

# Investor update for the year ended December 31, 2022

# Polestar

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### Forward-Looking Statements

Certain statements in this presentation (“Presentation”) of Polestar Automotive Holding UK PLC (“Polestar”) constitute forward-looking statements, within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995, that express Polestar’s opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and involve significant risks and uncertainties. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “seeks,” “projects,” “intends,” “plans,” “may,” “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Presentation and include statements regarding Polestar’s intentions, beliefs or current expectations concerning, among other things: results of operations; financial condition; liquidity; prospects; growth; strategies and the markets in which Polestar operates, including estimates and forecasts of financial and operational metrics, projections of market opportunity, market share, vehicle sales, revenue or other financial or operation results; expectations and timing related to commercial product launches, including the start of production and launch of any future products of Polestar, and the performance, range, autonomous driving and other features of the vehicles of Polestar; future market opportunities, including with respect to energy storage systems and automotive partnerships; future manufacturing capabilities and facilities; future sales channels and strategies; access to financing and liquidity support from major shareholders; the adequacy of funding through 2023; and future market launches and expansion. Such forward-looking statements are based on available current market information and the current expectations of Polestar including beliefs and forecasts concerning future developments and the potential effects of such developments on Polestar. Factors that may impact such forward-looking statements include: the failure to realize the anticipated benefits of the business combination (the “Business Combination”) that Polestar consummated on June 23, 2022 with Gores Guggenheim, Inc. (“GGI”); the outcome of any legal proceedings that may be instituted against GGI or Polestar in connection with the Business Combination; the ability to continue to meet stock exchange listing standards; our securities’ potential liquidity and trading; changes in domestic and foreign business, market, financial, political and legal conditions; Polestar’s ability to enter into or maintain agreements or partnerships with its strategic partners, including Volvo Car AB (publ) and its subsidiaries, and Zhejiang Geely Holding Group Company Limited, original equipment manufacturers, vendors and technology providers, and to source new suppliers for its critical components, and to complete building out its supply chain, while effectively managing the risks due to such relationships; risks relating to the uncertainty of any projected financial information or operational results of Polestar, including underlying assumptions regarding expected development and launch timelines for Polestar’s carlines, manufacturing in the United States starting as planned, demand for Polestar’s vehicles or car sale volumes, revenue and margin development based on pricing, variant and market mix, cost reduction efficiencies, logistics and growing aftersales as the total Polestar fleet of cars and customer base grow; delays in the development, design, manufacture, launch and financing of Polestar’s vehicles and Polestar’s reliance on a limited number of vehicle models to generate revenues; risks related to the timing of expected business milestones and commercial launches, including Polestar’s ability to mass produce its current and new vehicle models and complete the upgrade or tooling of its manufacturing facilities; increases in costs, disruption of supply or shortage of materials, in

particular for lithium-ion cells or semiconductors; Polestar’s reliance on its partners to manufacture vehicles at a high volume, some of which have limited experience in producing electric vehicles, and on the allocation of sufficient production capacity to Polestar by its partners in order for Polestar to be able to increase its vehicle production volumes and meet timings for product launches; competition, the ability of Polestar to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; the possibility that Polestar may be adversely affected by other economic, business, and/or competitive factors; risks related to future market adoption of Polestar’s product offerings; risks related to Polestar’s distribution model; the effects of competition and the high barriers to entry in the automotive industry, and the pace and depth of electric vehicle adoption generally on Polestar’s future business; changes in regulatory requirements (including environmental laws and regulations), governmental incentives and fuel and energy prices; Polestar’s ability to rapidly innovate; risks associated with changes in applicable laws or regulations and with Polestar’s international operations; Polestar’s ability to effectively manage its growth and recruit and retain key employees, including its chief executive officer and executive team; Polestar’s reliance on its partnerships with vehicle charging networks to provide charging solutions for its vehicles and its reliance on strategic partners for servicing its vehicles and their integrated software; Polestar’s ability to establish its brand and capture additional market share, and the risks associated with negative press or reputational harm, including from lithium-ion battery cells catching fire or venting smoke; the outcome of any potential litigation, government and regulatory proceedings, investigations and inquiries; Polestar’s ability to continuously and rapidly innovate, develop and market new products; the impact of the global COVID-19 pandemic, new lockdowns in China, government mandated quarantines, inflation, interest rate changes, the ongoing conflict between Ukraine and Russia, supply chain disruptions and logistical constraints on Polestar’s business, projected results of operations, financial performance or other financial and operational metrics or on any of the foregoing risks; the need to raise additional funds to support business growth; and the other risks and uncertainties described in Polestar’s filings with the U.S. Securities and Exchange Commission (the “SEC”). There can be no assurance that future developments affecting Polestar will be those that Polestar has anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond Polestar’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in Polestar’s filings with the SEC. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Polestar will not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. You are cautioned not to put undue reliance on these forward-looking statements.

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### Statement Regarding Preliminary Unaudited Financial and Operational Results

The unaudited financial and operational information published in this press release is preliminary and subject to potential adjustments. Potential adjustments to operational and consolidated financial information may be identified from work performed during Polestar’s year-end audit. This could result in differences from the unaudited operational and financial information published herein. For the avoidance of doubt, the preliminary unaudited operational and financial information published in this press release should not be considered a substitute for the financial information to be filed with the SEC in Polestar’s Annual Report on Form 20-F for the year ended December 31, 2022.

### Non-GAAP Financial Information

This presentation includes certain financial measures that are not presented in accordance with generally accepted accounting principles in the U.S. (“GAAP”), including adjusted operating loss, adjusted EBITDA, adjusted net loss, and free cash flow. Please see slide 40 for a reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures.

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Polestar

## Polestar

### Recent developments

#### **Delivered 51,491<sup>1</sup> vehicles for the full year 2022, an increase of 80% year on year**

Aim to deliver approximately 80,000 cars in 2023, an increase of about 60% year on year

#### **Achieved \$2.5bn<sup>2</sup> in revenues for the full year 2022**

Mainly driven by higher Polestar 2 vehicle sales with continued commercial expansion across markets

#### **Launched a major update to Polestar 2 Model Year 2024**

High-tech front end, all-new electric motors, more powerful batteries, sustainability improvements and rear-wheel drive

#### **Polestar 3 showcased at Las Vegas CES 2023**

For the first time on US soil, together with Smart Eye, supplier of premium driver monitoring technology which is included as standard

#### **Latest in-car Google tech to feature in Polestar cars**

Developments include Google's new HD map that will debut in Polestar 3, and the roll-out of remote actions for Polestar 2

#### **Expanded partnership with Luminar to include Polestar 5**

Under existing partnership, Luminar supplies LiDAR for Polestar 3 which is now available to order

#### **Polestar 0 project adds eight new partners to create a truly climate-neutral car by 2030**

Vitesco, Stora Enso and six other new global industry-leading partners join Polestar 0 project

#### **Initiated a Pathway Report in response to the climate crisis**

Collaborating with pioneering EV maker and calls for new forms of collaboration to build rapid momentum

1. Represents total volumes of new vehicles delivered, including 48,531 external sales with recognition of revenue at time of delivery, 1,296 external sales with repurchase commitments and 1,664 internal sales of vehicles transferred for demonstration and commercial purposes as well as vehicles transferred to Polestar employees at time of registration. Transferred vehicles for demonstration and commercial purposes are owned by Polestar and included in Inventory (unaudited).

2. Rounded. See slide 37 for unaudited condensed consolidated statement of loss for figure in thousands of U.S. dollars.



# Polestar

—  
Our past, our present and our future



## History in performance 1996–2017



- Founded in 1996 as a racing team
- Developed and sold performance software for Volvo Cars
- The official performance partner to Volvo Cars from 2009
- Acquired by Volvo Cars in 2015

## Launching the new Polestar brand 2017–2021



- Launched Polestar 1 in 2017 and Polestar 2 in 2019
- First customer handovers and retail locations open in 2020
- Global from day one in 2020, with presence in 10 markets

## Growing rapidly 2021 onwards

- Listed on Nasdaq New York in June 2022
- Launched limited edition Polestar 6 in August 2022
- Launched Polestar 3 in October 2022
- Expects to launch three new cars by 2026
- Leading ambition of a climate-neutral production car by 2030

# Polestar

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## Our growing, diversified premium product portfolio



Polestar 1  
Electric performance hybrid



Polestar 2  
Electric performance fastback



Polestar 3  
Electric performance SUV



Polestar 4  
Electric performance SUV coupe



Polestar 5  
Electric performance 4-door GT



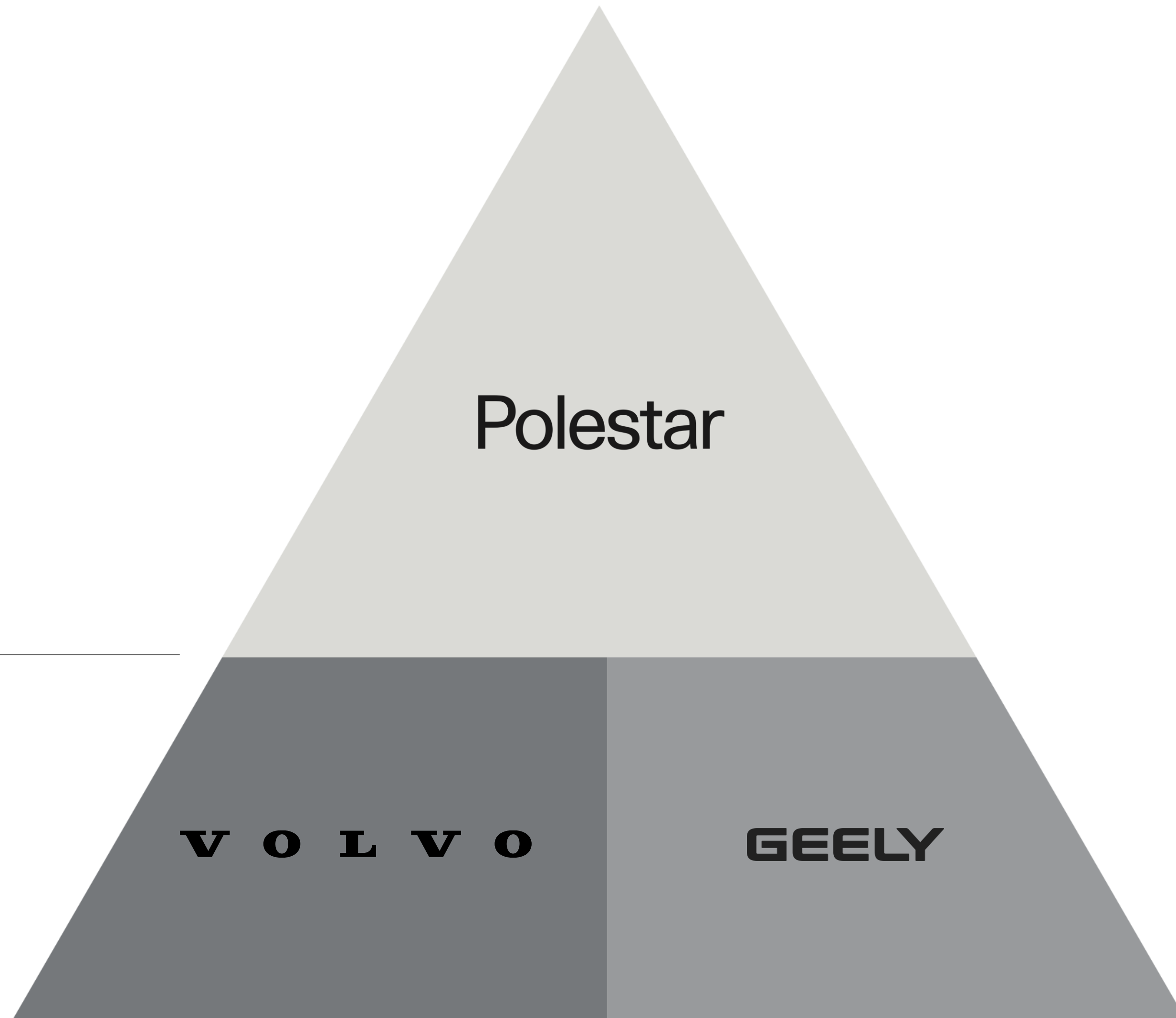
Polestar 6  
Electric performance roadster

