

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

Polestar's audited consolidated financial statements are included in this Report beginning at page F-1.

ITEM 19. EXHIBITS

EXHIBIT INDEX

Incorporated by Reference

Exhibit No.	Description	Schedule Form	Exhibit	Filing Date
1.1	Articles of Association of Polestar Automotive Holding UK PLC, as currently in effect.	8-K**	4.1, Exhibit A	June 27, 2022
2.1	ADS Deposit Agreement—Class A ADSs.	F-6EF	(a)	August 26, 2022
2.2	Form of Class A American Depositary Receipt.	F-4/A	4.2	May 23, 2022
2.3	ADS Deposit Agreement—Class C-1 ADSs.	8-K**	4.1, Exhibit B	June 27, 2022
2.4	Form of Class C-1 American Depositary Receipt.	F-4/A	4.4	May 23, 2022
2.5	ADS Deposit Agreement—Class C-2 ADSs.	8-K**	4.1, Exhibit B	June 27, 2022
2.6	Form of Class C-2 American Depositary Receipt.	F-4/A	4.6	May 23, 2022
2.7	Warrant Agreement, dated March 22, 2021, by and between Gores Guggenheim, Inc., Computershare Inc. and Computershare Trust Company, N.A. (incorporated by reference to Annex C-1 to the proxy statement/prospectus used in connection with the Business Combination).	F-4/A	4.9	May 23, 2022
2.8	Amendment to Warrant Agreement, dated April 7, 2022, by and between Gores Guggenheim, Inc., Computershare Inc. and Computershare Trust Company, N.A. (incorporated by reference to Annex C-2 to the proxy statement/prospectus used in connection with the Business Combination).	F-4/A	4.10	May 23, 2022
2.9	Specimen Warrant Certificate (included as Exhibit A to Annex C-1 to the proxy statement/prospectus) (incorporated by reference to Annex C-1 to the proxy statement/prospectus used in connection with the Business Combination).	F-4/A	4.11	May 23, 2022
2.10	Class C Warrant Amendment, dated June 23, 2022, by and between Gores Guggenheim, Inc., Computershare Inc. and Computershare Trust Company, N.A.	8-K**	4.1	June 27, 2022
2.11*	Description of Securities.			

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4.1##	<u>Business Combination Agreement, dated as of September 27, 2021, by and among Gores Guggenheim, Inc., Polestar Automotive Holding Limited, Polestar Automotive (Singapore) Pte. Ltd., Polestar Holding AB, Inc., Polestar Automotive Holding UK Limited and PAH UK Merger Sub Inc. (incorporated by reference to Annex A-1 to the proxy statement/prospectus used in connection with the Business Combination).</u>	F-4/A	2.1	May 23, 2022
4.2##	<u>Amendment No. 1 to the Business Combination Agreement, dated as of December 17, 2021, by and among Gores Guggenheim, Inc., Polestar Automotive Holding Limited, Polestar Automotive (Singapore) Pte. Ltd., Polestar Holding AB, Inc., Polestar Automotive Holding UK Limited and PAH UK Merger Sub Inc.</u>	8-K**	2.1	December 17, 2021
4.3##	<u>Amendment No. 2 to the Business Combination Agreement, dated as of March 24, 2022, by and among Gores Guggenheim, Inc., Polestar Automotive Holding Limited, Polestar Automotive (Singapore) Pte. Ltd., Polestar Holding AB, Inc., Polestar Automotive Holding UK Limited and PAH UK Merger Sub Inc.</u>	8-K**	2.1	March 25, 2022
4.4	<u>Amendment No. 3 to the Business Combination Agreement, dated as of April 21, 2022, by and among Gores Guggenheim, Inc., Polestar Automotive Holding Limited, Polestar Automotive (Singapore) Pte. Ltd., Polestar Holding AB, Inc., Polestar Automotive Holding UK Limited and PAH UK Merger Sub Inc.</u>	8-K**	2.1	April 21, 2022
4.5	<u>Form of Subscription Agreement (incorporated by reference to Annex F to the proxy statement/prospectus used in connection with the Business Combination).</u>	F-4/A	10.1	May 23, 2022
4.6	<u>Registration Rights Agreement, dated as of September 27, 2021, by and among Polestar Automotive Holding UK Limited, Gores Guggenheim Sponsor LLC, Randall Bort, Elizabeth Marcellino and Nancy Tellem, Polestar Automotive Holding Limited and certain of its shareholders (incorporated by reference to Annex G-1 to the proxy statement/prospectus used in connection with the Business Combination).</u>	F-4/A	10.4	May 23, 2022
4.7+	<u>Form of Director & Officer Indemnity Agreement.</u>	F-4/A	10.5	May 23, 2022
4.8+	<u>Polestar Automotive Holding UK PLC 2022 Omnibus Incentive Plan.</u>	S-8	99.1	August 29, 2022
4.9+	<u>Polestar Automotive Holding UK PLC 2022 Employee Stock Purchase Plan.</u>	S-8	99.2	August 29, 2022
4.10	<u>Framework Assignment and License Agreement, dated as of October 31, 2018, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.8	May 23, 2022

