amounted to SEK 32,664 (42,490) million.

Financing

Financing is primarily arranged at Group level and through the Group's principal portfolio company, Volvo Cars. During the year, Volvo Cars continued to integrate sustainability-related criteria into its financing strategy, including the use of green and sustainability-linked instruments. Borrowings from credit institutions amounted to SEK 26,861 (199) million, while repayments amounted to SEK 23,745 (4,794) million. Matured marketable securities amounted to SEK – (10,269) million.

Employees

The average number of full-time employees in the Group during 2025 amounted to 42,757 (42,722). Information on remuneration is disclosed in Note 8 – Employees and remuneration.

Significant events during the financial year

Developments in Volvo Cars

During the financial year, the development of Geely Sweden Holdings was primarily affected by developments in Volvo Cars, which accounts for a significant share of the Group's profit/(loss) and financial position. The year was characterised by continued challenging market and macroeconomic conditions in the global automotive industry, placing pressure on demand, margins and cost levels.

Against this background, Volvo Cars implemented measures focusing on cost control, efficiency and strengthened financial discipline, including an efficiency programme with a total savings target of SEK 18 billion. Volvo Cars also recognised significant non-recurring items in the form of impairment charges amounting to SEK 11.4 billion, which negatively affected profit/(loss). At the same time, Volvo Cars continued its long-term strategic agenda, including electrification and sustainable transformation.

Refinancing

During the year, refinancing was completed through the raising of a new loan of EUR 2,000 million, replacing previous financing of the same amount. The loan has a maturity of three years.

Capital and financing arrangements related to Polestar

During the financial year, Geely Sweden Holdings entered into a structured capital and financing arrangement related to Polestar Automotive Holding UK PLC. The arrangement comprises an investment in Polestar through share subscriptions by external banks corresponding to an investment amount of USD 300 million, in combination with put options written by Geely Sweden Holdings to these banks with a tenor of three years and a strike price that increases over time. To limit the Group's market risk, the corresponding obligations have, to a substantial extent, been passed on through mirroring back-to-back options with a related party outside the Group. This structure entails that the economic risks and cash flows attributable to the options are largely transferred, while Geely Sweden Holdings remains the legal counterparty vis-à-vis the external banks. During the year, Geely Sweden Holdings also provided a loan to Polestar maturing in June 2026 under an agreed credit facility totalling USD 600 million, of which USD 300 million was drawn during the financial year. Geely Sweden Holdings has further undertaken, subject to obtaining the necessary regulatory approvals, to convert a previously granted loan, amounting to approximately USD 300 million including accrued interest, into shares in Polestar Automotive Holding UK PLC.

Board of Directors' work

The Board of Directors of Geely Sweden Holdings AB consists of four ordinary members, including the Chief Executive Officer. No deputy members have been appointed. All Board members are elected for a term of one year. With the exception of the Chief Executive Officer, none of the Board members holds any operational position within the Group. The Group's General Counsel acts as Secretary to the Board.

During 2025, a change occurred in the leadership of the Board when Lone Fønss Schrøder was appointed Chair of the Board of Directors.

The Board of Directors shall annually adopt rules of procedure governing the structure and content of the Board's meetings, the matters to be addressed at such meetings, the division of responsibilities between the Board of Directors and the Chief Executive Officer, as well as other relevant matters. The duties and reporting responsibilities of the Chief Executive Officer towards the Board of Directors are set out in the instruction for the Chief Executive Officer. During the year, the Board of Directors held 14 meetings, including the statutory meeting.

Among other matters, the Board of Directors addresses issues relating to the Group's strategy, investments and divestments, risk exposure and financing, including the capital structure, and continuously monitors the Group's financial performance and financial position.

The Audit Committee held three meetings during the year.

Remuneration and employment terms for the Chief Executive Officer

The Board of Directors has adopted guidelines for remuneration to the Chief Executive Officer. Further information is provided in Note 8 – Employees and remuneration.

Risks and uncertainties

The Group is exposed to risks and uncertainties primarily related to developments in significant portfolio companies and overarching market and macroeconomic conditions. These risks are monitored within the framework of Geely Sweden Holdings' ownership and governance activities. The most significant risks are summarised below.

Challenges in electrification and technological transformation

The Group's most significant holdings operate in an industry undergoing rapid structural change. The transition towards electrified powertrains entails uncertainty relating to market development, customer acceptance, cost levels and technological maturity. A slower or more costly transition than anticipated may adversely affect profitability and value development.

Geopolitical tensions and trade restrictions
Increased geopolitical tensions and a growing regionalisation of global trade may give rise to risks in the form of trade barriers, tariffs and regulatory restrictions. Such developments may affect global value chains, cost structures and market access for the Group's portfolio companies.

Sustainability and transition risks
Climate change and increasing requirements from legislators, investors and other stakeholders place high demands on the successful implementation of sustainability transitions within the portfolio companies' operations and value chains. Insufficient adaptation may result in reduced competitiveness, increased costs and adverse impacts on reputation.

Information and cyber security
The increasing digitalisation of the portfolio companies and their global IT environments gives rise to exposure to cyber-related threats, such as unauthorised access, theft of information and operational disruptions, which may have financial and operational consequences.

Regulatory compliance and data and information requirements
The Group operates in a large number of jurisdictions and is subject to extensive and, in part, rapidly changing regulation, including data protection and information management requirements. Non-compliance with requirements relating to data handling or cross-border transfers of information may result in sanctions, legal actions and reputational impacts, which in turn may adversely affect the Group's profit or loss and financial position.

Human rights and responsible business conduct
The Group is exposed to international and complex value chains. Risks related to insufficient compliance with human rights or other fundamental responsibility commitments may adversely affect the operations of the portfolio companies as well as the Group's reputation and long-term value creation.

Financial risks
A description of financial instruments and financial risk management is provided in Note 19 – Financial instruments and financial risks.

Parent Company
The Parent Company's profit/(loss) before tax amounted to SEK –4,934 (7,227) million. The equity ratio was 64 (94) per cent.

Significant events after the reporting period
During February and March 2026, the options and financing arrangement relating to Polestar Automotive Holding UK PLC was expanded through the participation of additional external bank counterparties in an amount of USD 700 million, increasing the underlying investment amount to USD 1,000 million. The arrangement comprises put options and corresponding structures in line with the existing structure, with terms and conditions remaining largely unchanged.

On 31 March 2026, the Group converted part of its convertible loan receivables from Polestar into shares. The amount converted totalled USD 274 million. Following the conversion, the Group's ownership interest in Polestar amounted to 31.8 per cent. Further conversions are expected to be completed during the second quarter of 2026.

On 2 March 2026, the sale of Geely Financials Denmark A/S' holding of 49.88 per cent in Saxo Bank A/S was completed following the receipt of required regulatory approvals. The share purchase agreement was signed on 10 March 2025. The transaction had a positive effect on the results of the Geely Financials Denmark Group, which is reflected in the Geely Sweden Holdings Group's share of results.

On 30 March, Volvo Cars entered into a memorandum of understanding with Geely Auto regarding deepened commercial cooperation in Europe, with a focus on the distribution of the Lynk & Co brand. The cooperation aims to create operational synergies and strengthen the commercial platform.

On 8 April 2026, the Annual General Meeting of AB Volvo, in accordance with the proposal of the Board of Directors, resolved on a dividend of SEK 8.50 per share and an additional dividend of SEK 4.50 per share. The distribution to shareholders was made on 15 April 2026 and resulted in total dividends to the Group of SEK 1,150 million.

On 3 June 2026, the USD 300 million loan agreement with Polestar Automotive Holding UK PLC was amended, whereby the maturity was extended from its original due date of 16 June 2026 to a new maturity date of 30 June 2027, while the interest terms were adjusted.

Sustainability
Geely Sweden Holdings AB is a holding company without its own operational activities. Consequently, the Company's direct environmental and climate impact is limited. The impact attributable to the Company's activities arises primarily through its ownership interests in portfolio companies that conduct their own operational activities. In its role as a long-term owner, the Parent Company promotes responsible management of sustainability matters at company level in the entities in which it holds ownership interests, and ensures that sustainability-related risks and opportunities are taken into account within each entity's governance, risk management and strategic processes. Several of these companies report sustainability information in accordance with internationally recognised frameworks and initiatives. Sustainability related risks and opportunities, including climate-related matters, may therefore indirectly affect the Parent Company's financial position and long-term value creation. Geely Sweden Holdings monitors developments in sustainability reporting regulation, including the Corporate Sustainability Reporting Directive (CSRD) and the related European Sustainability Reporting Standards (ESRS). When the requirements become applicable, comprehensive sustainability reporting will be carried out at Group level in accordance with the applicable regulatory framework.

Proposed distribution of non-restricted equity:

Share premium reserve	SEK	6,509,200,000
Other contributed capital	SEK	3,693,131,899
Retained earnings carried forward	SEK	31,240,224,749
Net income for the year	SEK	–4,933,931,715
At the disposal of the AGM	**SEK**	**36,508,624,933**

The Board proposes the following allocation of funds:

Carried forward	SEK	36,508,624,933
Total	**SEK**	**36,508,624,933**

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Consolidated Income Statements

SEKm	Note	2025	2024
Revenue	2	357,222	400,729
Cost of sales	3	–297,043	–320,822
Gross income		**60,179**	**79,907**
Research and development expenses	3, 14	–26,067	–16,983
Selling expenses	3	–23,213	–25,419
Administrative expenses	3	–10,970	–12,524
Other operating income and expenses	6	–813	2,066
Share of income in joint ventures and associates	12	473	–4,982
Operating income	4, 5, 7, 8, 9, 10	**-411**	**22,065**
Interest income and similar credits	19	3,124	3,260
Interest expenses and similar charges	19	–2,107	–2,516
Other financial income and expenses	11	–1,199	4,467
Income before tax		**-593**	**27,276**
Income tax	13	–2,302	–6,779
Net income		**-2,895**	**20,497**
Net income attributable to			
Owners of the parent company		327	16,135
Non-controlling interests		–3,222	4,362
		-2,895	**20,497**

INCOME AND RESULT

The Group's revenue, of which the majority part is dervied from Volvo Car Group, amounted to SEK 357.2 (400.7) bn. The revenue decrease was primarily explained by lower wholesale volumes of SEK –34.4 bn, representing a decrease of –11 percent to 693.0 (78.6) thousand cars, and unfavourable sales mix and pricing of SEK –4.3 bn, partially offset by increased used car sales of SEK 6.0 bn. Revenue was also affected by the one-time sale of subscription car portfolios, amounting to SEK 5.2 (2.7) bn, which had no material impact on gross income. Foreign exchange rates had an unfavourable impact on revenue due to a stronger SEK compared to last year, amounting to SEK –14.1 bn.

This year was impacted by the Volvo Car Group one-off non-cash impairment charge for the EX90 and ES90 platform due to reduced lifecycle profitability, which in total amounted to SEK –11.4 bn. Of this amount, SEK –4.0 bn impacted cost of sales and most of the remaining amount impacted research and development expenses. The year was also impacted by the Volvo Car Group restructuring cost as a part of the Volvo Car Group turnaround plan, which amounted to SEK –0.8 bn.

The Group's gross margin, of which the majority part is derived from Volvo Car Group, was impacted unfavourably by sales mix and pricing, higher US tariffs on imported goods and used cars. It was partially offset by material cost savings and revenue from earned emission credits which increased to SEK 3.5 (1.0) bn. Foreign exchange rate effects in the cost of sales were positive compared to last year, amounting to SEK 12.8 bn. The net effect of foreign exchange rates in gross income was negative versus last year, amounting to an impact of SEK –1.3 bn. The Group's gross income amounted to SEK 60.2 (79.9) bn with the corresponding margin of 16.8 (19.9) per cent.

The Group's EBIT amounted to SEK –0.4 (22.1) bn, resulting in an EBIT margin of –0.1 (5.5) per cent. The decrease was mainly a consequence of sales mix and pricing and lower wholesale volume. These effects were partially offset by improved cost efficiency within selling and administrative expenses, as well as by the unrecognised share of Polestar losses. The exchange rate effects had a negative impact on EBIT compared to last year of SEK –1.7 bn.

The Group's net financial items decreased to SEK –0.2 (5.2) bn, mainly as a result of changes in market valuations of financial investments, lower interest income attributable to lower interest rates, lower dividend from the AB Volvo investment and previous year included the Group result from distribution of shares in Polestar Automotive Holding UK PLC to non-controlling interests. The Group net income was SEK –2.9 (20.5) bn, representing –0.1 (5.1) per cent of revenue. The Group's effective tax rate was –397.5 (24.8) per cent, impacted by the Volvo Car Group valuation adjustments to deferred tax assets in China of SEK –2.3 bn, of which SEK –1.8 bn referred to tax assets not recognised during the year, as well as by the Volvo Car Group platform impairment being non-tax deductible.

Research and development spending, SEKm	2025	2024
Research and development spending	–26,378	–28,308
Capitalised development costs	15,855	18,724
Amortisation and depreciation of research and development	–8,171	–7,399
Impairment of capitalised development costs	–7,373	—
Research and development expenses	**-26,067**	**-16,983**

Consolidated Comprehensive Income

SEKm	2025	2024
Net income	–2,895	20,497
Other comprehensive income		
Items that will not be reclassified subsequently to income statement:		
Change in fair value of other long-term securities holdings	2,318	1,437
Remeasurements of provisions for post-employment benefits	2,402	–312
Tax on items that will not be reclassified to income statement	–496	55
Items that may be reclassified subsequently to income statement:		
Translation difference on foreign operations	–4,432	126
Translation difference of hedge instruments of net investments in foreign operations	749	–316
Change in fair value of cash flow hedge related to currency and commodity price risks	8,592	–5 ,383
Tax on items that may be reclassified to income statement	–1,924	1,174
Other comprehensive income, net of income tax	**7,209**	**-3,219**
Total comprehensive income	**4,314**	**17,278**
Total comprehensive income attributable to		
Owners of the parent company	6,967	13,496
Non-controlling interests	–2,653	3,782
	4,314	**17,278**

NET FINANCIAL POSITION AND LIQUIDITY

Total cash and cash equivalents, including marketable securities, amounted to SEK 63.3 (62.5) bn. Net cash was SEK 10.7 (9.9) bn. Total liquidity amounted to SEK 86.6 (94.7) bn, including undrawn credit facilities of SEK 23.3 (32.2) bn.

Cash flow from operating activities was positive amounting to SEK 34.7 (46.3) bn, including a one-off impact of SEK 11.4 bn in adjustments for other non-cash items, primarily reflecting a non-cash impairment charge related to the EX90 and ES90 platforms following a reassessment of their lifecyle profitability. The change in working capital amounted to 9.8 (3.2) bn, primarily driven by change in accounts payable, SEK 7.2 (–7.6) bn, due to increased production.

Cash flow from investing activities amounted to SEK –31.9 (–39.1) bn, mainly driven by investments in tangible and intangible fixed asets. As the major investments in the new product architecture are being finalised, a reduction in investment levels is seen and expected to continue, supported by continued cost consciousness. The investing activities were partially offset by the payment from the divestment of the 30 per cent shareholding in Lynk & Co which amounted to SEK 7.8 bn.

Cash flow from financing activities amounted to SEK 1.5 (2.0) bn, primarily attributable to the issuance of a new green bond and the drawdown of a credit facility from the European Investment Bank, partially offset by the repayment of an existing bond. During the year a loan facility of EUR 2,000 million with a three-year tenor was signed. The new bank loan refinanced an existing liability to credit instiuturions amounting to EUR 2,000 million. The new loan was issued simultaneously with the existing loan being settled.

EQUITY

Total equity increased to SEK 184.4 (175.6) bn, resulting in an equity ratio of 42.5 (39.3) per cent. The change is mainly attributable to divestment of a joint venture under common control (Lynk & Co), amounting to SEK 4.6 bn, as well as a positive effect in other comprehensive inome of SEK 7.2 bn. The increase is offset by a negative net income amounting to SEK –2.9 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 –3.8 bn (net of tax). Remeasurements of provisions for post-employment benefits had an effect of SEK 1.9 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 6.8 bn (net of tax). The change in value of cash flow hedges is mainly due to positive effects from increased prices of raw materials and an appreciated Swedish crown, SEK, compared to most of the major currencies. In addition, the fair value change of the investment in AB Volvo A shares had a positive effect of SEK 2.3 bn.

Consolidated Balance Sheets

SEKm	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Non-current assets			
Intangible assets	14	83,033	83,849
Tangible assets	7, 15	101,737	109,523
Investment property	16	504	515
Investments in joint ventures and associates	12	11,581	13,972
Other long-term securities holdings	19	39,453	39,722
Deferred tax assets[1)]	13	8,363	12,260
Other non-current interest-bearing receivables	19	1,235	1,440
Derivative assets, non-current	19	3,231	283
Other non-current assets[1)]	18	18,328	19,538
Total non-current assets		**267,465**	**281,102**
Current assets			
Inventories	17	59,024	62,455
Accounts receivable	4, 18	21,406	22,961
Current tax assets		1,311	1,877
Derivative assets, current	19	4,923	485
Other current assets	18	16,730	14,825
Marketable securities	20	1	—
Cash and cash equivalents	20	63,300	62,510
Total current assets		**166,695**	**165,113**
TOTAL ASSETS		**434,160**	**446,215**
EQUITY & LIABILITIES			
Equity	21		
Equity attributable to owners of the parent company		151,667	141,378
Non-controlling interests		32,699	34,204
Total equity		**184,366**	**175,582**
Non-current liabilities			
Provisions for post-employment benefits	22	5,853	8,111
Deferred tax liabilities	13	9,864	11,080
Other non-current provisions	23	8,550	9,523
Liabilities to credit institutions	19	28,612	4,405
Bonds, non-current	19	21,645	18,826
Non-current contract liabilities to customers	2	8,605	10,755
Other non-current interest-bearing liabilities	7, 19	5,355	7,745
Derivative liabilities, non-current	19	1,741	1,252
Other non-current liabilities	4, 24	8,029	6,106
Total non-current liabilities		**98,254**	**77,803**
Current liabilities			
Current provisions	23	8,356	11,379
Liabilities to credit institutions	19	922	23,932
Bonds, current	19	1,500	5,723
Current contract liabilities to customers	2	31,264	34,997
Accounts payable	4	57,773	56,473
Current tax liabilities		1,322	1,246
Other current interest-bearing liabilities	7, 19	1,570	2,490
Derivative liabilities, current	19	485	2,890
Other current liabilities	24	48,348	53,700
Total current liabilities		**151,540**	**192,830**
TOTAL EQUITY & LIABILITIES		**434,160**	**446,215**

1) In 2025, the Group has adjusted the presentation of certain unused tax credits in the US, resulting in a reclassification amounting to SEK 1,099 (1,278) m, to more accurately reflect the nature of these items.

Changes in Consolidated Equity

SEKm	Share capital[1]	Share premium	Other contributed capital	Currency translation reserve	Other reserves	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total
Balance at January 1, 2024	**–**	**11,274**	**7,815**	**2,924**	**12,123**	**95,479**	**129,615**	**31,096**	**160,711**
Net income	**–**	**–**	**–**	**–**	**–**	**16,135**	**16,135**	**4,362**	**20,497**
Other comprehensive income									
Change in fair value of other long-term securities holdings[2]	–	–	–	–	1,437	–	1,437	–	1,437
Disposal of other long-term securities holdings[2]	–	–	–	–	–4,804	4,804	–	–	–
Remeasurements of provisions for post-employment benefits	–	–	–	–	–	–245	–245	–67	–312
Translation difference on foreign operations	–	–	–	–315	–	–	–315	441	126
Translation difference of hedge instruments of net investments in foreign operations	–	–	–	–248	–	–	–248	–68	–316
Change in fair value of cash flow hedge related to currency and commodity price risks	–	–	–	–	–4,234	–	–4,234	–1,149	–5,383
Tax attributable to items recognised in other comprehensive income	–	–	–	51	872	43	966	263	1,229
Other comprehensive income	**–**	**–**	**–**	**-512**	**-6,729**	**4,602**	**-2,639**	**-580**	**-3,219**
Total comprehensive income	**–**	**–**	**–**	**-512**	**-6,729**	**20,737**	**13,496**	**3,782**	**17,278**
Transactions with owners									
Capital contribution from non-controlling interest[3]	–	–	–	–	–	–	–	3	3
Divestment of non-controlling interest[3]	–	–	–	–	–	1	1	–211	–210
Transactions with non-controlling interest	–	–	–	–2	–	–1	–3	3	–
Distribution of shares[4]	–	–	–	–	–	–70	–70	–19	–89
Distribution of non-cash assets[4]	–	–	–	–	–	–	–	–2,005	–2,005
Adjustment of distribution of non-cash assets[4]	–	–	–	–	–	–1,577	–1,577	1,577	–
Acquisition of treasury shares[5]	–	–	–	–	–	–149	–149	–41	–190
Issue of treasury shares[5]	–	–	–	–	–	53	53	14	67
Share-based payments[5]	–	–	–	–	–	13	13	4	17
Transactions with owners	**–**	**–**	**–**	**-2**	**–**	**-1,730**	**-1,732**	**-675**	**-2,407**
Balance at December 31, 2024	**–**	**11,274**	**7,815**	**2,410**	**5,394**	**114,486**	**141,378**	**34,204**	**175,582**

1) Share capital amounted to SEK 100,000 (100,000).
2) For further information, see Note 19 – Financial instruments and financial risks.
3) For further information, see Note 21 – Equity and Note 8 – Participation in subsidiaries (Parent company).
4) For further information, see Note 12 – Investments in joint ventures and associates and Note 21 – Equity.
5) For further information, see Note 9 – Share-based remuneration and Note 21 – Equity.

Cont.,Changes in Consolidated Equity

SEKm	Share capital[1]	Share premium	Other contributed capital	Currency translation reserve	Other reserves	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total
Balance at January 1, 2025	**–**	**11,274**	**7,815**	**2,410**	**5,394**	**114,486**	**141,378**	**34,204**	**175,582**
Net income	**–**	**–**	**–**	**–**	**–**	**327**	**327**	**-3,222**	**-2,895**
Other comprehensive income									
Change in fair value of other long-term securities holdings[2]	—	—	—	—	2,318	—	2,318	—	2,318
Remeasurements of provisions for post-employment benefits	—	—	—	—	—	1,889	1,889	513	2,402
Translation difference on foreign operations	—	—	—	-3,010	—	—	-3,010	-1,422	-4,432
Translation difference of hedge instruments of net investments in foreign operations	—	—	—	589	—	—	589	160	749
Change in fair value of cash flow hedge related to currency and commodity price risks	—	—	—	—	6,757	—	6,757	1,835	8,592
Tax attributable to items recognised in other comprehensive income	—	—	—	-121	-1,392	-390	-1,903	-517	-2,420
Other comprehensive income	**–**	**–**	**–**	**-2,542**	**7,683**	**1,499**	**6,640**	**569**	**7,209**
Total comprehensive income	**–**	**–**	**–**	**-2,542**	**7,683**	**1,826**	**6,967**	**-2,653**	**4,314**
Transactions with owners									
Transations with non-controlling interest	—	—	—	—	—	2	2	-2	—
Divestment of non-controlling interest[3]	—	—	—	—	—	-228	-228	188	-40
Divestment of joint venture under common control[4]	—	—	—	—	—	3,662	3,662	994	4,656
Distribution of shares	—	—	—	—	—	2	2	1	3
Acquisition of treasury shares[5]	—	—	—	—	—	-172	-172	-47	-219
Issue of treasury shares[5]	—	—	—	—	—	99	99	27	126
Share-based payments[5]	—	—	—	—	—	-44	-44	-12	-56
Transactions with owners	**–**	**–**	**–**	**–**	**–**	**3,322**	**3,322**	**1,148**	**4,470**
Balance at December 31, 2025	**–**	**11,274**	**7,815**	**-132**	**13,077**	**119,634**	**151,667**	**32,699**	**184,366**

1) Share capital amounted to SEK 100,000 (100,000).
2) For further information, see Note 19 – Financial instruments and financial risks.
3) For further information, see Note 21 – Equity, Note 27 – Business combinations and divestments and Note 8 – Participation in subsidisaries (Parent company).
4) For further information, see Note 4 – Related pary transactions and Note 12 – Investments in joint ventures and associates.
5) For further information, see Note 9 – Share-based remuneration and Note 21 – Equity.

Consolidated Statement of Cash Flows

SEKm	Note	2025	2024
OPERATING ACTIVITIES			
Operating income		–411	24,071
Depreciation and amortisation of non-current assets	14, 15, 16	24,010	22,795
Dividends received from joint ventures and associates		205	213
Interest and similar items received		2,541	2,475
Interest and similar items paid		–2,200	–3,018
Other financial items		–1,963	–867
Income tax paid		–3,733	–4,447
Adjustments for items not affecting cash flow	26	6,401	1,890
		24,850	**43,112**
Movements in working capital			
Change in inventories		2,353	–2,757
Change in accounts receivable		–53	–1,390
Change in accounts payable		7,199	–7,568
Change in provisions		–1,867	–1,906
Change in contract liabilities to customers		644	8,709
Change in other working capital assets/liabilities		1,566	8,128
Cash flow from movements in working capital		**9,842**	**3,216**
Cash flow from operating activities		**34,692**	**46,328**
INVESTING ACTIVITIES			
Investments in shares and participations	27	280	–1,901
Disposals of shares and participations	12, 27	7,716	–217
Loans to affiliated companies[1)]		–6,640	–9,521
Repayment of loans to affiliated companies[2)]		4,251	—
Dividends received from investments in other long-term securities holdings		1,637	2,483
Disposals of investments in other long-term securities holdings		—	14,099
Investments in intangible assets		–17,252	–19,774
Investments in tangible assets		–22,829	–25,259
Disposals of tangible assets		872	1,000
Other		72	—
Cash flow from investing activities		**-31,893**	**-39,090**
Cash flow from operating and investing activities		**2,799**	**7,238**
FINANCING ACTIVITIES			
Proceeds from credit institutions		26,861	199
Proceeds from bond issuance	19	5,476	5,857
Acquisition of treasury shares		–219	–190
Repayment of bond		–5,732	–6,936
Repayment of liabilities to credit institutions		–23,745	–4,794
Repayment of interest-bearing liabilities		–2,108	–2,053
Investments in marketable securities	20	–1	—
Matured marketable securities		—	10,269
Other		996	–368
Cash flow from financing activities		**1,528**	**1,984**
Cash flow for the year		**4,327**	**9,222**
Cash and cash equivalents at beginning of year		**62,510**	**51,522**
Exchange difference on cash and cash equivalents		–3,537	1,766
Cash and cash equivalents at end of year	20	**63,300**	**62,510**

1) In the second quarter 2025, the Group made a payment under the financial guarantee arrangement described in Note 25 – Contingent liabilities and pledged assets, relating to the loans of a UK entity subject to a purchase option.
2) In the third quarter 2025, the Group received repayment of a loan in connection with a divestment of a subsidiary.

Notes to the Consolidated Financial Statements

All amounts are in SEKm unless otherwise stated. Amounts in brackets refer to the preceding year.

1 General information for financial reporting in Geely Sweden Holdings Group

Basis of preparation

The consolidated financial statements of Geely Sweden Holdings AB have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the European Union and the Swedish Annual Accounts Act. In addition, RFR 1 Supplementary Rules for Groups has been applied, a standard issued by the Swedish Financial Reporting Board. RFR 1 specifies mandatory additions to the IFRS disclosure requirements in accordance with the Swedish Annual Accounts Act. Group companies apply the same accounting policies, irrespective of national legislation, as defined in the Group accounting directives and they have been applied consistently for all periods, unless otherwise stated.

The financial statements are based on cost, apart from certain financial instruments, provisions for pensions and other post-employment benefits which are reported at fair value. Preparation of the financial statements in accordance with IFRS requires the Company's Executive Management and the Board of Directors to make estimations and judgements that affect the value of the reported assets, liabilities, income and expenses. Estimates and judgements will impact the values of assets and liabilities. The actual outcome (value) may differ from these estimates and judgements and corrections may be necessary to make. Therefore, the estimates and judgements are reviewed on a regular basis.

All accounting policies and critical accounting estimates and judgements considered material to the Group are described in conjunction with each note. When a new accounting policy has been implemented or when there has been changes in disclosures this is described as part of the relevant note.

In order to avoid duplication of information, cross-references have been made between different parts of the annual report.

New accounting policies

New accounting policies 2025

IASB has published amendments to standards that were endorsed by EU, effective after 1 January 2025. These additions have not had any material impact on the financial statements.