Polestar  
—  
Our asset-light model

Flexible and scalable

Agility of a start-up

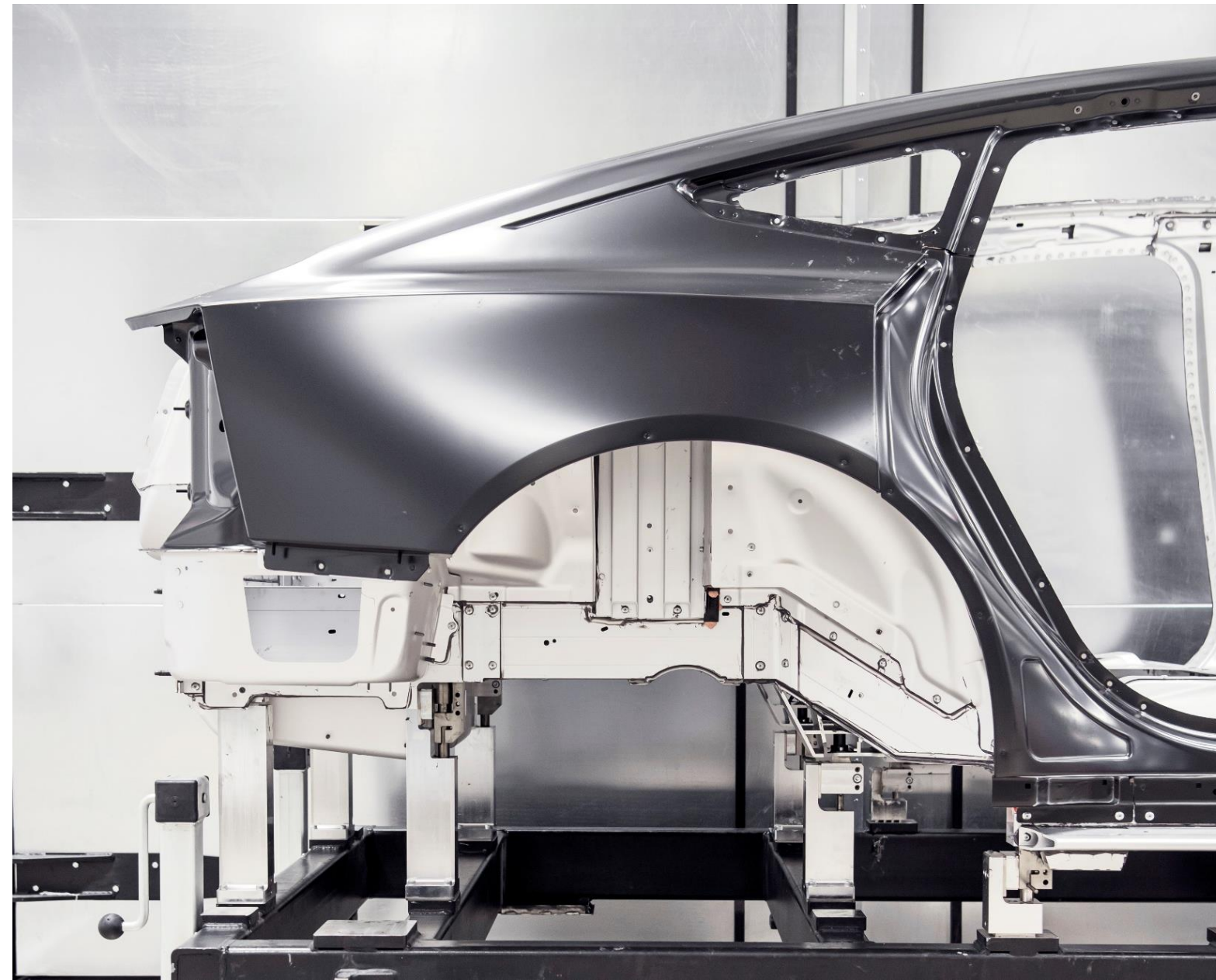
Stability of established players



# Polestar

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## Our core pillars



### 01 Design

- Avant-garde, pure Scandinavian design
- High tech minimalism
- Design perfection focus
- Unique design attributes

### 02 Innovation

- Bonded aluminium platform
- High-performance electric motors
- Advanced battery technology design
- R&D capability in the UK, Sweden and China

### 03 Sustainability

- Leading ambition of climate-neutral production car by 2030
- Circular battery strategy, battery centers in place
- Blockchain-powered transparency through supply chain
- Ethical and inclusive work principles and values



Polestar  
—  
Our well-defined growth strategy

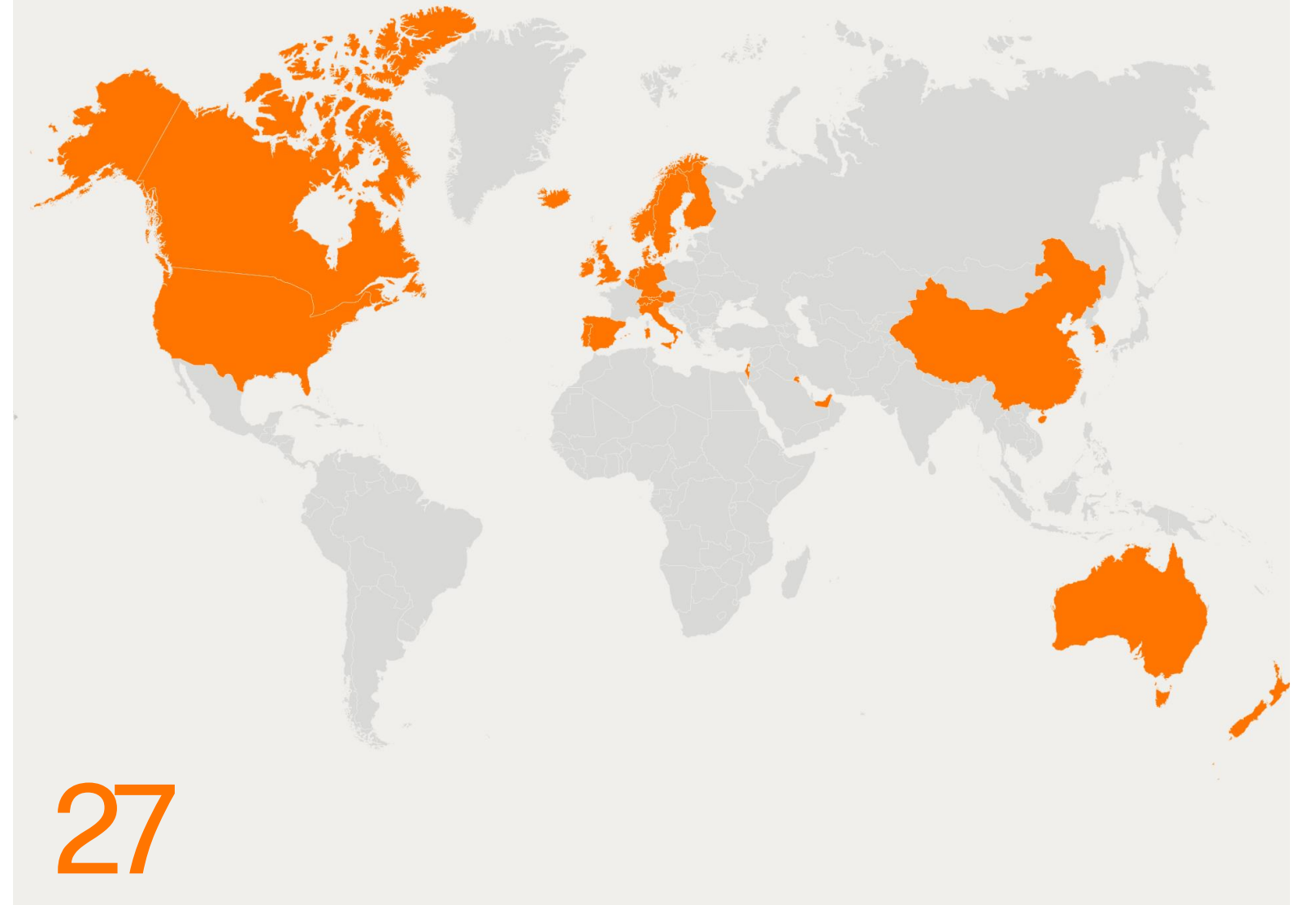
Global premium BEV market<sup>1</sup>

**+18%  
CAGR  
2021-2026E**

Expected new product launches

**2023 – Polestar 4  
2024 – Polestar 5  
2026 – Polestar 6**

Global presence



**01**  
Overall market opportunity

**02**  
Rapidly expanding product portfolio

**03**  
Growth in existing and new markets

1. Global market for BEV premium luxury vehicles.  
Source: Leading management consultancy, October 2022.

# Polestar

## Our visionary , diverse and experienced management team



**Mona Abbasi**  
Customer Experience

Joined in 2019, from Husqvarna Group where she was Senior Vice President of Brand. Has over 20 years of experience in leading consumer and IT brands.



**Mikael Björklund**  
Digital

Joined in 2020 from Filippa K where he was Chief Operating Officer. Has over 13 years of business development and digital marketing experience.



**Åsa Borg**  
Brand & Marketing

Joined in 2020 from Volvo Cars where she was Chief Operating Officer of Care by Volvo. Has over 20 years of Brand, Marketing and automotive industry experience.



**Jörg Brandscheid**  
CTO, R&D

Joined in 2021 from Hella APAC where he was Executive Vice President Electronics. Has 30 years of automotive experience in several R&D roles.



**Monika Franke**  
HR

Joined in 2019 from Volvo Cars where she held roles of Senior HR Director, Global R&D and Purchasing & Quality. Has 20 years of experience.



**Thomas Ingenlath**  
CEO

Joined in 2017 from Volvo Cars where he was SVP of Design. Brings over 20 years of design, innovation and leadership experience in the automotive industry.



**Fredrika Klaren**  
Sustainability

Joined in 2020 from KappAhl where she was Head of Sustainability. Has over 10 years of dedicated sustainability experience across fashion and retail.



**Johan Malmqvist**  
CFO

Joined in 2021 from Dole Food Company where he was CFO. Has over 20 years of financial experience across multiple sectors.



**Maximilian Missoni**  
Design

Joined in 2018 from Volvo Cars where he was Vice President Exterior Design and Chief Designer Exterior. Has 20 years of experience within the automotive industry.



**Nils Mösko**  
Strat&Bus. Development

Joined in 2018 as Deputy CFO from Volvo Cars. Held finance and treasury roles for Volvo Cars and Ford Motor. Has 15 years of automotive industry experience.



**Dennis Nobelius**  
COO

Joined in 2020 from Zenuity (now Zenseact) where he was CEO. Has 20 years of R&D, operation and leadership experience in the automotive industry.



**Tanya Ridd**  
Communications & PR

Joined in 2022 from Spotify where she was Senior Director of Communications. Has over 20 years of communication management experience.



**Anna Rudensjö**  
Legal

Joined in 2018 from SKF Group where she was Legal Director and Group Legal Counsel. Has 20 years of experience.



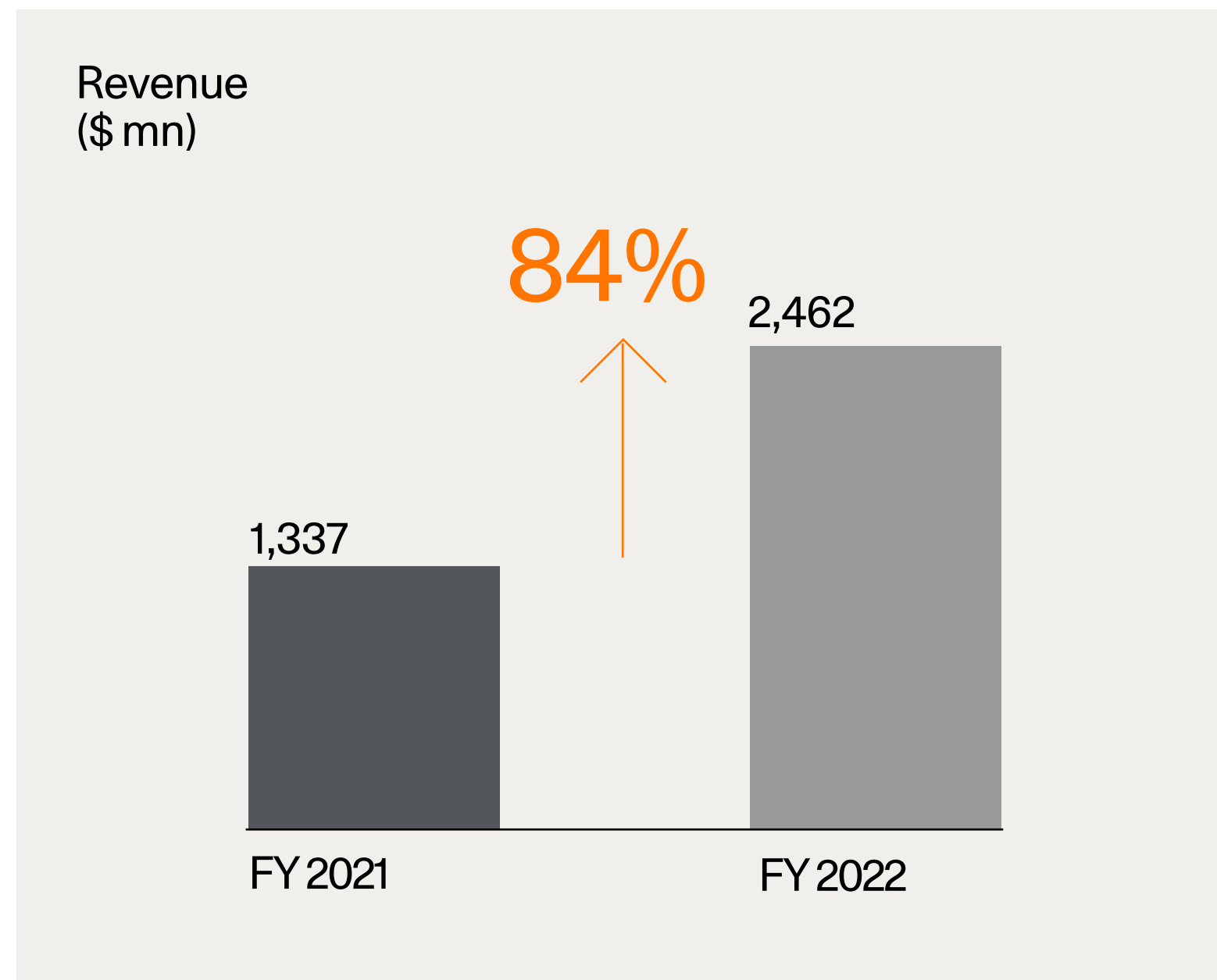
**Mike Whittington**  
Global Sales

Joined in 2018, previously worked with new EV introductions at Jaguar Land Rover, PSA, Mercedes-Benz and Toyota. Has over 20 years of experience.