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4.11†	<u>Car Model Assignment and License Agreement, dated as of October 31, 2018, between Volvo Car Corporation and Polestar Performance AB, as supplemented by the Side Letter, dated as of October 31, 2018, between Volvo Car Corporation, Polestar Performance AB and Polestar New Energy Vehicle Co. Ltd., as amended by the Amendment Agreement to the Car Model Assignment and License Agreement, dated as of May 5, 2021, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.9	May 23, 2022
4.12†	<u>Settlement Agreement, dated as of December 23, 2020, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.10	May 23, 2022
4.13	<u>Framework Assignment and License Agreement, dated as of October 31, 2018, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd.</u>	F-4/A	10.11	May 23, 2022
4.14†	<u>Car Model Assignment and License Agreement, dated as of October 31, 2018, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd. as supplemented by the Side Letter, dated as of October 31, 2018, between Volvo Car Corporation, Polestar Performance AB and Polestar New Energy Vehicle Co. Ltd., as supplemented by the Supplement to Car Model Assignment and License Agreement, dated as of September 23, 2019, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd., as amended by the Amendment Agreement to the Car Model Assignment and License Agreement, dated as of June 2020, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd., as amended by the Novation Agreement, dated as of December 8, 2020, by and among Polestar New Energy Vehicle Co., Ltd., Polestar Automotive China Distribution Co., Ltd. and Volvo Car Corporation.</u>	F-4/A	10.12	May 23, 2022
4.15†	<u>Settlement Agreement, dated as of December 23, 2020, between Volvo Car Corporation and Polestar New Energy Vehicle Co., Ltd.</u>	F-4/A	10.13	May 23, 2022
4.16†	<u>PHEV IP Sub-License Agreement, dated as of September 4, 2018, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.14	May 23, 2022
4.17†	<u>PHEV IP Sub-License Agreement, dated as of September 7, 2018, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd. as amended by the Novation Agreement, dated as of December 8, 2020, by and among Polestar New Energy Vehicle Co., Ltd., Polestar Automotive China Distribution Co., Ltd. and Volvo Car Corporation.</u>	F-4/A	10.15	May 23, 2022
4.18†	<u>Change Management Agreement, dated as of June 12, 2020, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.16	May 23, 2022
4.19†	<u>Service Agreement, dated as of November 13, 2020, between Volvo Car Corporation and Polestar New Energy Vehicle Co., Ltd.</u>	F-4/A	10.19	May 23, 2022

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4.20†	<u>Component Supply Agreement, dated as of 2018, between Polestar New Energy Vehicle Co., Ltd. and Zhejiang Haoqing Automobile Manufacturing Co., Ltd. Chengdu Branch.</u>	F-4/A	10.26	May 23, 2022
4.21†	<u>General Distributor Agreement, effective as of January 1, 2020, between Zhejiang Haoqing Automobile Manufacturing Co., Ltd. Chengdu Branch and Polestar Automotive China Distribution Co., Ltd.</u>	F-4/A	10.27	May 23, 2022
4.22†	<u>License, License Assignment and Service Agreement, dated as of February 15, 2021, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.28	May 23, 2022
4.23†	<u>License and License Assignment Agreement, dated as of February 15, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd.</u>	F-4/A	10.29	May 23, 2022
4.24†	<u>Unique Vendor Tooling Agreement, dated as of December 23, 2021, by and among Polestar Automotive China Distribution Co., Ltd. and Ningbo Geely Automobile Research & Development Co., Ltd.</u>	F-4/A	10.30	May 23, 2022
4.25†	<u>Car Model Manufacturing Agreement, dated as of November 28, 2018, between First Automobile Branch of Zhejiang Haoqing Automobile Manufacturing Co., Ltd. and Polestar New Energy Vehicle Co. Ltd., as amended by the Novation Agreement, dated as of July 7, 2021, between Polestar New Energy Vehicle Co., Ltd., Polestar Automotive China Distribution (Taizhou) Co., Ltd. and First Automobile Branch of Zhejiang Haoqing Automobile Manufacturing Co., Ltd.</u>	F-4/A	10.31	May 23, 2022
4.26†	<u>Car Model Manufacturing Agreement, dated as of November 26, 2018, between Asia Euro Automobile Manufacturing (Taizhou) Co., Ltd. and Polestar Performance AB., as supplemented by the Supplement Car Manufacturing Agreement, dated as of May 2021, between Polestar Performance AB and Asia Euro Manufacturing (Taizhou) Co. Ltd., as amended by the Amendment Car Model Manufacturing Agreement, dated as of July 7, 2021, between Polestar Performance AB and Asia Euro Automobile Manufacturing (Taizhou) Co. Ltd.</u>	F-4/A	10.32	May 23, 2022