New accounting policies 2026 and later

IASB has published standards and amendments to standards that were endorsed by EU, effective after 1 January 2026. None of the amendments are expected to have a material effect on the financial statements. The new standard IFRS 18 Presentation and Disclosure in Financial Statements was released in April 2024 and has an effective date 1 January 2027. An impact assessment is currently being performed as to how this new standard will impact the financial statements.

Basis of consolidation

The consolidated accounts include Geely Sweden Holdings AB and its subsidiaries. Subsidiaries are all entities over which the Group has control. The Group controls an entity when exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All wholly-owned subsidiaries and certain companies owned to 50 per cent or more, are consolidated, see Note 8 – Participation in subsidiaries (Parent Company). Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. When a subsidiary is not wholly-owned by the Group, the portion of the results and equity attributable to the non-controlling interest are presented separately in the financial statements.

Climate change

Being an automotive industry actor, the Group acknowledges the global threat of climate change and global warming, together with the importance of our own contribution to prevent global climate action failure and fulfilment of the Paris Agreement. The Group continuously evaluates how climate change transitional and physical risks affects our business strategy and operations as sustainability is deeply integrated in our business model.

In preparing the consolidated financial statements, the potential impact of climate change has been considered when developing the critical accounting estimates and judgements used by management. The financial impact relating to climate change occurs gradually as the Group navigates the transition to electrification in line with its strategic ambitions and has not had a material effect on the financial statements as of 31 December 2025.

The table included in this note identifies disclosures where considerations of climate related risks are further described, if applicable.

Foreign currency

The Group's Consolidated Financial Statements are presented in Swedish Krona (SEK), which is also the Parent Company's functional currency.

Assets and liabilities denominated in foreign currencies other than the functional currency are translated to the functional currency using the balance sheet closing rate. Exchange rate differences are recognised in the income statement.

Exchange rate differences on operating assets and liabilities are recognised in other operating income and expenses, while exchange rate differences arising on financial assets and liabilities are recognised in financial income and expenses.

When preparing the consolidated financial statements, items in the income statements of foreign subsidiaries are translated to SEK using monthly average exchange rates. Balance sheet items are translated into SEK using exchange rates at year-end (closing rate). Exchange rate differences arising on translation are recognised in other comprehensive income and accumulated in equity. The accumulated translation differences related to subsidiaries, joint ventures or associates are reversed to the income statement as a part of the gain/loss arising from disposal of such a company.

The main exchange rates applied are presented in the table below:

		Average rate		Close rate	
Country	Currency	**2025**	2024	**2025**	2024
China	CNY	1.34	1.47	1.32	1.51
Euro zone	EUR	10.97	11.42	10.82	11.45
United Kingdom	GBP	12.53	13.46	12.39	13.82
United States	USD	9.48	10.51	9.22	11.03
Japan	JPY	0.06	0.07	0.06	0.07

Classification of current and non-current assets and liabilities

An asset is classified as current when it is held primarily for the purpose of trading, is expected to be realised within 12 months after the balance sheet date or consists of cash or cash equivalents, provided it is not subject to any restrictions. All other assets are classified as non-current. A liability is classified as current when it is held primarily for the purpose of trading or is expected to be settled within 12 months after the balance sheet date and the Group does not have the right to defer settlement of the liability for at least 12 months after the balance sheet date. All other liabilities are classified as non-current.

When the criteria for being classified as a non-current asset held for sale are fulfilled and the asset or disposal group are of material value, the asset or disposal group and the related liabilities are recognised on a separate line on the balance sheet.

Note	Critical accounting estimates and judgements	Climate considerations
Note 1 – General information for financial reporting in Volvo Car Group		●
Note 2 – Net revenue	Sales with residual value commitments, repurchase commitments and variable sales prices	●
Note 7 – Leases	Lease term and discount rate	
Note 10 – Government grants	Assessment of reasonable assurance in complying with grant terms	
Note 12 – Investments in joint ventures and associates	Joint control and significant influence assessments	
Note 13 – Taxes	Recoverability of deferred tax assets	
Note 14 – Intangible assets	Impairment testing of intangible assets, useful life	●
Note 15 – Tangible assets	Impairment testing of tangible assets, useful life	●
Note 17 – Inventories	Write down of inventories	
Note 19 – Financial instruments and financial risks	Valuation of level 3 instruments	●
Note 22 – Post employment benefits	Assumptions in calculating benefit obligations	
Note 23 – Current and other non–current provisions	Assumptions used in calculating product warranty, legal claims, etc.	●
Note 25 – Contingent liabilities and pledged assets	Assumptions regarding legal and supplier claims, volume commitments	
Note 27 – Business combinations and divestments	Assessment of if a transaction is a common control transaction	
Note 28 – Segment Reporting	Judgements regarding operating segments	

Climate considerations are generally incorporated in the notes under the Critical accounting estimates and judgments section, apart from Note 19 – Financial instruments and financial risks, where they are addressed under Refinancing Risk Management Status at Year End, and Note 1 – General information for financial reporting in Geely Sweden Holdings AB Group, where they appear under the Climate change heading.

2 Revenue

ACCOUNTING POLICIES

Revenue from the sale of goods and services is valued at transaction price less sales taxes and is recognised when control of the delivered good or service is transferred to the customer. Control passes to the customer generally when they can direct the use of and obtain the benefits from the good or service. This passing of control can happen at a point in time or over a period of time and revenue recognition follows this.

For bundled sales contracts which include both a car and services where the customer can benefit from these independently of each other, the transaction price of the car is reduced by allocating a transaction price to the services based on stand-alone selling prices, or an estimate thereof based on the expected cost plus a margin approach.

Sales contracts may include variable revenue components, such as volume discounts, incentive programmes, and other discounts that are paid out at a later date. When revenue is recognised from these transactions, it is adjusted by the estimated value of the variable components, which is recognised as a contract liability.

For sales contracts where the Group has an obligation to transfer goods or services to the customer and has received consideration in advance, or an amount of consideration is due from the customer, a contract liability is recognised. Revenue is then recognised, and the contract liability derecognised when the good or service is transferred to the customer. This applies to sales contracts with residual value guarantees, sales related to extended service business, sales with repurchase commitment, and advance payments from customers. The contract liability is derecognised against cash and cash equivalents when it pays out or settles sales generated obligations such as a discount.

Revenue from sale of goods

Revenue recognition for sale of new and used cars, parts and accessories as well as sale of goods that are part of contract manufacturing arrangements, depends on specific contract terms, but generally is at a point in time around when the customer takes physical possession.

For the sale of cars where a residual value guarantee is issued to an independent financing provider as part of the sales contract, revenue

recognised is reduced by the amount corresponding to the estimated residual value to be paid in the future. This value is recognised as a contract liability.

For the sale of cars where a repurchase commitment (right or obligation to repurchase) is issued to the customer as part of the sales contract, revenue is recognised over the contract period as if it were an operating lease contract due to the customer not obtaining control of the car at the point of sale. The deferred revenue, equal to the transaction price less sales taxes less the repurchase commitment, is recognised as contract liabilities and the repurchase commitment, equal to the repurchase price, as other liabilities. The car is recognised on the balance sheet as a tangible asset under operating lease over the contract period and is depreciated to the estimated residual value. The useful life and residual value of the assets are monitored closely and changed if necessary. For further information regarding operating leases see Note 7 – Leases.

Revenue from sale of services

The Group sells services in the form of maintenance contracts, extended warranties, connectivity, and in-car software to customers. Revenue from these services is generally recognised over the contract period on a straight-line basis. When an extended warranty contract is bundled with the sale of a car and the inclusion in the contract is assessed to be common practice in the market, a provision is recognised at the point of sale for the costs. When the inclusion goes beyond common practice in the market, part of the revenue is deferred as a contract liability and recognised over the contract period. The revenue deferred is based on standalone selling prices, or if not observable, estimated based on the expected cost plus a margin approach.

Maintenance and extended warranty contracts can in some cases meet the definitions of both a customer contract and an insurance contract. Considering the terms of these contracts, the Group applies the policy choice available to account for these as customer contracts and applies the accounting policies described in this note.

Emission credits

The Group recognises income from government grants relating to emission credits earned during the period for exceeding the emission targets related to car production in certain markets. A fair value for credits received is calculated when the Group determines that an active market for the credit exists and that the Group is likely to engage in transactions in that credit market. Revenue is recognised or adjusted according to net realisable value principles as the credits are classified as inventories. The earned credits are classified as inventories until they are either sold and transferred to a third-party or consumed in the Group's operations. When credits are sold and transferred that either did not have a determinable fair value as of their grant date or were sold at a value that exceeds the fair value on the grant date, this gain is recognised, on a net basis, in revenue when the credits are transferred to the customer and derecognised from inventory. For more information see Note 10 – Government grants and Note 17 – Inventories.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Variable revenue components

An inherent risk regarding different forms of variable revenue components in a sales contract, is the probability of a reversal of revenue in future periods. On initial recognition, variable revenue components are estimated, and revenue is recognised when it is highly probable that a revenue reversal in future periods will not occur. An example of this is when cars are sold to a retailer with volume discounts based on aggregate sales over a 3–12 months period. Revenue from these sales is recognised based on the price specified in the sales contract, adjusted for volume discounts for the wholesale period. Estimates and judgements initially made are updated continuously at each reporting period.

Residual value guarantees

The Group is exposed to residual value risk, meaning that there is a potential loss for the Group if the future market value of a used car is lower than the guaranteed value of the car according to the sales contract. This potential negative effect is recognised as a contract liability, and the future market value of cars is monitored individually on a continuing basis. An estimate is made based on evaluating, among other things, recent car auction values, future price deterioration due to expected change of market conditions and production planning, vehicle quality data, repair and reconditioning costs and with consideration given to the specific markets demand for internal combustion engines and electric vehicles as customer purchasing decisions are influenced by climate change factors.

Repurchase Commitments

The Group is exposed to a potential loss on sales with repurchase commitments if the estimated value of the car guaranteed in the contract is greater than the market value at the time of repurchase. The potential negative effect is recognised as an increased depreciation or an impairment of the car. Estimates of the car value are made on a continuous basis, based on evaluating, among other things, recent car auction values, future price deterioration due to expected change of market conditions and production planning, vehicle quality data, repair and reconditioning costs and with consideration given to the specific markets demand for internal combustion engines and electric vehicles as customer purchasing decisions are influenced by climate change factors. The value of the car on the balance sheet is adjusted if necessary.

Revenue allocated to geographical regions:	**2025**	2024
Europe	193,508	209,358
of which Sweden[1)]	*39,964*	*48,539*
of which United Kingdom	*34,719*	*30,439*
of which Germany	*33,334*	*30,795*
US	64,043	69,496
China	49,348	63,732
Other markets	50,323	58,143
of which Türkiye	*7,847*	*8,051*
of which Canada	*6,793*	*6,659*
Total	**357,222**	**400,729**

1) Includes the Contract manufacturing sales channel.

Revenue allocated to category:	2025	2024
Sales of new cars	250,468	303,880
Sales of used cars	32,509	27,747
Sales of parts and accessories	38,835	38,497
Revenue from subscription, leasing and rental business	5,675	6,709
Sales of licences and royalties	1,936	647
Contract manufacturing	10,249	13,151
Emissions credits	3,501	994
Other revenue [2)]	14,049	9,104
Total	**357,222**	**400,729**

Timing of revenue recognition	2025	2024
At the point of delivery	345,186	388,261
Over the contract term	12,036	12,468
Total	**357,222**	**400,729**

2) Includes one-time sale of subscription car portfolios amounting to SEK 5,245 (2,741) m.

Contract liabilities where revenue is deferred and recognised over time:

	Sales generated obligations	Residual value guarantees	Deferred revenue - extended service business	Deferred revenue - sale with repurchase commitment	Advance payments from customers	Total
Balance at 1 January 2024	**21,703**	**3,942**	**9,447**	**2,004**	**1,869**	**38,965**
Provided for during the year	67,938	2,891	13,582	6,584	99,339	**190,334**
Utilised during the year	-67,004	-2,454	-12,557	-5,351	-98,102	**-185,468**
Translation differences	1,091	277	378	88	87	**1,921**
Balance at 31 December 2024	**23,728**	**4,656**	**10,850**	**3,325**	**3,193**	**45,752**
Of which current	23,728	1,476	4,475	2,819	2,499	**34,997**
Of which non-current	—	3,180	6,375	506	694	**10,755**
Balance at 1 January 2025	**23,728**	**4,656**	**10,850**	**3,325**	**3,193**	**45,752**
Provided for during the year	66,176	4,657	10,929	5,659	116,969	**204,390**
Utilised during the year	-68,182	-4,251	-10,774	-5,754	-116,620	**-205,581**
Translation differences	-2,497	-616	-1,170	-179	-230	**-4,692**
Balance at 31 December 2025	**19,225**	**4,446**	**9,835**	**3,051**	**3,312**	**39,869**
Of which current	19,225	2,078	4,080	2,572	3,309	**31,264**
Of which non-current	—	2,368	5,755	479	3	**8,605**

3 Expenses by nature

	2025	2024
Material cost incl. freight, distribution and warranty	-248,108	-273,852
Personnel[1)]	-41,809	-45,160
Amortisation/depreciation	-24,010	-22,795
Other	-43,366	-33,941
Total	**-357,293**	**-375,748**

Depreciation and amortisation according to plan by function:	2025	2024
Cost of sales	-10,984	-11,369
Research and development expenses	-10,236	-8,905
Selling expenses	-1,599	-1,541
Administrative expenses	-1,160	-949
Other income and expense	-31	-31
Total	**-24,010**	**-22,795**

1) The amounts presented as Personnel have been reduced by capitalised salary costs related to product development.

4 Related party transactions

ACCOUNTING POLICIES

The 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 Group, but within the Geely sphere of companies as well as other companies, such as joint ventures and associates. All transactions with related parties are performed at arm's length.

Significant events and agreements with related parties during the reporting period

- On 14 February 2025, Volvo Cars divested its 30 per cent 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 as well as other regulatory approvals. Cash consideration, including interest, amounted to RMB 5,463 m. The capital gain, recognised directly in equity due to divestment under common control, amounted to RMB 3,144 m (SEK 4,656 m), including tax cost relating to the transaction which amounts to RMB 803 m.
- In May, Volvo Cars sold a significant number of the owned subscription cars in the UK to Volvo Car Financial Services UK Ltd. The one-time transaction amounted to a revenue of SEK 3,288 m, with limited effect on profit. The transaction is part of the updated commercial strategy.
- In December, Geely Sweden Automotive Investment AB, a subsidiary of Geely Sweden Holdings AB, entered into an agreement to lend USD 600 million to Polestar Automotive Holding UK PLC. As of year-end 2025, Polestar Automotive Holding UK PLC had received USD 300 million of the USD 600 million loan agreement. The loan agreement is a short-term interest-bearing converible loan, with the right for Geely Sweden Automotive Investment AB to convert the loan receivable into shares in Polestar Automotive Holding UK PLC. The convertible loan entered into between Geely Sweden Automotive Investment AB and Polestar Automotive Holding UK PLC in November 2023, amounting to USD 250 million plus accrued interest, has been resolved to be converted into shares. The transaction is subject to approval by authorities. Approval and completion of the conversion of this loan receivable into shares are expected to take place during 2026.

Transactions with related parties

Significant transactions with related parties and the nature of these are specified in the below tables and text.

Sales of goods, services and other	2025	2024
Related parties[1)2)]	17,029	19,185
of which Polestar Automotive Holding UK Group	*13,969*	*15,673*
of which Ningbo Fuhong Auto Sales Co., Ltd	*571*	*1,783*
of which Geely International (Hong Kong) Ltd	*624*	*590*
Joint ventures and associated companies	13,121	11,821
of which Volvo Car Financial Services UK Ltd	*11,276*	*7,686*

Purchases of goods, services and other	2025	2024
Related parties[1)2)]	–37,109	–54,498
of which Aurobay Sweden AB (prior name Powertrain Engineering Sweden AB)	*–11,561*	*–13,125*
of which Zhangjiakou Geely New Energy Automobile Co., Ltd	*–9,089*	*–*
of which Viridi E-Mobility Technology (Ningbo) Co., Ltd	*–3,360*	*–1,481*
of which Zhejiang Geely Automobile Co.,Ltd	*–3,270*	*–28,497*
of which Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd	*–3,110*	*–3,933*
of which Geely Changxing Automatic Transmission Co., Ltd	*–1,745*	*–1,795*
of which Zhejiang Haoqing Automobile Manufacturing Co., Ltd	*–328*	*–1,995*
Joint ventures and associated companies	–1,188	–2,262

	Receivables[3)]		Payables[3)]	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Related parties[1)2)3)]	40,895	39,562	13,539	13,865
Joint ventures and associated companies[1)3)]	1,390	1,801	86	716

1) Related parties refer to entities that belong to the Geely sphere of companies. Joint ventures and associated companies within the Geely sphere are presented as Related parties. For joint ventures and associated companies see Note 12 – Investments in joint ventures and associates.
2) Including contract manufacturing.
3) Non-current part of receivables amounts to SEK 24,913 (29,414) m. Non-current part of payables amounts to SEK 1,160 (1,191) m.

The Polestar Automotive Holding UK Group

The revenue from the Polestar Automotive Holding UK Group mainly relate to sales of Polestar cars from the Taizhou and Charleston plants, technology licences and development of technology as well as revenue related to sales of other services.

Ningbo Fuhong Auto Sales Co., Ltd

The revenue from Ningbo Fuhong Auto Sales Co., Ltd mainly relate to sales of cars.

Volvo Car Financial Services UK Ltd

The revenue from Volvo Car Financial Services UK Ltd mainly relate to sales of cars.

Aurobay Sweden AB

The purchases from Aurobay Sweden AB (prior name Powertrain Engineering Sweden AB) are mainly related to combustion engines and product development.

Zhangjiakou Geely New Energy Automobile Co., Ltd

The purchases from Zhangjiakou Geely New Energy Automobile Co., Ltd are mainly related to EX30.

Zhejiang Geely Automobile Co.,Ltd

The purchases from Zhejiang Geely Automobile Co.,Ltd are mainly related to EX30.

Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd
The purchases from Zhangjiakou Aurobay Powertrain Manufacturing Co., Ltd are mainly related to combustion engines.

Viridi E-Mobility Technology (Ningbo) Co., Ltd
The purchases from Viridi E-Mobility Technology (Ningbo) Co., Ltd are mainly related to batteries.

Geely Changxing Automatic Transmissions Co., Ltd
The purchases from Geely Changxing Automatic Transmission Co., Ltd are mainly related to gearboxes.

Zhejiang Haoqing Automobile Manufacturing Co., Ltd
The purchases from Zhejiang Haoqing Automobile Manufacturing Co., Ltd are mainly related to EM90 and EX30.

Other transactions
The Group has long-term loan receivables to Geely International (Hong Kong) Ltd of SEK 14,574 (16,724) m. The loan receivables are guaranteed by Zhejiang Geely Holding Group Co. Ltd. The Group has long-term loan payables to Geely Financials Denmark A/S of SEK 1,159 (1,190) m.

The Group does not engage in any transactions with Board members or senior executives except ordinary remunerations for services and the share-based programme as described in Note 8 – Employees and remuneration and Note 9 – Share-based remuneration.

5 Audit fees

	2025	2024
Deloitte		
Audit fees	-63	-67
Audit-related fees	-7	-6
Tax services	-2	-3
Other services	-10	-8
Total	**-82**	**-84**

Audit fees involve audit of the Annual Report, interim report and the administration by the Board of Directors and the Managing Directors. The audit also includes advice and assistance as a result of the observations made in connection with the audit.

Audit-related fees refer to other assignments to ensure quality in the financial statements including consultations on reporting requirements and internal control.

Tax services include tax-related advisory.

All other work performed by the auditor is defined as **other services**.

6 Other operating income and expenses

ACCOUNTING POLICIES

Foreign exchange rate gains and losses on operating transactions are presented net in other operating income and other operating expenses respectively. Also presented net are fluctuations in the fair value of derivatives hedging operating transactions where there is ineffectiveness on hedging relationships relating to the operating transaction. Information of the classification of financial instruments, see Note 19 – Financial instruments and Financial risks.

	2025	2024
Other operating income		
Net foreign exchange rate differences	—	403
of which foreign exchange rate gains	—	*2,577*
of which foreign exchange rate losses	—	*-2,174*
Net change in fair value on financial instruments	207	—
Sold services	521	684
Government grants	26	30
Other	974	2,324
Total	**1,728**	**3,441**

	2025	2024
Other operating expenses		
Amortisation and depreciation of intangible and tangible assets	-31	-31
Net foreign exchange rate differences	-1,572	—
of which foreign exchange rate gains	*3,289*	—
of which foreign exchange rate losses	*-4,861*	—
Net change in fair value on financial instruments	—	-72
Property tax	-189	-155
Other	-749	-1,117
Total	**-2,541**	**-1,375**

7 Leases

ACCOUNTING POLICIES

The Group as a lessee

The Group leases primarily real estate assets (such as office buildings and warehouses) and equipment (such as production tooling and IT hardware).

At lease contract commencement date, the Group recognises on the balance sheet a right-of-use (RoU) asset and lease liability. RoU assets are measured at cost less accumulated depreciation and impairment and classified as Tangible assets on the balance sheet, see Note 15 – Tangible assets. Lease liabilities are measured as the present value of future lease payments and amortised using the interest rate implicit in the lease or using the Group's incremental borrowing rate when this cannot be determined. Interest expense on Lease liabilities is presented as interest expense in the income statement.

The Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

If a lease contract has a term of 12 months or less, or the underlying asset is of low value, or includes variable lease payments not dependent on an index or rate, no RoU asset or lease liability is recognised. The cost of these leases is recognised as a lease expense on a straight-line basis over the lease term in the functional expense line for which the leased asset is used.

The Group as a lessor

The Group classifies a lessor contract as either a finance lease or an operating lease. If substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the lessee, it is classified as a finance lease. If substantially all the risks and rewards remain with the Group, it is classified as an operating lease.

Operating leases

The Group's operating leases consist primarily of cars under a subscription contract with a customer (Care by Volvo) and cars sold with a repurchase commitment (for example to financial institutions and rental fleet companies). These cars are recognised on the balance sheet at cost less accumulated depreciation and impairment and classified as Assets under operating lease (see Note 15 – Tangible assets). For subscription contracts, lease income is recognised as revenue on a straight-line basis over the lease term. For repurchase commitment contracts, deferred revenue is recognised as Contract liabilities to customers, see Note 2 – Revenue, at the time the vehicle is sold (equal to the sales price received from the cus-tomer less the agreed repurchase value that the Group is contractually obligated to pay in the future) and recognised as revenue on a straight-line basis until repurchase date. In addition to this, a liability is recognised for the agreed repurchase value to be paid at repurchase date. see Note 24 – Other Current and Non-Current Liabilities.

Sale and leaseback transactions

From time to time, the Group sells a tangible asset (primarily owned cars and buildings) and immediately reacquires the right to use the asset by entering into a lease with the buyer. The leaseback period can range from three months to three years.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

At lease contract commencement date, the Group is required to make judgements as a lessee which affect the measurement of its RoU asset and lease liability.

When determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option in addition to the non-cancellable lease term. These options are added to the lease term if they are reasonably certain. For example, the Group would consider it reasonably certain to exercise an extension option if investments have been made to improve the underlying asset or tailor it for our special needs, and/or if the underlying asset is of importance to the Group's operations. The assessment is reviewed if a significant event or change in circumstances occurs that may affect the initial assessment.

The Group's incremental borrowing rate is the weighted average effective interest rate of all borrowings, and takes into consideration for example credit risk, currency risk, country risk and lease term.

For sale and leaseback transactions, the Group is required to make judgements about whether the transfer of an asset to the buyer qualifies as a sale under IFRS 15 which then determines the accounting treatment for the transaction. The Group determines whether a sale exists by making judgements of whether control of the asset passes to the buyer and applies the same accounting principles to this judgement as discussed in Note 2 – Revenue. If the transfer does not qualify as a sale and the assets in the transaction involve owned cars, the transfer proceeds received from the buyer are recognised on the balance sheet, split between Interest-bearing liabilities (equal to the present value of future lease payments, see Note 19 – Financial Instruments and Financial Risks) and Contract liabilities from customers (equal to deferred revenue recognised at the end of the lease period relating to the car sale, see Note 2 – Revenue). For some assets, the Group makes an estimate of the leaseback period which impacts the value of each component. This estimate is based on historical asset usage patterns.

The Group as lessee

Amounts recognised in income statement	2025	2024
Depreciation expenses on right-of-use assets	–1,636	–2,070
Interest expense on lease liabilities	–214	–406
Expense relating to short-term leases	–455	–369
Expense relating to leases of low value assets	–63	–55
Expense relating to variable lease payments not included in the measurement of the lease liability	–109	–133
Income from sub-leasing right-of-use assets	90	121

The total cash outflow for leases amounts to SEK 2,387 (2,912) m. The amount includes payments for lease agreements recognised as liabilities, variable payments, short-term payments and payments for leases of low value.

Right-of-use asset	Buildings and land	Machinery and equipment	Total
Acquisition cost			
Balance at 1 January 2024	11,876	673	**12,549**
Additions	2,354	2,863	**5,217**
Acquired through business combinations	8	—	**8**
Divestments and disposals	–1,321	–173	**-1,494**
Reclassifications	-2	—	**-2**
Translation differences	367	40	**407**
Balance at 31 December 2024	**13,282**	**3,403**	**16,685**
Additions	1,385	710	**2,095**
Divestment of business	–8	—	**-8**
Divestments and disposals	–513	–2,578	**-3,091**
Reclassifications	10	–10	**–**
Translation differences	–960	–440	**-1,400**
Balance at 31 December 2025	**13,196**	**1,085**	**14,281**

Right-of-use asset	Buildings and land	Machinery and equipment	Total
Accumulated depreciation			
Balance at 1 January 2024	–4,983	–444	**-5,427**
Depreciation expense	–1,547	–523	**-2,070**
Divestments and disposals	1,179	213	**1,392**
Reclassifications	3	—	**3**
Translation differences	–105	–9	**-114**
Balance at 31 December 2024	**-5,453**	**-763**	**-6,216**
Depreciation expense	–1,717	81	**-1,636**
Divestment of business	7	—	**7**
Divestments and disposals	398	354	**752**
Reclassifications	-4	4	**–**
Translation differences	381	70	**451**
Balance at 31 December 2025	**-6,388**	**-254**	**-6,642**
Net balance at 31 December 2024	**7,829**	**2,640**	**10,469**
Net balance at 31 December 2025	**6,808**	**831**	**7,639**

Lease liabilities	2025	2024
Non-current lease liabilities	5,309	7,523
Current lease liabilities	1,562	2,176
Accrued Interest expenses on lease liabilities	20	103

The maturity analysis of lease liabilities is presented as other current and non-current interest-bearing liabilities respectively in Note 19 – Financial instruments and Financial Risks.

The Group as lessor

Operating lease contracts

The table contains a maturity analysis of lease payments and the total of undiscounted lease payments that will be received after the balance sheet date.

Future lease income of operating lease contracts, undiscounted	2025	2024
No later than 1 year	1,803	2,577
Later than 1 year but no later than 2 years	520	1,009
Later than 2 year but no later than 3 years	36	173
Later than 3 year but no later than 4 years	17	53
Later than 4 year but no later than 5 years	17	20
Later than 5 years	19	43
Total	**2,412**	**3,875**

8 Employees and remuneration

ACCOUNTING POLICIES

Incentive programmes

The Group manages in total five different incentive programmes, whereof two are short-term and three are long-term.

Short-term

- The Short-Term Variable Pay Programme for Senior Leaders (STVP for Senior Leaders) – (Geely Sweden Holdings and Volvo Cars)
- The Volvo Bonus programme – (Volvo Cars)

Long-term

- The Performance share programme (PSP) – (Volvo Cars)
- The Employee share matching programme (ESMP) – (Volvo Cars)
- The Long-Term Variable Pay Programme (LTVP) – (Geely Sweden Holdings)

The design and pay-out of all programmes are subject to approval of the Board of Directors of Geely Sweden Holdings AB and Volvo Car AB (publ.) respectively. Certain decisions related to the share-based programmes are subject to decision by the Volvo Car AB (publ.) Annual General Meeting.

Short-term incentive programmes

For the short-term incentive programmes a liability is recognised if all prerequisites are met and the cost is recognised as an operating expense.