Unaudited financial highlights  
for the year ended December  
31, 2022

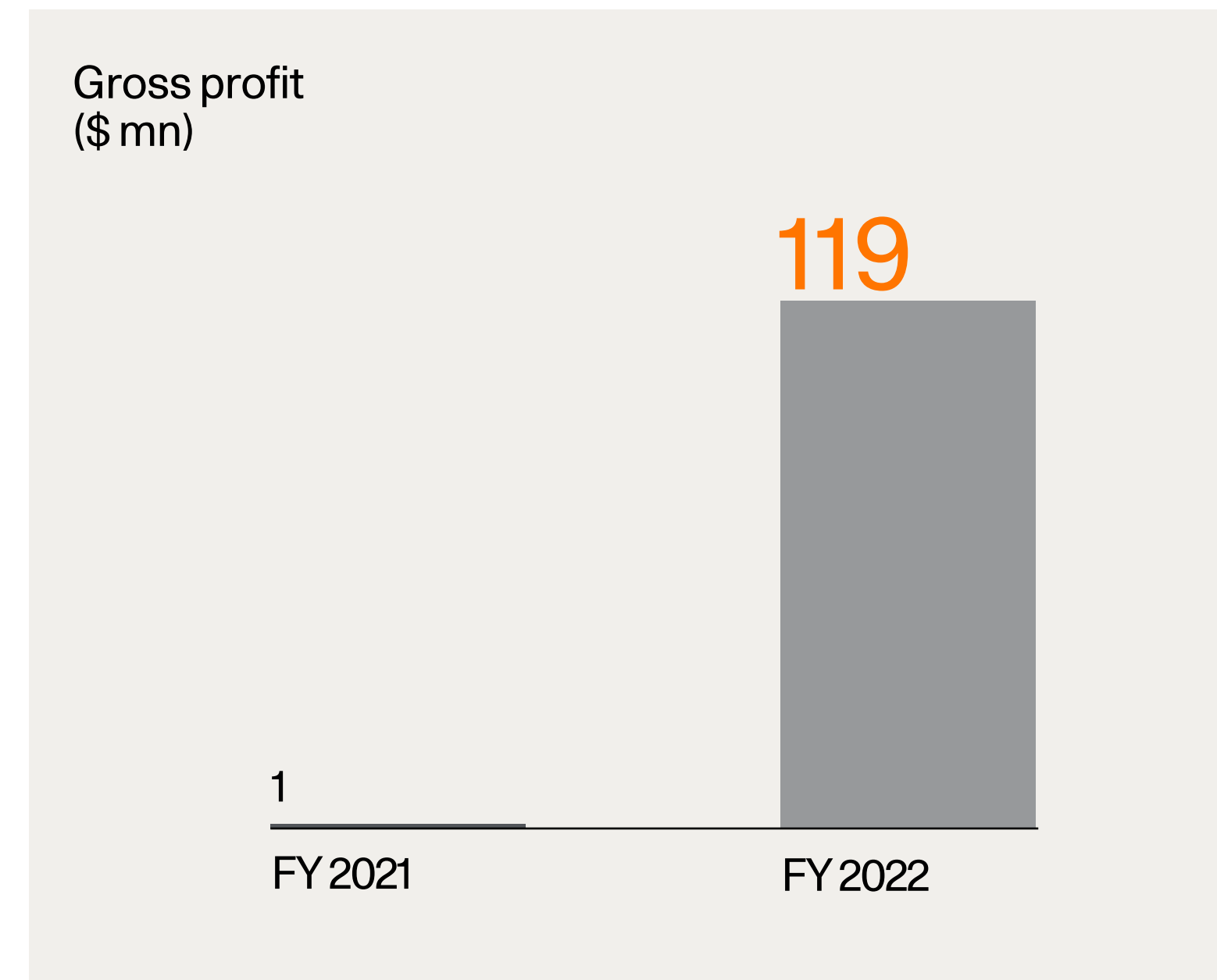
## Financial and operational highlights

### Key financial highlights for the year ended Dec 31, 2022 (unaudited)



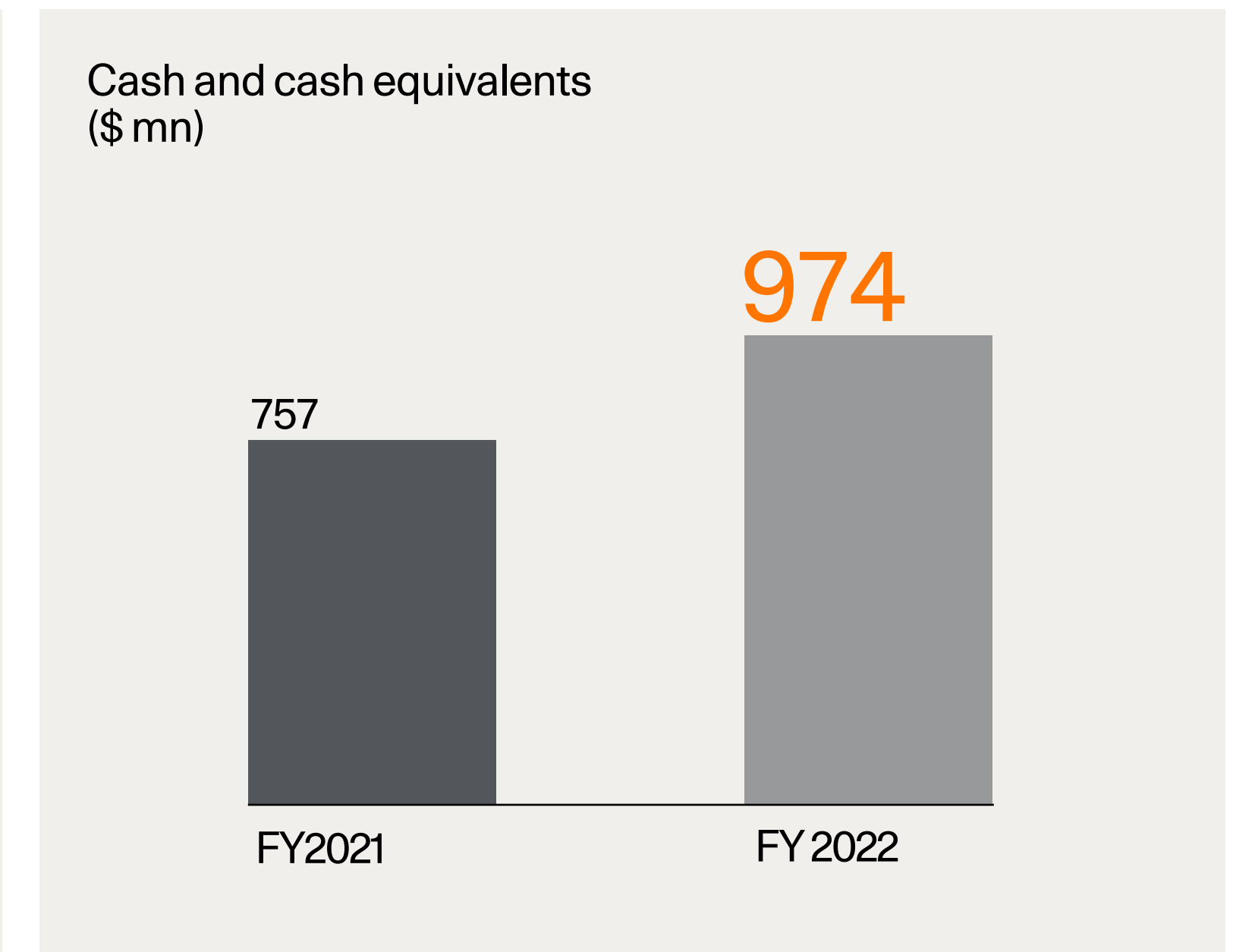
#### Delivered \$2.5bn in revenues

Driven by higher Polestar 2 sales with continued commercial expansion across markets.



#### Gross profit of \$119mn

As the result of higher Polestar 2 sales and lower fixed manufacturing costs. This growth was partially offset by FX which led to higher cost of sales, and product and market mix.



#### Cash balance of approximately \$1bn

Benefited from the listing proceeds and strengthened liquidity provided by short term financing facilities.

## Financial and operational highlights

### Key financial highlights for the year ended Dec 31, 2022 (unaudited)

#### Revenue up 84%

Driven by higher Polestar 2 vehicle sales with continued market expansion

#### Gross profit up \$119mn

With higher sales of Polestar 2 and lower fixed manufacturing costs, partially offset by FX, and product and market mix

#### SG&A up 21%

Primarily reflects international business expansion, partially offset by active cost management

#### R&D down 27%

With absence of Polestar 1 amortisation, partially offset by continued investment in future vehicles and technologies

#### Operating loss up 29%

Impacted by a Q2 2022 one-time share-based listing charge of \$372mn. Adjusted operating loss down 8%

US\$ million	FY 2022	FY 2021	% Change
Revenue	2,462	1,337	84
Cost of sales	(2,343)	(1,336)	75
Gross profit	119	1	n/m
<i>Gross margin (%)</i>	4.9	0.1	n/m
SG&A expense	(865)	(715)	21
R&D expenses	(171)	(233)	(27)
Other operating income (expense), net	2	(48)	(105)
Listing expense <sup>1</sup>	(372)	-	100
Operating loss	(1,286)	(995)	29
Adjusted operating loss <sup>2</sup>	(914)	(995)	(8)

1. The listing expense in Q2 2022 represents a non-recurring, non-cash, share-based listing charge, incurred in connection with the business combination with Gores Guggenheim, Inc. on June 23, 2022.  
 2. Non-GAAP measure. See slide 40 for details and a reconciliation of adjusted metrics to the nearest GAAP measure.  
 Note: All U.S. dollar figures on this slide rounded. Percentages have been calculated using unrounded amounts. See slide 37 for unaudited condensed consolidated statement of loss for figures in thousands of U.S. dollars.

## Financial and operational highlights

### Key financial highlights for the three months ended Dec 31, 2022 (unaudited)

Variances for Q4 2022 versus Q4 2021 largely followed the trends outlined for 2022 versus 2021, with the following notable exceptions:

#### SG&A broadly flat

Due to active cost management, especially in the second half of the year

#### Operating loss down 39%

Benefiting from higher gross profit and active cost management actions

US\$ million	Q4 2022	Q4 2021	% Change
Revenue	985	590	67
Cost of sales	(923)	(590)	57
Gross profit (loss)	62	(0)	n/m
<i>Gross margin (%)</i>	6.3	-0.0	n/m
SG&A expense	(239)	(237)	1
R&D expenses	(48)	(76)	(37)
Other operating income (expense), net	20	(25)	(181)
Operating loss	(205)	(337)	(39)

## Financial and operational highlights

### Cash flow for the year ended Dec 31, 2022 (unaudited)

#### Operating

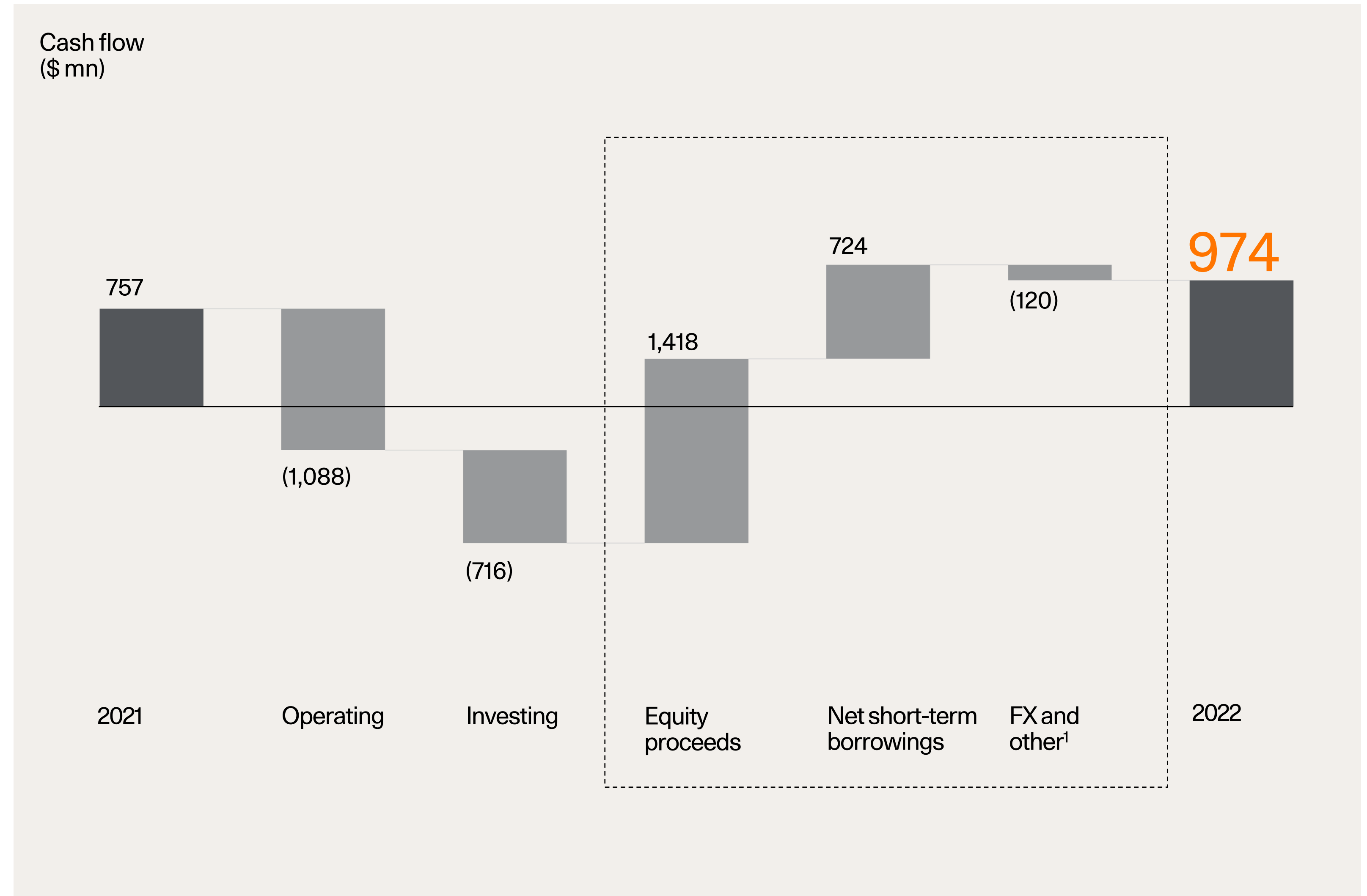
Cash outflow of \$1,088mn, mainly driven by operating loss, working capital increase in inventories and trade receivables, and interest expenses due to increased financial debt during 2022

#### Investing

Cash outflow of \$716mn, predominantly driven by intellectual property investments for Polestar 2, Polestar 3 and Polestar 4

#### Financing

Cash inflow mainly comprised of equity proceeds of \$1,418mn and net increase in short-term borrowings of \$724mn



1. Including effect of foreign exchange rate changes on cash and cash equivalents of -\$66mn, transaction costs of -\$39mn and principal repayments of lease liabilities of -\$15mn.  
 Note: All U.S. dollar figures on this slide rounded. See slide 39 for unaudited condensed consolidated statement of cash flows for figures in thousands of U.S. dollars.