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4.27†	<u>License, License Assignment and Service Agreement, dated as of June 30, 2019, between Volvo Car Corporation and Polestar Performance AB, as supplemented by Side Letter, dated as of June 30, 2019, between Volvo Car Corporation, Volvo Cars (China) Investment Co., Ltd., Polestar Performance AB and Polestar New Energy Vehicle Co. Ltd., as amended by the Amendment Agreement to the License, License Assignment and Service Agreement, dated as of December 19, 2019, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.33	May 23, 2022
4.28†	<u>License Agreement, dated as of June 30, 2019, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd., as supplemented by the Side Letter, dated as of June 30, 2019, between Polestar Performance AB, Polestar New Energy Vehicle Co., Ltd., Volvo Car Corporation and Volvo Cars (China) Investment Co. Ltd., as amended by the Novation Agreement, dated as of December 8, 2020, by and among Polestar New Energy Vehicle Co., Ltd., Polestar Automotive China Distribution Co., Ltd. and Volvo Car Corporation.</u>	F-4/A	10.34	May 23, 2022
4.29†	<u>Service Agreement, dated as of June 30, 2019, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd., as supplemented by Side Letter, dated as of June 30, 2019, between Volvo Car Corporation, Volvo Cars (China) Investment Co., Ltd., Polestar Performance AB and Polestar New Energy Vehicle Co. Ltd., as amended by the Novation Agreement, dated as of December 8, 2020, by and among Polestar New Energy Vehicle Co., Ltd., Polestar Automotive China Distribution Co., Ltd. and Volvo Car Corporation.</u>	F-4/A	10.35	May 23, 2022
4.30†	<u>Service Agreement, dated as of August 31, 2020, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co. Ltd.</u>	F-4/A	10.37	May 23, 2022
4.31†	<u>Service Agreement, dated as of September 1, 2020, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd.</u>	F-4/A	10.38	May 23, 2022
4.32†	<u>Financial Undertaking Agreement—Investments for Vehicle Assembly, dated as of February 27, 2020, between Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd.</u>	F-4/A	10.39	May 23, 2022
4.33†	<u>Service Agreement, dated as of February 2021, between Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. and Polestar Automotive China Distribution Co. Ltd.</u>	F-4/A	10.40	May 23, 2022
4.34†	<u>Service Agreement, dated as of April 28, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd.</u>	F-4/A	10.41	May 23, 2022
4.35†	<u>License Agreement, dated as of December 23, 2020, between Polestar Performance AB and Volvo Car Corporation.</u>	F-4/A	10.42	May 23, 2022
4.36†	<u>Performance Software Agreement, dated as of January 1, 2020, by and between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.43	May 23, 2022

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4.37†	<u>Financial Undertaking Agreement—Investments for Vehicle Assembly, dated as of March 17, 2021, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.44	May 23, 2022
4.38†	<u>Financial Undertaking Agreement—Investments for Vehicle Assembly, dated as of March 23, 2021, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.45	May 23, 2022
4.39†	<u>Service Agreement, dated as of November 27, 2020, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.47	May 23, 2022
4.40†	<u>Service Agreement, dated as of January 18, 2021, between Ningbo Geely Automobile Research & Development Co., Ltd. and Polestar Performance AB.</u>	F-4/A	10.48	May 23, 2022
4.41†	<u>Service Agreement, dated as of September 4, 2020, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.50	May 23, 2022
4.42†	<u>Service Agreement, dated as of September 4, 2020, between Polestar Performance AB and Volvo Bil i Göteborg AB.</u>	F-4/A	10.52	May 23, 2022
4.43†	<u>License Agreement, dated as of December 6, 2020, between Volvo Car Corporation and Polestar Performance AB, as amended by the Amendment Agreement, dated as of June 30, 2021, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.53	May 23, 2022
4.44†	<u>Service Agreement, dated as of December 6, 2020, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.54	May 23, 2022
4.45†	<u>Service Agreement, dated as of March 24, 2020, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.55	May 23, 2022
4.46†	<u>Service Agreement, dated as of January 19, 2021, between Volvo Car UK Limited and Polestar Performance AB.</u>	F-4/A	10.56	May 23, 2022
4.47†	<u>European CO2 Emission Credits 2020 Payment Agreement, dated as of November 27, 2020, between Volvo Car Corporation and Polestar Performance AB.</u>	F-4/A	10.57	May 23, 2022
4.48†	<u>Parts Supply and License Agreement Polestar Aftermarket Parts and Accessories (CHINA), dated as of November 22, 2021, between Polestar Automotive China Distribution Co., Ltd and Volvo Car Distribution (Shanghai) Co., Ltd.</u>	F-4/A	10.58	May 23, 2022

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4.49†	<u>Service Agreement, dated as of June 23, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution., Ltd.</u>	F-4/A	10.59	May 23, 2022
4.50†	<u>Service Agreement, dated as of December 7, 2021, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd.</u>	F-4/A	10.60	May 23, 2022
4.51†	<u>Service Agreement, effective as of July 1, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution., Ltd.</u>	F-4/A	10.61	May 23, 2022
4.52†	<u>Service Agreement, dated as of December 7, 2021, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd.</u>	F-4/A	10.62	May 23, 2022
4.53†	<u>Service Agreement, dated as of June 23, 2021, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd.</u>	F-4/A	10.63	May 23, 2022
4.54†	<u>Service Agreement, dated as of December 7, 2021, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd.</u>	F-4/A	10.64	May 23, 2022
4.55†	<u>Technology License Agreement, dated as of December 30, 2021, between Zhejiang Zeekr Automobile Research and Development Co., Ltd. and Polestar Performance AB.</u>	F-4/A	10.65	May 23, 2022
4.56†	<u>Service Agreement, dated as of December 28, 2021, between Ningbo Geely Automobile Research & Development Co., Ltd and Polestar Performance AB.</u>	F-4/A	10.66	May 23, 2022
4.57†	<u>Tooling and Equipment Agreement, dated as of December 10, 2021, by and among Polestar Automotive China Distribution Co., Ltd. and Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd.</u>	F-4/A	10.67	May 23, 2022
4.58†	<u>Technology License Agreement, effective as of March 4, 2022, between Zhejiang Liankong Technologies Co., Ltd and Polestar Automotive Distribution China Co., Ltd.</u>	F-4/A	10.68	May 23, 2022
4.59†	<u>Technology License Agreement, dated as of December 10, 2021, between Zhejiang Zeekr Automobile Research and Development Co., Ltd and Polestar Automotive Distribution China Co., Ltd.</u>	F-4/A	10.69	May 23, 2022
4.60†	<u>Technology License Agreement, effective as of March 4, 2022, between Zhejiang Liankong Technologies Co., Ltd and Polestar Performance AB.</u>	F-4/A	10.70	May 23, 2022
4.61	<u>Registration Rights Agreement Amendment No. 1, dated December 17, 2021, by and among Polestar Automotive Holding UK Limited, Gores Guggenheim Sponsor LLC, Randall Bort, Elizabeth Marcellino and Nancy Tellem, Polestar Automotive Holding Limited and certain of its shareholders (incorporated by reference to Annex G-2 to the proxy statement/prospectus used in connection with the Business Combination).</u>	F-4/A	10.74	December 17, 2021