Long-term incentive programmes

For the long-term incentive programme LTVP (Geely Sweden Holdings) a liability is recognised if all prerequisites are met and the cost is recognised as an operating expense. For information on share-based programmes (Volvo Cars), see Note 9 – Sharebased remuneration

Restructuring

The Group does from time-to-time engage in restructuring programmes to reduce cost and drive efficiencies. Such programmes may involve a redundancy of employees. When a detailed and formal plan of restructuring has been publicly announced, the amounts of provision are determined based on the total direct expenditure arising from the restructuring when the recognition criteria for provisions are met, see Note 23 – Current and other non-current provisions.

Average number of employees by region:	2025	Of whom women, %	2024	Of whom women, %
Sweden	22,470	25	21,749	28
Nordic countries other than Sweden	797	35	763	39
Belgium	5,735	14	5,192	15
Europe other than the Nordic countries and Belgium	2,053	32	1,813	39
North and South America	2,801	32	3,347	38
China	7,691	16	8,726	19
Asia other than China	1,094	27	1,018	20
Other countries	116	41	114	37
Total[1]	**42,757**	**23**	**42,722**	**26**

Number of board members and senior executives[2]	Dec 31, 2025	Of whom women, %	Dec 31, 2024	Of whom women, %
	Board members (Chief Executive Officers and senior executives)		Board members (Chief Executive Officers and senior executives)	
Parent company	4 (7)	25 (14)	4 (5)	25 (20)
Subsidiaries	123 (281)	34 (32)	125 (305)	26 (37)
Total	**127 (288)**	**34 (32)**	**129 (310)**	**26 (37)**

Salaries and other remuneration	2025 Wages and salaries, other remuneration	2025 Social security expenses (of which pension expenses)	2024 Wages and salaries, other remuneration	2024 Social security expenses (of which pension expenses)
Parent company	38	19 (7)	28	14 (4)
Subsidiaries	27,786	11,385 (5,701)	29,059	10,818 (5,325)
Total	**27,824**	**11,404 (5,708)**	**29,087**	**10,832 (5,329)**

1) The FTE number in 2025 and 2024 reflects temporary layoffs.
2) Senior executives are defined as key personnel within the subsidiaries.

Compensation to Board members

In accordance with the decision at the Geely Sweden Holdings AB Annual General Meeting, remuneration was paid to the Board of Directors of Geely Sweden Holdings AB as specified below.

Board member	2025 Ordinary remuneration, TSEK	2024 Ordinary remuneration, TSEK
Eric Li (Li Shufu), Chairman	—	—
Daniel Li (Li Donghui)	—	—
Per Ansgar	—	—
L one Fønss Schrøder	1,576	500
Total	**1,576**	**500**

Terms of employment and remuneration to the CEO

The Board has determined the remuneration principles for the CEO. The CEO is entitled to remuneration consisting of fixed annual salary, STVP for Senior Leaders, LTVP and other benefits such as company car and insurance. The CEO has a defined contribution pension plan.

The notice period for the CEO is 12 months if the CEO resigns and 12 months in the case of termination by Geely Sweden Holdings AB. Furthermore the CEO is, in the case of termination by Geely Sweden Holdings AB, entitled to severance pay based on the fixed salary for a period of maximum 12 months.

Remuneration to Executive Management Team

The Board has determined the remuneration to the Executive Management Team (EMT). Geely Sweden Holdings AB's EMT, is entitled to remuneration consisting of fixed annual salary, STVP for Senior Leaders and other benefits such as company car and insurance.

Members of EMT employed in Sweden are covered by the ITP pension plan. For members of EMT employed outside of Sweden, pension terms and conditions vary, depending on the country of employment

Other long-term benefits

Apart from the remuneration accounted for under Incentive programmes, the CEO and EMT of Geely Sweden Holdings do not have any other long-term benefits.

Restructuring

In 2025 an accelerated cost and cash action plan was launched by Volvo Cars with the aim to protect profitability and drive structural efficiencies on direct and indirect costs. Part of the plan involves creating a leaner and more efficient organisation with a lower cost base, and redundancies were announced to achieve this. The workforce has during the year been reduced by approximately 2,300 employees globally at a cost of SEK 807 m. In addition, approximately 1,100 consultants and agency personnel were impacted. The carrying value of the restructuring provision as at 31 December 2025 is SEK 326 m, including social expenses, see Note 23 – Current and other non-current provisions.

Incentive programmes

Short-term incentive programmes

Volvo Bonus – (Volvo Cars)

The Volvo Bonus programme includes all Volvo Car Group employees, except those who participate in the STVP for Senior Leaders. The purpose of the Volvo Bonus is to strengthen global alignment among employees around Volvo Car Group's vision, objectives and strategies and to encourage all employees to achieve and exceed the business plan targets. To reach maximum pay-out, a number of performance indicators must be reached. These include Volvo Car Group profit target (EBIT), excluding share of income in joint ventures and associates, and a target related to cash flow. A threshold, target and maximum level is set for each performance indicator. In order for any Volvo Bonus to be paid out in respect of each performance indicator, the threshold level needs to be met. The pay-out is generated between threshold and maximum. The pay-out is capped at 200 per cent of the so called target bonus. Depending on the employee's position, the employee is eligible for a certain target level that can be either a fixed amount or a percentage of the employee's annual base salary on 31 December of the performance year. To be eligible for pay-out, the employee must remain within Volvo Car Group on the pay-out month. The remuneration is paid in cash.

STVP for Senior Leaders – (Geely Sweden Holdings and Volvo Cars)

The STVP for Senior Leaders is an incentive programme for the CEO, EMT and certain senior executives. The purpose of the STVP for Senior Leaders is to support the corporate strategy and the transformation of Geely Sweden Holdings and Volvo Cars. To reach maximum pay-out a number of performance targets must be reached. Targets include financial profit targets (EBIT excluding share of income in joint ventures and associates), but also other targets related to sales, cash flow and mission execution activities.

In Volvo Car Group a threshold, target and maximum level is set for each performance indicator. In order for any STVP to be paid out in respect of each performance indicator, the threshold level needs to be met. The pay-out is generated between threshold and maximum. The pay-out is capped at 200 per cent of the so called target award. The target award is a percentage of the employee's gross annual base salary on 31 December of each performance year. To be eligible for pay-out, the employee must remain within Geely Sweden Holdings and Volvo Cars respectively on the pay-out date. The remuneration is paid in cash.

Liability and cost

For 2025 the Volvo Cars Board of Directors decided that no Volvo Bonus or Volvo Cars STVP should be paid out. For 2024 the cost for the Volvo Bonus and STVP programmes amounted to SEK 1,946 m including social security expenses. The 2025 cost for the Geely Sweden Holdings STVP program amounted to SEK 7 (3) m including social security expenses.

Geely Sweden Holdings AB manages a long-term incentive programme, LTVP, for the CEO. The 2025 cost for the LTVP programme amounted to SEK 2 (–4) m including social security expenses. The total liability amounted to SEK 4 (3) m.

	2025			2024		
Compensation to the Executive Management Team (EMT), TSEK	Salary[1]	Variable pay	Social security expenses (of which pension expenses)	Salary[1]	Variable pay	Social security expenses (of which pension expenses)
CEO[2]	4,613	3,828	5,215 (1,813)	10,155	–3,013	3,807 (1,520)
Other members of EMT[3]	11,216	2,212	7,213 (3,539)	5,254	738	2,634 (1,021)
Total	**15,829**	**6,040**	**12,428 (5,352)**	**15,409**	**-2,275**	**6,441 (2,541)**

1) Includes benefits such as healthcare and company car.
2) Hans Oscarsson was CEO of Geely Sweden Holdings AB up to and including October 2024. Per Ansgar was the successor of the CEO position. The compensation to CEO 2024 includes severance pay.
3) The EMT of Geely Sweden Holdings AB consists of 6 (5) members including the CEO. In 2024 EMT included two external consultants whose invoiced fees of SEK 3 736 t, are included in administration expenses but are not included in the table above.

9 Share-based remuneration

ACCOUNTING POLICIES

Share-based long-term programmes

The fair value of the share-based programmes are based on the share price reduced by expected dividends connected with the share during the vesting period. Additional social expenses are recognised as a liability, revalued at each balance sheet date.

The aim of these share-based programmes is to generate engagement and commitment to the organisation on a long-term basis. The PSP is equity-settled while the ESMP programme contains both equity-settled and cash-settled components. For components of the programmes that are equity-settled, the total compensation expense is based on the fair value at the grant-date together with consideration of any relevant performance conditions and is recognised over the relevant service period, with a corresponding increase in equity. All share-based payment programmes with employees have a service component while one has performance components as well. The amount recognised as an expense is adjusted to consider the total number of awards for which the relevant non-market performance conditions and service conditions are expected to be met. The result is that the amount ultimately recognised is based on the actual number of awards that meet the relevant service and non-market performance conditions at the vesting date. For share-based payment transactions with non-vesting conditions, the grant-date fair value is adjusted to reflect these conditions.

For components of the ESMP that are cash-settled, the liability is valued based on the fair value of the liability and is revalued at the end of each reporting period, with any changes in fair value recognised in the income statement for the period.

Share-based incentive programmes

Performance Share Plan (PSP) – (Volvo Cars)

At the Annual General Meeting 2022 of the subsidiary Volvo Car AB (publ.), the shareholders adopted a share-based incentive programme (Performance Share Plan, PSP 2022), with a purpose to create a long-term focus amongst the participants on reaching Volvo Car Group´s long-term ambitions, as well as to facilitate recruitment and retention of employees with key competencies. Since the Volvo Car AB (publ.) Board of Directors also believes that long-term share ownership is an important way to create alignment between the EMT of Volvo Cars and Volvo Car´s shareholders, it has implemented a policy setting out recommendations for certain levels of share ownership for members of the EMT of Volvo Cars. The PSP offers an opportunity for such members to increase their holdings to achieve the recommended share ownership.

A new share-based incentive programme, PSP 2023, was adopted at the Volvo Car AB (publ.) Annual General Meeting 2023 and at the Volvo Car AB (publ.) Annual General Meeting 2024 a third share-based incentive programme was adopted, PSP 2024. A fourth share-based incentive programme was adopted at the Volvo Car AB (publ.) Annual General Meeting 2025, PSP 2025. The structure of these three plans corresponds to the incentive programme approved in 2022.

In all programmes, each PSP participant will at commencement of the programme, free of charge receive a conditional award of Performance Shares (a "PSP Award"). The PSP Award will amount to the number of Performance Shares the value of which corresponds to a percentage of each participant's gross annual base salary. The share price used to calculate the PSP Award value was the volume-weighted average price paid for the Volvo Car AB (publ.) class B share during a period of 30 trading days in connection with the commencement of the vesting period.

The number of Performance Shares allocated to the participants after expiration of the three-year vesting period may amount to between 0 and 200 per cent of the PSP Award, depending on the satisfaction of four performance conditions;

PSP 2022 performance conditions

- average operating margin during financial years 2022–2024 (weight 40 per cent)
- average revenue growth during financial years 2022–2024 (weight 40 per cent)
- reduction of CO_2 emissions per car sold (average CO_2 emissions per car sold in 2018 compared to the average CO_2 emissions per car sold in 2024) (weight 10 per cent)
- gender diversity (portion of non-male participants) in the STVP programme as of 31 December 2024 (weight 10 per cent)

PSP 2023 performance conditions

- average operating margin (excl share of income in JV and associates) during financial years 2023–2025 (weight 30 per cent)
- average revenue growth during financial years 2023–2025 (weight 30 per cent)
- reduction of CO_2 emissions per car sold (average CO_2 emissions per car sold in 2018 compared to the average CO_2 emissions per car sold in 2025) (weight 30 per cent)
- gender diversity (portion of non-male participants) in the STVP programme as of 31 December 2025 (weight 10 per cent)

PSP 2024 performance conditions

- average EBIT (excl share of income in JV and associates) during financial years 2024–2026 (weight 40 per cent)
- compound annual growth rate during financial years 2024–2026 (revenue for financial year 2026 is compared to revenue for financial year 2023) (weight 25 per cent)
- percentage of reduction of CO_2 emissions per Volvo car manufactured in 2018 compared to the average CO_2 emissions per car manufactured in 2026 (weight 25 per cent)
- gender diversity (share of females within senior leaders) as of 31 December 2026 (weight 10 per cent)

PSP 2025 performance conditions

- average EBIT (excl share of income in JV and associates) during financial years 2025–2027 (weight 40 per cent)
- accumulated free cash flow during financial years 2025–2027 (weight 30 per cent)
- percentage of reduction of CO_2 emissions per Volvo car manufactured in 2018 compared to the average CO_2 emissions per car manufactured in 2027 (weight 20 per cent)
- gender diversity (share of females within senior leaders) as of 31 December 2027 (weight 10 per cent)

The performance conditions for all programmes include a minimum level which must be exceeded in order for any Performance Shares to be allocated at all. Should the minimum level be exceeded but the maximum level not reached, a proportionate number of Performance Shares will be allocated.

The PSP 2022 and 2023 programmes shall each comprise a maximum of 9,886,909 class B shares in Volvo Car AB (publ.) respectively, the PSP 2024 programme shall comprise a maximum of 12,539,648 class B shares in Volvo Car AB (publ.) and the PSP 2025 programme shall comprise a maximum of 14,436,511 class B shares in Volvo Car AB (publ.).

Allocation of Performance Shares is also conditional upon the participants retaining the employment within the Volvo Car Group over the entire vesting period. For so-called good leavers the number of performance shares allocated will be proportionately reduced for the time served during the vesting period.

The total value of the Performance Shares at the end of the vesting period may not exceed 400 per cent of the PSP Award value and the number of Performance Shares allotted may be reduced accordingly. Should there be a decline in the price of the Volvo Car AB (publ.) class B share such that the number of Performance Shares subject to allocation exceeds the maximum number of Performance Shares, the number of Performance Shares allocated to the participants will be reduced proportionately.

The Volvo Car AB (publ.) Board of Directors is entitled to reduce the number of Performance Shares subject to allocation or, wholly or partially, terminate the PSP programmes in advance if significant changes in the Volvo Car Group or in the market occur which, in the opinion of the Volvo Car AB (publ.) Board of Directors, would result in a situation where the conditions for allocation of Performance Shares become unreasonable.

The fair value of the Volvo Car AB (publ.) class B share at grant date is calculated as the market value of the share excluding the present value of expected dividend payments for the next three years and amounted to SEK 75.26 for the PSP 2022, SEK 40.43 for the PSP 2023, SEK 34.06 and SEK 24.56 for the PSP 2024 and SEK 17.37 for the PSP 2025, dependent on the date the Performance Share was granted on.

During 2024 Volvo Car AB (publ.) modified the PSP 2022, PSP 2023 and PSP 2024 programmes by granting an additional PSP Award to participants to reflect the effects on the share price in connection with the distribution of Volvo Cars' shareholding in Polestar Automotive Holding UK PLC. The fair value of the Volvo Car AB (publ.) class B share at grant date for the modification amounted to SEK 28.42 and is applicable to all programmes. Terms and conditions of vesting are aligned with the existing programmes. The expenses for the additional PSP Award will be recognised from the modification date up until the date for vesting in each programme. The total expenses for the additional Awards during 2025 was SEK 2 (2) m, of which SEK 1 (2) m is equity settled and SEK — (—) is cash settled.

Liability and cost

The total cost for the PSP programmes amounted to SEK 33 (1) m of which SEK 23 (4) m is equity-settled. SEK 10 (–3) m is cash-settled, of which SEK 9 (–1) m is related to social security expenses. The total liability amounted to SEK 16 (16) m.

Employee Share Matching Plan (ESMP) – (Volvo Cars)

At the Annual General Meeting 2022 of the subsidiary Volvo Car AB (publ.) the shareholders also approved the implementation of a share-based incentive programme (Employee Share Matching Plan, ESMP 2022) giving all permanent employees of Volvo Car Group the opportunity to become shareholders in Volvo Car AB (publ.). The purpose of the ESMP is to create engagement, commitment and motivation for the entire permanent workforce of Volvo Car Group, excluding the participants of PSP.

Two additional ESMP programmes have been approved, one at the Volvo Car AB (publ.) Annual General Meeting 2023, ESMP 2023, and another one at the Volvo Car AB (publ.) Annual General Meeting 2024, ESMP 2024, similar to the one implemented during 2022. To participate in the programmes, the participants must make own investments in class B shares in Volvo Car AB (publ.) (Investment shares), up to an aggregate value for each participant at the time of the investment of no more than SEK 10,000.

For each Investment share, the participants will be entitled to allocation of one Matching Share free of charge after the expiration of the two-year vesting period.

Allocation of Matching Shares is conditional upon the participants retaining the employment within the Volvo Car Group over the entire vesting period and that the participants has retained the Investment shares purchased.

Both ESMP 2022 and 2023 programmes shall comprise a maximum of 7,832,000 class B shares in Volvo Car AB (publ.) respectively. The ESMP 2024 programme shall comprise a maximum of 16,578,427 class B shares in Volvo Car AB (publ.). Should there be a decline in the price of the Volvo Car AB (publ.) class B share such that the number of Matching Shares subject to allocation exceeds the maximum number of Matching Shares, the number of Matching Shares allocated to the participants will be reduced proportionately.

The Volvo Car AB (publ.) Board of Directors is entitled to reduce the number of Matching Shares subject to allocation or, wholly or partially, terminate the ESMP programmes in advance if significant changes in the Volvo Car Group or in the market occur which, in the opinion of the Volvo Car AB (publ.) Board of Directors, would result in a situation where the conditions for allocation of Matching Shares become unreasonable.

The fair value of the Volvo Car AB (publ.) class B share at grant date is calculated as the market value of the share excluding the present value of expected dividend payments for the next two years. For ESMP 2022 the fair value of the share at grant date amounted to SEK 44.34, SEK 50.71, SEK 49.43 and SEK 44.14 dependent on the date the Matching Share was granted. For ESMP 2023 the fair value of the share at grant date amounted to SEK 36.96, SEK 42.72, SEK 45.32, SEK 40.14, SEK 32.56 and SEK 33.6 dependent on the date the Matching Share was granted. For ESMP 2024 the fair value of the share at grant date amounted to SEK 35.32, SEK 31.56, SEK 31.41 and SEK 23.73 dependent on the date the Matching Share was granted.

When the employee receives the Matching Shares, it is normally seen as a taxable benefit. Volvo Cars has therefore decided to contribute with an additional cash sum corresponding to a general tax level for each country. The contribution is calculated on a general level and is not individually set.

Since this part of the programme meets the description of a cash-settled share-based payment transaction, a liability will be recognised and remeasured to fair value at the end of each reporting period.

During 2024, Volvo Car AB (publ.) granted an additional cash contribution to ESMP 2022 and ESMP 2023 participants to reflect the effects on the share price in connection with the distribution of Volvo Cars' shareholding in Polestar Automotive Holding UK PLC. Payment of the cash contribution is aligned with the vesting of the existing programmes and

PSP	PSP 2025	PSP 2024	PSP 2023	PSP 2022
Outstanding number of shares at the beginning of the year	—	3,600,636	2,268,229	1,139,405
Granted shares during the year	6,655,658	39,215	—	—
Forfeited during the year	-81,317	-423,860	-180,170	-76,493
Decrease due to performance conditions	—	—	—	-526,903
Vested during the year	—	—	—	-526,799
Outstanding number of shares at the end of the year	**6,574,521**	**3,215,891**	**2,088,059**	**9,210**

PSP 2023 programme vesting level

Performance condition, %	Weight	Minimum level	Maximum level	Performance outcome	Achieved vesting level
Average operating margin (excl share of income in JV and associates) during financial years 2023–2025	30	5.6	7	5.4[1)]	0
Average revenue growth during financial years 2023–2025	30	7.5	17.5	3.5	0
Reduction of CO_2 emissions per car sold (average CO_2 emissions per car sold in 2018 compared to average CO_2 emissions per car sold in 2025)	30	26	40	31	71
Gender diversity (portion of non-male participants) in the STVP programme as of 31 December 2025	10	30	34	28.5	0
Overall achieved vesting level					**21**

1) The operating margin for 2025 has been adjusted for items affecting comparability in accordance with a decision from PC.

PSP 2022 programme vesting level

Performance condition, %	Weight	Minimum level	Maximum level	Performance outcome	Achieved vesting level
Average operating margin during financial years 2022–2024	40	6	7.6	5.8	0
Average revenue growth during financial years 2022–2024	40	10.5	14.5	12.7	111
Reduction of CO_2 emissions per car sold (average CO_2 emissions per car sold in 2018 compared to average CO_2 emissions per car sold in 2024)	10	26	40	24	0
Gender diversity (portion of non-male participants) in the STVP programme as of 31 December 2024	10	30	34	31.1	55
Overall achieved vesting level					**50**

the cost for the additional cash contribution will be taken from the modification date up until the date for vesting in each programme. The total cost for 2025 for the additional cash contribution was SEK 9 (26) m (all cash settled).

Liability and cost

The total cost for the ESMP programme amounted to SEK 98 (153) m of which SEK 47 (80) m is equity-settled. SEK 51 (73) m is cash- settled, of which SEK 17 (24) m is related to social security expenses. The total liability amounted to SEK 58 (78) m.

	ESMP 2024	ESMP 2023	ESMP 2022
Outstanding number of shares at the beginning of the year	1,821,311	1,559,470	625,244
Granted shares during the year	—	—	—
Forfeited during the year	-195,412	-43,468	-8,729
Vested during the year	—	-1,482,042	-616,515
Outstanding number of shares at the end of the year	**1,625,899**	**33,960**	**–**

10 Government grants

ACCOUNTING POLICIES

Government grants are recognised in the financial statements in accordance with their purpose, either as a reduction of expense or as a reduction of the carrying amount of the asset. Government grants intended to compensate for a specific expense are recognised as a cost reduction in the same period as the expense which the grant is intended to compensate has been recognised. Government grants related to acquiring assets are deducted from the carrying amount of the asset and are recognised in the income statement over the life of a depreciable asset as a reduced depreciation expense. In cases where the received government grant is not intended to compensate for any expenses or the acquisition of assets, the grant is classified by the nature of the income, either as revenue or other income. Government grants for future expenses are recognised as deferred income. For more information relating to the accounting policies for emission credits see Note 2 – Revenue.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attached to the grant and that the grant will be received. Judgement includes assessing if the Group is in compliance with the prerequisites in the contract or not and if there is a potential risk of repayment if these prerequisites are breached during the contract period. As of today, the Group's assessment is that there are no government grants received where there is a risk of material repayments.

The Group receives grants from several parties, mainly from the Slovak, American, Chinese and Belgian Governments as well as from the European Union. In 2025 the government grants received amounted to SEK 797 (167) m and the government grants realised in the income statement amounted to SEK 3,686 (1,116) m. Grants relating to earned emission credits amounted to SEK 3,501 (994) m. Non-monetary government grants have been received in China, mainly in the form of rent-free office and factory premises, and in the US in the form of reduced lease fees and reduced property tax related to office premises and the manufacturing site.

11 Other financial income and expenses

ACCOUNTING POLICIES

Financing expenses on repurchase obligations are presented as other financial expenses. Foreign exchange rate gains and losses on financial transactions are presented net as other financial income or other financial expenses. Also presented net are fluctuations in the fair value of derivatives hedging financial transactions where hedge accounting is not applied. Information on the classification of financial instruments, see Note 19 – Financial instruments and Financial risks.

Other financial income	**2025**	2024
Dividends received	1,637	2,483
Net change in fair value on financial instruments	—	358
Net foreign exchange rate differences	—	709
of which foreign exchange rate gains	—	*3,777*
of which foreign exchange rate losses	—	*-3,068*
Result from distribution of non-cash assets	—	2,006
Other financial income	22	9
	1,659	**5,565**

Other financial expenses	**2025**	2024
Financing expenses on repurchase obligations	-917	-797
Net change in fair value on financial instruments	-241	—
Net foreign exchange rate differences	-1,426	—
of which foreign exchange rate gains	*5,667*	—
of which foreign exchange rate losses	*-7,093*	—
Fees on factoring	-151	-184
Expenses on credit facilities	-99	-69
Other financial expenses	-24	-48
	-2,858	**-1,098**

12 Investments in joint ventures and associates

ACCOUNTING POLICIES

Joint ventures refer to joint arrangements whereby the Group together with one or more parties have joint control and rights to the net assets of the arrangements.

Associated companies are companies in which the Group has a significant but not controlling influence, which generally is when the Group holds between 20 and 50 per cent of the shares, but it also includes investments with less participation if significant influence is proven based on other facts and circumstances.

Investments in joint ventures and associated companies are recognised in accordance with the equity method. When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the joint venture or associate, the Group does not recognise further losses unless it has a legal or constructive obligations in relation to the joint venture or associate.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

A critical judgement in relation to joint ventures is whether joint control exists when the Group has a shareholding of greater than 50 per cent but based on other facts and circumstances has joint control over the investee. This could be based on but not limited to the governance structure of the joint venture, and procedures for appointment of key management and dispute resolution. The judgement that is made is whether the Group has the power to direct the activities that significantly affect the returns of the joint venture, has a right to variable returns from the joint venture, and the ability to exercise its power over the joint venture to affect the amount of its returns. Even with a greater than 50 per cent ownership in an investee, if the Group cannot direct the activities of the joint venture to significantly affect its returns from the joint venture, nor exercise its power over the joint venture. The Group recognises Volvo Car Group Financial Leasing (Shanghai) Co., Ltd as a joint venture with a 55 per cent shareholding and voting interest because it has joint decision-making power over the operations.

A critical judgement in relation to associates is whether significant influence exists where the Group has voting power of less than 20 per cent but based on other facts and circumstances could have significant influence over a company. This could be based on the content of a shareholder agreement, evaluation of the company's financing structure and board of directions composition, or other market-based assumptions and relationship-based facts.

	2025	2024
Share of income in joint ventures	416	–2,197
Share of income in associates	57	–2,785
Total	**473**	**-4,982**

Share of income in joint ventures and associates is specified below:	2025	2024
Lynk & Co Automotive Technology Group	–137	–624
Polestar Automotive Holding Group[1)]	—	–2,255
Ziklo Bank AB	379	393
Geely Financials Denmark A/S	186	9
Other companies[2)3)]	45	–2,505
Total	**473**	**-4,982**

1) After the second quarter 2024, no further losses have been recognised.
2) Impairment of shareholding in NOVO Energy AB of SEK — (–1,702) m.
3) Saxo Financial Technology Company Limited, a subsidiary of the joint venture Geely Tech Holding A/S, has written down the value of its intellectual property during 2024 and 2025. The Group share of the write-down in 2024 amounted to SEK –1,140 m. The Group share of the 2025 write-down amounted to SEK –851 m of which SEK –324 m is recognized since that is the level at which further losses exceed the Group interest in the joint venture Geely Tech Holding A/S.

Investments in joint ventures and associates	31 Dec 2025	31 Dec 2024
At beginning of the year/acquired acquisition value	13,972	19,771
Share of net income	473	–4,982
Reversal internal profit elimination	—	–2,557
Investment in NOVO Energy AB	—	2,136
Investment in Volvo Car Group Financial Leasing (Shanghai) Co., Ltd.	—	802
Investment in World of Volvo AB	—	25
Investment in Zenuity AB	3	6
Divestment of Lynk & Co Automotive Technology Co., Ltd	–2,235	—
Liquidation of GV Automobile Technology (Ningbo) Co., Ltd	–43	
Reclassification from joint venture to subsidiary	—	–908
Revaluation of earn-out rights in Polestar Automotive UK PLC	—	581
Dividends	–205	–213
Translation difference	–384	–689
Total	**11,581**	**13,972**

Geely Financials Denmark A/S

Geely Financials Denmark A/S is a financial holding company with main purpose to invest in shares in other companies. The company holds 49.9 per cent of the shares in Saxo Bank A/S and 50 per cent of the shares in Geely Tech Holding A/S.

Lynk & Co Automotive Technology Co., Ltd

The joint venture company Lynk & Co Automotive Technology Co., Ltd was an establishment between Volvo Cars (China) Investment Co., Ltd, (30 per cent), Ningbo Geely Automobile Industry Co., Ltd. (50 per cent) and Zhejiang Geely Holding Group Co., Ltd. (20 per cent). The principal activity of the Lynk & Co Automotive Technology Co., Ltd is to engage in the manufacturing and sale of vehicles under the "Lynk & Co" brand, and support after-sale services relating thereto.