Financial and operational highlights  
—  
2023 outlook

Global volumes

80,000

Expect an increase of about 60% in global volumes predominantly driven by Polestar 2 sales.

Gross profit margin

~2022

Expect gross margin to be broadly in line with 2022, with volume and product mix supporting progression later in the year.

Liquidity

Strengthened

While liquidity has strengthened, including nearly \$1.0bn cash balance, we continue to explore potential equity or debt offering to fund operations and business growth.



Delivering on our  
strategy

01  
Well-defined growth strategy

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02  
Asset-light model

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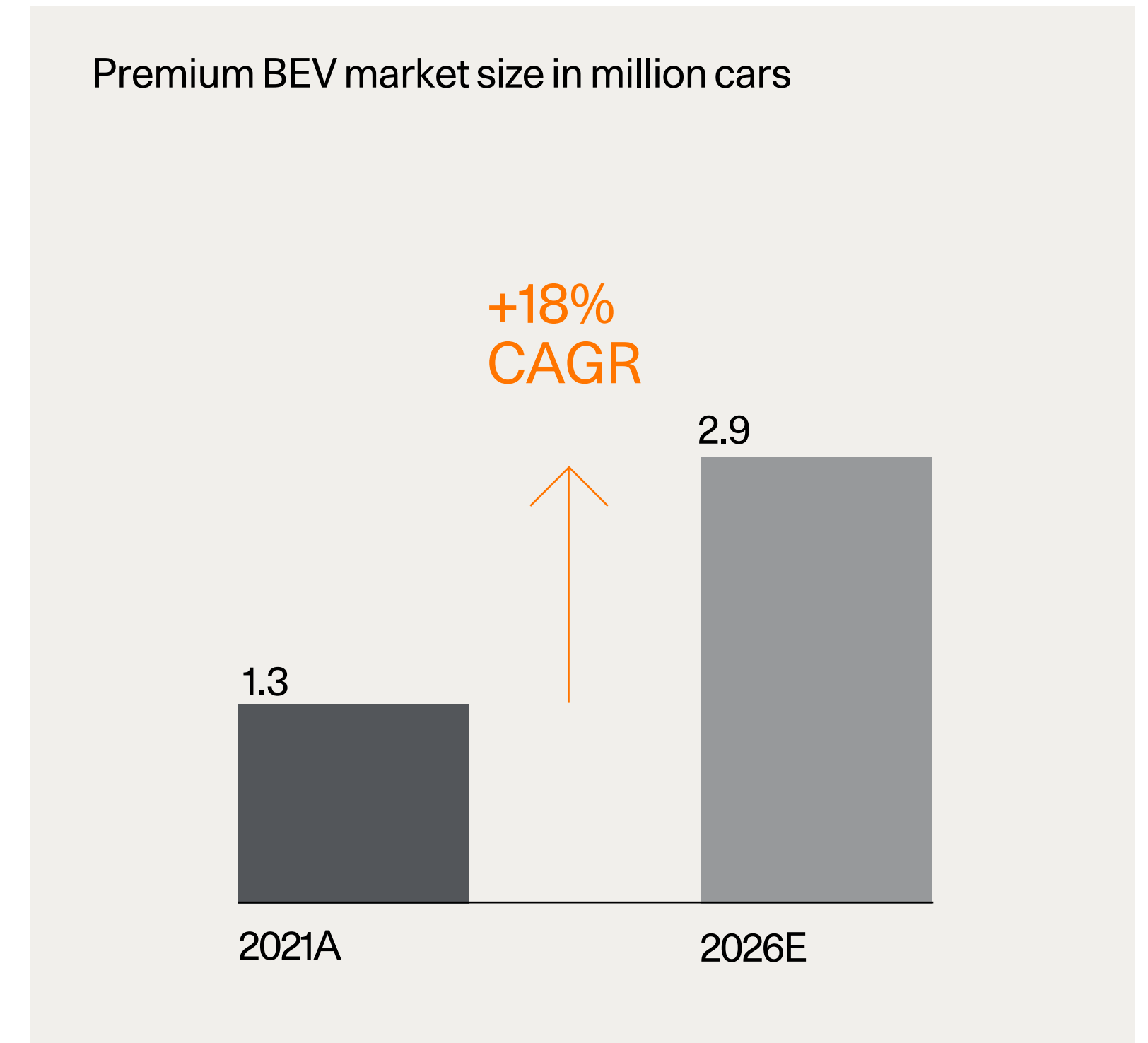
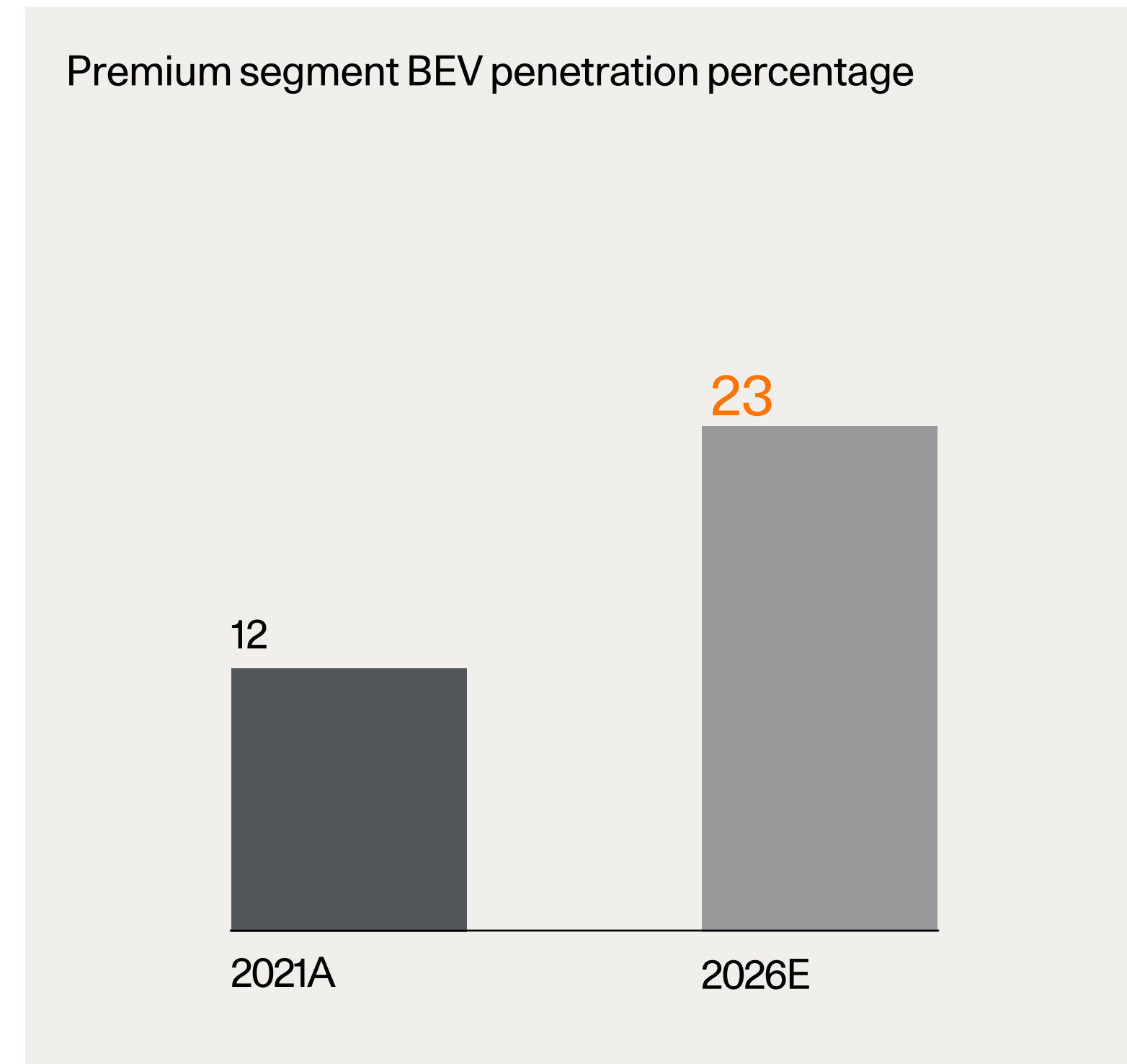
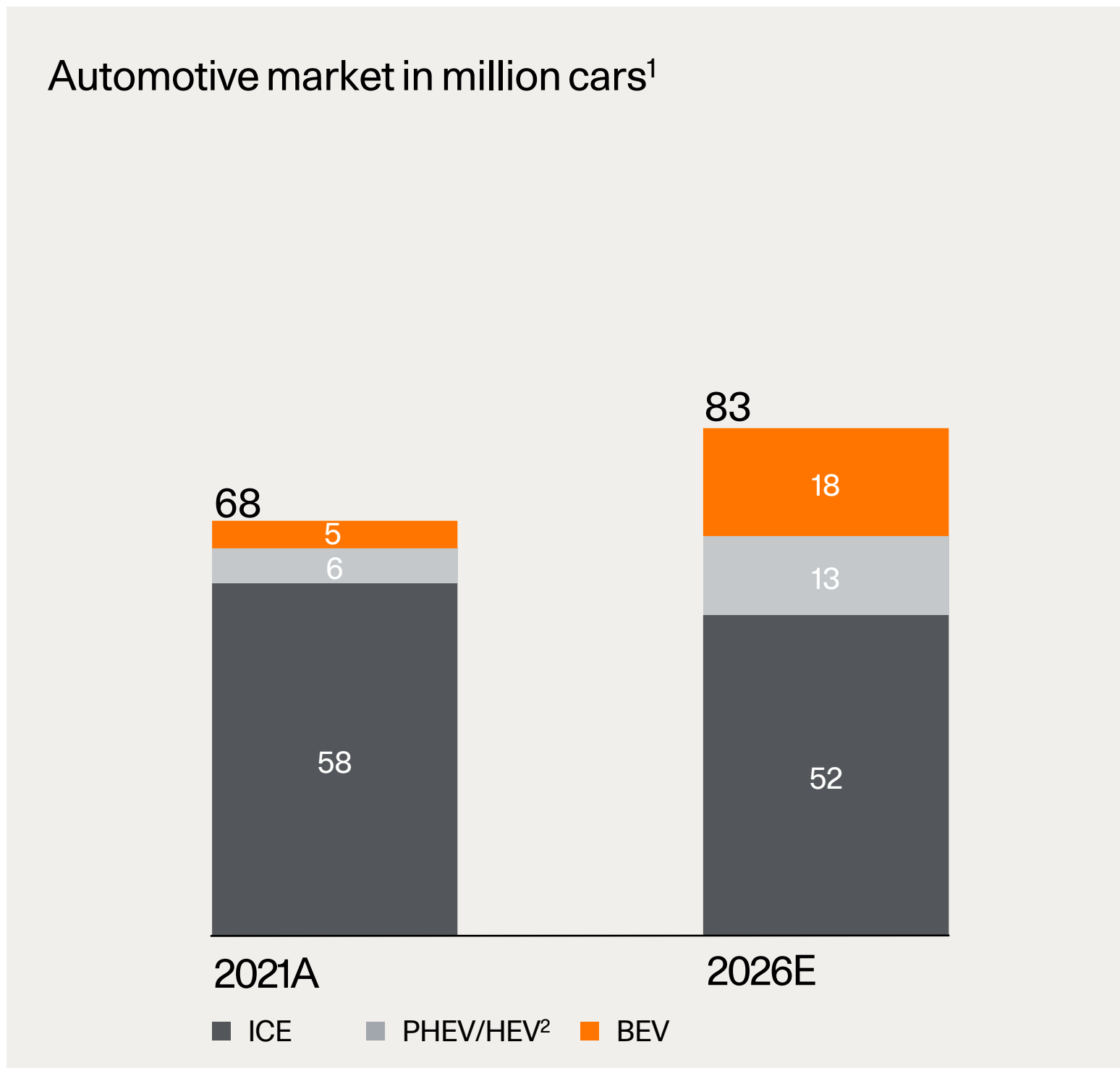
03  
Digital-first direct-to-consumer approach

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04  
Core pillars:  
Design, Innovation, Sustainability



Well-defined growth strategy  
 Operating within the fastest-growing car segment



We operate in a large and competitive automotive market, with BEV market growth expected to outpace the overall market growth.

There is a significant BEV market opportunity, with premium segment BEV penetration expected to grow to 23% in 2026.