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4.62†	<u>Parts Supply and License Agreement, effective as of January 1, 2020, by and between Polestar Performance AB and Volvo Car Corporation.</u>	F-4/A	10.76	May 23, 2022
4.63	<u>Acknowledgement Agreement to the Shareholders Agreement, dated September 27, 2021, by and among Volvo Car Corporation, Snita Holding B.V., PSD Investment Limited, PSINV AB, GLY New Mobility 1. LP, Northpole GLY 1 LP, Chongqing Liangjiang, Zibo Financial Holding Group Co., Ltd., Zibo High-Tech Industrial Investment Co., Ltd., Polestar Automotive Holding Limited and Polestar Automotive Holding UK Limited (incorporated by reference to Annex M-1 to the proxy statement/prospectus used in connection with the Business Combination).</u>	F-4/A	10.77	May 23, 2022
4.64	<u>Form of Amendment to Acknowledgement Agreement to the Shareholders Agreement, by and among Volvo Car Corporation, Snita Holding B.V., Zhejiang Geely Holding Group Co., Ltd., PSD Investment Limited, PSINV AB, GLY New Mobility 1. LP, Northpole GLY 1 LP, Chongqing Liangjiang, Zibo Financial Holding Group Co., Ltd., Zibo High-Tech Industrial Investment Co., Ltd., Polestar Automotive Holding Limited and Polestar Automotive Holding UK Limited (incorporated by reference to Annex M-2 to the proxy statement/prospectus used in connection with the Business Combination).</u>	F-4/A	10.78	May 23, 2022
4.65†	<u>New, Used and Demonstrator Funding Agreement, dated June 14, 2021, by and among Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited.</u>	F-4/A	10.79	May 23, 2022
4.66†	<u>Service Agreement, effective as of January 28, 2022, by and between Volvo Cars USA LLC and Polestar Automotive USA Inc.</u>	F-4/A	10.80	May 23, 2022
4.67†	<u>Finance Cooperation Agreement, dated May 28, 2021, by and between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited.</u>	F-4/A	10.81	May 23, 2022
4.68†	<u>Corporate Guarantee and Indemnity Relating to Polestar Automotive UK Limited, dated June 14, 2021, by and between Polestar Performance AB and Volvo Car Financial Services UK Limited.</u>	F-4/A	10.82	May 23, 2022
4.69	<u>Amendment No. 2 to Registration Rights Agreement, dated March 24, 2022, by and among Polestar Automotive Holding UK Limited, Gores Guggenheim Sponsor LLC, Randall Bort, Elizabeth Marcellino and Nancy Tellem, Polestar Automotive Holding Limited and certain of its shareholders.</u>	8-K**	10.2	March 25, 2022
4.70†	<u>Finance Cooperation Agreement, dated as of June 1, 2021, between Polestar Automotive China Distribution Co., Ltd and Genius Auto Finance Co., Ltd.</u>	F-4/A	10.86	May 23, 2022
4.71†	<u>Framework Agreement on Import & Export Polestar Vehicles, dated as of June 21, 2022, by and between Volvo Car Corporation and Polestar Performance AB.</u>	20-F	4.91	June 29, 2022
4.72†	<u>Sale & Purchase Agreement, dated as of June 21, 2022, by and between Volvo Car USA LLC and Polestar Automotive USA Inc.</u>	20-F	4.92	June 29, 2022