On 14 February, Volvo Cars divested its 30 per cent 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. Disposal consideration, including interest, amounted to RMB 5,463 corresponding to SEK 8,053 m. 70 per cent of the disposal consideration (RMB 3,824 m) was received at closing and the remaining 30 per cent of the disposal consideration (RMB 1,639 m) was paid on 28 November 2025. Since the transaction is a divestment under common control, the capital gain of SEK 5,818 m (excluding tax) was recognised directly in equity.

The recognised losses in Lynk & Co Automotive Technology Co., Ltd have been accounted for up until 14 February 2025, using the equity method.

Polestar Automotive Holding UK PLC

The associated company Polestar Automotive Holding UK PLC is owned by the Group's wholly-owned subsidiaries Snita Holding B.V., with 13.7 (18.0) per cent shareholding and 12.5 (14.9) per cent of voting power and Geely Sweden Automotive Investment AB with 18.1 (23.8) per cent shareholding and 16.5 (19.6) per cent of voting power as well as via Group minor shareholdings of 0.5 (0.7) per cent with 0.5 (0.6) per cent of voting power. PSD Investment Ltd, a related party within the Geely-sphere, has 36.7 (39.2) per cent shareholding and 42.3 (49.9) per cent of voting power. Polestar Automotive Holding UK PLC is listed on the Nasdaq Stock Exchange in New York (ticker symbol: PSNY).

On 26 March 2024, the Annual General Meeting of Volvo Cars resolved, in accordance with the Board of Directors' proposal, to distribute a portion of Volvo Cars' shareholding in Polestar to Volvo Cars' shareholders.

In preparation for the distribution of the shares, an internal share transfer was made from Snita Holding B.V. to Volvo Cars parent company Volvo Car AB (publ.) at a purchase price equivalent of the fair market value of each share on the Nasdaq Stock Exchange in New York on the transaction date, 8 May 2024.

On 8 May 2024, Volvo Car AB (publ.) completed the distribution of 62.7 per cent of its shareholding in Polestar Automotive Holding UK PLC amounting to SEK 9,332 m to Volvo Cars' shareholders. The major shareholder is Geely Sweden Holdings AB with 78.65 per cent of the shares.

The distribution involved a share split (2:1), whereby Volvo Cars' shareholder received redemption shares which was redeemed as part of the distribution. The distribution of SEK 3.13 per share was made to the hold-

The Group's carrying amount on investments in joint ventures and associates:	Corp. ID no.	Country of incorporation	% interest held	**31 Dec 2025**	31 Dec 2024
Joint ventures					
Geely Financials Denmark A/S	38976176	Denmark	49	4,485	4,560
Geely Tech Holding A/S	15731249	Denmark	50	—	324
E3 Fastighetsutveckling AB	559409-5332	Sweden	50	94	91
Volvo Trademark Holding AB	556567-0428	Sweden	50	7	7
VH Systems AB	556820-9455	Sweden	50	38	37
Zenuity AB	559073-6871	Sweden	50	—	—
Ziklo Bank AB	556069-0967	Sweden	50	3,905	3,717
World of Volvo AB	559233-9849	Sweden	50	89	87
VCFS Germany GmbH	HRB 85091	Germany	50	4	4
VCIS Germany GmbH	HRB 86800	Germany	50	12	9
Volvo Car Financial Services UK Ltd	12718441	United Kingdom	50	1,215	1,036
Volvo Car Group Financial Leasing (Shanghai) Co., Ltd	91310115MA1K49CY8Y	China	55	1,694	1,612
GV Automobile Technology (Ningbo) Co., Ltd	91330201MA2AGKLQ8E	China	— (50)	—	40
Lynk & Co Automotive Technology Co., Ltd	91330200MA2AF25Y7B	China	— (30)	—	2,414
Associated companies					
VCC Försäljnings KB	969712-0153	Sweden	50	1	1
VCC Tjänstebilar KB	969673-1950	Sweden	50	5	2
Volvohandelns PV Försäljnings AB	556430-4748	Sweden	50	19	17
Volvohandelns PV Försäljnings KB	916839-7009	Sweden	50	6	7
Polestar Automotive Holding UK PLC[1)]	13624182	United Kingdom	32 (42)	—	—
Trio Bilservice AB	556199-1059	Sweden	33	1	1
Göteborgs Tekniska College AB	556570-6768	Sweden	26	7	6
Leiebilservice AS	879 548 632	Norway	20	—	1
Carrying amount, participation in joint ventures and associates				**11,581**	**13,972**

1) The share of voting power is 29.5 (35.1) per cent.

The share of voting power corresponds to holdings in per cent as per above, unless otherwise noted. For practical reasons, some of the joint ventures and associates are included in the consolidated financial statements with a certain time lag, normally one month.

ers of the redemption shares on the record date of of 8th of May 2024, in total 2,979,524,179 redemption shares.

After the distribution, the Group's remaining shareholding in Polestar through the wholly-owned subsidiary Snita Holding B.V. was reduced to 18.0 per cent with a voting right of 14.9 per cent. The Group's total shareholding in Polestar is when adding the shareholding via the wholly-owned subsidiary Geely Sweden Automotive Investment AB and other minor shareholdings, 32.3 (42.5) per cent with 29.5 (35.1) per cent of voting power.

The Volvo Car Group distribution of Polestar Automotive Holding UK PLC shares in 2024 decreased the Group ownership from 49.0 per cent to 42.5 per cent. The decreased ownership of 6.5 per cent represented the Volvo Car Group holding in Polestar Automotive Holding UK PLC distributed to the minority owners of the Volvo Car Group. Geely Sweden Holdings AB did for the distribution received by the Volvo Car Group minority owners, apply a principle for the Volvo Car Group Polestar shares subject to distribution, the distribution was recognised according to the IFRIC 17 method. In the consolidated statements of Geely Sweden Holdings AB, the Polestar shares distributed by Volvo Car Group, were revalued with a result impact of SEK 2 bn (attributable to the minority share) which was included in net financial items. The dividend received by Geely Sweden Holdings AB was eliminated in Group and did not have an impact on the Geely Sweden Holdings AB consolidated statements.

Until 8 May 2024, recognised losses in Polestar were accounted for using the equity method with a shareholding of 48.3 per cent and thereafter with 18.0 per cent. In 2024 when recognised losses exceeded the carrying amount of Volvo Car Group's investment in Polestar, no further losses were recognised. The unrecognition of further losses occurred before the distribution of Polestar shares, thus no further losses referring to the Group's investment in Polestar have been recognised after the transfer of ownership within the Group.

On 23 July 2025, Polestar Automotive Holding UK PLC closed a private investment in public equity, a "PIPE investment" of USD 200 m with its major shareholder PSD Investment Ltd. As a result, the Group's shareheld-

The following tables present summarised financial information for the Group's material joint ventures and associates.

	Geely Financials Denmark Group		Lynk & Co Automotive Technology Group[1]		Polestar Automotive Holding Group[2]		Ziklo Bank AB[3]	
Summarised balance sheets	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Percentage ownership	49	49	—	30	32	42	50	50
Non-current assets	2,464	87,728	—	30,686	14,383	24,958	51,880	44,488
Cash and cash equivalents	13	7,319	—	8,367	9,177	8,100	3,646	4,064
Other current assets	383	57,671		45,614	14,865	17,403	6,106	5,525
Assets held for sale[4]	156,469	—	—	—	—	—	—	—
Total assets	**159,329**	**152,718**	**–**	**84,667**	**38,425**	**50,461**	**61,632**	**54,077**
Equity[5][6]	15,245	15,885	—	7,881	–42,627	–31,489	7,058	6,683
Non-current financial liabilities	—	136,463	—	6,045	24,080	26,237	49,932	42,376
Non-current liabilities[5]	367	—	—	4,551	2,240	3,055	1,372	1,174
Current financial liabilities	—	—	—	2,745	31,802	28,968	—	—
Current liabilities	4	370	—	63,445	22,930	23,690	3,270	3,844
Liabilities held for sale[4]	143,713	—	—	—	—	—	—	—
Total equity and liabilities	**159,329**	**152,718**	**–**	**84,667**	**38,425**	**50,461**	**61,632**	**54,077**

	Geely Financials Denmark Group		Lynk & Co Automotive Technology Group[1]		Polestar Automotive Holding Group[2]		Ziklo Bank AB[3]	
Summarised income statements	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Revenue	—	—	—	62,282	21,592	21,373	6,124	5,745
Depreciation and amortisation	—	—	—	–5,429	–374	–1,188	–18	–20
Interest income	5,898	7,562	—	315	707	173	—	—
Interest expense	–2,238	–3,788	—	–704	–2,789	–4,150	—	—
Profit/loss from continuing operations	693	710	—	–2,339	–15,499	–16,578	626	633
Profit (loss) for the year	**693**	**710**	**–**	**-2,339**	**-15,499**	**-16,578**	**626**	**633**
Other comprehensive income for the year	**-37**	**-60**	**–**	**137**	**386**	**-420**	**–**	**–**
Total comprehensive income for the year	**656**	**650**	**–**	**-2,202**	**-15,113**	**-16,998**	**626**	**633**
Dividends received from joint ventures and associates during the year	—	—	—	—	—	—	191	201

ing in Polestar was diluted from 42.5 per cent down to 38.8 per cent and voting rights were diluted down from 35.1per cent to 34.8 per cent.

On 23 December 2025, Polestar Automotive Holding UK PLC closed a PIPE investment of USD 300 m with two financial institutes. As a result, the Group's shareholding was further diluted down to 32.3 per cent and voting rights were diluted down to 29.5 per cent.

As of 31 December 2025, the Group's' fair value of the Polestar Group, listed on the Nasdaq Stock Exchange in New York, was SEK 5,889 (10,398) m based on the quoted market price.

Ziklo Bank AB

Ziklo Bank AB is a joint venture between Volvo Car Corporation and AB Volverkinvest. In Sweden, Ziklo Bank AB is one of the leading banks within vehicle financing services. During 2024, Volvofinans Bank AB changed its legal name to Ziklo Bank AB, however Volvofinans still exists as a brand.

Other companies

On 8 December, GV Automobile Technology (Ningbo) Co., Ltd, a joint venture between Volvo Car Corporation and Ningbo Geely Automobile Technology Research & Development Co. Ltd, was liquidated.

NOVO Energy AB was a joint venture between Volvo Car Corporation (50 per cent) and Northvolt AB (50 per cent). The purpose of the joint venture was to develop and produce more sustainable batteries to contribute to powering the next generation of pure electric Volvo and Polestar cars.

On 30 October 2024, Volvo Cars executed its redemption right to acquire Northvolt's 50 per cent shareholding in NOVO Energy AB. The NOVO Energy Group was up to 30 October 2024 reported in accordance with the equity method and thereafter reclassified to a subsidiary. For further information, see Note 27 – Business combinations and divestments.

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures and associates.

	Geely Financials Denmark Group		Lynk & Co Automotive Technology Group [1]		Polestar Automotive Holding Group [2]		Ziklo Bank AB [3]	
Reconciliation of summarised financial information	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Net asset of the joint venture and associate	9,602	9,802	—	7,881	-42,627	-31,489	7,058	6,683
Proportion of the Group's ownership, %	49	49	—	30	32	42	50	50
Goodwill	—	—	—	—	—	—	376	376
Adjustments for differences in accounting principles	—	—	—	—	455	455	—	—
Adjustments for common control transaction	29	29	—	54	-47	20	—	—
Adjustments for change in ownership %	—	—	—	—	4,348	-1,820	—	—
Adjustments for unrecognised share of losses	—	—	—	—	1,968	6,859	—	—
Elimination of intra-group profit	-365	-365	—	—	—	—	—	—
Polestar listing	—	—	—	—	8,970	8,970	—	—
Revaluation of earn-outs rights	—	—	—	—	315	315	—	—
Equity-settled share-based payments	1	-7	—	—	-106	-92	—	—
Capital injection from investors other than the Group	9	9	—	—	-1,107	-764	—	—
Transactions with non-controlling interests	-80	-83	—	—	—		—	—
Net foreign exchange rate effect	186	174	—	-4	-1,027	-560	—	—
Carrying amount of the Group's interest in joint ventures and associates	**4,485**	**4,560**	**–**	**2,414**	**–**	**–**	**3,905**	**3,717**

1) The Group's equity share in Lynk & Co Investment Group was in year 2024 included with a time lag of a month, and a forecast for December.
2) The Group's equity share in Polestar Automotive Holding Group is included with a time lag of a quarter.
3) The Group's equity share in Ziklo Bank AB is included with a time lag of a quarter.
4) During the year a share purchase agreement was signed regarding the Geely Financials Denmark Group's shareholding in its subsidiary Saxo Bank A/S. The transaction is subject to regulatory approval.
5) Equity and non-current liabilities are adjusted with the portion of untaxed reserves where appropriate.
6) The Geely Financials Denmark Group equity includes non-controlling interests of SEK 5,643 (6,083) m.

Significant restrictions

For the Chinese joint venture company, there are some restrictions on the the Group's ability to access cash.

13 Taxes

ACCOUNTING POLICIES

Income taxes

Income taxes include current and deferred taxes as well as withholding tax, mainly on licenses, and are reported in the income statement unless the underlying transaction is recognised directly in equity or other comprehensive income. For those items the related income tax is also reported directly in equity or other comprehensive income.

Deferred taxes are recognised on tax loss carry-forwards, unused tax credits and differences that arise between the taxable value and carrying value of assets and liabilities, with the exception of goodwill.

The Group applies the mandatory temporary exemption in IAS 12 to not recognise or disclose information about deferred tax assets and liabilities related to the OECD Pillar Two rules. Information regarding the Group's exposure to the enacted Swedish Pillar Two legislation is presented in this note.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Deferred tax assets

The recognition of deferred tax assets requires assumptions about the level of future taxable income and the timing of recovery of deferred tax assets. These assumptions take into consideration forecasted taxable income. The measurement of deferred tax assets is subject to uncertainty and the actual result may diverge from judgements due to future changes in business climate, altered tax laws etc. An assessment is made at each closing date of the likelihood that the deferred tax asset will be utilised. If needed the carrying amount of the deferred tax asset will be altered. The judgements may affect net income both positively and negatively.

Income tax recognised in income statement	2025	2024
Current income tax for the year	–2,690	–2,793
Current income tax for previous years	–450	–317
Deferred taxes	647	–3,434
Pillar Two – minimum tax	–7	–9
Withholding taxes[1)]	171	–255
Other taxes	27	29
Total	**–2,302**	**–6,779**

1) Withholding tax on i.a. royalty and licence sales, mainly to China.

Reconciliation between current tax rate in Sweden and effective tax rate	2025	2024
Income before tax for the year	–593	27,276
Tax according to applicable Swedish tax rate, 20.6 (20.6)%	122	–5,619
Operating income/costs, non-taxable	223	857
Withholding taxes	171	–255
Other taxes, non-tax deductible	20	20
Share of income in joint ventures and associates, tax exempt	75	–1,181
Capital gains or losses, non-tax deductible	–75	–334
Effect of different tax rates	–221	–192
Tax effect on deferred tax due to change of tax rate	–30	—
Non-recognised deferred tax asset on tax losses carry forward[2)]	–2,457	–108
Remeasurements of previously non-recognised deferred tax on tax losses	110	194
Revaluation of previously non-valued losses and other temporary differences	–212	–134
Other	–28	–27
Total	**–2,302**	**–6,779**

2) Non-recognised deferred tax asset mainly refer to tax losses carry forwards and temporary differences in China. Deferred tax assets were not recognised due to IAS 12 criteria regarding convincing evidence of future taxable income and limitation of tax losses carry-forwards to five years. The impairment is allocated to taxable losses and temporary tax adjustments recognised during the year SEK –1,784 (–108) m and remeasurement of previous year recognised deferred tax assets of SEK –673 (—) m.

The corporate statutory income tax rate in Sweden was 20.6 (20.6) per cent. The effective tax rate on profit before taxes was –387.88 (24.85) per cent.

Income tax recognised in other comprehensive income	2025	2024
Deferred tax		
Tax effects on cash flow hedge reserve	1,770	–1,109
Tax effect of remeasurement of provisions for post-employment benefits	496	–55
Tax effects on translation difference of hedge instruments of net investments in foreign operations	154	–65
Total	**2,420**	**-1,229**

Specification of deferred tax assets	31 Dec 2025	31 Dec 2024
Goodwill arising from the purchase of the net assets of a business	–9	36
Provision for employee benefits	467	1,042
Unutilised tax loss carry-forwards and tax credits[3)]	11,975	10,534
Accruals	7,287	9,258
Reserve for unrealised income in inventory	767	1,730
Provision for warranty	1,690	1,757
Fair value of financial instruments	—	743
Lease liabilities	1,578	2,385
Other temporary differences	1,681	1,517
Total deferred tax assets	**25,436**	**29,002**
Netting of assets/liabilities	–17,073	–16,742
Total deferred tax assets, net	**8,363**	**12,260**

Specification of deferred tax liabilities	31 Dec 2025	31 Dec 2024
Fixed assets	17,824	20,112
Untaxed reserves	125	47
Auto lease portfolio	7,317	7,125
Fair value of financial instruments	1,202	—
Other temporary differences	469	538
Total deferred tax liabilities	**26,937**	**27,822**
Netting of assets/liabilities	–17,073	–16,742
Total deferred tax liabilities, net	**9,864**	**11,080**

3) In 2025, the Group has adjusted the presentation of certain unused tax credits in the US, resulting in a reclassification amounting to SEK 1,099 (1,278) m, to more accurately reflect the nature of these items. Comparative figures have been restated (prior Other non-current assets).

The Group is subject to the OECDs model rules for Pillar Two and on 13 December 2023, the government of Sweden, where the parent company is incorporated, enacted the Pillar Two income tax legislation effective from 1 January 2024 and applicable from fiscal year 2024.

Based on the legislation, the Group is obliged to pay additional tax on profits in each jurisdiction where the effective tax rate according to the GloBE rules is below the minimum tax rate of 15 per cent.

The Group has identified exposure to Pillar Two income taxes on profits earned in a few countries. The exposure comes from the constituent entities (mainly operating subsidiaries within the Volvo Car Group) in these jurisdictions. The current tax expense related to Pillar Two income taxes is disclosed separately.

The Group is continuing to assess the impact of the Pillar Two income tax legislation on its future financial performance and is adapting to local compliance rules as they are implemented. For the sake of completeness, it should be noted that some countries, including China, have not yet implemented Pillar Two rules (or a local Qualified Domestic Top Up Tax) within their domestic legislation.

Changes in deferred tax assets and liabilities during the reporting period	31 Dec 2025	31 Dec 2024
Net book value of deferred taxes at 1 January[3)]	1,180	2,977
Deferred tax income/expense recognised through income statement	647	–3,434
Change in deferred taxes recognised directly in other comprehensive income	–2,420	1,229
Reclassifications[3)]	—	143
Exchange rate impact	–908	265
Net book value of deferred taxes at 31 December[3)]	**-1,501**	**1,180**

3) In 2025, the Group has adjusted the presentation of certain unused tax credits in the US, resulting in a reclassification amounting to SEK 1,099 (1,278) m, to more accurately reflect the nature of these items. Comparative figures have been restated (prior Other non-current assets).

As of 31 December 2025, the recognised tax loss carry-forwards amounted to SEK 48,726 (41,780) m. The tax value of these tax loss carry-forwards is reported as an asset. Of the total SEK 11,975 (10,534) m recognised deferred tax assets related to tax loss carry-forwards, SEK 6,878 (6,085) m relates to Sweden with indefinite periods of utilisation. SEK 4,426 (3,543) m relates to US where tax loss carry-forwards are expected to be utilised before expiration date and SEK 334 (698) m relates to China where tax loss carry-forwards are expected to be utilised before expiration date.

The Group had total unrecognised deferred tax assets of SEK 2,879 (717) m related to tax losses carry-forwards and temporary tax adjustments, these were not recognised due to IAS 12 criteria regarding convincing evidence of future taxable income and limitation of tax losses carry-forwards to five years. The majority, SEK 2,289 (—) m is related to China with definite periods of utilisation.

The final years in which the recognised loss carry-forwards can be utilised are shown in the following table.

Tax-loss carry-forwards; year of expiration	31 Dec 2025	31 Dec 2024
Due date		
Expiring within one year	11	—
Expiring after one year but within five years	808	2,791
Expiring after five years	47,907	38,989
Total	**48,726**	**41,780**

14 Intangible assets

ACCOUNTING POLICIES

The intangible assets held by the Group consists primarily of vehicle product development, licenses and patents, trademark, goodwill, dealer network and investments in IT-systems and software. The Group applies the cost model for measurement of intangible assets.

Product development

The Group applies a waterfall model with distinct gates that governs all phases of product development projects. Costs related to product development are only recognised as assets when the recognition criteria are met. Normally this correlates with the industrialisation phase of the project when the product is prepared for serial production and the product is launched. Costs prior to the industrialisation phase of the project, the concept phase, are recognised in the income statement as incurred.

Development costs that are contractually shared with other parties are recognised as intangible assets to the extent of the relevant proportion of the Group interests. Incurred costs for developed technology not controlled by the Group are recognised in the income statement as cost of sales at the time of sale.

Amortisation methods for intangible assets

Intangible assets with finite useful lives are amortised on a straight-line basis over their respective expected useful lives. When assets are used

	Product development[1) 4)]	Software[4)]	Assets under construction	Trademark and goodwill[2)]	Other intangible assets[3)]	Total
Acquisition cost						
Balance at 1 January 2024	51,441	8,040	37,466	4,238	10,052	**111,237**
Additions	6,306	25	14,552	–	47	**20,930**
Acquired through business combinations	–	–	–	115	–	**115**
Divestments and disposals	-3,645	-769	-190	-179	-69	**-4,852**
Reclassifications	28,233	2,244	-30,928	–	124	**-327**
Effect of foreign currency exchange rate differences	1	-7	46	–	125	**165**
Balance at 31 December 2024	**82,336**	**9,533**	**20,946**	**4,174**	**10,279**	**127,268**
Additions	3,326	24	14,570	–	52	**17,972**
Acquired through business combinations	–	–	–	102	–	**102**
Divestment of business	-4	–	–	–	–	**-4**
Divestments and disposals	-1,698	-396	-289	–	-35	**-2,418**
Reclassifications	11,717	1,990	-14,082	–	245	**-130**
Effect of foreign currency exchange rate differences	-2	7	-66	-5	-206	**-272**
Balance at 31 December 2025	**95,675**	**11,158**	**21,079**	**4,271**	**10,335**	**142,518**
Accumulated amortisation and impairment						
Balance at 1 January 2024	-29,068	-3,461	–	–	-6,533	**-39,062**
Amortisation expense	-7,399	-960	–	–	-846	**-9,205**
Divestments and disposals	3,616	429	–	–	64	**4,109**
Reclassifications	–	–	–	–	853	**853**
Effect of foreign currency exchange rate differences	–	25	–	–	-139	**-114**
Balance at 31 December 2024	**-32,851**	**-3,967**	**–**	**–**	**-6,601**	**-43,419**
Amortisation expense[4)]	-8,171	-1,187	–	–	-845	**-10,203**
Impairment	-7,237	–	-136	-180	-58	**-7,611**
Divestment of business	4	–	–	–	–	**4**
Divestments and disposals	1,228	326	–	–	35	**1,589**
Reclassifications	–	6	–	–	5	**11**
Effect of foreign currency exchange rate differences	2	-40	–	–	182	**144**
Balance at 31 December 2025	**-47,025**	**-4,862**	**-136**	**-180**	**-7,282**	**-59,485**
Net balance at 31 December 2024	**49,485**	**5,566**	**20,946**	**4,174**	**3,678**	**83,849**
Net balance at 31 December 2025	**48,650**	**6,296**	**20,943**	**4,091**	**3,053**	**83,033**

1) The Group has capitalised borrowing costs related to product development of SEK 970 (1,120) m. A capitalisation rate of 4.4 (4.6) per cent was used to determine the amount of borrowing costs eligible for capitalisation.
2) Of the total Net balance at 31 December 2025, Goodwill amounted to SEK 493 (576) m.
3) Other intangible assets refer mainly to licences, dealer network and patents.
4) During the year, due to changes in the cycle plan concerning China, planned production in the Daqing manufacturing plant was affected, resulting in increased amortization of SEK 208 m recognised in Cost of sales and Research and development.

only in the production of a specific vehicle or platform, the useful life of the assets is aligned with the production period for that vehicle or platform. The amortisation period for contractual rights such as licences does not exceed the contract period. All intangible assets are considered to have a finite useful life, with the exception of goodwill and trademarks. Trademarks are assumed to have indefinite useful lives since the Group has the right and the intention to continue to use the trademarks for the foreseeable future, while generating net positive cash flows for the Group. An intangible asset with an indefinite useful life is not amortised. The following useful lives are applied to intangible assets with finite useful lives:

Dealer network	30 years
Software	3–8 years
Product development	3–15 years
Patents, licences and similar rights	3–10 years

Amortisation is included in cost of sales, research and development expenses as well as selling or administrative expenses, depending on how the assets have been used. Amortisation of intangible assets related to vehicle platforms are included in research and development expenses.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The useful life of all significant assets is regularly reassessed. When the useful life of an intangible asset is reduced, amortisation is accelerated and increased in future periods to reflect the reduction over time over which the Group will derive benefits from the asset. A shorter estimated useful life is not always an indicator of impairment, as impairment is characterised by a change in the expected cash flows to be derived from the asset. When assessing the useful life, climate-related risks were considered and found to have no material impact.

The majority of the carrying amount of intangible assets with finite useful lives are derived from Volvo Car Group and are tested for impairment on Volvo Car Group level when there are indicators of a decline in the expected future economic benefits related to the asset. Impairment testing of assets that do not generate largely independent cash inflows is performed by grouping assets per platform, which constitute the Volvo Car Group cash-generating units (CGUs).

Likewise, the majority of intangible assets with indefinite useful lives are derived from Volvo Car Group and are tested annually for impairment on Volvo Car Group level. Trademarks are tested for impairment at the Volvo Car Group level, as they do not generate largely independent cash inflows. Goodwill arising from business combinations on Volvo Car Group level is allocated to their relevant platform CGUs and is tested for impairment at that level.

In calculating an impairment test, certain estimations must be made with regards to future cash flows, required return on investments and other adequate assumptions. The estimated future cash flows are based on assumptions that represent the Volvo Car Group management's best estimate of the economic conditions that will exist during the asset's remaining useful life and are based on internal business plans or forecasts. Future cash flows are determined on the basis of long-term planning, which is approved by Volvo Car Group management and valid at the date of preparation of the impairment test. The planning is based on expectations regarding future market share, the market growth, the products' profitability, as well as managements most current assumptions about climate related matters.

Other intangible assets within the Geely Sweden Holdings AB Group are of limited significance from a materiality perspective and are tested for impairment upon indication. No impairment requirements were identified during 2025.

During 2025, Volvo Car Group identified indicators of impairment for one of its cash-generating units (CGUs); the EX90 and ES90 platform CGU. As a result, an impairment test was performed during the second quarter of the financial year. The CGU comprises of product development intangible assets, as well as an allocation of production related assets and goodwill relating to the EX90 and ES90. The indicators of impairment were primarily related to:

- The launch of the EX90 and ES90 platform experienced delays, which led to increased development costs due to extended timelines and additional resource requirements. Furthermore, the delayed release resulted in the platform entering the market under less favourable macroeconomic conditions than originally anticipated, impacting its initial performance and return expectations.
- The imposition of increased tariffs on imported raw materials and automotive parts and cars, which significantly impacted production costs and profitability.
- The transition from ICE vehicles to BEVs has been progressing at a slower pace than previously forecasted.

As a result, Volvo Car Group conducted an impairment test.

Impairment test and key assumptions

The recoverable amount of the CGU was determined based on its value in use, calculated using a discounted cash flow model. A pre-tax discount rate of 10.7 per cent was used, reflecting CGU-specific risks and market conditions at the time of assessment. The key assumptions applied in the model included:

- Cash flow projections based on business plans approved by the Volvo Car Group management and Board covering the expected useful life of the platform.
- Assumptions regarding sales volumes, pricing, and margins, including the anticipated impact of tariffs, as well as the CGU's contribution toward internal netting of emission credits between BEV and ICE cars.

These assumptions reflect the Volvo Car Group management's best estimates of economic conditions and future performance at the time of the impairment assessment, considering the market environment and future developments.