Global premium BEV vehicles market is one of the fastest growing segments with +18% CAGR.

1. Excluding FCEV cars due to low volumes until 2026.  
 2. Including PHEV and HEV vehicles.  
 Source: Leading management consultancy, October 2022.

## Well-defined growth strategy

### Rapidly expanding premium product portfolio



	Polestar 1	Polestar 2	Polestar 3	Polestar 4	Polestar 5	Polestar 6
Type	Hybrid Grand Tourer	Fastback	Luxury Aero SUV	Premium Sport SUV	Luxury Sport GT 4-Door	Luxury 2+2 roadster
Segment	Sports Premium	C/D premium	SUV E premium	SUV D premium	F coupé premium	S roadster premium
ASP <sup>1</sup>	~\$155k	~\$50-70k	~\$80-120k	~\$60-80k	>\$100k	>\$200k
Range	~120km range	~540km	up to 610km <sup>2</sup>	600km + <sup>2</sup>	600km + <sup>2</sup>	600km + <sup>2</sup>
Launch	2017	2019	2022	2023E	2024E	2026E

1. Prices vary by region. Estimated indicative US market pricing range as at November 2022, subject to change.

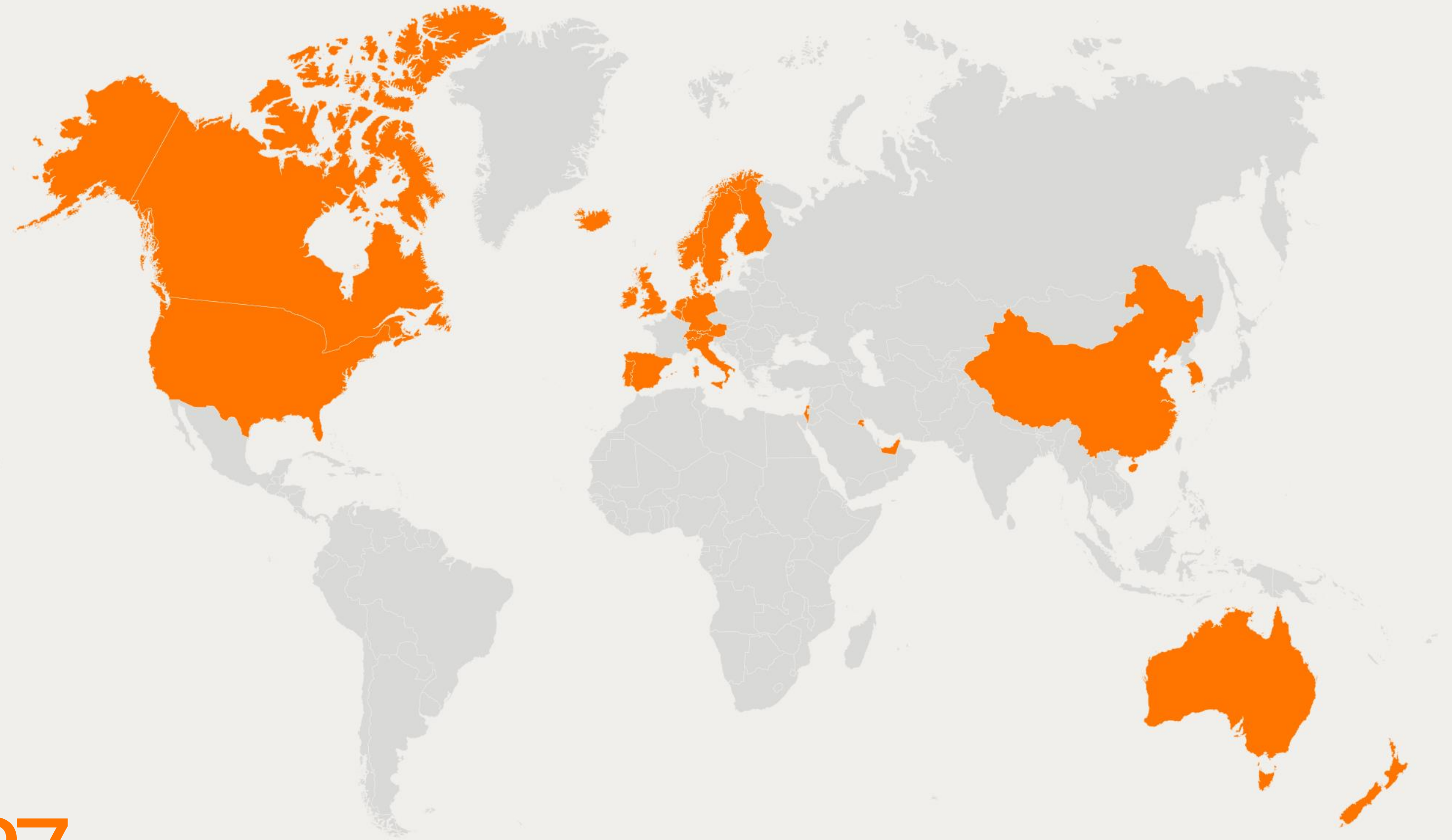
2. WLTP (Worldwide Harmonised Light Vehicle Test Procedure) target range.

Source: Company information, management estimates.

### Active markets

Australia, Austria, Belgium, Canada, China, Denmark, Finland, Germany, Hong Kong, Iceland, Ireland, South Korea, Kuwait, Israel, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom and United States of America.

### Global presence today



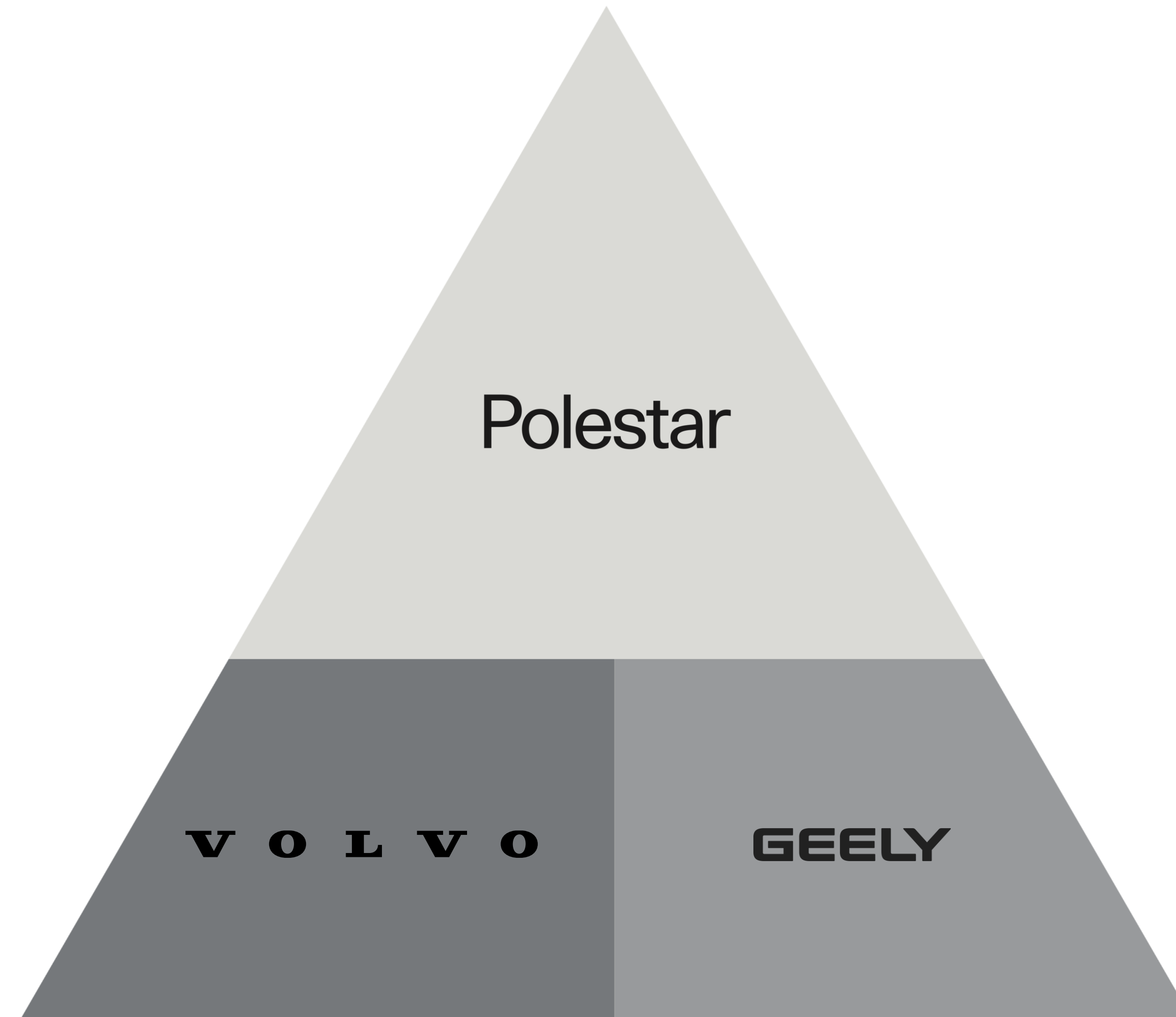
27

### Flexible and scalable set-up

- Agility of a start-up
- Innovation and high-performance technologies
- Avant-garde design
- Leading sustainability goals
- Full vehicle attributes
- Digital first DTC business

### Stability of established players

- Over 100 years' of combined experience
- Platform development
- Engineering capability
- Supply chain and partnerships
- Manufacturing capacity
- Safety credentials
- Service network access



## Asset-light model — Access to state-of-the-art factories



Taizhou, China



Chengdu, China



Charleston, US



Hangzhou Bay, China



Chongqing, China<sup>1</sup>

Opened	2016	2013	2015	2021	2024E
Operated by	Volvo Cars	Volvo Cars	Volvo Cars	Geely	Polestar
Manufacturing	Polestar 2	Polestar 3	Polestar 3	Polestar 4	Polestar 5

<sup>1</sup> Operated by Polestar, owned by Geely.  
Source: Company information.

### Digital-first direct-to-consumer approach

Customers can browse our products, configure their vehicle and place their order online

### Local support centres

We continue to establish in-house care centres, creating a premium brand experience

### Action through data driven insight

Monitor customer experiences across journeys to drive relevant and impactful improvements

### Skilled specialists

Passionate, knowledgeable and service-minded Polestars with local knowledge and cultural know-how to serve our customers' needs





### Explore and schedule

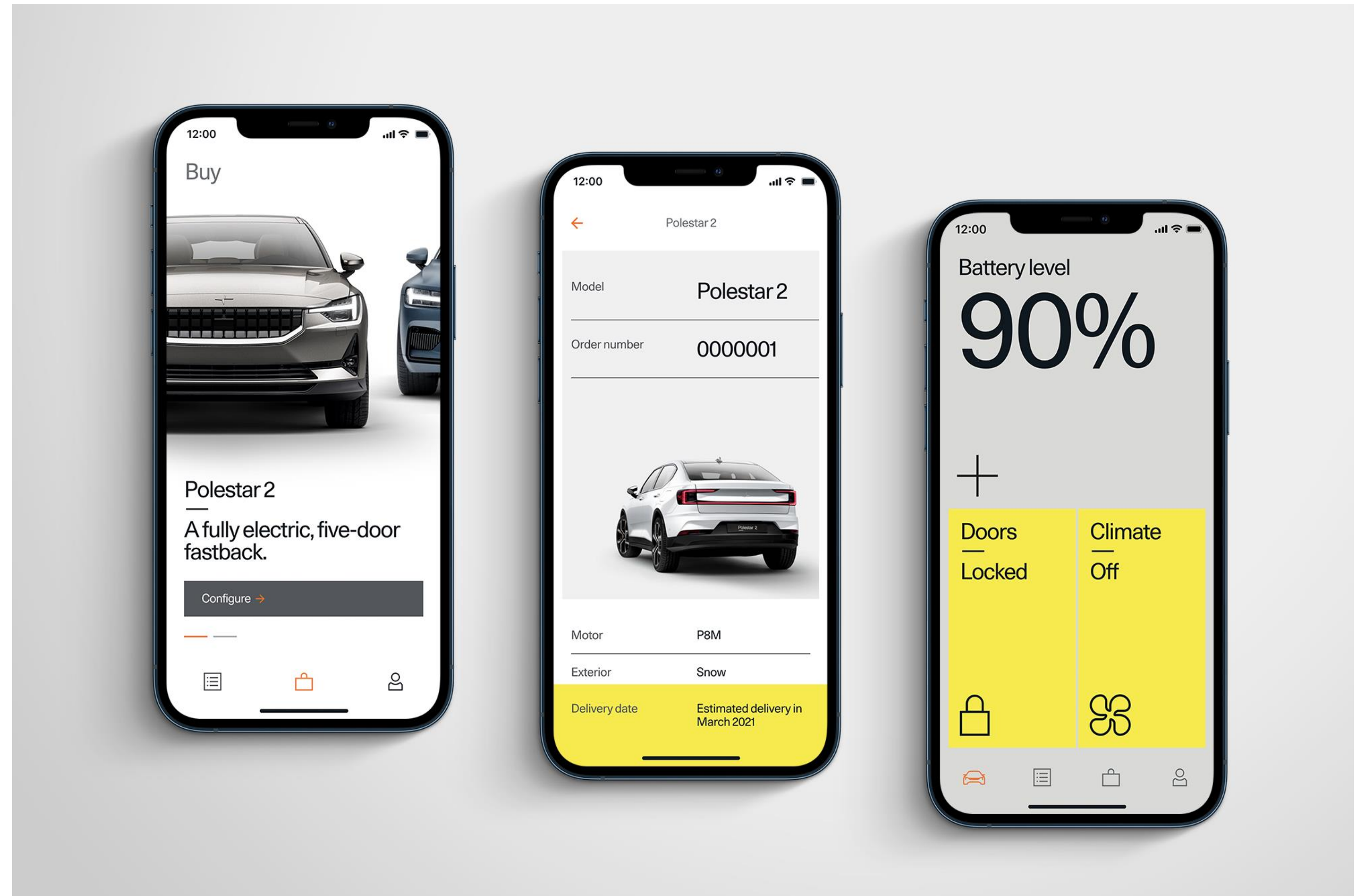
Explore Polestar vehicles online and schedule a test drive

### Configure and finance

Configure and order online via web and mobile channels

### Control and ownership

Control vehicle functions and engage with support or book service



### Locations

Permanent or pop up/temporary Polestar showrooms located in urban and peri-urban areas with retail and test drive opportunities.