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4.73†	<u>Importer Agreement, dated as of June 21, 2022, by and between Polestar Performance AB and Volvo Car USA LLC.</u>	20-F	4.93	June 29, 2022
4.74†	<u>Form of Letter of Appointment as Non-Executive Director of Polestar Automotive Holding UK PLC.</u>	20-F	4.94	June 29, 2022
4.75†	<u>Research and Development Frame Agreement, dated as of July 5, 2022, by and between Polestar Performance AB and China Euro Vehicle Technology AB.</u>	F-1/A	10.91	August 18, 2022
4.76†	<u>Service Agreement, dated as of July 4, 2022, between Zhongjia Automobile Manufacturing (Chengdu) and Polestar Automotive China Distribution Co. Ltd.</u>	F-1/A	10.92	August 18, 2022
4.77†	<u>Prototype Supply Agreement, dated as of July 26, 2022, between Asia Europe New Energy Vehicle Manufacturing (Chongqing) Co., Ltd., Polestar Performance AB and Polestar Automotive (Chongqing) Co., Ltd.</u>	F-1/A	10.95	August 18, 2022
4.78†	<u>Service Agreement, executed as of September 27, 2022, between Volvo Car Corporation and Polestar Performance AB.</u>	20-F	4.93	April 14, 2023
4.79†	<u>Amendment Agreement 1 to Prototype Supply Agreement, dated as of February 3, 2023, between Asia Europe New Energy Vehicle Manufacturing (Chongqing) Co., Ltd., Polestar Performance AB and Polestar Automotive (Chongqing) Co., Ltd.</u>	20-F	4.94	April 14, 2023
4.80†	<u>Framework Service Agreement, dated as of December 23, 2022, between Volvo Car Corporation and Polestar Performance AB.</u>	20-F	4.95	April 14, 2023
4.81†	<u>Amendment Agreement No. 1 to the Polestar 2 Model Year Program License, License Assignment and Service Agreement, dated as of December 13, 2022, between Volvo Car Corporation and Polestar Automotive China Distribution Co Ltd.</u>	20-F	4.96	April 14, 2023
4.82†	<u>Change Management Agreement, dated as of December 31, 2022, between Volvo Car Corporation and Polestar Performance AB.</u>	20-F	4.97	April 14, 2023
4.83†	<u>Service Agreement, dated as of July 7, 2022, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd., as amended by Amendment Agreement No 1, dated as of March 22, 2023, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd.</u>	20-F	4.98	April 14, 2023
4.84	<u>Term Loan Facility, dated November 3, 2022, by and between Polestar Automotive Holding UK PLC, as borrower, and Snita Holding B.V., as original lender and agent.</u>	6-K	10.1	November 3, 2022
4.85†	<u>Amendment and Restatement Agreement to Trade Finance Facility Agreement, dated February 26, 2023, as amended by Amendment Letter, dated August 21, 2024, between Polestar Performance AB, as Borrower and Obligors' Agent, Standard Charter Bank, as Agent, and Standard Chartered Bank, as Security Agent.</u>	20-F	4.100	April 14, 2023

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4.86†	<u>Amendment Agreement No. 1, dated September 22, 2022, between Volvo Car Corporation and Polestar Performance AB.</u>	20-F	4.101	April 14, 2023
4.87*†	<u>Service Agreement, effective as of January 1, 2021, between Polestar Automotive (Chongqing) Co. Ltd. and Asia Europe New Energy Vehicle (Chongqing) Co., Ltd</u>	20-F	4.103	August 14, 2023
4.88*†	<u>Service Agreement PX2 Development Services, dated as of November 29, 2023, between Polestar Performance AB, Wuxi InfiMotion Propulsion Technology Co., Ltd, InfiMotion Technology Europe AB, and Polestar Automotive China Distribution Co., Ltd.</u>	20-F	4.104	August 14, 2023
4.89*†	<u>Termination Agreement, dated as of May 6, 2023, between Polestar Performance AB, Polestar Automotive China Distribution Co., Ltd., and Wuxi InfiMotion Propulsion Technology Co., Ltd.</u>	20-F	4.105	August 14, 2023
4.90*†	<u>Asset Transfer Agreement, effective as of December 26, 2023, between Polestar Automotive China Distribution Co., Ltd and Chengdu Jisu New Energy Vehicle Co., Ltd.</u>	20-F	4.106	August 14, 2023
4.91*†	<u>Technology License Agreement, dated as of September 28, 2023, between Zhejiang Liankong Technologies Co., Ltd and Polestar Performance AB</u>	20-F	4.107	August 14, 2023
4.92*†	<u>Contract for the Transfer of 100% of the Shares of Polestar New Energy Vehicle Co., Ltd., dated July 5, 2023, by and among Polestar (China) Group Co., Ltd., Zhejiang Geely Property Investment Holding Co. Ltd., and Polestar New Energy Vehicle Co., Ltd.</u>	20-F	4.108	August 14, 2023
4.93*†	<u>Manufacturing and Vehicle Supply Agreement (Domestic), dated July 24, 2023, between Polestar Automotive China Distribution Co., Ltd., Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd., and Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory.</u>	20-F	4.109	August 14, 2023
4.94*†	<u>Manufacturing and Vehicle Supply Agreement (Export), dated July 17, 2023, between Polestar Performance AB, Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd., Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory, and Shanghai Global Trading Corporation.</u>	20-F	4.110	August 14, 2023
4.95*†	<u>Amendment Agreement no 2, dated December 1, 2023 to Prototype Supply Agreement, effective as of July 1, 2022, between Asia Europe New Energy Vehicle Manufacturing (Chongqing) Co., Ltd., Polestar Performance AB, Polestar Automotive (Chongqing) Co., Ltd, Polestar Automotive (China) Distribution Co., Ltd. and Polestar Automotive (China) R&D Branch</u>	20-F	4.111	August 14, 2023
4.96*†	<u>Service Agreement, dated as of November 29, 2023, between Zhejiang ZEEKR Automobile Research & Development Co., Ltd and Polestar Performance AB</u>	20-F	4.112	August 14, 2023