Impairment loss recognised

As a result of the impairment test, an impairment loss of SEK 11,431 m was recognised in the consolidated income statement during the second quarter. The impairment, which included the full write-down of goodwill allocated to the CGU, was allocated on a pro-rata basis across the CGU's assets based on their carrying amounts. The impairment loss was distributed as follows:

- SEK 7,373 m was recognised under Research and development expenses, related to the impairment of product development assets.
- SEK 3,982 m was recognised under Cost of sales, related to the impairment of allocated buildings, machinery and equipment.
- SEK 76 m was recognised under Other operating income and expenses, related to the impairment of allocated goodwill.

At the reporting date, the Volvo Car Group management assessed whether any impairment indicators existed for this CGU and concluded that no further impairment or reversal was required. At the Volvo Car Group level, impairment test was also performed for non CGU specific assets, including remaining goodwill, trademark and other assets, and no impairment was identified.

Carrying amount of the EX90/ES90 platform CGU before and after impairment

SEK m	
Carrying amount before impairment	34,543
Impairment loss recognised	–11,431
Recoverable amount	23,112

Sensitivity analysis

The impairment assessment is sensitive to changes in key assumptions used in determining the recoverable amount and the sensitivity analysis presented reflects conditions at the second quarter impairment test date; as of the reporting date, the Volvo Car Group management assessed that there is no significant risk of additional impairment based on reasonably possible changes in key assumptions. A change in the following assumptions, holding all other variables constant, would have had the following approximate impact on the recoverable amount:

- A 1 per cent increase in the discount rate would reduce the recoverable amount by approximately SEK 1,441 m.
- A 1 per cent decrease in the yearly sales volumes would reduce the recoverable amount by approximately SEK 306 m.
- A 1 per cent decrease in the sales margin of the cars and associated parts and accessories, including effects of tariffs and emission credits, would reduce the recoverable amount by approximately SEK 2,841 m.

15 Tangible assets

ACCOUNTING POLICIES

The tangible assets held by the Group consist primarily of buildings, land and land improvements, machinery and equipment, right-of-use assets (RoU), and assets under operating leases. The cost method is applied for the measurement of tangible assets.

Buildings, land and land improvements include assets such as office buildings, production facilities, leasehold improvements and structures built to make land ready for use, such as drainage and roadways. Machinery and equipment include production related assets, such as type-bound tooling, robots and assembly lines, as well as office equipment.

Depreciation methods for tangible assets

Tangible assets are depreciated on a straight-line basis over their estimated useful lives. When a component of a tangible asset has a cost that is significant in relation to the total cost of the item and a useful life that differs from the useful life of the other components of the item, the components are depreciated separately.

RoU assets where the Group is a lessee are depreciated over the lease contract period. When assets are used only in the production of a specific vehicle or platform, the useful life of the assets is aligned with the production period for that vehicle or platform.

The following useful lives are applied in the Group:

Buildings	15–50 years
Land improvements	15–30 years
Machinery	8–30 years
Equipment	3–20 years
Land	Indefinite

Depreciation is included in cost of sales, research and development expenses as well as selling or administrative expenses depending on how the assets have been used.

For more information on RoU assets and assets under operating leases, see Note 7 – Leases.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The useful life and residual value of all significant assets are regularly assessed. When the useful life of a tangible asset is reduced, depreciation is accelerated and increased in future periods to reflect the reduction of time over which the Group will derive economic benefits from the assets. A shorter estimated useful life is not always an indicator of impairment, as impairment is characterised by a change in the expected cash flows to be derived from the asset.

When assessing the useful life, climate-related risks were considered and found to have no material impact. This is because certain mitigation efforts against physical risks have been done, among other things, considering potential impacts of climate change during initial design and construction of tangible assets as well as maintaining insurance in case significant damage or disruption does occur.

The majority of the carrying amounts of tangible assets are derived from Volvo Car Group and are tested for impairment on Volvo Car Group level if there are indicators of a decline in value with regards to future economic benefits related to the asset. For these calculations, certain estimations must be made with regards to future cash flows, required return on investments and other adequate assumptions. The estimated future cash flows are based on assumptions that represent the Volvo Car Group management's best estimate of the economic conditions that will exist during the asset's remaining useful life and are based on internal business plans or forecasts. Future cash flows are determined on the basis of long-term planning, valid at the date of preparation of the impairment test and approved by Volvo Car Group management. The planning is based on expectations regarding future market share, the market growth, the products' profitability, as well as the Volvo Car Group management's most current assumptions about climate related matters.

Other tangible assets within the Geely Sweden Holdings AB Group are tested for impairment upon indication. No impairment requirements were identified during 2025.

During the year, Volvo Car Group identified indicators of impairment for one of its cash-generating units (CGUs); the EX90 and ES90 platform CGU. As a result, an impairment test was performed, which led to the recognition of impairment losses across both intangible and tangible assets. The portion of the impairment related to tangible assets amounted to SEK 3,982 m and was recognised under Cost of sales. Further details regarding the impairment test are disclosed in Note 14 – Intangible assets.

	Buildings and land[1)2)]	Machinery and equipment[1)2)]	Construction in progress	Right-of-use assets[3)]	Assets under operating leases[4)]	Total
Acquisition cost						
Balance at 1 January 2024	32,620	112,897	12,755	12,549	13,182	**184,003**
Additions	591	12,580	12,744	5,217	11,358	**42,490**
Acquired through business combinations	181	77	1,937	8	1,047	**3,250**
Divestments and disposals	–507	–6,442	–176	–1,494	–305	**–8,924**
Reclassifications	1,961	6,047	–8,983	–2	–11,139	**–12,117**
Effect of foreign currency exchange rate differences	1,152	2,349	586	407	173	**4,667**
Balance at 31 December 2024	**35,997**	**127,508**	**18,863**	**16,685**	**14,316**	**213,369**
Additions	284	7,126	14,981	2,095	8,178	**32,664**
Acquired through business combinations	—	—	—	—	4,036	**4,036**
Divestment of business	—	—	—	–8	–2,351	**–2,359**
Divestments and disposals	–226	–5,309	–176	–3,091	–376	**–9,178**
Reclassifications	2,106	5,092	–7,277	—	–14,361	**–14,440**
Effect of foreign currency exchange rate differences	–2,257	–6,178	–898	–1,400	–829	**–11,562**
Balance at 31 December 2025	**35,904**	**128,239**	**25,493**	**14,281**	**8,613**	**212,530**
Accumulated depreciation and impairment						
Balance at 1 January 2024	–13,319	–77,848	—	–5,427	–814	**–97,408**
Depreciation expense	–1,283	–7,652	—	–2,070	–2,572	**–13,579**
Acquired through business combinations	–1	–2	—	—	–42	**–45**
Divestments and disposals	373	4,861	—	1,392	109	**6,735**
Reclassifications	–3	1	—	3	2,221	**2,224**
Effect of foreign currency exchange rate differences	–408	–1,231	—	–114	–20	**–1,773**
Balance at 31 December 2024	**–14,641**	**–81,871**	**–**	**–6,216**	**–1,118**	**–103,846**
Depreciation expense[3)]	–1,339	–8,435	—	–1,636	–2,388	**–13,796**
Impairment[1)]	–583	–3,284	–186	—	—	**–4,053**
Acquired through business combinations	—	—	—	—	–527	**–527**
Divestment of business	—	—	—	7	700	**707**
Divestments and disposals	138	3,560	—	752	60	**4,510**
Reclassifications	13	–74	—	—	2,096	**2,033**
Effect of foreign currency exchange rate differences	733	2,877	—	451	118	**4,179**
Balance at 31 December 2025	**–15,679**	**–87,227**	**–186**	**–6,642**	**–1,059**	**–110,793**
Net balance at 31 December 2024	**21,356**	**45,637**	**18,863**	**10,469**	**13,198**	**109,523**
Net balance at 31 December 2025	**20,225**	**41,012**	**25,307**	**7,639**	**7,554**	**101,737**

1) Includes EX90/ES90 Platform CGU impairment losses of SEK 3,982 m recognised in Cost of sales.
2) The Group has no mortgages in Buildings and land or Machinery and equipment. For further information regarding pledged assets, see Note 25 – Contingent liabilities and Pledged assets.
3) During the year, due to changes in the cycle plan concerning China, planned production in the Daqing manufacturing plant was affected, resulting in increased depreciation of SEK 437 m recognised in Cost of sales.
4) For information regarding Right-of-use assets, see Note 7 – Leases.
5) Assets under operating leases mainly relate to vehicles sold with repurchase commitments and contracts under the name Care by Volvo.

16 Investment property

ACCOUNTING POLICIES

Investment property is property leased to tenants according to operational lease agreements with the Group being the lessee . Investment property is recognised at acquisition cost, less accumulated depreciation and potential impairment loss. Value-adding additional expenditures are capitalised. All other additional expenditures are recognised in the income statement in the period in which they incur. Repair and maintenance expenditures are recognised in the income statement in the period they incur.

Investment property rental income is recognised in the income statement according to the rental contract terms.

The criteria used to distinguish investment property from owner occupied property is based on useage but also whether ancillary services are significant. When the services provided are more significant the property is classifed as owner occupied property.

	Property owned by the Group
Acquisition cost	
Balance at 1 January 2024	540
Balance at 31 December 2024	**540**
Balance at 31 December 2025	**540**
Accumulated depreciation and impairment	
Balance at 1 January 2024	-14
Depreciation expense	-11
Balance at 31 December 2024	**-25**
Depreciation expense	-11
Balance at 31 December 2025	**-36**
Net balance at 31 December 2024	**515**
Net balance at 31 December 2025	**504**

Investment property - impact on profit for the period	2025	2024
Rental income	25	27
Direct costs of investment property that generated rental income during the period (operating and maintenance costs, real estate taxes and ground rents)	-4	-3
Direct costs of investment property that did not generate rental income during the period	—	—

Information on investment property fair value

Accumulated fair value	Dec 31 2025	Dec 31 2024
At beginning of the year	550	550
At end of the year	522	550

There are no restrictions relating to income or proceeds from disposal nor any significant contractual obligations.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Investment property is depreciated on a straight-line basis over the estimated useful life. Management regularly reassesses the useful lives of the assets. If circumstances change so that the estimated useful lives have to be revised, it could mean additional depreciation in future periods.

In case of any indication of long-term decline of the investment property fair value, an impairment assessment is conducted. An impairment is recognised when the book value of the asset exceeds the asset fair value. The fair valuation is carried out by an external, independent real estate appraiser with relevant and professional qualifications. The appraiser has knowledge about the location and category of the property subject to the fair valuation.

17 Inventories

ACCOUNTING POLICIES

Inventories consist of raw material and consumables, work in progress, finished goods and goods for resale, and emission credits. Assets held under operating lease, with a maturity less or equal to 12 months, are also recognised as inventory. Inventories are measured at the lower of cost and net realisable value. Cost of inventories comprise of all costs of purchase, production charges and other expenditures incurred in bringing the inventories to their present location and condition. The initial value of emission credit inventories is based on the fair value on the date they are earned.

The cost of inventories of similar assets is established using the first-in, first-out method (FIFO). Net realisable value is calculated as the selling price in the ordinary course of business, less estimated costs of completion and selling costs. For groups of similar products, a Group valuation method is applied. Physical stock counts are carried out annually or more often where appropriate in order to verify the records.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Net realisable value is based on the most reliable evidence of the amount the Group expects to realise from vehicles and components on future sales trends or needs, for components, and takes into account items that are wholly or partially obsolete.

A future unexpected decline in market conditions could result in an adjustment in future expected sales, requirements and in estimated selling prices assumptions, which may require an adjustment to the carrying amount of inventories.

	31 Dec 2025	31 Dec 2024
Raw materials and consumables	71	364
Work in progress	11,161	13,768
Current assets held under operating lease	10,685	10,964
Finished goods and goods for resale	31,857	35,398
Emissions credits	5,250	1,961
Total	**59,024**	**62,455**
Of which value adjustment reserve:	–2,080	–1,282

The cost of inventories recognised as an expense and included in cost of sales amounted to SEK 280,868 (303,208) m.

Current assets held under operating lease consists of a sale of vehicles combined with a repurchase commitment with a maturity less or equal to 12 months.

18 Accounts receivable and other current and non-current assets

ACCOUNTING POLICIES

Accounts receivables are recognised at amortised cost. An allowance for expected credit loss is recognised when the receivable is initially recognised. The recognised allowance for credit losses consists of incurred as well as of expected credit losses. A credit loss has been incurred when there has been an event that has triggered the customers inability to pay. The expected credit loss allowance is based on a multiplier consisting of average historical write-offs and forward-looking macroeconomic data. In these cases, there has not yet been any events incurred showing any inability to pay.

If it has been determined that an accounts receivable is uncollectible, it will be written off and derecognised. It usually means that collection has been unsuccessful and an entity has no reasonable expectations of recovering the contractual cash flows on the receivable in its entirety or a portion thereof.

Other non-current assets	31 Dec 2025	31 Dec 2024
Restricted cash	—	260
Endowment insurance for pensions	367	363
Rental deposition	29	38
Other non-current assets[1]	17,932	18,877
Total	**18,328**	**19,538**

Accounts receivable and other current assets	31 Dec 2025	31 Dec 2024
Accounts receivable, non-group companies	11,492	13,007
Accounts receivable, related companies	9,914	9,954
VAT receivables	4,093	3,833
Prepaid expenses and accrued income[2]	6,745	7,091
Other financial receivables	—	—
Restricted cash	39	120
Other receivables[2) 3)]	5,853	3,781
Total	**38,136**	**37,786**

1) In 2025, the Group has adjusted the presentation of certain unused tax credits in the US, resulting in a reclassification amounting to SEK 1,099 (1,278) m, to more accurately reflect the nature of these items. Comparative figures have been restated (prior year Other non-current assets)
Other rece ivables to the related company Geely International (Hong Kong) Ltd amounted to SEK 14,574 (16,724) m whereof SEK 14,402 (16,289) m is interest-bearing receivables.
2) Whereof prepaid expenses and accrued income from related companies amounted to SEK 1,487 (1,557) m, and other receivables to related companies amounted to SEK 3,197 (437) m, of which SEK 2,774 (-) m is to the associated company Polestar Automotive Holding UK PLC.
3) Whereof interest-bearing receivables amounted to SEK 3,185 (679) m, whereof SEK 2,766 (–) is to the associated company Polestar Automotive Holding UK PLC.

Accounts receivable amounted to SEK 21,406 (22,961) m including a credit loss allowance of SEK 242 (133) m of which SEK 28 (37) m is related to allowance for expected credit losses. As of 31 December 2025, the total credit loss allowance amounted to 1.13 (0.58) per cent of total accounts receivable.

The size and geographical spread of the accounts receivable are closely linked to the distribution of the Group's sales. The accounts receivable and other current assets do not contain any significant concentration of credit risk to individual customers or markets.

Change in loss allowance for accounts receivable is as follows:	2025	2024
Balance at 1 January	133	126
Additions	164	20
Reversals	–25	–13
Write-offs	–25	–1
Translation difference	–5	1
Balance at 31 December	**242**	**133**

Aging analysis of accounts receivable and accounts receivables from related companies	Not due	1-30 days overdue	30-90 days overdue	>90 days overdue	Total
2025					
Accounts receivable gross	19,782	713	383	770	21,648
Loss allowance	–201	–4	–8	–29	–242
Accounts receivable net	**19,581**	**709**	**375**	**741**	**21,406**
2024					
Accounts receivable gross	19,113	961	729	2,291	23,094
Loss allowance	–109	—	–5	–19	–133
Accounts receivable net	**19,004**	**961**	**724**	**2,272**	**22,961**

19 Financial instruments and financial risks

ACCOUNTING POLICIES

Recognition and derecognition

Accounts receivable are recognised on the balance sheet when they are issued by the Group. Accounts payable are recognised on the balance sheet when the invoice is received. Regular-way acquisitions of financial assets are recognised on the balance sheet upon the actual transfer, which occurs on the settlement date. Financial liabilities such as issued bonds and loan liabilities to financial institutions, are recognised on the balance sheet on the settlement date. Other financial assets and liabilities are recognised on the balance sheet when the Group becomes involved according to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus transaction costs, except for financial assets carried at fair value through profit or loss. In this case transaction costs are expensed in the income statement. Financial liabilities are initially recognised at fair value less transaction costs, except for those financial liabilities carried at fair value through profit or loss. For these liabilities transaction costs are expensed in the income statement.

The Group derecognises financial assets or a portion of a financial asset from the balance sheet upon expiry, when it has been settled or when all significant risks and rewards linked to the asset have been transferred to a third party. In those cases where the Group concludes that all significant risks and rewards have not been transferred, the portion of the financial assets corresponding to the Groups' continuous involvement continues to be recognised.

The Group derecognises financial liabilities or a portion of a financial liability from the balance sheet when the obligation in the contract has been settled, cancelled, or expired.

Classification of financial assets

The Group classifies financial assets depending on how the asset is managed and the characteristics of the assets' contractual cashflows. The following measurement categories are applied at the Group:

- financial assets at amortised cost
- financial assets at fair value through profit or loss
- financial assets at fair value through other comprehensive income

Accounts receivable and other financial receivables

Accounts receivable are classified at amortised cost, and are measured at their nominal value, reflecting the short-term nature of these assets and the immaterial impact of discounting are recognised. Accounts receivable are presented net after allowance for expected credit loss, see Note 18 – Accounts receivable and other current and non-current assets.

Customer invoices may be subject to factoring arrangements with a financial institution. In those cases, the invoices are derecognised from accounts receivable immediately upon settlement. If the credit risk has not transferred to the financial institution the receivables remain on the balance sheet and are presented as Other non-current and current financial assets.

Other financial receivables presented as non-current or/and current other interest-bearing receivables and other assets, are measured at amortised cost.

Deposits

A deposit is a type of interest-bearing instrument held at a financial institution where funds are placed for a fixed term at a predetermined interest rate and cannot be withdrawn before maturity. A deposit also exist without a fixed maturity date, in which case advance notice is required before funds can be withdrawn. Deposits are measured at amortised cost.

Equity repurchase agreements
Equity repurchase agreements refer to arrangements where the Group accepts quoted equity securities as collateral for an investment of cash. These equity repurchase agreements are measured at amortised cost. The quoted equity securities received as collateral, which are held in a custodian account, are not recognised on the Group's balance sheet as the Group does not have the right to sell or re-pledge the collateral and has not obtained control over the equity instrument. Received collateral is measured based at fair value using quoted prices in active markets at the reporting date.

Convertible loan
The Group classifies the convertible loan receivable as financial assets at fair value through profit or loss. The convertible loan was initially recognised at fair value. The convertible loan receivable includes a conversion option, which provides the holder with a possibility to convert the loan balance into equity instruments, as shares in the company. This results in subsequent valuation based on prevailing market quotations, which ensures that changes in fair value are continuously recognised in the income statement.

Equity instruments
The Group includes equity instruments as financial assets mainly at fair value through profit or loss, which is comprised of holdings in listed and unlisted equity instruments, unlisted warrants and earn-out rights. The Group presents changes in fair value of equity instruments in Share of income in joint ventures and associates and Other financial income and expenses.

The AB Volvo shareholding is a long-term strategic investment. The Group therefore initially chose to recognise fair value changes of the holding in Other comprehensive income.

Bank acceptance drafts
Bank acceptance drafts (BADs) are received primarily in connection with car sales to dealers in China and represent a common form of payment within the Chinese market. BADs may be held to maturity, traded, or redeemed prior to maturity at a discount. The Group may redeem these instruments before maturity in order to accelerate cash inflows, accepting a discount that reflects the early settlement. BADs are measured at fair value through other comprehensive income.

Classification of financial liabilities
After initial recognition all financial liabilities are carried at amortised cost under the effective interest rate method, except derivatives that constitute liabilities which are measured at fair value. Short-term financial liabilities, including trade payables and other obligations due within one year, are typically measured at their nominal value. Given their short maturity and the absence of significant interest components, the effect of discounting is considered immaterial. As such, the nominal amount provides a reliable approximation of fair value for reporting purposes.

Financial liabilities that are designated as hedged items in fair value hedges are remeasured at fair value concerning the hedged risk throughout the hedging relationship period.

Payables under supplier financing programmes
Liabilities arising under supplier financing programmes are classified based on their contractual substance at initial recognition. Certain balances are recognised and presented as Accounts payable, while other balances are initially recognised and presented as Other current liabilities. The programmes do not result in derecognition of the liabilities.

Derivatives
Derivatives with positive fair values, representing the accumulated unrealised gains, are recognised as Non-current or Current derivative assets. Conversely, derivatives with negative fair values, representing the accumulated unrealised losses, are recognised as Non-current or Current derivative liabilities.

Realised and unrealised gains and losses from fluctuation in fair value of these instruments are recognised in the income statement.

The realised and unrealised gains and losses from fluctuations in the fair value of derivatives designated as hedging instruments are recognised in Other comprehensive income and accumulated in other reserves in equity until the underlying transactions occur. The accumulated gain or loss on these hedging instruments is then recycled to the income statement.

Hedge accounting
The Group applies hedge accounting when derivative instruments and financial liabilities are included in a documented hedge relationship. At the inception of the hedge, The Group documents the relationship between hedging instruments and hedged items, as well as its risk management strategy and objective for undertaking hedging transactions.

Cash flow hedge
The Group applies cash flow hedge accounting to manage variability in cash flows arising from highly probable forecast transactions, including foreign currency exposures on future sales and purchases, expected commodity consumption, and variable interest payments on liabilities to credit institutions. Hedging instruments comprise forward contracts, options, swap contracts and interest rate swaps.

The effective portion of changes in the fair value of hedging instruments is recognised in Other comprehensive income and accumulated in equity under other reserves. Amounts deferred in equity are recycled to the income statement in the periods in which the hedged items affect profit or loss, within Revenue, Cost of sales, or Interest expenses, as applicable. If the identified relationships are no longer deemed effective, the fluctuation in fair value of the hedging instrument from the last period in which the instrument was considered effective is recognised in the income statement.

If the hedged transaction is no longer expected to occur, the hedge's accumulated changes in value are immediately transferred from other reserves in equity through other comprehensive income to the income statement.

Fair value hedge
The Group applies fair value hedge accounting, where the designation should eliminate the significant accounting mismatch of a fixed rate liability carried at amortised cost and a related derivative contract, such as an interest rate swap which is recognised at fair value through profit or loss. The carrying value of the hedged item, namely a specified part of a fixed rate issued bond is initially recognised at amortised cost. Subsequent changes related to the hedged risks are reflected in the carrying amount of the liability as a hedge adjustment with the offsetting entry going to the income statement. Changes in the hedge adjustments of the hedged item and the hedging instrument are both recognised in the income state-

ment and the accounting mismatch is therefore eliminated. Gains and losses related to the interest rate swaps and changes in the hedge adjustment of the hedged fixed rate debt are recognised in the income statement. Hedge ineffectiveness is also reported in the income statement.

Net investment hedge

The Group designates financial liabilities in the relevant foreign currency against currency exposure arising from investments in the subsidiaries. The Group designates debt instruments in EUR and USD as hedging instruments to mitigate the translation exposure on their net investments in these currencies. Net investments in foreign operations consists of the value of the Group's share of the net assets of the foreign subsidiary. The hedge reserve with regards to net investment in foreign operations is recorded in other comprehensive income and accumulated in currency translation reserve in equity in order to meet the translation difference of consolidated foreign subsidiaries. In the event of a divestment, the accumulated hedge effect is transferred from the hedge reserve in equity to the income statement.

Fair value hierarchy levels

Financial instruments are divided into three levels depending on the market information available.

Level	Fair value determination	Comprises
1	Measurement based on quoted prices in active markets for identical assets or liabilities that the the Group can access at the measurement date.	Quoted equity instruments measured at fair value through income statement or other comprehensive income.
2	Measurement based on inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.	Derivatives designated as hedging instruments or measured at fair value through income statement.
3	Measurement based on unobservable inputs for the asset or liability.	Unquoted equity instruments measured at fair value through income statement.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Accounting for financial instruments includes performing certain estimates and judgements. The fair values of financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. For financial assets the fair value is based on the current bid price. The fair values of financial instruments that are not traded in active markets are determined by using valuation techniques. The Group uses a range of valuation methods and incorporates assumptions based on market prices prevailing at the end of the reporting period. Alternative techniques, such as estimated discounted cash flows (DCF valuation), are employed to assess the fair value of the remaining financial instruments. DCF valuations are performed using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models are used for any optional derivatives.

Derivatives with a positive fair value are adjusted with the default probability derived from the Credit Default Swap curve per counterparty. The same adjustment is made for the derivatives with a negative fair value with the Group's own credit risk using the Default Probability of Volvo Car AB (publ.) credit default swaps.

The following table outlines the valuation methods employed by the Group for various types of financial instruments as described:

Type of instrument	Valuation method
Forward exchange contracts	Measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts.
FX options	Currency options are measured using the Garman-Kohlhagen model, an adaptation of the Black-Scholes model.
Interest rate swaps	Measured at the present value of future cash flows, estimated and discounted based on applicable yield curves derived from quoted interest rates.
Commodity forwards	Measured using quoted commodity prices and yield curves derived from quoted interest rates matching maturities of the contracts.
Convertible loan	Measured by discounting projected future cash flows using the current interest rate curve and a credit spread derived from a benchmark portfolio. The convertible loan may be converted into shares at the same price offered to all other market participants, without any discount or incentive.
Unquoted equity instruments	Certain unobservable inputs are used by applying the market approach, primarily based on the most recent transaction; adjustments made if significant changes in circumstances occur.
Unlisted warrants and put options	Measured using the Black-Scholes model, considering vesting criteria, timing, risk-free interest rates, and volatility of the underlying share price.
Earn-out rights	Measured using assumptions regarding the probability and timing of earn-out payments based on future performance targets.

Payables under supplier financing programmes

Supplier invoices may be subject to supplier financing programmes under which a financial institution pays participating suppliers early, and the Group settles the original invoice amount with the institution in accordance with agreed payment terms. Payables arising from operating purchasing activities are presented as accounts payable until settlement, with related cash flows reported within operating cash flows.

A similar programme is also used for certain suppliers related to investing activities. Under this programme, the financial institution pays suppliers early and, in this specific setup, suppliers are also able to issue invoices at an earlier stage than under standard commercial practice, thereby accelerating both invoice issuance and payment. Liabilities arising from this programme are presented as other current liabilities until settlement, with related cash flows reported within investing cash flows, reflecting the nature of the underlying activities.

While these programmes provide suppliers with earlier access to liquidity (and, in the investing related setup, earlier invoice issuance), the timing of the Group's own cash outflows remains broadly unchanged compared with previous commercial practice.

Payment due dates for the operating related programme presented as accounts payable were 60–75 (60–75) days after invoice date. For the investing related programme presented as other current liabilities, payment due dates for amounts included in the programme were 180–360 days after invoice date. For both programmes, comparable payables outside the programmes had payment due dates of 60–75 (60–75) days after the invoice date.

All payables included in the programmes, including information on payment status between the financial institution and suppliers, are included in the table for financial instruments by category and measurement level.