### Service points

Leveraging established Volvo Cars service network for full service support.



### Locations<sup>1</sup>

2021

103



2022

158

### Service points<sup>2</sup>

2021

811



2022

1,116

1. Represents Polestar Spaces, Polestar Destinations and Polestar Test Drive Centers (Unaudited).

2. Represents Volvo Cars service centres to provide access to customer service points worldwide in support of Polestar's international expansion (Unaudited).  
Source: Company information.

### Unique design attributes

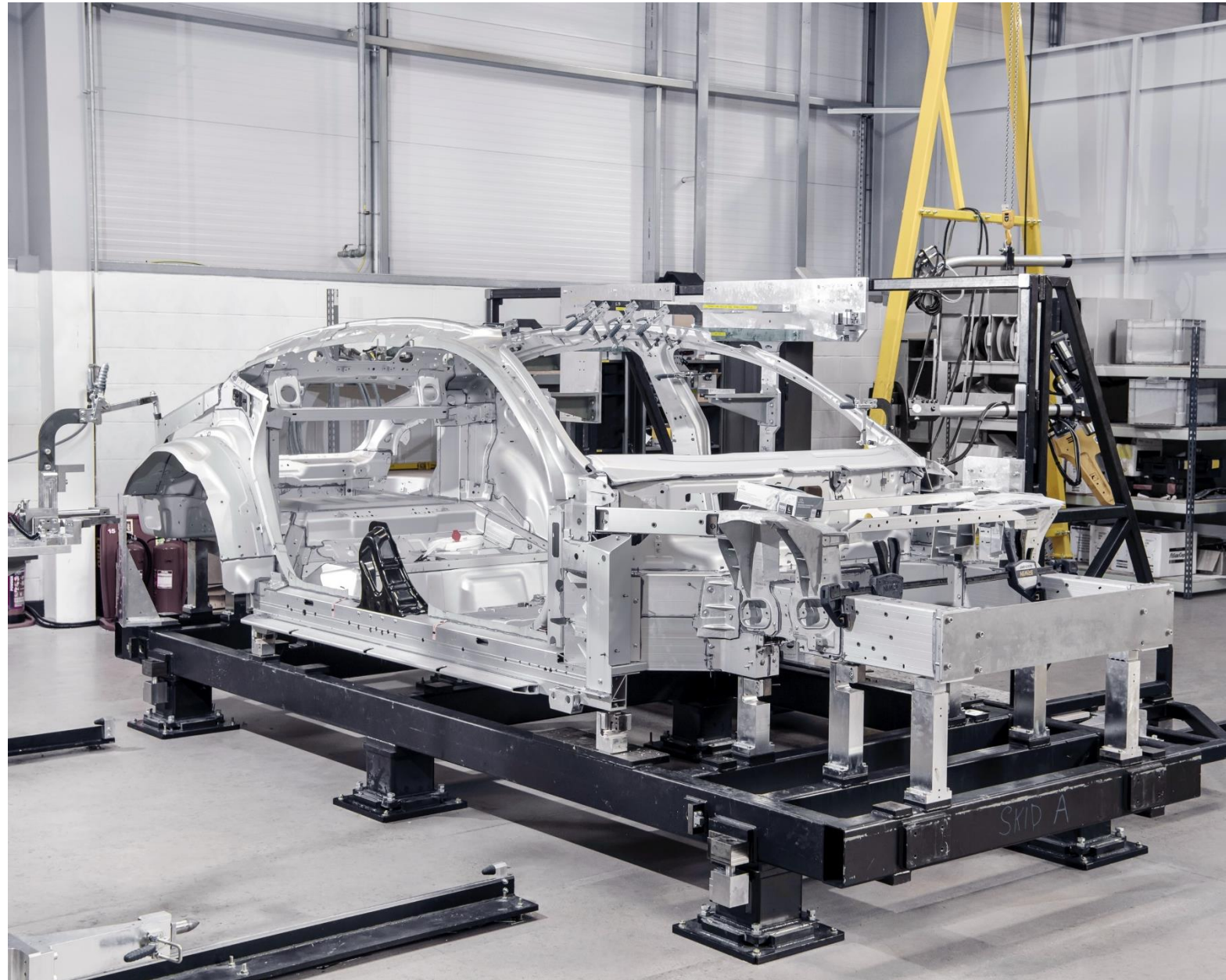
- SmartZone sensor panel
- Integrated aerodynamic enhancers
- Rear view camera feed replaces rear window
- Extended panoramic glass roof
- Avant-garde interior with innovative materials
- High contrast, iconic design
- Integrated long-range LiDAR

### Sustainable materials integration

- Sustainability declarations to show our progress
- Vegan standard interior
- MicroTech – bio-attributed vinyl produced without fossil fuels
- Leather & wool from farms that are animal welfare certified, and leather tanning process is chrome free
- Bcomp – natural fibre composites with flax fibres for seats and interior components



Innovation – performance orientated technology development



### Bonded aluminium platform

- Bonded aluminium platform developed in-house
- Set to provide class-leading dynamics, rigidity and safety features
- Technology usually applied to low-volume sports cars now brought into mainstream production



### High-performance electric motors

- P10 rear motor with 450 kW (~603 hp)
- One of the most powerful electric motors in the world
- 1-speed energy efficient transmission facilitating special requirements for multiple platforms
- Multiple installation options for easy integration with multiple platforms



### Advanced battery technology design

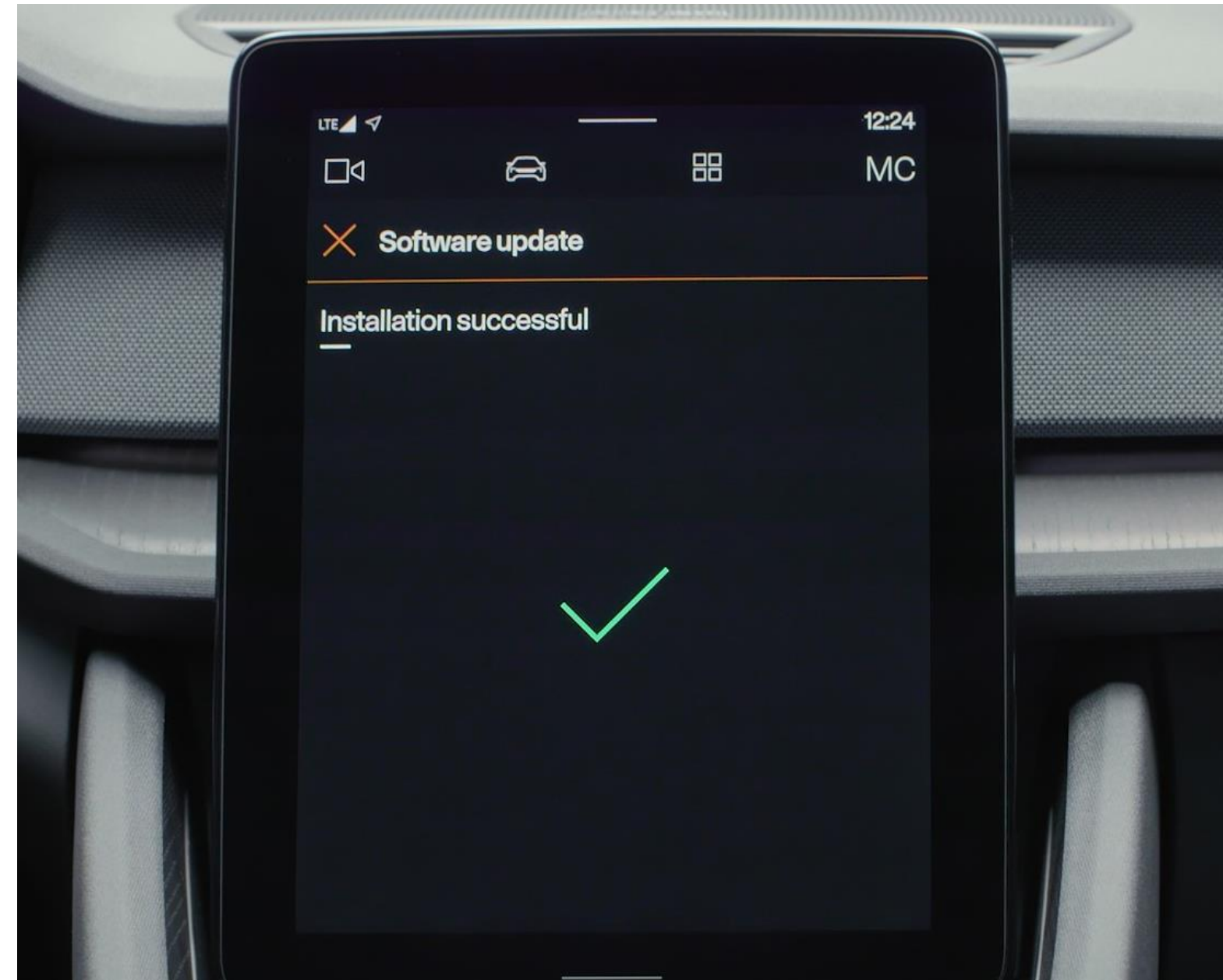
- Developed 800V battery pack
- Switchable between 800V and 400V
- 103 kWh possible to charge to 80% in ~20 minutes
- Bi-directional/vehicle-to-grid charging compatible

## Innovation – At the digital forefront



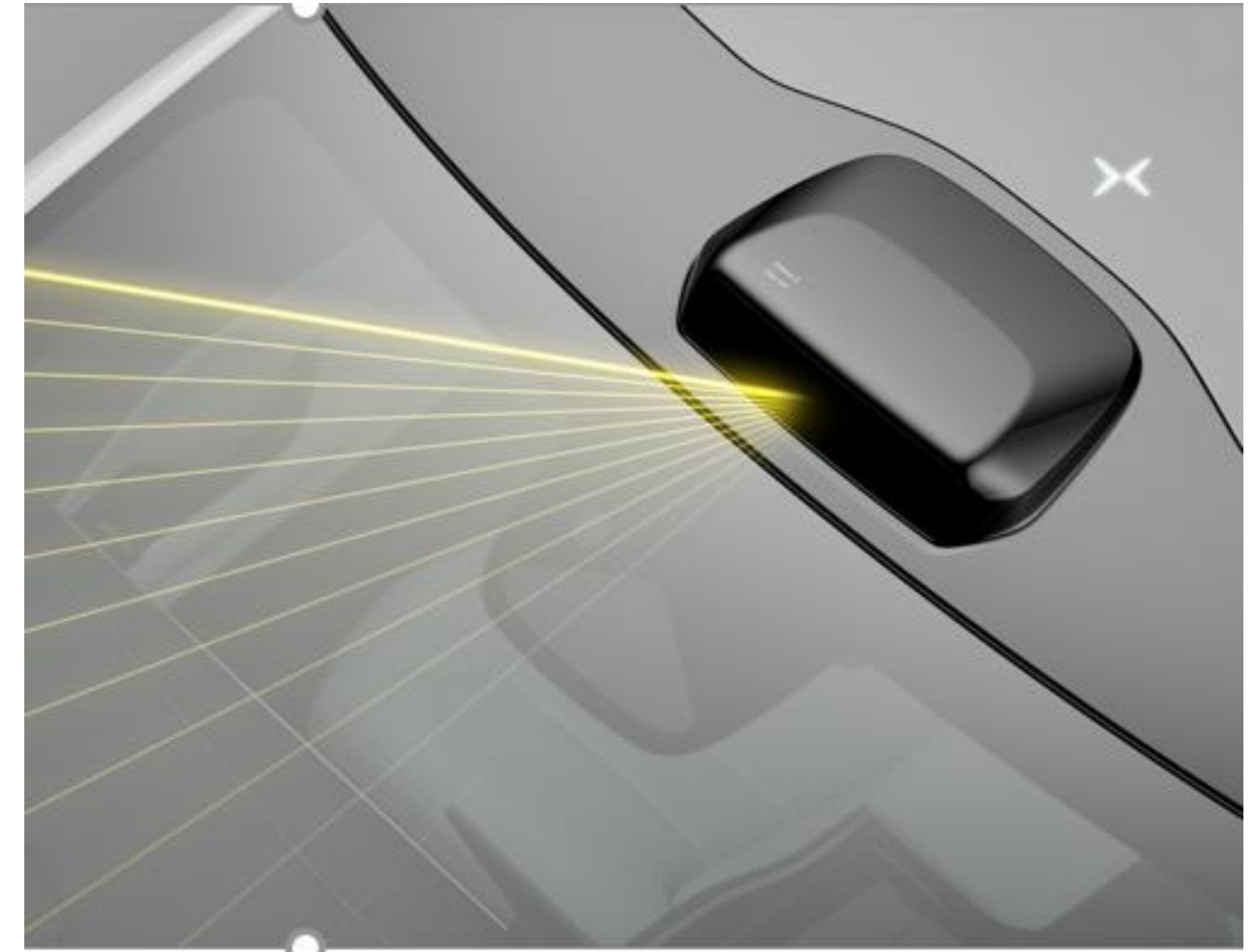
## Infotainment system

- Infotainment system built on Android™ Automotive OS with Google built-in
- End-to-end integration of Android features
- Native applications without requiring smartphone connection