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4.97*†	<u>Three Parties Agreement, dated as of November 30, 2023, between Polestar Performance AB, Ningbo Geely Automobile Research & Development Co., Ltd and Polestar Times Technology (Zhongshan) Co., Ltd.</u>	20-F	4.113	August 14, 2023
4.98*†	<u>Asset Purchase Agreement, dated as of November 28, 2023, between Polestar Automotive China Distribution Co., Ltd. and Polestar Times Technology (Zhongshan) Co., Ltd</u>	20-F	4.114	August 14, 2023
4.99*†	<u>Supplementary Asset Purchase Agreement, dated as of November 28, 2023, between Polestar Automotive China Distribution Co., Ltd. and Polestar Times Technology (Zhongshan) Co., Ltd</u>	20-F	4.115	August 14, 2023
4.100*†	<u>Brand License Agreement, dated as of November 14, 2023, between Polestar Performance AB and Polestar Times Technology (Nanjing) Co., Ltd</u>	20-F	4.116	August 14, 2023
4.101*†	<u>Vehicle Sale and Purchase Agreement, dated as of December 14, 2023, between Polestar Automotive China Distribution Co., Ltd. Shanghai Polestar Shida Automotive Distribution Co., Ltd., and Polestar Times Technology (Zhongshan) Co., Ltd.</u>	20-F	4.117	August 14, 2023
4.102*†	<u>Transitional Service Agreement dated as of December 14, 2023, between Polestar Automotive China Distribution Co., Ltd, and Polestar Times Technology (Nanjing) Co., Ltd</u>	20-F	4.118	August 14, 2023
4.103*†	<u>Amendment No. 1, dated July 16, 2024, to the Change Management Agreement, effective as of January 1, 2022, between Polestar Performance AB and Volvo Car Corporation</u>	20-F	4.119	August 14, 2023
4.104*†	<u>Amendment Agreement No 1 Spare Parts Supply Temporary Agreement, dated as of April 8, 2024, between Polestar Performance AB and Lynk & Co Automobile Sales Co., Ltd.</u>	20-F	4.120	August 14, 2023
4.105*†	<u>Amendment No. 1 to the Three Parties Agreement, dated July 16, 2024, between Polestar Performance AB, Ningbo Geely Automobile Research and Development Co., Ltd., and Polestar Times Technology (Nanjing) Co. Ltd.</u>	20-F/A	4.121	August 15, 2023
4.106*†	<u>Amendment No. 2 to the Temporary Spare Part Supply Agreement, dated May 7, 2024, between Polestar Performance AB and Lynk & Co Automobile Sales Co., Ltd.</u>	20-F/A	4.123	August 15, 2023
4.107*†	<u>VP, TT and PP Vehicle Supply Agreement (China), dated February 1, 2024, between Polestar Automotive China Distribution Co., Ltd., Ningbo Hangzhou Bay Geely Automobile Parts Co., Ltd., and Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory.</u>	20-F/A	4.124	August 15, 2023
4.108*†	<u>TT and PP Vehicle Supply Agreement (Export), dated as of February 19, 2024, between Polestar Performance AB, Ningbo Hangzhou Bay Geely Automobile Parts Co., Ltd, Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory, and Shanghai Global Trading Corporation.</u>	20-F/A	4.125	August 15, 2023

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4.109*†	<u>Amendment Agreement No 1 of VP, TT and PP Vehicle Supply Agreement (China), dated April 11, 2024, between Polestar Automotive China Distribution Co., Ltd., Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd., and Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory.</u>	20-F/A	4.126	August 15, 2023
4.110*†	<u>Prototype Sale Agreement, effective as of May 1, 2022, between Polestar Automotive China Distribution Co., Ltd and Ningbo Geely Automotive Research and Development CO., LTD.</u>	20-F	4.127	August 14, 2023
4.111*†	<u>Prototype Sale Agreement, effective as of May 1, 2022, between Polestar Automotive China Distribution Co., Ltd and Wuhan Lotus Cars Co., Ltd.</u>	20-F	4.128	August 14, 2023
4.112*†	<u>Tooling and Equipment Sale and Purchase Agreement, dated September 11, 2023, between Polestar Automotive China Distribution Co. Ltd. and Wuhan Lotus Cars Co., Ltd.</u>	20-F	4.129	August 14, 2023
4.113*†	<u>Know How Transfer Agreement, dated as of September 25, 2023, between Polestar Performance AB and Wuhan Lotus Cars Co., Ltd.</u>	20-F	4.130	August 14, 2023
4.114*†	<u>Framework Agreement, dated as of November 9, 2023, between Polestar Performance AB, Geely Auto Group Co., LTD and Renault Korea Motors Co. Ltd</u>	20-F	4.131	August 14, 2023
4.115*†	<u>Outsourcing Framework Agreement, dated as of January 11, 2024, between Polestar Performance AB and Volvo Car Corporation.</u>	20-F/A	4.134	August 15, 2023
4.116*†	<u>Manufacturing Agreement, dated as of January 12, 2024, between Polestar Automotive China Distribution Co., Ltd, Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd., and Zhejiang Haoqing Automobile Manufacturing Co., Ltd. Chengdu Branch Zhejiang Haoqing.</u>	20-F/A	4.135	August 15, 2023
4.117*†	<u>Manufacturing Agreement, dated as of January 8, 2024, between Polestar Performance AB and Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd.</u>	20-F/A	4.136	August 15, 2023
4.118*†	<u>Launch Vehicle Supply Agreement, effective as of May 17, 2023, between Volvo Car Corporation and Polestar Performance AB.</u>	20-F	4.137	August 14, 2023
4.119*†	<u>Payment Agreement, dated March 29, 2023, between Volvo Car Corporation and Polestar Performance AB</u>	20-F	4.138	August 14, 2023
4.120*†	<u>Amendment Agreement No 1 to Service Agreement PS2 Model Year Support, dated as of March 22, 2023, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd.</u>	20-F	4.139	August 14, 2023
4.121*†	<u>Amendment Agreement No 1 to Service Agreement PS2 Model Year Support, dated as of March 22, 2023, between Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. and Polestar Automotive China Distribution Co. Ltd.</u>	20-F	4.14	August 14, 2023