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

	Note	Measure-ment level	31 Dec 2025 Carrying value	31 Dec 2025 Fair value	31 Dec 2024 Carrying value	31 Dec 2024 Fair value
Financial assets carried at amortised cost						
Accounts receivable	18	—	21,406	21,406	22,961	22,961
Other financial receivables, non-current and current[1)]	18	—	19,696	19,704	16,832	16,844
Cash and cash equivalents	20	—	63,300	63,314	62,510	62,527
			104,402	**104,424**	**102,303**	**102,332**
Financial assets carried at fair value through profit or loss						
Other long-term securities holdings			13,229	13,229	15,511	15,511
of which convertible loan, non-current[2)]		*2*	*11,952*	*11,952*	*14,019*	*14,019*
of which equity instruments		*3*	*1,277*	*1,277*	*1,473*	*1,473*
of which equity instruments		*1*	*—*	*—*	*19*	*19*
Other current assets			2,774	2,774	—	—
of which convertible loan, current[2)]	*18*	*2*	2,774	2,774	—	—
Non-current and current derivative assets		2	8,154	8,154	768	768
of which currency derivatives – designated hedging instruments		*2*	*3,447*	*3,447*	*214*	*214*
of which commodity derivatives – designated hedging instruments		*2*	*2,920*	*2,920*	*229*	*229*
of which interest rate swap – designated hedging instruments		*2*	*168*	*168*	—	—
of which currency derivatives – not designated hedging instruments		*2*	*131*	*131*	*117*	*117*
of which interest rate swap derivatives		*2*	*—*	*—*	*208*	*208*
of which option derivatives[3)]		*2*	1,488	1,488	—	—
			24,157	**24,157**	**16,279**	**16,279**
Financial assets carried at fair value through other comprehensive income						
Marketable securities	20	2	1	1	—	—
Other long-term securities holdings			26,224	26,224	23,906	23,906
of which equity instruments[4)]		1	26,224	26,224	23,906	23,906
			26,225	**26,225**	**23,906**	**23,906**
Financial liabilities carried at amortised cost						
Accounts payable		—	57,773	57,773	56,473	56,473
of which payable under supplier financing programmes		*—*	*4,434*	*4,434*	*3,458*	*3,458*
of which suppliers received payment from financial institution		*—*	*4,033*	*—*	*2,885*	*—*
Non-current and current bonds and liabilities to credit institutions[5)]		—	52,679	53,686	52,886	53,635
Other financial liabilities, non-current and current[6)]	24	—	23,503	23,503	19,726	19,726
of which payable under supplier financing programmes		*—*	*712*	*712*	—	—
of which suppliers received payment from financial institution		*—*	*712*	*—*	—	—
			133,955	**134,962**	**129,085**	**129,834**
Financial liabilities carried at fair value through profit or loss						
Non-current and current derivative liabilities		2	2,226	2,226	4,142	4,142
of which currency derivatives – designated hedging instruments		*2*	*269*	*269*	*2,160*	*2,160*
of which commodity derivatives – designated hedging instruments		*2*	*249*	*249*	*1,206*	*1,206*
of which interest rate swap – designated hedging instruments		*2*	*57*	*57*	*—*	*—*
of which currency derivatives – not designated hedging instruments		*2*	*57*	*57*	*625*	*625*
of which interest rate swap – not designated hedging instruments		*2*	*106*	*106*	*—*	*—*
of which interest rate swap derivatives		*2*	*—*	*—*	*151*	*151*
of which option derivatives[3)]		*2*	1,488	1,488	—	—

1) Includes items presented as Other non-current and current assets on the balance sheet, amounted to SEK 18,461 (15,392) m.
2) The value of the conversion option connected to the convertible loan receivable to the Polestar Group is nil because the loan is convertible into equity securities at a price equivalent to what has been offered to all other market participants, without any preferential rights, discounts, or incentives.
3) The subsidiary Geely Sweden Automotive Investment AB entered into option agreements with external financial institutions in connection with the Polestar Group's financing arrangement in December 2025. Under the agreements, the financial institutions have the right to sell a total of 15.5 million Class A ADS Polestar shares to Geely Sweden Automotive Investment AB in three years with a strike price calculated based on the holding period. The fair value of the options presented as Derivative liabilities, non-current, amounted to SEK 1,488 million. The obligations of Geely Sweden Automotive Investment AB under the option arrangements are guaranteed by Geely Sweden Holdings AB. Simultaneously, Geely Sweden Automotive Investment AB entered into corresponding back-to-back option agreements with the related party PSD Investment Ltd., under which the economic exposure of the above options is fully and automatically transferred to PSD Investment Ltd.. The fair value of the back-to-back options presented as Derivative assets, non-current, amounted to SEK 1,488 million. The obligations of PSD Investment Ltd. under the back-to-back arrangements are guaranteed by Zhejiang Geely Holding Group Co., Ltd. The fair value of both derivative assets and liabilities were determined using the Black-Scholes pricing model with a volatility assumption of 80 per cent.

4) Includes shares in AB Volvo of SEK 26,224 (23,906) m for which the fair value change for the year amounts to SEK 2,318 (1,437) m.
5) The carrying amount of the bonds includes a fair value adjustment amounting to SEK 95 (235) m, which relates to fair value hedging.
6) Includes the repurchase value obligation on cars sold with repurchase commitment which are presented as Other non-current and current liabilities on the balance sheet amounted to SEK 18,480 (17,241) m. Includes also items presented as Other non-current and current liabilities in the balance sheet, amounting to SEK 4,969 (1,509) m. Excluding the lease liabilities which is presented as Other non-current and current liabilities in the balance sheet amounting to SEK 6,871 (9,699) m.

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

	31 Dec 2025	31 Dec 2024
	Equity instruments	Equity instruments
Opening balance	**1,473**	1,507
Investment	50	100
Impairment	–2	—
Change in fair value	–52	–163
of which recognised in Other financial income and expenses	*–52*	*414*
of which recognised in Share of income in joint ventures and associates	*—*	*–577*
Exchange rate differences	–192	29
Closing balance	**1,277**	**1,473**

The table below presents gains and losses, interest income and expenses that have affected the income statement divided per category of financial instruments.

		2025			2024		
	Note	Gains/ Losses	Interest income	Interest expenses[1)]	Gains/ Losses	Interest income	Interest expenses[1)]
Recognised in operating income	6						
Financial instruments carried at fair value - designated hedging instruments							
Currency derivatives and commodity derivatives		964	—	—	–1,631	—	—
Financial instruments carried at amortised cost							
Accounts receivable and accounts payable		–2,229	—	—	807	—	—
Impact on operating income		**-1,265**	**–**	**–**	**-824**	**–**	**–**
Recognised in financial income and expenses	11						
Financial instruments carried at fair value - not designated hedging instruments							
Other long-term securities holdings		–502	909	—	297	1,094	—
Interest-bearing securities		—	—	—	—	1	—
Currency derivatives and interest rate swaps		1,496	—	–398	–1,018	—	–777
Financial instruments carried at amortised cost							
Cash and cash equivalents and Marketable securities		–1,527	1,559	–1	1,179	1,668	–1
Financial receivables carried at amortised cost		–4,818	1,011	—	1,904	1,025	—
Financial liabilities carried at amortised cost[2)]		2,509	—	–2,559	–2,378	—	–2,712
Accounts receivable and accounts payable		—	26	—	—	—	—
Impact on financial income and expenses		**-2,842**	**3,505**	**-2,958**	**-16**	**3,787**	**-3,490**

1) Excluding interest expenses on leasing liabilities which amounted to SEK –214 (–406) m, interest expenses on pensions which amounted to SEK –288 (–262) m and capitalised interest on R&D which amounted to SEK 973 (1,120) m.
2) Including the financial liabilities designated for fair value hedge which amounted to SEK 139 (–281) m. Excluding gain and losses on lease liabilities which amounted to SEK 6 (–6) m.

FINANCIAL RISKS

Financial risks

The Group operations are exposed to various types of financial risks such as currency risk, refinancing and liquidity risk, interest rate risk, commodity price risk and credit risk.

The treasury function of the Group is responsible for managing and controlling these financial risks, ensuring that appropriate financing is in place through capital market transactions, loans and committed credit facilities and is responsible for managing the Groups' liquidity.

The management of financial risks is governed by the Group's Financial Policy Framework which is approved by the Board of Directors (BoD) and is subject to review every second year or when otherwise required. The policy mandates the minimisation of the effects from fluctuating financial markets on the Group's financial earnings.

Currency risk management

Currency exposure risk arises as the Group produces and sells cars in various countries. The currency exposure risk arises from the mix of currencies used when procuring or selling goods and services. Relative changes in currency rates have a direct impact on the Group's operating income, financial income and expense, balance sheet and cash flow statement. In order to minimise the currency risk, The Group aims to achieve natural hedging to the greatest possible extent.

The currency risk is related to:

- expected future cash flows from sales and purchases made in foreign currencies (transaction risk)
- changes in value of assets and liabilities denominated in foreign currencies (translation risk)
- net investments in foreign operations (translation risk)

Transaction exposure risk

The Group Financial Policy Framework

The Group's functional currency is Swedish krona. The currency transaction exposure risk arises from cash flows in currencies other than the functional currency. Sales in combination with purchases made in currencies other than Swedish krona determine the transaction exposure of the Group.

The Group Financial Policy Framework states, regarding currency transaction risk management, that up to 80 per cent of the future expected cash flows in the coming 24 months and up to 60 per cent of the future expected cash flows in the coming 25 to 48 months can be hedged with adequate financial instruments, such as currency options, forward contracts, foreign exchange swaps or combined instruments with maturities matching the expected timing of cash flows from sales and purchases made in foreign currencies. Hedging strategies using financial instruments for long-term exposures, over 48 months, require approval by the Board of Directors (BoD).

For currency risk management purposes, transaction exposure is expressed in terms of Cash Flow at Risk (CFaR), which is the maximum loss, in one year, at a 95 per cent confidence level. The CFaR is based on the cash flow forecast, currency exchange rates, market volatility and correlations.

Status at year end

The table below presents the distribution of the total currency inflow and outflow for the Group.

	Inflow, %		Outflow, %	
	2025	2024	**2025**	2024
CNY	18	19	38	43
EUR	28	30	38	34
GBP	8	7	2	2
JPY	2	2	3	2
USD	22	21	16	16
Other	23	21	4	4

The CFaR at year end for the cash flows over a one-year horizon for the Group, excluding hedges, was approximately SEK 4,137 (5,168) m. The table below presents the percentage of the forecasted cash flows that were hedged (expressed both in nominal terms and in CFaR).

	0-12 months		13-24 months		25-48 months	
	2025	2024	**2025**	2024	**2025**	2024
Nominal hedge, %	35	39	11	12	0	2
CFaR hedge, %	43	42	19	28	0	5

The table below presents cash flow hedge volumes by maturity for the 10 largest exposure currencies, nominal amounts in local currency (M)[1)]

Maturity	CAD	CHF	CNH	EUR	GBP	KRW	NOK	PLN	TRY	USD	Total fair value of derivatives[2)]
Average hedge rate	—	12.35	1.34	11.20	12.74	—	0.93	2.56	—	10.17	
1–12 months	—	-365	6,169	796	-1,285	—	-350	-1,370	—	-1,595	2,321
13–24 months	—	-355	92	212	-274	—	—	—	—	-555	857
25–36 months	—	—	—	—	—	—	—	—	—	-550	-125

1) The average duration of the portfolio was 8 (10) months.
2) The fair value of the outstanding derivatives for hedging of currency price risk in future commercial cash flows amounted to SEK 3,178 (-1,946) m.

Translation exposure risk

The Group Financial Policy Framework

Translation exposure risk at the Group refers to the conversion of balance sheet items and net investments in foreign operations into the Group's functional currency, the Swedish krona. This risk arises due to fluctuations in exchange rates over time. The financial position of assets and liabilities in foreign currencies is monitored and managed daily to mitigate income statement impacts. Part of the translation risk in investments in the Eurozone and Americas is hedged using debt instruments, known as net investment hedges.

The recognition of translation effects varies based on the underlying exposure.

Translation exposure:	Comprises	Recognition:
Operational assets and liabilities	Accounts receivable, Accounts payable, and Warranty provisions	Other operating income and expenses
Financial assets and liabilities	Cash at bank, deposits, equity repurchase agreements, convertible loan, derivatives, bonds and loans.	Other financial income and expenses
Investments in foreign operations	Assets and liabilities	Other comprehensive Income

Status at year end

At the end of the year, the total translation effect of investments in foreign operations was SEK –4,625 (126) m, the effects are recognised in equity through other comprehensive income. A 10 per cent change in the Swedish krona against major currencies would have a net impact on net investments in other comprehensive income of approximately SEK 4,906 (5,216) m.

The table below presents the translation exposure of net investments in foreign operations.

Currency	Investments in foreign operations
EUR	24,827
CNY	14,238
USD	6,072
BRL	934
JPY	728
TRY	622
AUD	398
GBP	377
Other	859
Total	**49,055**

Refinancing and liquidity risk management

Capital Structure

The Group shall maintain a capital structure that ensures a prudent balance between financial risk and cost of capital while supporting the Group's strategic transformation under varying market conditions.

The capital structure should ensure the Group maintains strong access to capital markets and progresses toward achieving an investment-grade credit rating. The Group current external rating by Moodys is Ba1 and BB+ by Standard & Poor's.

Refinancing risk management

The Group Financial Policy Framework

Refinancing risk is the risk that the Group does not have access to adequate financing on acceptable terms at any given point.

All drawdowns on new loans are evaluated against future liquidity needs and investment plans. The Group should for the coming 12 months, at any given time, have available committed financing for investments and for repayment of maturing debt. To limit the risk of refinancing, debt maturing over the next 12 months should not exceed 25 per cent of total debt.

Status at year end

At the end of the year, the outstanding debt of bonds and liabilities to credit institutions, excluding lease contracts and transaction costs, in the Group was SEK 52,679 (52,740) m. During the year bond and liabilities to credit institutions of SEK 30,436 (11,729) m matured or were amortised. The remaining credit duration of outstanding debt was 2.8 (1.8) years. At year end, debt maturing over the next 12 months amounted to 5 per cent of total debt.

In January, a EUR 500 m bond, issued in 2017, was repaid.

In March, refinancing was completed through the raising of a new loan of EUR 2,000 m, replacing previous financing of the same amount. The loan has a maturity of three years.

Also in March, a drawdown of USD 438 m was made under an existing green bilateral loan facility. The facility was originally signed in 2023/2024 and with final repayment during 2035.

In June, EUR 500 m was raised through a green bond issuance with a tenor of four years.

In September, a new green bilateral eight-year loan agreement of EUR 150 m was signed. The loan facility remains undrawn as of the end of 2025.

In October, an existing eight-year credit facility amounting to CNY 3,090 m was terminated.

In November, the first extension option on the existing sustainability-linked Revolving Credit Facilities was exercised, extending maturities by one year. The updated maturities for the Revolving Credit Facilities of EUR 500 m and EUR 1,500 m are in 2028 and 2030, respectively.

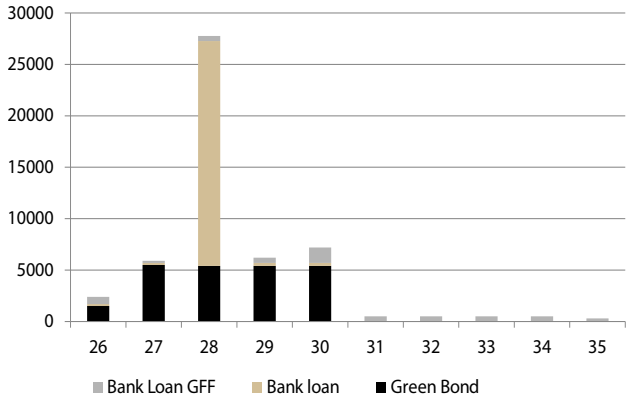
The table below presents the outstanding debt.

Funding	Currency	Nominal amount in local currency (M)	Nominalamount in SEK (M)
Bank loan	USD	23	215
Bank loan	SEK	677	677
Bank loan	EUR	2,000	21,569
Bank loan GFF[1)]	SEK	1,000	1,000
Bank loan GFF[1)]	EUR	182	1,967
Bank loan GFF[1)]	USD	438	4,037
Green bond	EUR	2,000	21,634
Green bond	SEK	1,500	1,500
Other	PLN	29	75
Total			**52,674**

1) Loans agreed to solely finance eligible projects in accordance with the Green Financing Framework.

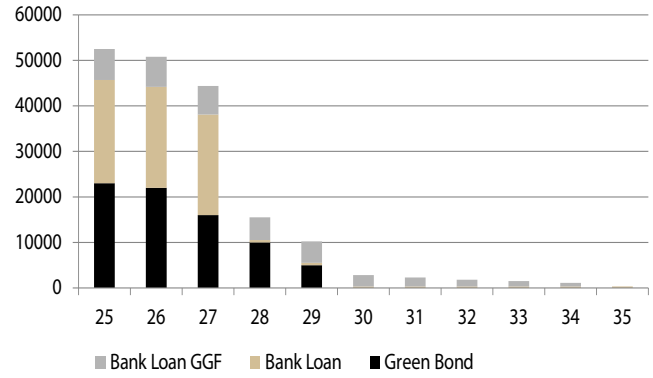
In relation to all external financing, there are information undertakings and covenants in line with the Loan Market Association (LMA) and capital market standards. These are monitored and calculated quarterly to fulfil the terms and conditions stated in the financial agreements. Covenants are based on standard measurements such as EBITDA and Net debt. At the end of the year, there is substantial headroom in the fulfilment of all covenants.

Bonds and liabilities to credit institutions – amortisation schedule



1) Loans GFF (Green Financing Framework): Loans agreed to solely finance eligible projects in accordance with the Green Financing Framework.

Outstanding bonds and liabilities to credit institutions (at successive year end)



1) Loans GFF (Green Financing Framework): Loans agreed to solely finance eligible projects in accordance with the Green Financing Framework.

Liquidity risk management

The Group Financial Policy Framework

Liquidity risk is the risk that the Group is unable to meet ongoing financial obligations on time. In order to meet seasonal operational volatility, the Group shall ensure continuous availability of liquidity through unutilised credit facilities, accessible cash and cash equivalents, and marketable securities corresponding to 10 per cent or more of revenue. Future liquidity needs and investment plans are the basis for the risk assessment of liquidity risk management.

Factoring

The Group customer invoices may be subject to factoring with a financial institution. This enables the Group to receive payment for its receivable within a few days after invoicing and thus be able to release liquidity at an earlier stage than would otherwise have been the case.

Supplier financing programmes

The Group participates in supplier financing programmes. The principal purpose of the arrangements is to facilitate efficient payment processing and enable the willing suppliers to receive payments from the financial institutions before the invoice due date. The arrangement does not extend the payment terms or alter the timing of the Group's cash outflows beyond the normal terms agreed with non-participating suppliers. However, participating suppliers may under the programme, issue invoices earlier than under standard commercial practice, enabling earlier settlement by the financial institution.

Status at year end

At the end of the year, the Group cash and cash equivalents, marketable securities and committed credit facilities amounted to SEK 86,558 (94,686) m, approximately 24 (24) per cent of revenue. The liquidity of the Group is strong considering the maturity profile of the external debt, the balance of cash and cash equivalents, marketable securities and available credit facilities from banks.

Undrawn committed credit facilities	**31 Dec 2025**	31 Dec 2024
Expiring within one year	1,623	4,808
Expiring after one year but within five years	21,634	22,895
Expiring after five years	—	4,473
Total	**23,257**	**32,176**

Interest rate risk management

Changes in interest rates will impact the Group's income statement and the value of financial assets and liabilities. The return on cash and cash equivalents and marketable securities, as well as the cost of liabilities to credit institutions and issued bonds are impacted by changes in interest rates. The exposure can be either direct from interest-bearing debt or indirect through leasing or other financing arrangements.

The Group Financial Policy Framework

According to the policy, the interest rate risk in the Group's net debt position has a benchmark duration of 12 months. The policy allows for a deviation of –6/+6 months from the benchmark. To manage interest rate risk, the Group uses interest rate swaps.

Status at year end

At the end of the year, the Group's interest-bearing assets consisted of cash at bank, time deposits and interest-bearing securities. The average interest fixing term on these assets was one (one) month. The average interest fixing term on debt was 13 (10) months. At year-end the duration of the net debt position was 11 (8) months. The average cost of borrowing was 4.09 (5.13) per cent.

The table below presents the maturity structure of the Group's financial assets and liabilities. The figures shown are contractual, undiscounted cash flows which the Group is liable to pay or eligible to receive.

	31 Dec 2025				31 Dec 2024			
	Less than 3 months	3 months to 1 year	1-5 years	Over 5 years	Less than 3 months	3 months to 1 year	1-5 years	Over 5 years
Financial assets								
Other long-term securities holdings[1)]	—	—	11,952	—	—	—	14,021	—
Other non-current interest-bearing receivables	—	—	1,141	94	—	—	17,428	128
Non-current derivative assets	—	—	3,231	—	—	—	183	100
Other non-current assets	—	—	18,062	266	—	—	20,225	154
Total financial non-current assets	**–**	**–**	**34,386**	**360**	**–**	**–**	**51,857**	**382**
Accounts receivable[2)]	19,898	1,508	—	—	20,623	2,338	—	—
Current derivative assets	1,623	3,300	—	—	222	263	—	—
Marketable securities	—	1	—	—	—	—	—	—
Cash and cash equivalents	63,300	—	—	—	62,510	—	—	—
Other current assets	2,623	3,662	—	—	3,383	1,677	—	—
Total financial current assets	**87,444**	**8,471**	**–**	**–**	**86,738**	**4,278**	**–**	**–**
Total financial assets	**87,444**	**8,471**	**34,386**	**360**	**86,738**	**4,278**	**51,857**	**382**
Financial liabilities								
Liabilities to credit institutions, non-current	—	—	26,190	2,422	—	—	2,995	1,410
Non-current bonds	—	—	21,599	46	—	—	13,039	5,787
Other non-current interest-bearing liabilities	—	—	9,265	2,277	—	—	9,416	1,438
Non-current derivative liabilities	—	—	1,741	—	—	—	1,252	—
Other non-current liabilities	—	—	1,831	10	—	—	2,899	—
Total financial non-current liabilities	**–**	**–**	**60,626**	**4,755**	**–**	**–**	**29,601**	**8,635**
Accounts payable	52,253	5,520	—	—	52,805	3,668	—	—
Liabilities to credit institutions, current	67	855	—	—	89	23,843	—	—
Current bonds	1,500	—	—	—	5,723	—	—	—
Other interest-bearing liabilities, current	8,245	8,692	—	—	9,996	7,067	—	—
Current derivative liabilities	276	209	—	—	989	1,901	—	—
Other current liabilities	3,009	1,567	—	—	2,167	1,946	—	—
Total financial current liabilities	**65,350**	**16,843**	**–**	**–**	**71,769**	**38,425**	**–**	**–**
Total financial liabilities	**65,350**	**16,843**	**60,626**	**4,755**	**71,769**	**38,425**	**29,601**	**8,635**

1) Maturity structure of the other long-term securities holdings does not include holdings in listed and unlisted equity instruments, such as holdings in other entities.
2) For aging analysis of accounts receivable see Note 18 – Accounts receivable and other current and non-current assets.

The table below presents the estimated effect of a parallel shift in interest rate curves up or down by one per cent (100 basis points) on all exposed external debt and interest rate derivatives. The effect relates to market value changes in debt and the effect on the coming year's interest cashflow.

Interest rate sensitivity, effect on Finance net	2025	
Market rate +1%	–291	–333
Market rate –1%	292	335

The impact from cash and cash equivalents and marketable securities is immaterial as the fixed interest period of the asset portfolio is short as it is dominated by cash at bank.

Benchmark rate reform

The interest rate benchmark reform refers to the transition from the existing, traditional interest rate benchmark – Interbank Offered Rates (IBOR) – to new risk-free benchmarks.

The Group is currently exposed to external interest rate risk in EUR, SEK and USD from the EURIBOR, STIBOR and SOFR benchmarks respectively.

For EUR and SEK there is no expected change (risk of conversion) in the related floating benchmarks in the short to medium term and thus cash flow risk is not affected. The related benchmarks are currently not scheduled for termination and will therefore continue to dictate interest cash flows for floating financial assets, financial liabilities and derivatives in

these currencies. Nonetheless, a switch to ESTR (EUR) and SWESTR (SEK) denominated risk-free floatingbenchmarks will be a feature of the future financial landscape and may affect financial assets, financial liabilities and derivative instruments. Suitable instruments are already available to cater for these new benchmarks and can be implemented when the need arises. The Group expects continued 100 per cent effectiveness of related hedges and no net interest impact.

Commodity price risk management

Commodity price risk refers to the potential increase in material costs due to rising commodity prices in global markets. Such fluctuations can affect the Group' cash flow and earnings.

The Group Financial Policy Framework

Forecasted cash flows for the purchase of commodities for the coming 48 months can be hedged up to 70 per cent with adequate financial instruments.

Status at year end

Raw materials

The Group manages the risk of changes in raw material prices in forecasted consumption with futures and forwards contracts. During the year, The Group incurred costs for raw materials of approximately SEK 23,003 (21,178) m. A ten per cent change in the prices of raw materials has an impact on operating income of approximately SEK 2,300 (2,118) m, excluding hedges. Hedging is performed for forecasted consumption of metals.

Electricity

The Group manages the changes in prices for electricity by hedging the coming 48 months consumption using forward contracts. The hedging is performed for electricity usage in the European factories and is managed under an advisory contract.

A 10 per cent change in the electricity spot price has an impact on the income statement of SEK 35 (28) m.

Credit risk management

The Group's credit risk can be divided into financial counterparty credit risk and commercial credit risk. These risks are described in the following sections.

Financial counterparty credit risk

The Group Financial Policy Framework

Credit risk on financial transactions is the risk that the Group will incur losses as a result of non-payment by counterparties related to the Group's bank accounts, interest-bearing securities, time deposits or derivative transactions. Investments should meet the requirements of low credit risk, high liquidity and the exposure with any single counterparty is limited. All external counterparties used for investments and derivative transactions shall have a credit rating of minimum A- (S&P or equivalent rating) and ISDA agreements are required for counterparties with which derivative contracts are traded. Limits are established according to counterparty credit rating and limit usage is monitored for the the Group's treasury counterparties and deposits are diversified between relationship banks. Subsidiary bank balances are diversified in order to limit credit risk.

The financial counterparty credit risk regarding cash and cash equivalents is reflected in the measurement at amortised cost. The expected credit loss on these balances is considered insignificant as maturities are short and the credit quality of the counterparties is high. The Group applies the general model for assessing impairment reserve regarding time deposits recognised at amortised cost. The assessment is based on the counterparty's credit rating, the estimated exposure at default, probability of default and loss given default. The impairment assessment in relation to time deposits is considered immaterial.

Investments in interest-bearing securities are measured at fair value through the income statement and the credit risk is reflected in their fair values. The credit risk of those financial counterparties which are related parties is considered when pricing. The risk the Group is exposed to in its convertible loan receivable is reflected in its fair value.

Status at year end

At the end of the year, the maximum amount exposed to financial credit risk amounted to SEK 86,181 (77,297) m. This encompasses cash and cash equivalents and marketable securities SEK 63, 301 (62,510) m, convertible loan receivable SEK 14,726 (14,019) m and derivative assets SEK 8,154 (768) m. The maximum amount exposed to credit risk for financial instruments is best represented by their fair values, see table Financial instruments by category and measurement level in this note.

Derivative contracts are subject to master netting agreements (ISDA), no collateral has been received or posted. The table below shows derivatives covered by master netting agreements (ISDA).

Net position for derivative instruments	Gross	Offset in Balance sheet	Net in Balance sheet	Master netting agreements	Net position
31 Dec 2025					
Derivative assets	6,815	—	6,815	-690	6,125
Derivative liabilities	693	—	693	-690	3
31 Dec 2024					
Derivative assets	954	—	954	-832	122
Derivative liabilities	4,137	—	4,137	-832	3,305

Market risk

The value of the shares in AB Volvo is continuously affected by market risk. As a consequence of its strategic value, fair value changes are recognised in Other comprehensive income.

Commercial credit risk

The commercial credit risk arises from accounts receivables. For the risk in customer and dealer financing, the objective is to have a sound and balanced credit portfolio and to engage in credit monitoring by means of detailed procedures which include follow-up and repossession. In cases where the credit risk is considered unsatisfactory, a letter of credit or other instruments are used. The maximum amount exposed to commercial credit risk is the carrying amount of accounts receivables, see table for Financial instruments by category and measurement level in this note. For quantification of credit risk in accounts receivable, see Note 18 – Accounts receivable and other current and non-current assets.

The table below presents the outstanding derivatives within hedge accounting.

31 Dec 2025	Nominal amount	Financial assets	Financial liabilities	Net	Ineffectiveness reflected in income statement	Tax	Hedge reserve after tax	Recycled from other comprehensive income
Cash flow hedge – with hedge reserve								
Currency risk								
– Foreign exchange swaps and forward contracts	66,511	3,431	–265	3,166	—	–630	2,536	–1,322
Commodity price risk								
– Raw material forward contracts	14,061	2,910	–236	2,674	–113	–551	2,010	–412
– Electricity forward contracts	310	10	–13	–3	—	1	–2	81
Interest rate risk								
– Interest rate swap	3,245	25	—	25	—	–5	20	—
Total		**6,376**	**-514**	**5,862**	**-113**	**-1,185**	**4,564**	**-1,653**
Net investments hedge – with hedge reserve								
Currency risk								
– EUR and USD-denominated debt	11,129	—	–660	–660	—	136	–524	50
Total		**6,376**	**-1,174**	**5,202**	**-113**	**-1,049**	**4,040**	**-1,603**
Fair value hedge – without hedge reserve								
Interest rate risk								
– Interest rate swap	15,414	143	–57	86	–9	—	—	—
31 Dec 2024								
Cash flow hedge – with hedge reserve								
Currency risk								
– Foreign exchange swaps and forward contracts	92,268	214	–2,160	–1,946	—	401	–1,545	681
Commodity price risk								
– Raw material forward contracts	15,968	229	–1,094	–865	–81	162	–622	–72
– Electricity forward contracts	462	—	–112	–112	—	23	–89	4
Total		**443**	**-3,366**	**-2,923**	**-81**	**586**	**-2,256**	**613**
Net investments hedge – with hedge reserve								
Currency risk								
– EUR and USD-denominated debt	9,895	—	–1,409	–1,409	—	290	–1,119	50
Total		**443**	**-4,775**	**-4,332**	**-81**	**876**	**-3,375**	**663**
Fair value hedge – without hedge reserve								
Interest rate risk								
– Interest rate swap	17,744	265	–31	234	—	—	—	—

HEDGE ACCOUNTING

The Group generally applies hedge accounting when hedging interest rate risk related to funding activities and when hedging future operational cash flows. The Group also applies hedge accounting for hedges of net investments in foreign operations. The hedge strategy is to mitigate the uncertainty in future cash outflow and to reduce income statement volatility.