## Over-the-air (OTA) updates

- Vehicles updated with latest software
- Applicable to all cars<sup>1</sup>
- 17 updates successfully executed for Polestar 2 model year 2023, targeting range, efficiency, connectivity and driving experience improvements
- A new in-car Range Assistant app that is geared to assist drivers to improve efficiency and range confidence



## Smart partnerships and collaborations

- Autonomous driving partners:
  - Luminar – Advanced Lidar System
  - Nvidia – centralised computing
  - Zenseact – AI powered software
- MobilityXlab – global start-up community pipeline

### R&D Coventry, United Kingdom

400+ employees

- Lightweight vehicle structures / bonded aluminium body
- Program lead for Polestar inhouse developed programs
- Overall vehicle development and release
- Sports car production technology
- In-car software development, testing and integration
- Advanced engineering and research, Polestar 0

### R&D Gothenburg, Sweden

250+ employees

- Electric powertrain and battery system development
- Setting of vehicle attributes and final sign off
- In-car software development
- Polestar Engineered performance components
- Advanced engineering and research, Polestar 0 Project

### R&D Shanghai, China

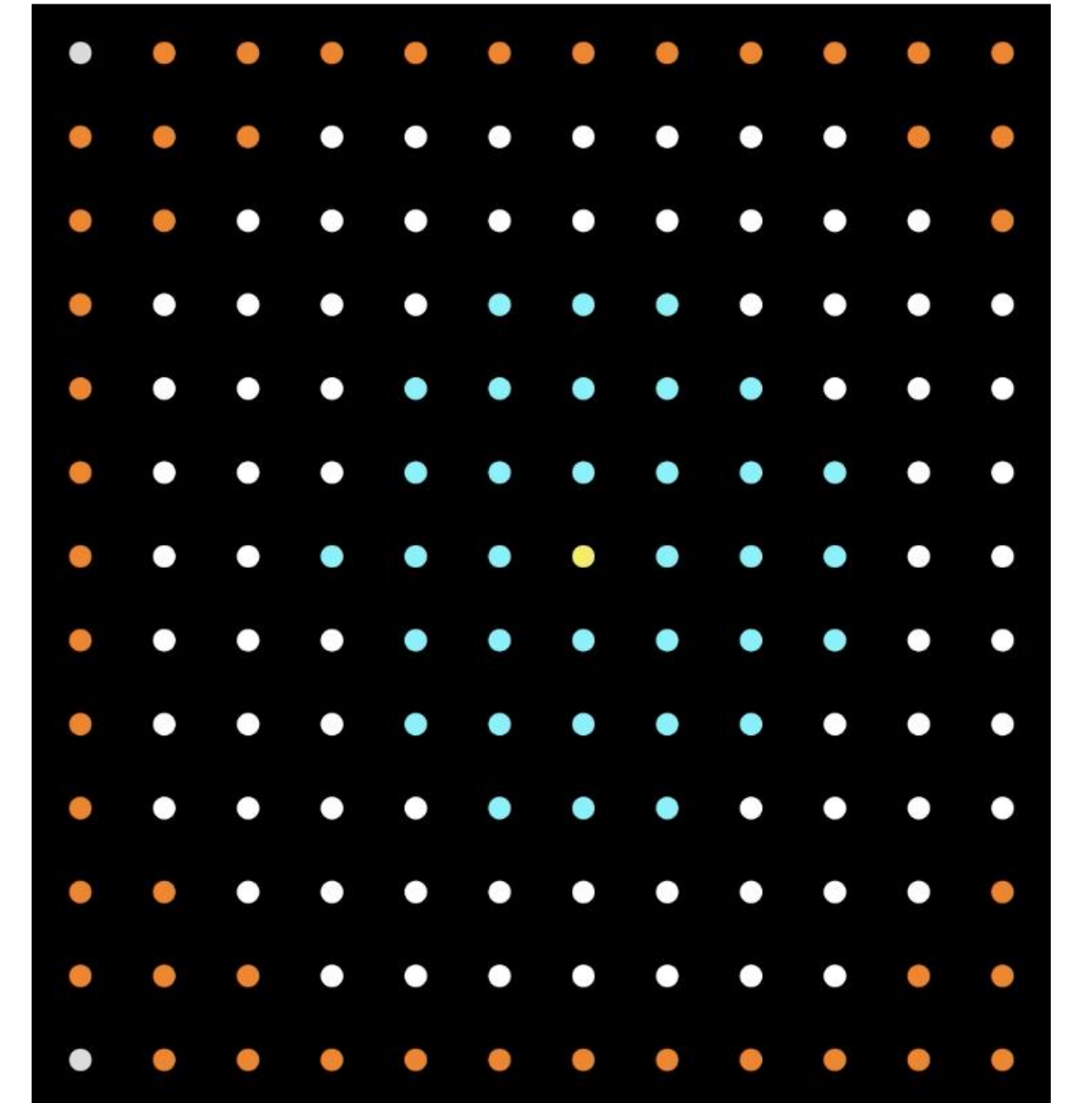
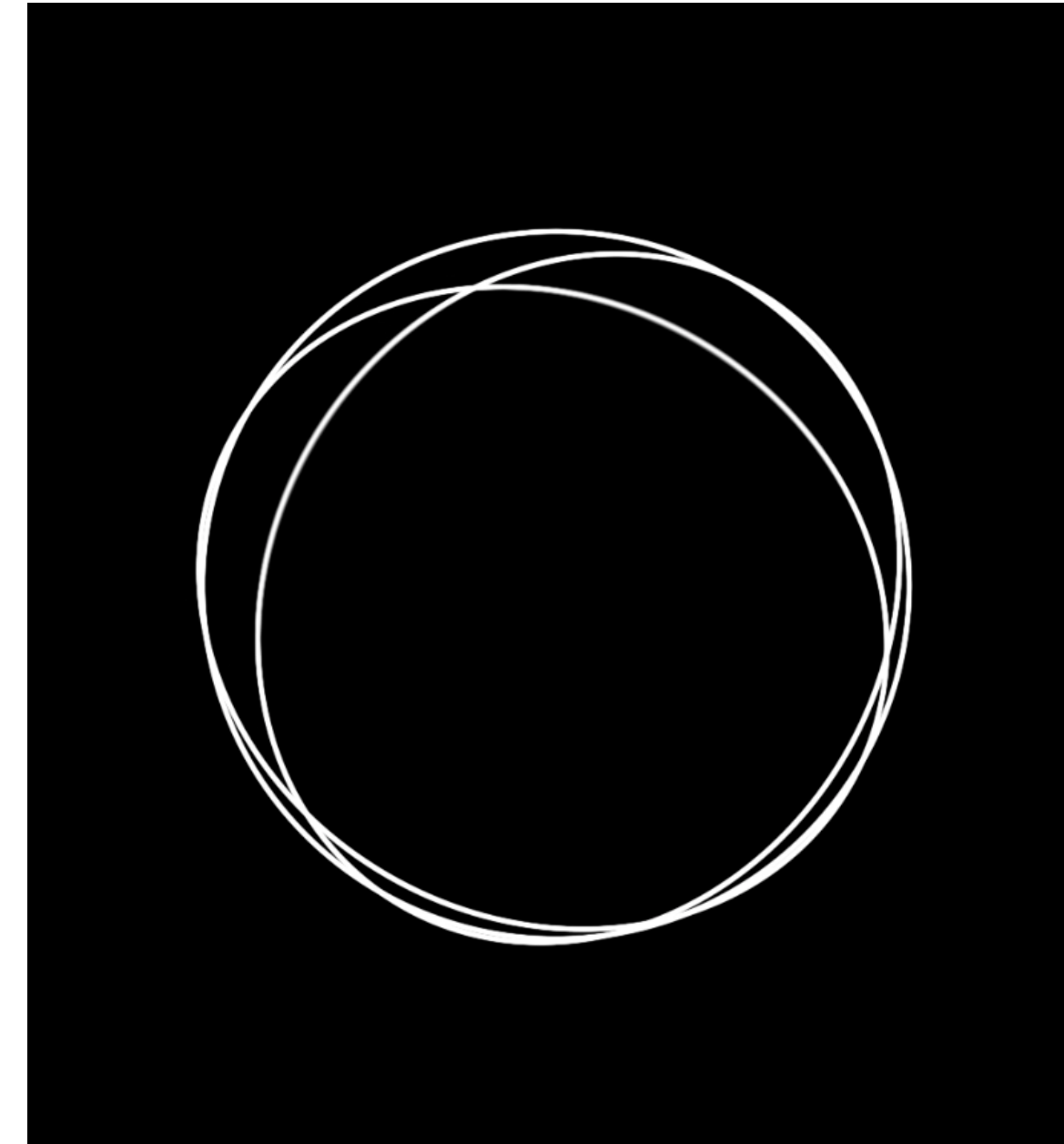
25+ employees

- Focused on bespoke Chinese market features development

### R&D Volvo Cars and Geely

Access to engineers and designers





## Climate neutrality

- Climate-neutral platform
- Climate-neutral materials
- Climate-neutral manufacturing
- Renewable energy in the supply chain

## Transparency

- Material traceability
- Supply chain transparency
- Product sustainability declaration
- Sustainability reporting

## Circularity

- Circular battery design
- Remanufacturing of batteries
- Collaborations for second life
- Collaborations for recycling

## Inclusion

- Human rights in supply chain
- Ethical business practices
- Inclusive workplace
- Inclusive design
- Inclusive customer experience

2021 absolute GHG-emissions (scope 1-3)  
kton

+701

Total greenhouse gas emissions from our value chain increased by 701 ktons in 2021, due to business growth. We are laser focused on decoupling this relationship and confident that our efforts will work.

Trend in GHG-emissions (scope 1-3) relative to sold cars  
%

-6

We reduced our greenhouse gases per sold car by 6% in 2021 compared to 2020.

Carbon footprint (cradle to gate) for Polestar 2  
tons

-1.7

We reduced the carbon footprint of Polestar 2 throughout work with Sustainable Upgrades by 1.7 tons during 2022.



### Life cycle assessments (LCAs)

Pioneering transparency by disclosing LCAs with full methodology for all models

### Consumer transparency

Industry unique product sustainability declaration allows consumers to compare sustainability credentials

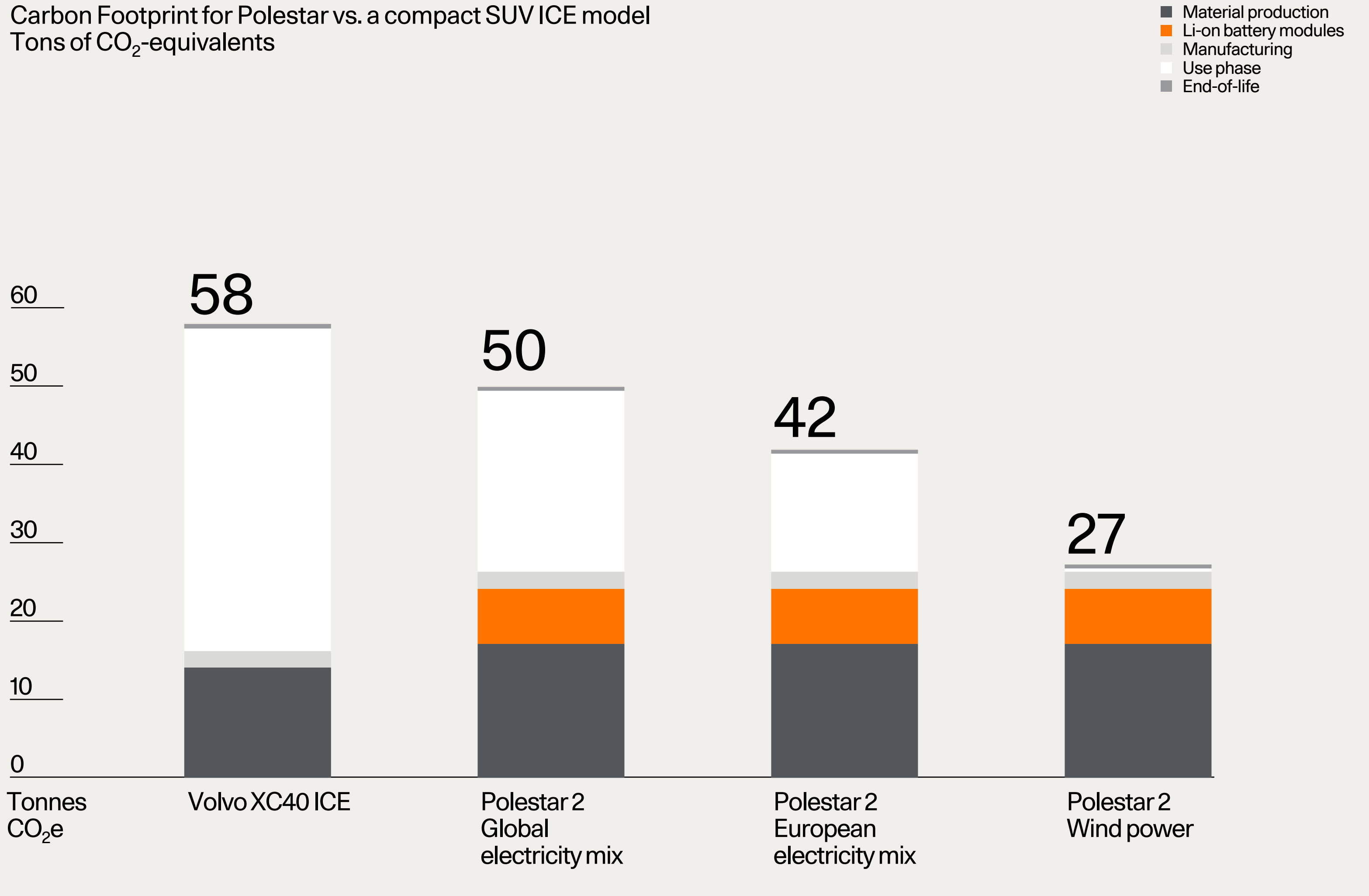
### Supply chain traceability

Enabling traceability through blockchain and certifications on risk materials throughout our batteries and cars