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4.122*†	<u>Amendment Agreement No. 2 to the Polestar 2 Model Year Program License, License Assignment and Service Agreement, dated as of January 5, 2024, between Polestar Performance AB and Volvo Car Corporation.</u>	20-F/A	4.141	August 15, 2023
4.123*†	<u>Launch Vehicle Supply Agreement, dated as of May 5, 2023, between Volvo Cars China Technology Centre Co., Ltd and Polestar Automotive China Distribution Co., Ltd</u>	20-F	4.142	August 14, 2023
4.124*†	<u>User Right Agreement, effective March 3, 2024, between Polestar Automotive China Distribution Co., Ltd, Chengdu Jisu New Energy Vehicle Co., Ltd., and Zhongjia Automobile Manufacturing (Chengdu), Co., Ltd.</u>	20-F	4.143	August 14, 2023
4.125*†	<u>Restated Framework Assignment and License Agreement, dated as of June 1, 2023, between Volvo Car Corporation and Polestar Automotive China Distribution Co., Ltd., amended by the Amendment Agreement, dated as of October 3, 2023, by and among Polestar Automotive China Distribution Co., Ltd. and Volvo Car Corporation</u>	20-F/A	4.144	August 15, 2023
4.126*†	<u>Restated Car Model Assignment and License Agreement, dated as of June 31, 2023, between Volvo Car Corporation and Polestar Automotive China Distribution Co., Ltd, amended by the Amendment Agreement, dated as of October 3, 2023, by and among Polestar Automotive China Distribution Co., Ltd. and Volvo Car Corporation</u>	20-F/A	4.145	August 15, 2023
4.127*†	<u>Restated Service Agreement, dated as of June 1, 2023, between Volvo Car Corporation and Polestar Automotive China Distribution Co., Ltd., amended by the Amendment Agreement, dated as of June 1, 2023, by and among Polestar Automotive China Distribution Co., Ltd. and Volvo Car Corporation</u>	20-F	4.146	August 14, 2023
4.128*†	<u>Amendment Agreement to the Restated Service Agreement, dated as of June 1, 2023, between Volvo Car Corporation and Polestar Automotive China Distribution Co., Ltd.</u>	20-F	4.147	August 14, 2023
4.129*†	<u>Launch Vehicle Supply Agreement, dated as of July 10, 2023, between Polestar Performance AB and Volvo Car Corporation.</u>	20-F	4.148	August 14, 2023
4.130*†	<u>Service Agreement, dated as of December 14, 2023, between Polestar Performance AB and Volvo Car Corporation</u>	20-F	4.149	August 14, 2023
4.131*†	<u>Payment Agreement, dated July 6, 2023, between Volvo Car Corporation and Polestar Performance AB</u>	20-F	4.150	August 14, 2023
4.132*†	<u>Amendment Agreement No. 2, dated October 3, 2023, related to the License, License Assignment and Service Agreement, dated as of April 13, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd., and amended by Amendment Agreement No. 1, dated December 13, 2022</u>	20-F	4.152	August 14, 2023