Effectiveness testing is performed at inception of the hedging relationship and monitored regularly. The test is performed by comparing the critical terms of the hedging instrument and the hedged item to be equal. The critical terms may be foreign currency or commodity nominal amount, cash flows and time of maturity. If critical terms match and the credit risk of the counterparty has not changed significantly, the hedge relationship can be deemed highly effective going forward. For more information see Hedge accounting principles under the section Accounting policies in this note.

In the table below the fair value hedges by maturity date are presented.

					Carrying amount		
31 Dec 2025	Nominal amount	Fair value, hedged item	Fair value, hedging instrument	Ineffectiveness reflected in income statement	Derivative assets	Derivative liabilities	Variable benchmark
Maturity date							
2027	350	–52	51	–1	51	—	Euribor 3m
2028	500	–27	21	–6	45	–24	Euribor 3m
2029	275	30	–33	–3	—	–33	Euribor 3m
2030	300	–46	47	1	47	—	Euribor 3m
Total		**–95**	**86**	**–9**	**143**	**–57**	

					Carrying amount		
31 Dec 2024	Nominal amount	Fair value, hedged item	Fair value, hedging instrument	Ineffectiveness reflected in income statement	Derivative assets	Derivative liabilities	Variable benchmark
Maturity date							
2025	400	1	–2	–1	—	–2	Euribor 3m
2027	350	–88	88	—	88	—	Euribor 3m
2028	500	–53	48	–5	77	–29	Euribor 3m
2030	300	–94	100	6	100	—	Euribor 3m
Total		**–234**	**234**	**–**	**265**	**–31**	

20 Marketable securities and cash and cash equivalents

ACCOUNTING POLICIES

Marketable securities

Marketable securities are highly liquid short-term interest-bearing securities and deposits that are considered easily convertible to cash and have a term of more than three months and less than one year from acquisition date.

Cash and cash equivalents

Cash and cash equivalents are liquid funds, deposits and short-term interest-bearing securities that are considered easily convertible to cash and have a term of three months from the date of acquisition.

Marketable securities	31 Dec 2025	31 Dec 2024
Bank acceptance drafts	1	–
Total	1	**–**

Cash and cash equivalents	31 Dec 2025	31 Dec 2024
Cash at banks	31,738	45,939
Time deposits in banks	29,939	16,509
Equity repurchase agreements	1,623	–
Bank acceptance drafts	–	62
Total	**63,300**	**62,510**

Cash and cash equivalents includes SEK 3,329 (3,706) m where limitations exist, mainly liquid funds held in certain countries where exchange controls or other legal restrictions apply. It is not possible to immediately use the liquid funds in other parts of the Group, however there is normally no limitation for their use in the Group's operation in the respective country.

For information on financial instrument categories and fair values see Note 19 – Financial instruments and financial risks.

21 Equity

ACCOUNTING POLICIES

Share-based payments

Equity-settled share-based payments in connection with employee incentive plans are recognised in equity and settled using treasury shares. For further information, see Note 9 – Share-based remuneration.

Group contributions and unconditional shareholders' contributions

Distributed group contributions to the main owner are recorded in equity, along with the tax effect. Group contributions received from the main owner and the tax effect on these contributions are recognised in equity in accordance with the principles for shareholders' contributions.

Unconditional shareholders' contributions received from the main owner are recognised in equity.

The share capital consists of 100,000 common shares with a par value of SEK 1. Each share carries one vote and entitles its holder to dividend as determined by the shareholders meeting. All issued shares are fully paid.

The share premium relates to issue in kind attributable to Zhejiang Geely Holding Group Co., Ltd's acquisition in year 2010. Share premium also includes capital received (reduced by transaction costs) in excess of par value of issued capital in the subsidiary Volvo Car AB (publ.).

Other contributed capital consists of unconditional shareholders' contribution from Shanghai Geely Zhaoyuan International Investment Co., Ltd.

The currency translation reserve comprises exchange rate differences of hedge instruments of net investments in foreign operations and exchange rate differences resulting from the translation of financial reports of foreign operations that have prepared their financial reports in a currency other than the Group's reporting currency. The parent company and the Group present their financial reports in SEK.

The other reserve consists of the change in fair value of cash flow hedging instruments in cases where hedge accounting is applied and the change in fair value of other long-term securities holdings. For further information, see Note 19 – Financial instruments and financial risks.

Retained earnings comprises net income for the year and preceding years, distribution of shareholding in Polestar Automotive Holding UK PLC, as well as remeasurements of post-employment benefits and equity-settled share-based payments using treasury shares. Treasury shares are purchased own shares (Volvo Cars) intended for Volvo Car Group's Performance Share Plans (PSP) and Employee Share Matching Plans (ESMP). The amount presented in Acquisition of treasury shares is based on the market value at acquisition date and includes transaction costs. The amount presented in Issue of treasury shares is based on the fair value at grant date. For further information, see Note 9 – Share-based remuneration.

Retained earnings also include the effects of business combinations under common control within the Geely group, sale of other long-term securities holdings, transactions with non-controlling interests and dividend to shareholders.

Non-controlling interests mainly refers to the share of equity that belongs to Zhejiang Geely Holding Group Co., Ltd without a controlling influence. The Group holds 50 per cent of the equity in Daqing Volvo Car Manufacturing Co., Ltd and Shanghai Volvo Car Research and Development Co., Ltd and has the decision-making power over the operations. In the consolidated financial statements, these companies are classified as subsidiaries and fully consolidated with a non-controlling interest of 50 per cent.

In July 2025, Volvo Car Corporation acquired the remaining 50 per cent shares in Novo Energy AB, resulting in divestment of non-controlling interest of SEK 249 m. For further information, see Note 27 – Business combinations and divestments.

In May 2024, Volvo Car AB (publ.) completed the distribution of 62.7 per cent of its shareholding in Polestar Automotive Holding UK PLC to its shareholders. The non-controlling interest of the Group was adjusted in accordance with IFRIC 17 Distributions of Non-cas Assets to Owners.

In August 2024, Volvo Car Corporation acquired the remaining 40 per cent shares in HaleyTek AB from ECARX Technology Co., Ltd, resulting in divestment of non-controlling interest of SEK –211 m.

In October 2024, the non-controlling interest increased through a capital contribution to VCLC Services AB of SEK 3 m from Lynk & Co International AB.

In November 2023, the Group decreased its shareholding in Volvo Car AB (publ.) following sale of shares resulting in an increase of non-controlling interests from 18.0 per cent to 21.35 per cent.

At year end 2025, non-controlling interests amounted to SEK 32,699 (34,204) m. Summarised financial information on subsidiaries with non-controlling interest is presented in Note 8 – Participation in subsidiaries (Parent company).

Total equity consists of the equity attributable to the owners of the parent company and non-controlling interests. At year end 2025, the total equity amounted to SEK 184,366 (175,582) m.

22 Post-employment benefits

ACCOUNTING POLICIES

Pension benefits

The Group has various schemes for post-employment benefits, mainly relating to pension plans. Other benefits can in some locations include disability, life insurance and health benefits. Pension plans are classified either as defined contribution plans or defined benefit plans. The Group has both defined contribution plans and defined benefit plans for qualifying employees in some subsidiaries and the largest plans are in Sweden and Belgium.

Under a defined contribution plan, the Group pays fixed contributions into a separate external legal entity and will have no legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The contributions are recognised as employee benefit expenses in the income statement when earned by the employee. Some defined contribution plans combine the promise to make periodic payments with a promise of a guaranteed minimum return on investments. Such plans are accounted for as defined benefit plans.

A defined benefit plan is a pension plan that defines the amount of post-employment benefits an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. For funded defined benefits plans, plan assets have been separated, with the majority invested in pension foundations. The net pension provision or asset recognised on the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets.

The calculation of the present value of defined benefit pension obligations is performed according to the Projected Unit Credit method. The calculation is performed by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds, or when these are not available, government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. The most important actuarial assumptions are stated below.

Actuarial gains and losses arising from changes in actuarial assumptions and adjustments based on experience are charged or credited to other consolidated comprehensive income in the period in which they arise. Past service costs are recognised immediately in the income statement when the settlement occurs.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits and (b) when the entity recognises costs for a restructuring that involves payment of termination benefits.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The value of defined benefit obligations is determined through actuarial calculations performed by independent actuaries. The calculations are based on different assumptions and estimates, for instance with regards to the discount rate, future salary increases, inflation, mortality rates and demographic conditions. Changes in these assumptions affect the calculated value of the post-employee benefits obligations. The discount rate, which is the most critical assumption, is based on market return on high-quality corporate or governnent bonds that are denominated in the currency in which the benefits will be paid and with maturities corresponding to the related pension liability. A decrease in the discount rate increases the present value of post-employee benefits obligations while an increase in the discount rate has the opposite effect.

Description of the substantial pension schemes within the Group is presented below.

Sweden

In Sweden, the Group has seven defined benefit retirement plans of which four are funded. The largest plan overall is the Swedish ITP 2 plan which is a collectively agreed pension plan for white collar employees. ITP 2 is a final salary-based plan. The Group's defined benefit plans are secured in three ways: as a provision on the balance sheet, assets held in separate pension funds or funded through insurance payments. The "funded through insurance payments" plans are defined benefit plans accounted for as defined contribution plans. In Sweden, these plans are secured with the mutual insurance company Alecta.

The portion secured through insurance with Alecta refers to a defined benefit plan that comprises several employers and is reported according to a pronouncement by the Swedish Corporate Reporting Board, UFR 10. For 2025, the Group did not have access to the information to report its proportionate share of the plan's obligations, assets under management and cost, that would make it possible to report this plan as a defined benefit plan. The Group estimates payments of premiums of about SEK 172 m to Alecta in 2026. The Group's share of the total saving premiums for ITP2 in Alecta as at 31 December 2025 amounted to 0.48 (0.41) per cent and the Group's share of the total number of active policy holders amounted to 1.43 (1.40) per cent.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial methods and assumptions, which do not conform to IAS 19. The collective funding ratio is normally allowed to vary between 125 and 175 per cent. If the consolidation level falls short or exceeds the normal interval one measure may be to increase the contract price for new subscriptions and expanding existing benefits or introduce premium reductions. At year end 2025, the consolidation level amounted to 168 (162) per cent.

In case local legal requirements exist, funded or unfunded plans are credit insured with an external party.

Belgium

In Belgium, the Group has three retirement – indemnity plans which are all funded. All three are based on the Collective Labour Agreement applicable to the company. The pension plan for white collar employees and the closed plan for blue collar employees who were in service before 2009 are defined benefit plans. The benefits are based on the final salary and seniority within the company. The pension plan for blue collars who are in service as from 2009 is a cash balance plan. The pension obligations are secured through a transfer of the required funds to a separate pension fund. The funding of the obligations under these defined benefit and cash balance plans is fully externalised through a number of pension funds and through insurance contracts.

In Belgium, the Group also has early retirement arrangements (termination benefits – bridge plans) as well as seniority premiums (other long-term benefits). The early retirement arrangements are unfunded and the seniority premiums are funded.

Summary of provision for post-employment benefits

The provisions for post-employment benefits have been recognised on the balance sheet as follows:

	31 Dec 2025	31 Dec 2024
Post-employment benefits	5,853	8,111
Other provisions (Note 23)	367	363
Closing balance	**6,220**	**8,474**

The tables below show the Group's provision for post-employment benefits, the assumptions used to calculate the value of these provisions and the plan assets related to these provisions, as well as the amounts recognised in the income statement. The Group's reported pension provision amounts to SEK 6,220 (8,474) m in total, which includes endowment insurances and similar undertakings amounting to SEK 367 (363) m in respect of defined premium pension plans in Sweden.

	Total	of which Sweden	of which Belgium	Total	of which Sweden	of which Belgium
Financial year ending on	**31 Dec 2024**	**31 Dec 2024**	**31 Dec 2024**	31 Dec 2023	31 Dec 2023	31 Dec 2023
Amounts recognised in the statement of financial position						
Defined benefit obligation	24,559	18,179	3,891	26,921	19,865	4,210
Fair value of plan assets	18,706	13,302	3,564	18,810	12,907	3,837
Funded status	**5,853**	**4,877**	**327**	**8,111**	**6,958**	**373**
Net provision (asset) as recorded on the balance sheets	**5,853**	**4,877**	**327**	**8,111**	**6,958**	**373**
Principal actuarial assumptions						
Weighted average assumptions to determine benefit obligations						
Discount rate, %	4.08	3.95	4.05	3.67	3.55	3.39
Rate of salary increase, %	3.11	3.15	2.94	3.35	3.40	3.15
Rate of price inflation, %	1.86	1.75	2.00	2.06	2.00	2.00
Rate of pension indexation, %	1.83	1.75	N/A	2.06	2.00	N/A

The actuarial assumptions are the most significant assumptions applied when calculating the value of a defined benefit pension plan. The Group determines the discount rate based on AA-rated corporate bonds and mortgage bonds that match the duration of the obligations. If no such corporate bonds and mortgage bonds are available, government bonds are used. In Sweden, as in prior years, mortgage bonds are used.

Inflation assumptions are based on a combination of central banks targets, implicit market expectations and long-term analyst forecasts.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. Mortality assumptions for Sweden are based on the DUS23 (white collar) mortality study, and the DUS23 (white collar) mortality table is generational. Mortality assumptions in Belgium are not as significant, since there are lump sum payments.

The actuarial assumptions are reviewed annually by the Group and modified when deemed appropriate to do so.

Financial year ending on	Total 31 Dec 2025	of which Sweden 31 Dec 2025	of which Belgium 31 Dec 2025	Total 31 Dec 2024	of which Sweden 31 Dec 2024	of which Belgium 31 Dec 2024
Change in defined benefit obligation						
Defined benefit obligation at end of prior year	26,921	19,865	4,210	25,116	18,220	4,092
Service cost	838	646	150	636	438	154
Interest expense	949	697	128	880	621	135
Cash flows	-1,030	-492	-377	-951	-458	-361
Remeasurements	-2,597	-2,537	10	944	1,044	72
Effect of changes in foreign exchange rates	-522	—	-230	296	—	118
Defined benefit obligation at end of year	**24,559**	**18,179**	**3,891**	**26,921**	**19,865**	**4,210**
Change in fair value of plan assets						
Fair value of plan assets at end of prior year	18,810	12,907	3,837	17,506	11,918	3,594
Interest income	681	458	121	630	411	123
Cash flows	-195	—	-107	-185	—	-109
Remeasurements	-137	-63	-77	598	578	124
Effect of changes in foreign exchange rates	-453	—	-210	261	—	105
Fair value of plan assets at end of year	**18,706**	**13,302**	**3,564**	**18,810**	**12,907**	**3,837**
Components of defined pension cost						
Service cost	838	646	150	636	438	154
Net interest cost	269	238	6	250	210	12
Remeasurements of Other long-term benefits	-55	—	-56	43	—	42
Administrative expenses and taxes	35	—	31	36	—	32
Total pension cost for defined benefit plans	**1,087**	**884**	**131**	**965**	**648**	**240**
Pension cost for defined contribution plans	4,600	3,809	385	4,348	3,489	381
Total pension cost recognised in P&L	**5,687**	**4,693**	**516**	**5,313**	**4,137**	**621**
Remeasurements (recognised in other comprehensive income)	-2,403	-2,474	144	312	466	-96
Effect of changes in demographic assumptions	518	—	515	-33	—	—
Effect of changes in financial assumptions	-2,840	-2,346	-411	-475	-377	31
Effect of experience adjustments	-220	-191	-38	1,409	1,421	-2
Return on plan assets (excluding interest income)	139	63	78	-589	-578	-125
Total defined benefit cost recognised in P&L and OCI	**-1,316**	**-1,590**	**275**	**1,277**	**1,114**	**144**

Financial year ending on	Total 31 Dec 2025	of which Sweden 31 Dec 2025	of which Belgium 31 Dec 2025	Total 31 Dec 2024	of which Sweden 31 Dec 2024	of which Belgium 31 Dec 2024
Net defined benefit provision (asset) reconciliation						
Net defined benefit provision (asset)	8,111	6,958	373	7,610	6,302	498
Defined benefit cost included in the income statement	1,087	884	131	965	648	240
Total remeasurements included in OCI	–2,403	–2,474	144	312	466	–96
Cash flows	–872	–491	–301	–810	–458	–283
Employer contributions	–306	—	–274	–290	—	–260
Employer direct benefit payments	–566	–491	–27	–520	–458	–23
Effect of changes in foreign exchange rates	–70	—	–20	34	—	14
Net defined benefit provision (asset) as of end of year	**5,853**	**4,877**	**327**	**8,111**	**6,958**	**373**
Defined benefit obligation by participant status						
Actives	12,340	8,558	3,211	13,834	9,784	3,378
Vested deferreds	5,430	4,078	580	6,018	4,500	643
Retirees	6,789	5,543	100	7,069	5,581	189
Total	**24,559**	**18,179**	**3,891**	**26,921**	**19,865**	**4,210**

Plan assets

Fair value of plan assets	2025	2024	of which with a quoted market price 2025	2024
Cash and cash equivalents	368	469	359	325
Equity instruments	1,022	1,698	945	1,109
Debt instruments	5,834	8,093	4,938	7,291
Real estate	1,202	828	84	86
Investment funds	8,258	5,725	6,876	5,565
Other	2,022	1,997	38	219
Total	**18,706**	**18,810**	**13,240**	**14,595**

Responsibility for the management of several pension plans rest with the Group and therefore pension trusts have been set up in different countries. The assets are held by long-term employee benefit trusts that are legally separated from the Group.

The assets are available to fund employee benefits only. Sweden, Belgium and United Kingdom have the largest pension trusts. The assets of the pension trusts are managed in accordance with a capital preservation strategy where the risk exposure is adjusted accordingly. The investment strategies are long-term and the distribution of assets ensures that investment portfolios are well diversified. The capital is managed in accordance with the investment policies of each pension trust. Continuous monitoring is performed by the trustees to ensure that capital is allocated and managed according to the investment policies. In Sweden the minimum funding level is decided by PRI Pensionsgaranti.

The actual return on plan assets amounts to SEK 543 (1,228) m.

Risks

There are mainly three categories of risks related to defined benefit obligations and pension plans. The first category relates to risks affecting the actual pension payments. Increased longevity and inflation of salary and pensions are the principal risks that may increase the future pension payments and hence, increase the pension obligation. The second category relates to investment return. Pension plan assets are invested in a variety of financial instruments and are exposed to market fluctuations. Poor investment return may reduce the value of investments and render them insufficient to cover future pension payments. The final category relates to the discount rate used for measuring the obligation and the plan assets. The discount rate used for measuring the present value of the obligation may fluctuate which impacts the valuation of the defined benefit obligation. The discount rate also impacts the value of the interest income and expense that is reported in the financial items and the service cost. The risk related to pension obligations, i.e. mortality exposure, discount rate and inflation, are monitored on an ongoing basis.

Sensitivity analysis on defined benefit obligation	Sweden	Belgium
Discount rate +0.5%	–1,612	–142
Discount rate –0.5%	1,803	158
Inflation rate +0.5 %	1,825	140
Inflation rate –0.5%	–1,639	–129

The weighted average duration of the obligation is 19.5 years for Sweden and 8.0 years for Belgium.

23 Current and other non-current provisions

ACCOUNTING POLICIES

Provisions

Provisions are recognised on the balance sheet when a legal or constructive obligation exists as a result of a past event, it is deemed more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are typically settled within 2–3 years.

Warranties

Warranty provisions include the Group's cost of satisfying the customers with specific contractual warranties, as well as other costs not covered by standard contractual commitments. All warranty provisions are recognised at the sale of the vehicles or spare parts. The initial calculations of the reserves are based on historical warranty statistics considering known quality improvements, costs for remedy of defaults etc. The warranty provision booked at point of sale is adjusted as campaign decisions for specific quality problems are made. On a quarterly basis the provisions are adjusted to reflect latest available data such as actual spend, exchange rates, discount rates etc. The provisions are reduced by virtually certain warranty reimbursements from suppliers. Generally, warranty provisions are settled within 2–4 years, provisions for battery warranties are typically settled within 8 years.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Provisions

The amount recognised as provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are regularly reviewed and adjusted as further information becomes available or circumstances change. If the effect of the time value of money is material, non-current provisions are recognised at present value by discounting the expected future cash flows at a pre-tax rate reflecting current market assessments of the time value of money. The discount rate does not reflect such risks that are taken into consideration in the estimated future cash flow. Revisions of estimated cash flows, both amount and likelihood, are recognised as operating cost.

Changes to present value due to the passage of time and revisions of discount rates to reflect prevailing current market conditions are recognised as a financial cost.

There is always a risk for changing governmental regulations and changes in environmental policies affecting our business as well as accounting estimates and judgements related to climate regulation. Based on our performance to date, current product and volume plans and current knowledge of global emissions regulations, the Group does not foresee any significant financial risks or judgmental accounting issues short to mid-term related to not meeting global, regional or national CO_2 emissions regulations.

Warranties

The recognition and measurement of provisions for product warranties is generally connected with estimates. Estimated costs for product warranties are charged to cost of sales when the products are sold. Estimated warranty costs include contractual warranty, warranty campaigns (recalls and buy-backs) and coverage in excess of contractual warranty or campaigns, which is accepted as a matter of policy or normal practice in order to maintain a good business relation with the customer. Warranty provisions are estimated based on historical claims statistics and the warranty period. Quality index improvements based on historical patterns have been reflected in all categories of warranty. Refunds from suppliers that decrease the Group's warranty costs are recognised to the extent these are considered to be virtually certain, based on historical experience. Supplier recovery provisions amount to SEK 2,523 (2,453) m, excluding supplier recovery related to EX30 battery cells.

EX30 recall

On 30 December 2025, Volvo Car Group issued a precautionary safety notice relating to a potential issue in certain EX30 battery cells. At the end of the year, the assessment of affected vehicles, the appropriate remediation measures and the related cost implications was still ongoing.

As the investigation progressed during 2026 and additional information became available, the Volvo Car Group management was able to determine the expected remediation actions. The estimated costs are expected to be fully recovered from the supplier.

	Warranties	Other provisions[1)]	Total
Balance at 1 January 2024	**11,122**	**9,602**	**20,724**
Provided for during the year	14,185	12,739	**26,924**
Utilised during the year	-10,390	-13,742	**-24,132**
Reversal of unutilised amounts	-3,154	-61	**-3,215**
Translation differences	452	149	**601**
Balance at 31 December 2024	**12,215**	**8,687**	**20,902**
Of which current	3,865	7,514	**11,379**
Of which non-current	8,350	1,173	**9,523**

	Warranties	Other provisions[1)]	Total
Balance at 1 January 2025	**12,215**	**8,687**	**20,902**
Provided for during the year	14,771	17,385	**32,156**
Utilised during the year	-10,886	-17,948	**-28,834**
Reversal of unutilised amounts	-4,220	-1,485	**-5,705**
Translation differences	-1,268	-345	**-1,613**
Balance at 31 December 2025	**10,612**	**6,294**	**16,906**
Of which current	3,215	5,141	**8,356**
Of which non-current	7,397	1,153	**8,550**

1) Other provisions include personnel related provisions of SEK 746 (2,650) m.

24 Other current and non-current liabilities

Other non-current liabilities	31 Dec 2025	31 Dec 2024
Liabilities related to repurchase commitments	3,113	3,107
Other liabilities	4,916	2,999
Total	**8,029**	**6,106**

Other current liabilities	31 Dec 2025	31 Dec 2024
Accrued expenses and prepaid income	19,828	23,375
Liabilities related to repurchase commitments	15,367	14,134
Personnel related liabilities	5,950	7,157
VAT liabilities	3,369	5,180
Other liabilities	3,834	3,854
Total	**48,348**	**53,700**

25 Contingent liabilities and pledged assets

ACCOUNTING POLICIES

When a possible obligation does not meet the criteria for recognition as a liability it may be disclosed as a contingent liability. These possible obligations derive from past events and their existence will be confirmed only when one or several uncertain future events, which are not entirely within the Group's control, take place or fail to take place. A contingent liability could also exist for a present obligation, due to a past event, where an outflow of resources is less likely (<50 per cent) or when the amount of the obligation cannot be reliably measured.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Legal proceedings

Companies within the Group may at times be involved in legal proceedings, such proceedings may cover a range of different matters in various jurisdictions. These include, but are not limited to, commercial disputes such as alleged breach of contract, insufficient supplies of goods or services, product liability, patent infringement or infringement of other intangible rights. The various matters raised are often of a difficult and complex nature making them legally complicated, and it is therefore difficult to predict the final outcome of such matters. The companies within the Group work closely with legal advisors and other experts in the various matters in each jurisdiction. A provision is made when it is determined that an adverse outcome is more likely than not, and the amount of the loss can be reliably estimated. In instances where these criteria are not met, a contingent liability has been disclosed provided the risk qualifies as such a liability.

Other processes

The Group is as well, like other global companies, from time to time involved in processes of varying scope and in various stages with regards to for instance import duties and transfer prices. These processes are evaluated regularly, and provisions are made when it is more likely than not that additional fees must be paid, and the outcome can be reliably estimated. If it is not probable that the additional fees will be paid but the risk is more than remote, such amounts are disclosed as contingent liabilities.

Contingent liabilities	31 Dec 2025	31 Dec 2024
Guarantees to insurance company FPG	291	278
Legal claims	50	19
Other claims[1)]	289	231
Guarantee commitments[2)]	4,357	190
Other contingent liabilities[3)4)]	143	3,433
Total	**5,130**	**4,151**

1) In addition to the contingent liabilities related to other claims there is also tax related contingent assets amounting to SEK — (54) m.
2) Geely Sweden Holdings AB has a guarantee commitment related to an external loan in the related company Geely Finance (HK) Ltd. The loan amount is SEK 4,327 m. The risk of having to fulfill this guarantee commitment is deemed as very low.
3) On 19 November 2024, Volvo Cars entered into an operational agreement that included a purchase option for an entity domiciled in the UK. This purchase option expired on August 31, 2025. Subsequently, on 20 November 2024, Volvo Cars entered into a related agreement guaranteeing the outstanding loans of the target entity. This guarantee was contingent upon the lenders electing to transfer these loans to Volvo Cars. The maximum exposure under this financial guarantee was estimated to SEK 3,240 m. On 25 April 2025, Volvo Cars exercised its purchase option and made a payment of SEK 2,727 m under the financial guarantee arrangement relating to the loans of the UK entity it acquired. Volvo Cars has no contingent liabilities or other liabilities outstanding as at reporting date.
4) Apart from the above contingent liabilities, there are other commitments and guarantees that are not recognised since the likelihood of an outflow of resources is very low.

Pledged assets	31 Dec 2025	31 Dec 2024
Shares in subsidiaries[1)]	254	220
Restricted cash	42	455
Inventory	374	439
Floating charges	54	72
Other pledged assets	904	486
Total	**1,628**	**1,672**

1) Geely Sweden Holdings AB has pledged the shares in the subsidiary Geely Sweden Financials AB for external bank loans. The value of the share pledge on consolidated group level has been assessed at SEK 254 (220) m.