### Sustainability reporting

Annual sustainability reporting since 2020 in adherence with Global Reporting Initiative standards

Carbon Footprint for Polestar vs. a compact SUV ICE model  
Tons of CO<sub>2</sub>-equivalents

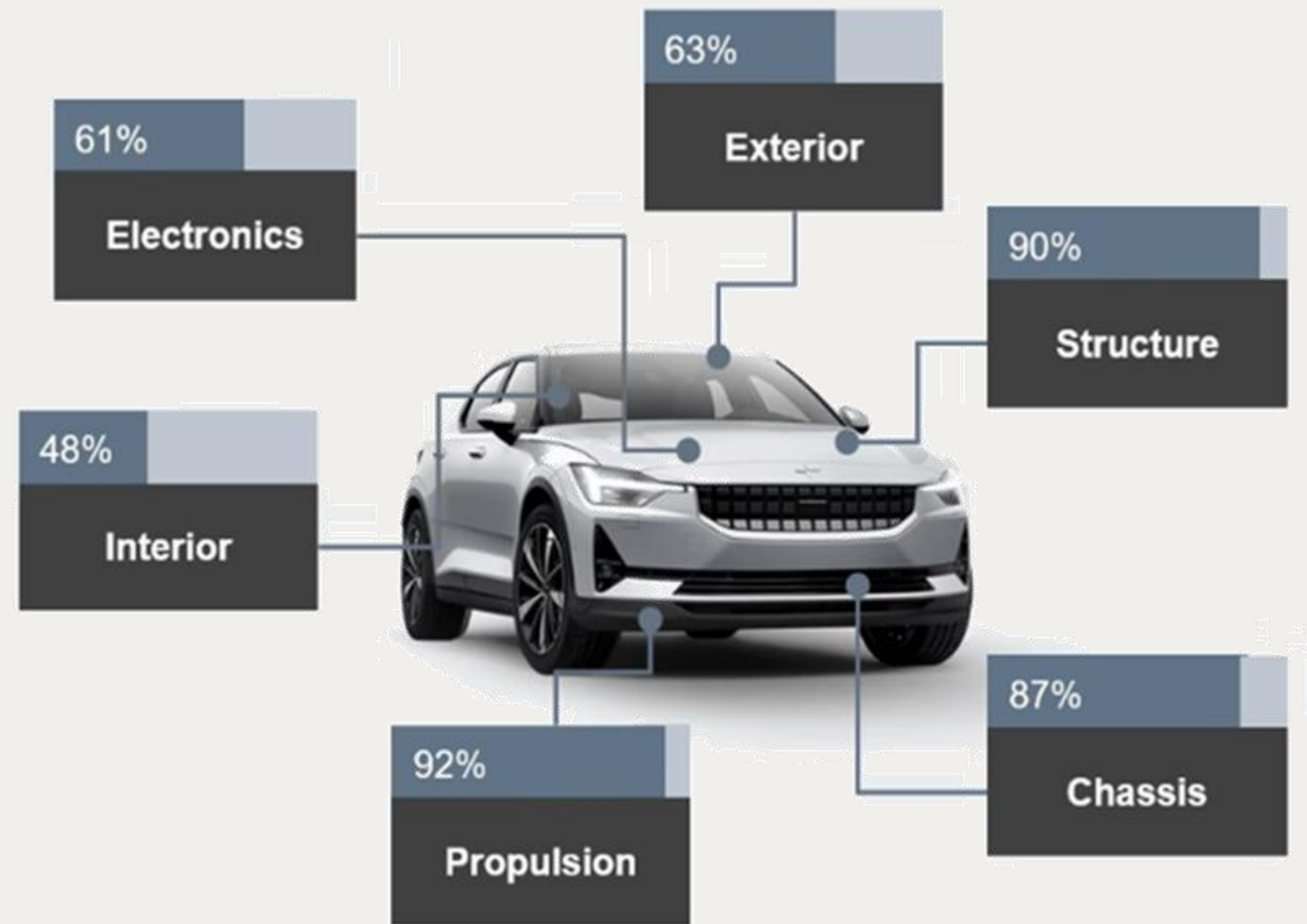


Creating a circularity roadmap

In 2022, together with Circle Economy and STENA Recycling, we set out to estimate the impact Polestar 2 has on important circularity issues - raw material consumption, biodiversity and recyclability.

The findings on the recyclability of different functional areas, creates a baseline from where we are now building our strategy and KPIs to become a circular company.

Material recycling rate of different functional areas of Polestar 2  
Kg/unit



Women in the workforce in 2021 /2020  
 %

27 / 23

Suppliers - Code of Conduct for Business Partners  
 %

100



We are focused on building a workforce that represents our customers and our world and aim to have a 40% female workforce by 2025.

For Polestar 2 and 3 we have secured full commitment from all suppliers on issues like equality, working conditions, forced labor, wages etc.

Collaborating through multi-stakeholder initiatives with responsible sourcing practices, sustainability assessments, and third-party audits.

# Appendix

# Financial statements

## Unaudited condensed consolidated statement of loss

in thousands of U.S. dollars except per share data and unless otherwise stated

	For the three months ended December 31		For the year ended December 31	
	2022	2021	2022	2021
Revenue	985,151	589,507	2,461,897	1,337,181
Cost of sales	(923,183)	(589,707)	(2,342,454)	(1,336,321)
<b>Gross profit (loss)</b>	<b>61,968</b>	<b>(200)</b>	<b>119,443</b>	<b>860</b>
Selling, general and administrative expenses	(239,174)	(236,580)	(864,598)	(714,724)
Research and development expenses	(47,634)	(75,522)	(170,987)	(232,922)
Other operating income (expense), net	20,143	(24,993)	2,182	(48,053)
Listing expense	—	—	(372,318)	—
<b>Operating loss</b>	<b>(204,697)</b>	<b>(337,295)</b>	<b>(1,286,278)</b>	<b>(994,839)</b>
Finance income	7,066	8,169	8,551	32,970
Finance expenses	3,531	(16,738)	(108,435)	(45,249)
Fair value change - Earn-out rights	(63,600)	—	902,068	—
Fair value change - Class C Shares	(500)	—	35,090	—
<b>Loss before income taxes</b>	<b>(258,200)</b>	<b>(345,864)</b>	<b>(449,005)</b>	<b>(1,007,118)</b>
Income tax expense	(4,240)	9,078	(16,783)	(336)
<b>Net loss</b>	<b>(262,440)</b>	<b>(336,786)</b>	<b>(465,789)</b>	<b>(1,007,454)</b>

## Financial statements

### Unaudited condensed consolidated statement of financial position

in thousands of U.S. dollars	December 31, 2022	December 31, 2021
<b>Assets</b>		
Non-current assets		
Intangible assets and goodwill	1,391,828	1,368,356
Property, plant and equipment	262,593	208,193
Vehicles held under operating lease	92,198	120,626
Other non-current assets	15,395	5,532
<b>Total non-current assets</b>	<b>1,762,014</b>	<b>1,702,707</b>
Current assets		
Cash and cash equivalents	973,877	756,677
Marketable securities	—	1,258
Trade receivables external and trade receivables and accrued income - related parties	370,164	177,544
Inventories	657,882	545,743
Other current assets	178,516	125,764
<b>Total current assets</b>	<b>2,180,439</b>	<b>1,606,986</b>
<b>Total assets</b>	<b>3,942,453</b>	<b>3,309,693</b>

in thousands of U.S. dollars	December 31, 2022	December 31, 2021
<b>Equity</b>		
Share capital	(21,156)	(1,865,909)
Other contributed capital	(3,582,589)	(35,231)
Accumulated deficit & Foreign currency translation reserve	3,737,089	1,778,644
<b>Total equity</b>	<b>133,344</b>	<b>(122,496)</b>
<b>Liabilities</b>		
Non-current liabilities		
Other non-current provisions and liabilities	(139,428)	(79,906)
Earn-out liability	(598,570)	—
Other non-current interest-bearing liabilities	(85,556)	(66,575)
<b>Total non-current liabilities</b>	<b>(823,554)</b>	<b>(146,481)</b>
Current liabilities		
Trade payables external and trade payables and accrued expenses - related parties	(1,184,142)	(1,857,730)
Advance payments from customers	(40,868)	(36,415)
Liabilities to credit institutions	(1,328,752)	(642,338)
Interest-bearing current liabilities	(38,235)	(24,072)
Class C Shares liability	(28,000)	—
Other current provisions and liabilities	(632,246)	(480,161)
<b>Total current liabilities</b>	<b>(3,252,243)</b>	<b>(3,040,716)</b>
<b>Total liabilities</b>	<b>(4,075,797)</b>	<b>(3,187,197)</b>
<b>Total equity and liabilities</b>	<b>(3,942,453)</b>	<b>(3,309,693)</b>

# Financial statements

## Unaudited condensed consolidated statement of cash flows

in thousands of U.S. dollars	For the twelve months ended December 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	(465,789)	(1,007,454)
Adjustments to reconcile Net loss to net cash flows		
Depreciation and amortization	185,057	239,164
Finance income and expense	99,884	12,280
Listing expense	372,318	—
Income tax expense	16,783	336
Other non-cash expense and income	(839,595)	106,658
Change in operating assets and liabilities	(378,526)	357,505
Interest net paid & tax paid	(78,481)	(20,645)
<b>Cash used for operating activities</b>	<b>(1,088,349)</b>	<b>(312,156)</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(32,269)	(24,701)
Additions to intangible assets	(681,204)	(104,971)
Other	(2,500)	—
<b>Cash used for investing activities</b>	<b>(715,973)</b>	<b>(129,672)</b>

in thousands of U.S. dollars	For the twelve months ended December 31,	
	2022	2021
<b>Cash flows from financing activities</b>		
Change in restricted cash	—	48,830
Proceeds from short-term borrowings	2,146,396	698,882
Principal repayments of short-term borrowings	(1,422,862)	(411,950)
Principal repayments of lease liabilities	(14,905)	(8,578)
Proceeds from the issuance of share capital and other contributed capital	1,417,973	582,388
Transaction costs	(38,903)	—
<b>Cash provided by financing activities</b>	<b>2,087,699</b>	<b>909,572</b>
Effect of foreign exchange rate changes on cash and cash equivalents	(66,177)	(27,491)
<b>Net increase in cash and cash equivalents</b>	<b>217,200</b>	<b>440,253</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>756,677</b>	<b>316,424</b>
<b>Cash and cash equivalents at end of period</b>	<b>973,877</b>	<b>756,677</b>

## Financial statements

### Unaudited reconciliation of GAAP and Non-GAAP results

#### Non-GAAP Financial Information

Polestar uses both generally accepted accounting principles ("GAAP," i.e., IFRS) and non-GAAP (i.e., non-IFRS) financial measures to evaluate operating performance, for internal comparisons to historical performance, and for financial decision-making purposes. The Polestar believes non-GAAP financial measures are helpful to investors as they provide useful perspective on underlying business trends and assist in period on period comparisons. These non-GAAP measures are presented for supplemental information purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. The measures are not presented under a comprehensive set of accounting rules and, therefore, should only be read in conjunction with financial information reported under GAAP when understanding Polestar's operating performance. The measures may not be the same as similarly titled measures used by other companies due to possible differences in calculation methods and items or events being adjusted. A reconciliation between non-GAAP financial measures and the most comparable GAAP performance measures is provided below. For a more detailed explanation of each non-GAAP measure used, please also refer to our press release reporting our financial and operational results for the fourth quarter of 2022 and the year ended December 31, 2022.

in millions of U.S. dollars	For the twelve months ended December 31,	
	2022	2021
<i>Adjusted operating loss</i>		
Operating loss	(1,286.3)	(994.8)
Listing expense	372.3	—
<b>Adjusted operating loss (non-GAAP)</b>	<b>(914.0)</b>	<b>(994.8)</b>

in millions of U.S. dollars	For the twelve months ended December 31,	
	2022	2021
<i>Adjusted EBITDA</i>		
Net loss	(465.8)	(1,007.5)
Listing expense	372.3	—
Fair value change - Earn-out rights	(902.1)	—
Fair value change - Class C Shares	(35.1)	—
Interest income	(7.7)	(1.4)
Interest expenses	77.5	44.9
Income tax expense	16.8	0.3
Depreciation and amortization	185.1	239.2
<b>Adjusted EBITDA (non-GAAP)</b>	<b>(759.0)</b>	<b>(724.5)</b>

in millions of U.S. dollars	For the twelve months ended December 31,	
	2022	2021
<i>Adjusted net loss</i>		
Net loss	(465.8)	(1,007.5)
Listing expense	372.3	—
Fair value change - Earn-out rights	(902.1)	—
Fair value change - Class C Shares	(35.1)	—
<b>Adjusted net loss (non-GAAP)</b>	<b>(1,030.7)</b>	<b>(1,007.5)</b>

in millions of U.S. dollars	For the twelve months ended December 31,	
	2022	2021
<i>Free cash flow</i>		
Net cash used for operating activities	(1,088.3)	(312.2)
Investing cash flows used for tangible assets	(32.3)	(24.7)
Investing cash flows used for intangible assets	(681.2)	(105.0)
<b>Free cash flow (non-GAAP)</b>	<b>(1,801.8)</b>	<b>(441.8)</b>



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Contact information

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