26 Cash flow statements

	2025	2024
Adjustments for other non-cash items:		
Capital gains/losses on sale of tangible and intangible assets	6,518	1,574
Share of income in joint ventures and associates	-473	4,982
Distribution of Polestar Automotive Holding UK PLC	—	-2,005
Interest effect from the measurement of repurchase obligations	-132	-797
Provision for variable pay	102	2,163
Other provisions	6,968	-695
Deferred revenue	-3,570	-1,779
Reclassification of residual value guarantee	-693	-1,364
Inventory impairment	766	549
Elimination of intra-group profit	-493	-186
IFRS16 adjustments	-5,807	-1,450
Negative goodwill of NOVO Energy AB	—	-1,054
Other non-cash items	3,215	1,952
Total	**6,401**	**1,890**

		Cash flows	Non-cash changes				
Change in net cash	**1 Jan 2024**		Reclassifi-cations	Foreign exchange movement	Fair value changes	Other non-cash changes	**31 Dec 2024**
Cash and cash equivalents	51,522	9,222	—	1,766	—	—	62,510
Marketable securities	9,918	-10,269	—	351	—	—	—
Liabilities to credit institutions, non-current	-30,998	-199	26,863	-122	—	51	-4,405
Bonds, non-current[1)]	-18,121	-5,857	5,618	-246	—	16	-18,590
Bonds, current[1)]	-6,672	6,936	-5,618	-367	—	-2	-5,723
Other interest-bearing non-current liabilities	—	—	—	—	—	—	—
Liabilities to credit institutions, current	-937	4,794	-26,863	-849	—	-77	-23,932
Net cash	**4,712**	**4,627**	**–**	**533**	**–**	**-12**	**9,860**

Change in net cash	**1 Jan 2025**						**31 Dec 2025**
Cash and cash equivalents	62,510	4,327	—	-3,537	—	—	63,300
Marketable securities	—	1	—	—	—	—	1
Liabilities to credit institutions, non-current	-4,405	-26,661	761	1,631	—	62	-28,612
Bonds, non-current[1)]	-18,590	-5,476	1,500	1,013	—	4	-21,549
Bonds, current[1)]	-5,723	5,732	-1,500	-8	—	-1	-1,500
Other interest-bearing non-current liabilities	—	—	—	—	—	—	—
Liabilities to credit institutions, current	-23,932	23,545	-761	249	—	-23	-922
Net cash	**9,860**	**1,468**	**–**	**-652**	**–**	**42**	**10,718**

1) The bonds are presented above at amortised cost. The fair value risk of the EUR-denominated bonds is hedged, and the bonds with fixed interest payments have been swapped into floating interest payments. Consequently, a portion of the bonds is therefore measured at fair value through the income statement, while the remaining part is measured at amortised cost. On 31 December 2025, the fair value component amounted to SEK 95 (235) m.

27 Business combinations and divestments

ACCOUNTING POLICIES

Acquisitions

Companies are consolidated as of the date of acquisition when the Group obtains control. In a business combination the Group measures all acquired identifiable assets and liabilities at fair value. Any surplus amount from the purchase consideration, possible non-controlling interest and fair value of previously held equity interests at the acquisition date compared to the Group's share of acquired net assets is recognised as goodwill. Any deficit amount (i.e. negative goodwill) resulting from a bargain purchase, is recognised directly as a gain in the income statement.

In step acquisitions, a business combination occurs only on the date control is achieved. Transactions with non-controlling interest are recognised within equity as long as control of the subsidiary is retained.

In acquisitions that involve parties under common control the Group applies predecessor accounting, meaning that the acquirer consolidates the predecessors' respective carrying values for assets and liabilities. These are the carrying values that are related to the acquired entity from the consolidated financial statements of the highest entity that has common control, and for which consolidated financial statements are prepared. Any difference between the cost of the combination (i.e. the fair value of the consideration paid) and the carrying values for assets and liabilities is recognised directly in equity within retained earnings.

All acquisition-related transaction costs are expensed.

Divestments

Companies that have been divested are included in the consolidated financial statements up to and including the date when the Group loses control.

In divestments that involve parties under common control, any difference between the cost of the divestment (i.e. the fair value of the consideration received) and the carrying values for assets and liabilities is recognised directly in equity within retained earnings.

Business combinations

NOVO Energy AB

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 the intent to redeem Northvolt AB's 50 per cent shareholdings in NOVO Energy AB.

On 4 July 2025, Volvo Car Corporation finalised the acquisition of Northvolt AB's shares in NOVO Energy AB and became 100% shareholder of NOVO Energy AB. As a consequence, the non-controlling interest of 50 per cent ceased. Purchase consideration amounted to SEK 40 m. The preliminary acquisition analysis previously recognised for NOVO Energy AB was adopted in 2025.

Apart from the parent company NOVO Energy AB, NOVO Energy Group consists of the wholly-owned subsidiaries NOVO Energy R&D AB and NOVO Energy Production AB with its wholly-owned subsidiary NOVO Energy PropCo AB.

Divestment of business

Events after the reporting period

On 10 March 2025, a share purchase agreement was signed regarding the joint venture Geely Financials Denmark A/S shareholding of 49.88 per cent in its subsidiary Saxo Bank A/S. The buyer is Bank J Safra Sarasin AG, and the transaction is subject to regulatory approval. On 2 March 2026, the transaction was approved and completed.

28 Segment reporting

ACCOUNTING POLICIES

An operating segment is defined as a part of the Group for which separate financial information is available and which is evaluated regularly by the chief operating decision-maker or decision-making body. A majority of the Group's revenue comes from industrial operations, more specifically the revenue generated by Volvo Car Group. Industrial operations include all activities related to development, design, manufacturing, assembly and sale of vehicles, as well as the sale of spareparts and accessories. In relation to other operations, industrial operations are dominating.

The Group is therefore considered to have one operating segment.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

As stated in the Board of Directors Report, the business is divided into three segments. The majority of the business is carried out in the industrial operations segment and therefore the Group has not prepared any segment reporting.

For further information on the geographic spread of revenue, see Note 2 – Revenue. The geographic spread of non-current assets is presented below.

	Sweden	China	Rest of the World	Total
31 Dec 2025				
Non-current assets[1)]	160,000	21,068	34,115	215,183
31 Dec 2024				
Non-current assets[1)]	156,667	27,974	42,756	227,397

1) Excluding deferred tax assets and financial instruments.

Definitions of Performance Measures

Performance measures disclosed in the Annual Report are those that are deemed to provide the most true and fair as well as relevant view of the Group's financial performance for a reader of the Annual Report.

Gross margin
Gross margin is gross income as a percentage of revenue and represents the percentage of total revenue that the Group retains after deducting direct costs associated with producing the goods and services sold.

EBIT
EBIT refers to earnings before interest and taxes. EBIT is synonymous with operating income, which measures the profit the Group generates from its operations.

EBIT margin
EBIT margin is EBIT as a percentage of revenue and measures the Group's operating efficiency.

EBITDA
EBITDA represents earnings before interest, taxes, depreciations and amortisation, and is another measure of operating performance. It measures the profit the Group generates from its operations excluding the effect of previous periods capitalisation levels.

EBITDA margin
EBITDA margin is EBITDA as a percentage of revenue.

Equity ratio
Total equity divided by total assets, as a measurement of the Group's long-term solvency and financial leverage.

Net cash
Net cash is an indicator of the Group's ability to meet its financial obligations. It is represented by liabilities to credit institutions, bonds and other interest-bearing non-current liabilities.

Liquidity
Liquidity consists of cash and cash equivalents, undrawn credit facilities and marketable securities.

Revenue
Revenue is the sales price for goods or services net of discounts and certain variable marketing expenses.

RECONCILIATION TABLES OF PERFORMANCE MEASURES

Gross Margin	2025	2024
Gross income in % of revenue	**16.8**	**19.9**

EBIT Margin	2025	2024
Operating income (EBIT) in % of revenue	**-0.1**	**5.5**

EBITDA/EBITDA Margin	2025	2024
Operating income	-411	22,065
Depreciation and amortisation of non-current assets	35,674	22,795
EBITDA	**35,263**	**44,860**
EBITDA in % of revenue	**9.9**	**11.2**

Equity ratio	Dec 31, 2025	Dec 31, 2024
Total equity	184,366	175,582
Total assets	434,161	446,216
Equity in % total assets	**42.5**	**39.3**

Net cash	Dec 31, 2025	Dec 31, 2024
Cash and cash equivalents	63,300	62,510
Marketable securities	1	—
Liabilities to credit institutions (non-current)	-28,612	-4,405
Bonds (non-current)[1)]	-21,549	-18,590
Liabilities to credit institutions (current)	-922	-23,932
Bonds (current)[1)]	-1,500	-5,723
Net cash	**10,718**	**9,860**

1) The bonds are presented above at amortised cost. The fair value risk of the EUR-denominated bonds is hedged, and the bonds with fixed interest payments have been swapped into floating interest payments. Consequently, a portion of the bonds is therefore measured at fair value through the income statement, while the remaining part is measured at amortised cost. On 31 December 2025, the fair value component amounted to SEK 95 (235) m.

Liquidity	Dec 31, 2025	Dec 31, 2024
Cash and cash equivalents	63,300	62,510
Marketable securities	1	—
Undrawn credit facilities	23,256	32,176
Liquidity	**86,557**	**94,686**

Income Statements and Comprehensive Income – Parent Company

SEKm	Note	2025	2024
Administrative expenses	4	–77	–74
Operating income	3, 5	**–77**	**–74**
Result from participation in subsidiaries	3, 8	–4,322	7,633
Result from participation in joint ventures and associates	3, 9	–401	–850
Interest income and similar credits	3	952	1,160
Interest expenses and similar charges	3	–552	–536
Other financial income and expenses	6	–533	–106
Income before tax		**–4,934**	**7,227**
Income tax	7	—	—
Net income		**–4,934**	**7,227**

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

Balance Sheets – Parent Company

SEKm	Note	Dec 31, 2025	Dec 31, 2024
ASSETS			
Non-current assets			
Participation in subsidiaries	8	24,687	28,973
Participation in joint ventures and associates	9	—	401
Deferred tax assets	7	—	—
Receivables from group companies	3	31,352	13,330
Other non-current receivables		—	2
Total non-current assets		**56,039**	**42,706**
Current assets			
Accounts receivable		11	16
Receivables from group companies	3	656	634
Other current assets		5	—
Accrued income and prepaid expenses		2	2
Cash and cash equivalents		679	824
Total current assets		**1,353**	**1,476**
TOTAL ASSETS		**57,392**	**44,182**
EQUITY & LIABILITIES			
Equity			
Restricted equity			
Share capital (100,000 shares with par value of SEK		—	—
		–	**–**
Non-restricted equity			
Share premium reserve		6,509	6,509
Other contributed capital		3,693	3,693
Retained earnings		31,240	24,013
Net income		-4,934	7,227
		36,509	**41,442**
Total equity		**36,509**	**41,442**
Non-current liabilities			
Liabilities to group companies	3	19,646	1,483
Other non-current liabilities		—	2
Total non-current liabilities		**19,646**	**1,485**
Current liabilities			
Accounts payable		2	—
Liabilities to group companies	3	1,201	1,219
Other current liabilities		6	6
Accrued expenses and prepaid income		28	30
Total current liabilities		**1,237**	**1,255**
TOTAL EQUITY & LIABILITIES		**57,392**	**44,182**

Changes in Equity – Parent Company

	Restricted equity	Non-restricted equity			
SEKm	Share capital[1)]	Share premium reserve	Other contributed capital	Retained earnings	**Total**
Balance at January 1, 2024	**–**	**6,509**	**3,693**	**24,013**	**34,215**
Net income for the year				**7,227**	**7,227**
Balance at December 31, 2024	**–**	**6,509**	**3,693**	**31,240**	**41,442**
Net income for the year				**-4,934**	**-4,934**
Balance at December 31, 2025	**–**	**6,509**	**3,693**	**26,306**	**36,509**

1) Share capital amounts to SEK 100,000 (100,000).

Statement of Cash Flows – Parent Company

SEKm	Note	2025	2024
OPERATING ACTIVITIES			
Operating income		–77	–74
Interest received		952	1,160
Interest paid		–552	–536
Other financial items		6	–
		329	**550**
Movements in working capital			
Change in receivables group companies	3	–17	123
Change in liabilities group companies	3	–88	289
Change in other current receivables		–1	–1
Change in other current liabilities		–1	1
Cash flow from movements in working capital		**-107**	**412**
Cash flow from operating activities		**222**	**962**
INVESTING ACTIVITIES			
Cash flow from investing activities		**–**	**–**
Cash flow from operating and investing activities		**222**	**962**
FINANCING ACTIVITIES			
Change in non-current receivables group companies	3	–18,599	1,894
Change in non-current liabilities group companies	3	18,244	–2,706
Cash flow from financing activities		**-355**	**-812**
Cash flow for the year		**-133**	**150**
Cash and cash equivalents at beginning of year		**824**	**651**
Change in cash and cash equivalents due to change in exchange rates		–12	15
Cash and cash equivalents overtaken through merger		–	8
Cash and cash equivalents at end of year		**679**	**824**

Notes to The Parent Company Financial Statements

All amounts are in SEKm unless otherwise stated.
Amounts in brackets refer to the preceding year.

1 Significant accounting principles

Basis of preparation

The parent company has prepared its financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2, Accounting for Legal entities. According to RFR 2, the parent company shall apply all the international financial Reporting standards endorsed by the EU as far as this is possible within the framework of the Swedish Annual Accounts Act. Changes in RFR 2 applicable to the fiscal year beginning January 1, 2025, have had no material impact on the financial statements of the parent company.

Accounting principles considered material to the Group are described in conjunction with each presented note in the consolidated financial statements. The main deviations between the accounting policies applied by the Group and the parent company are described below.

Shares and participations in Group companies

Shares and participations in Group companies are recognised at cost in the parent company's balance sheet and test for impairment is performed annually or whenever there is an indication to do so Dividends are recognised in the income statement. Profit and loss from all shares and participations are reported within income before tax.

Transaction costs directly attributable to acquisitions of shares and participations in Group companies are accounted for as an increase in the carrying amount.

Group contributions made to subsidiaries are reported as an increase of investments in these subsidiaries. A review is at the same time made to conclude whether or not there is an impairment risk with regards to the same shares of the subsidiaries having received the group contribution. Tax effect of these group contributions are recognised in the income statement. Group contributions made to parent company are recognised in equity, along with the tax effect. Received group contributions from subsidiaries are recognised as financial income. Tax effect on received group contributions are recognised in the income statement. Received group contributions from parent company are recorded in equity, along with the tax effect.

Made shareholders' contributions are recognised in shares in subsidiaries and as such they are subject to impairment testing.

Financial guarantees

The parent company applies the exception in the application of IFRS 9 which concerns accounting and measurement of financial contracts of guarantee in favour of subsidiaries and associated companies. The parent company recognises the financial contracts of guarantee as contingent liabilities.

Equity

In accordance with the Swedish Annual Accounts Act, equity is split between restricted and non-restricted equity.

2 Critical accounting estimates and judgements

Preparation of the financial statements in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2 requires the company's Executive management and Board of Directors to make estimates and judgements as well as to make assumptions that affect application of the accounting policies and the reported assets, liabilities, income and expenses. Critical accounting estimates and judgements applied by the Group are described in conjunction with applicable note in the consolidated financial statements. None of these critical accounting estimates are applicable to the parent company. Shares and participations in Group and associated companies recognised at cost in the parent company, are being tested for impairment annually or if an indication of impairment exists.

3 Related parties

During the year, the parent company entered into the following transactions with related parties:

	Sales of goods, services and other		Purchase of goods, services and other	
	2025	2024	**2025**	2024
Companies within the Group	99%	97%	99%	96%

	2025	2024
Interest income from subsidiaries	935	829
Interest income from other grup companies	—	301
Interest expenses to subsidiaries	–517	–480
Interest expenses to other group companies	–35	–56

	Receivables		Payables	
	Dec 31, 2025	Dec 31, 2024	**Dec 31, 2025**	Dec 31, 2024
Companies within the Group	32,008	13,964	20,846	2,701
whereof current	656	634	1,201	1,219

Business transactions between the parent company and related parties all arise in the normal course of business and are conducted on the basis of arm's length principles.

Following the impairment assessment of shares in subsidiaries, the carrying values of the subsidiaries Geely Europe Innovation and Collaboration AB, Geely Group Motorsports International AB and Geely Sweden Automotive Investment AB, were subject to write-down, SEK 4,325 m in total.

The write-down following the impairment assessment of the carrying value of the joint venture Geely Tech Holding A/S amounted to SEK 401 m. The carrying value of Geely Tech Holding A/S is nil per December 31, 2025.

There have not been any transactions with Board Members or senior executives except ordinary remunerations for services. For further information, see Note 8 – Employees and remuneration in the consolidated financial statements.

4 Audit fees

TSEK	**2025**	2024
Deloitte		
Audit fees	–1,099	–1,075
Audit-related fees	–131	–131
Total	**-1,230**	**-1,206**

Audit fees involve audit of the Annual Report, financial accounts and the administration by the Board of Directors and the Managing Directors. The audit also includes advice and assistance as a result of the observations made in connection with the audit.

Audit-related fees refer to other assignments to ensure quality in the financial statements including consultations on reporting requirements and internal control.

All other work performed by the auditor is defined as other services.

5 Remuneration to the board of directors

Information on remuneration to Board members by gender is shown in Note 8 – Employees and remuneration, in the consolidated statements.

6 Other financial income and expenses

	2025	2024
Net foreign exchange rate differences	–538	–106
Other	5	—
Total	**-533**	**-106**

7 Taxes

Income tax recognised in income statement	2025	2024
Tax for the year	—	—
Total	**–**	**–**
Information regarding current year tax expense compared to tax expense based on the applicable Swedish tax rate		
Income before tax for the year	-4,934	7,227
Tax according to applicable Swedish tax rate, 20.6% (20.6%)	1,016	-1,489
Costs, non-deductable	-973	-182
Tax effect of interest net	7	34
Tax effect of group contributions paid recognised as shares in subsidiaries	—	103
Non-taxable dividends	—	1,579
Current year loss not recognised as a deferred tax asset	-50	-45
Total	**–**	**–**

Deferred tax assets are only recognised to the extent there are taxable temporary differences or other factors that convincingly indicate there will be sufficient future taxable profit. Tax loss-carry forward has an indefinite period of utilisation.

8 Participation in subsidiaries

	Dec 31, 2025	Dec 31, 2024
At beginning of the year/acquired acquisition value	**28,973**	**21,290**
Shareholders' contributions/group contributions provided	39	7,940
Write-downs	-4,325	-30
Merger	—	-227
Total	**24,687**	**28,973**

Directly owned subsidiaries at the end of the reporting period are presented in below table. Indirectly owned subsidiaries are included in each subsidiary's annual report.

Geely Sweden Holding AB's investments in subsidiaries:	Corp. ID no.	Registered office	No. of shares	% interest held	Book value Dec 31, 2025	Book value Dec 31, 2024
Volvo Car AB (publ.)[1)]	556810-8988	Gothenburg/Sweden	2,343,396,227	78.6	20,210	20,210
Geely Sweden Automotive Investment AB	559263-3035	Stockholm/Sweden	50000	100	3,208	7,473
Geely Europe Innovation and Collaboration AB	559094-6454	Gothenburg/Sweden	500	100	6	20
Geely Europe Innovation Centre AB	559166-5699	Gothenburg/Sweden	100,000	100	129	129
Geely Financials International Ltd.	67898527-000-06-17-4	Hong Kong/China	1,000,000	100	9	9
Geely Group Motorsports International AB	559190-6895	Gothenburg/Sweden	10,000	100	21	28
Geely Sweden Financials AB	559168-2157	Gothenburg/Sweden	500	100	25	25
Geely Sweden Finance AB (publ.)	559171-4950	Gothenburg/Sweden	501	100	8	8
Geely Sweden Investment AB	559150-4781	Gothenburg/Sweden	10,000	100	1,030	1,030
GSHAB 2 AB	559263-3043	Stockholm/Sweden	50,000	100	41	41
Total					**24,687**	**28,973**

1) For additional information on participation in the subsidiary Volvo Car AB (publ.) See Note 21 – Equity in the consolidated financial statements.

The share of voting power corresponds to holdings in per cent as per above. The countries where the subsidiaries are registered are also where their main operations are carried out.

Significant restrictions

For some subsidiaries there are restrictions on the Group's ability to access or use cash from these subsidiaries, for more information on cash that is not available or with other limitations, see Note 20 – Marketable securities and cash and cash equivalents in the consolidated financial statements.

Change in the Group's ownership interest in a subsidiary

Geely Financials Denmark A/S is a former wholly owned subsidiary in the Group. In September 2018, Geely Financials Denmark A/S acquired 52 per cent of the shares in the Saxo Bank Group. During the fourth quarter 2018, an agreement was signed with Geely Group Ltd., a related party outside the Group, in which 5 per cent of the shares in Geely Financials Denmark A/S was sold together with an option to acquire an additional 46 per cent. Based on the divestment, the option, and other contractual conditions, the Group deems that there is no controlling interest, which is why Geely Financials Denmark A/S, including Saxo Bank A/S, is no longer consolidated within the Group as of September 12, 2018.

In August 2019, the ownership in Saxo Bank A/S was reduced from 52 per cent to 50.9 per cent following a capital contribution.

In April 2020, Geely Group Ltd exercised its option to acquire an additional 46 per cent of the shares in Geely Financials Denmark A/S. After the transaction, Geely Group Ltd owns 51 per cent of Geely Financials Denmark A/S.

In June 2023, Geely Financials Denmark A/S divested 1 per cent of its shareholding in Saxo Bank A/S. After the sale, Geely Financials Denmark A/S holds 49.9 per cent of the shares in Saxo Bank A/S.

In March 2025, a share purchase agreement was signed regarding the Geely Financials Denmark A/S shareholding of 49.88 per cent in its subsidiary Saxo Bank A/S. The buyer is Bank J Safra Sarasin AG, and the transaction is subject to regulatory approval. In March 2026 the transaction was approved and completed.

In November 2023, the shareholding in Volvo Car AB (publ.) decreased from 82 per cent to 78.6 per cent following the sale of 100 million shares.

Details of non-wholly owned subsidiaries that have material non-controlling interests

On June 25, 2015 the Group, through one of its wholly owned subsidiaries, Volvo Cars (China) Investment Co., Ltd, acquired an additional 20 per cent in the Group's Chinese joint venture companies. In the consolidated financial statements, these joint venture companies are classified as subsidiaries and are fully consolidated with a non-controlling interest of 50 per cent since the Group has the decision-making power over the operations.

Further, Daqing Volvo Car Manufacturing Co., Ltd holds 100 per cent of the shares in Volvo Car (Asia Pacific) Investment Holding Co., Ltd which holds 100 per cent of Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd and Shanghai Zhawo Auto Sales Co., Ltd.

On 1 August 2024, the Volvo Car Corporation acquired the remaining 40 per cent of the shares in HaleyTek AB from ECARX Technology Co., Ltd, a related company with the same ultimate shareholder as the Group, but outside the Geely sphere of companies. As a consequence, the non-controlling interest ceased.

On 1 October 2024, Lynk & Co International AB, a related party company within the Geely sphere of companies, acquired 30 per cent of the shareholding in the wholly-owned subsidiary VCLC Services AB. VCLC Services AB is still classified as a subsidiary and is fully consolidated with a non-controlling interest of 30 per cent since the Group has the power of control.

On 4 July 2025, the Volvo Car Corporation acquired the remaining 50 per cent of the shares in NOVO Energy AB. As a consequence, the non-controlling interest ceased. The transaction was succeeding the initiated process from 30 October 2024, when the Group initiated a process to acquire Northvolt AB's shares in the joint venture company NOVO Energy AB by executing its redemption right.

NOVO Energy AB and its wholly-owned subsidiaries were from 30 October 2024 reclassified from joint venture to subsidiary and is fully consolidated with a non-controlling interest of 50 per cent. For more information, see Note 27 – Business combinations and divestments, in the consolidated financial statements.

On 29 October 2021, Volvo Car AB (publ.) listed the company's shares on Nasdaq Stockholm. The principal owner is Geely Sweden Holdings AB, with, at the time, 82 per cent of the shares (votes and capital). The shareholding has thereafter decreased to 78.6 per cent following sale of shares in November 2023. In the consolidated financial statements, Volvo Car AB (publ.) is classified as a subsidiary and fully consolidated with a non-controlling interest of 21.4 per cent.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests.

	Registered office	% non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
Legal entity:		**Dec 31, 2025**	Dec 31, 2024	**Dec 31, 2025**	Dec 31, 2024	**Dec 31, 2025**	Dec 31, 2024
Daqing Volvo Car Manufacturing Co., Ltd.[1)]	China	50	50	-2,980	652	1,186	4,696
Shanghai Volvo Car Research and Development Co., Ltd.[1)]	China	50	50	2	2	110	124
HaleyTek AB	Sweden	—	—	—	-36	—	—
NOVO Energy AB	Sweden	—	50	-164	-85	—	-85
VCLC Services AB	Sweden	30	30	—	—	3	3
Volvo Car AB (publ.)	Sweden	21.4	21.4	37	3,288	31,401	29,348
Total non-controlling interests				**-3,105**	**3,821**	**32,700**	**34,086**

1) 50 per cent is held by Zhejiang Geely Holding Group Co., Ltd, the ultimate parent company of the Group.

9 Participation in joint ventures and associates

	Dec 31, 2025	Dec 31, 2024
At beginning of the year/acquired acquisition value	401	1.251
Write-down	-401	-850
Total	—	**401**

Geely Sweden Holdings AB's investments in joint ventures and associates:	**Corp. ID no.**	**Registered office**	**No. of shares**	**% interest held**	**Book value 31 Dec 2025**	**Book value 31 Dec 2024**
Geely Tech Holding A/S	41033789	Copenhagen / Denmark	4 640 000	50	—	401

10 Pledged assets

	Dec 31, 2025	Dec 31, 2024
Shares in subsidiaries[1)]	25	25
Total	**25**	**25**

1) Pledged shares in Geely Sweden Financials AB as security for external bank loans.

11 Contingent liabilities

	Dec 31, 2025	Dec 31, 2024
Guarantee commitments[1)2)]	26,322	23,584
Total	**26,322**	**23,584**

1) The above is including a guarantee commitment related to the external loans in the subsidiary Geely Sweden Financials AB and the related party Geely Finance (HK) Ltd. The total loan amount is SEK 25,961 (22,873) m. The risk of having to fulfill this guarantee commitment is deemed as very low.
2) The subsidiary Geely Sweden Automotive Investment AB entered into option agreements with external financial institutions in connection with the Polestar Group's financing arrangement in December 2025. Geely Sweden Holdings AB has a guarantee commitment related to the option agreements with a strike amount of SEK 2.8 billion. As per December 31 2025, the market value of the Polestar share exceeded the strike price. Thus, Geely Sweden Holdings AB has no risk exposure as per the closing date.

Proposed Distribution of Non-Restricted Equity

The parent company

The following funds are at the disposal of Annual General Meeting (AGM):

Share premium reserve	SEK	6,509,200,000
Other contributed capital	SEK	3,693,131,899
Retained earnings brought forward	SEK	31,240,224,748
Net income for the year	SEK	–4,933,931,715
At the disposal of the AGM	**SEK**	**36,508,624,932**

The Board proposes the following allocations of funds:

Carried forward	SEK	36,508,624,932
Total	**SEK**	**36,508,624,932**

The Board of Directors and the CEO hereby affirm that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU and provide a true and fair view of the Group's financial position and earnings.

The Annual Report has been prepared in accordance with generally accepted accounting principles and provides a fair and true view of the parent company's financial position and earnings. The Board of Directors report for the Group and the parent company provides a true and fair overview of the development of the operations, financial position and earnings of the Group and parent company and describes material risks and uncertainty factors facing the parent company and the companies included in the Group.

The annual report is dated on 11 June 2026

Gothenburg, 26 June 2026

Lone Fønss Schrøder
Chairman of the Board

Per Ansgar
Board member and CEO

Eric Li (Li Shufu)
Board member

Daniel Li (Li Donghui)
Board member

Our audit report was submitted on 26 June 2026
Deloitte AB

Fredrik Jonsson
Authorized Public Accountant

Deloitte.

AUDITOR'S REPORT

This auditor's report is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

To the general meeting of the shareholders of Geely Sweden Holdings AB corporate identity number 556810-9010

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Geely Sweden Holdings AB for the financial year 2025-01-01 - 2025-12-31. The annual accounts and consolidated accounts of the company are included on pages 13-72 and 75-84 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilitie*s section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annaul accounts and consolidated accounts and is found on pages 1-12 and 73-74. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Geely Sweden Holdings AB for the financial year 2025-01-01 - 2025-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group´s financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Gothenburg, 26 June 2026

Deloitte AB

Signature on Swedish original

Fredrik Jonsson
Authorized public accountant