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4.133*†	<u>Amendment Agreement No. 1, dated as of October 3, 2023, to the Restated Framework Assignment and License Agreement, dated as of June 1, 2023, and the Restated Car Model Assignment and License Agreement, dated as of June 31, 2023, by and among Polestar Automotive China Distribution Co., Ltd. and Volvo Car Corporation</u>	20-F	4.153	August 14, 2023
4.134*†	<u>Amendment Agreement No. 1, dated December 27, 2023, related to the Framework Service Agreement, dated as of December 23, 2022, between Polestar Performance AB and Volvo Car Corporation</u>	20-F	4.155	August 14, 2023
4.135*†	<u>Amendment Agreement No. 1, dated February 19, 2024, related to the Service Agreement, dated as of December 6, 2020, between Volvo Car Corporation and Polestar Performance AB</u>	20-F/A	4.156	August 15, 2023
4.136*†	<u>Service Agreement, dated as of April 3, 2024, between Polestar Performance AB and Volvo Car Corporation</u>	20-F/A	4.157	August 15, 2023
4.137*†	<u>Partner Agreement, dated June 4, 2024, between Polestar Automotive Sweden AB and Volvo Car Retail AB</u>	20-F/A	4.158	August 15, 2023
4.138*†	<u>Service Agreement, dated as of May 16, 2024, between Polestar Performance AB and Asia Euro Automobile Manufacturing (Taizhou) Co., Ltd.</u>	20-F/A	4.159	August 15, 2023
4.139	<u>Facility Agreement, dated November 8, 2023, by and between Polestar Automotive Holding UK PLC, as borrower, and Geely Sweden Automotive Investment AB, as original lender and agent.</u>	6-K	10.1	November 8, 2023
4.140	<u>Amendment Letter, dated November 8, 2023, by and between Polestar Automotive Holding UK PLC, as borrower, and Snita Holding B.V., as original lender and agent.</u>	6-K	10.2	November 8, 2023
4.141*†	<u>Amendment No. 3 to the Registration Rights Agreement, dated as of April 26, 2023, between Polestar Automotive Holding UK PLC, Zibo High-Tech Industrial Investment Co., Ltd., Zibo Financial Holding Group Co., Ltd., Chongqing Liangjiang, Northpole GLY 1 LP, GLP New Mobility 1. LP, Snita Holding B.V., PSD Investment Limited, and Gores Guggenheim Sponsor LLC</u>	20-F	4.164	August 14, 2023
4.142	<u>Facilities Agreement, by and among Polestar Automotive Holding UK PLC, Standard Chartered Bank and the Original Lenders named therein, dated February 22, 2024</u>	6-K	10.1	February 28, 2024
4.143*†	<u>Amendment Agreement No. 1, dated May 16, 2024, to the Service Agreement, executed as of September 27, 2022, between Volvo Car Corporation and Polestar Performance AB</u>	20-F/A	4.167	August 15, 2023
4.144*†	<u>Amendment Agreement No. 1, dated May 23, 2024, to the Service Agreement, dated as of November 29, 2023, between Zhejiang ZEEKR Automobile Research & Development Co., Ltd and Polestar Performance AB</u>	20-F/A	4.168	August 15, 2023

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4.145*†	<u>Spare Part Supply Agreement, dated June 26, 2024, between Polestar Performance AB and Lynk & Co Automobile Sales Co., Ltd.</u>	20-F/A	4.169	August 15, 2023
4.146*†	<u>Variation Agreement, dated May 20, 2024, between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited.</u>	20-F/A	4.170	August 15, 2023
4.147*†	<u>Commitment Letter, dated July 26, 2024, between Polestar Performance AB, Volvo Car Distribution (Shanghai) Co., Ltd. and Lynk & Co Automobile Sales Co., Ltd.</u>	20-F/A	4.171	August 15, 2023
4.148*†	<u>Variation Agreement, dated June 14, 2021, between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited.</u>	20-F	4.172	August 14, 2023
4.149*†	<u>Variation Letter, dated December 5, 2023, between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited.</u>	20-F	4.173	August 14, 2023
4.150*†	<u>Service Agreement, dated July 23, 2024, between Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. and Polestar Performance AB.</u>			
4.151*†	<u>Amended Agreement No. 1, dated August 14, 2024, to Service Agreement, dated as of December 28, 2021, between Ningbo Geely Automobile Research & Development Co., Ltd and Polestar Performance AB.</u>			
4.152*†	<u>Amendment Agreement No. 2, dated August 30, 2024, related to the Service Agreement, dated as of March 24, 2020, between Volvo Car Corporation and Polestar Performance AB.</u>			
4.153*†	<u>Amendment Agreement No.1, dated August 30, 2024, related to the Polestar Engineered License Agreement, executed as of December 23, 2020, between Volvo Car Corporation and Polestar Performance AB.</u>			
4.154*†	<u>Amendment Agreement No. 1, dated September 5, 2024, related to the Service Agreement, effective as of January 28, 2021, by and between Volvo Cars USA LLC and Polestar Automotive USA Inc.</u>			
4.155*†	<u>Manufacturing Agreement, dated as of September 6, 2024, and as amended by Amendment No 1 dated February 10, 2025, between Polestar Performance AB and Volvo Car US LLC.</u>			
4.156*†	<u>Supplement Agreement 1, dated October 1, 2024, to Manufacturing Agreement, dated as of July 24, 2023, between Polestar Automotive China Distribution Co., Ltd. Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory.</u>			
4.157*†	<u>Supplement Agreement 1, dated October 8, 2024, to Manufacturing Agreement, dated as of July 17, 2023, between Polestar Performance AB, Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd, Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory and Shanghai Global Trading Corporation.</u>			

4.158*†	<u>Supplement Agreement 2, dated October 25, 2024, to Service Agreement, dated as of December 28, 2021, between Ningbo Geely Automobile Research & Development Co., Ltd and Polestar Performance AB.</u>			
4.159*†	<u>Supplement Agreement 1, dated December 23, 2024, to Service Agreement, dated as of December 28, 2021, dated December 23, 2024 between Ningbo Geely Automobile Research & Development Co., Ltd and Polestar Performance AB.</u>			
4.160*†	<u>Amendment Agreement No.2, dated December 24, 2024, relating to the License, License Assignment and Service Agreement, dated June 30, 2019, between Volvo Car Corporation and Polestar Performance AB.</u>			
4.161*†	<u>Agreement, dated January 15, 2025, between Volvo Personvagnar AB and Polestar Performance AB.</u>			
4.162*†	<u>Amendment Agreement No. 1, dated February 10, 2025, to Manufacturing Agreement, dated as of September 6, 2024, between Polestar Performance AB and Volvo Car US LLC.</u>			
4.163*†	<u>Service Agreement, dated February 11, 2025, between Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. and Polestar Performance AB.</u>			
4.164*†	<u>User Right Agreement, dated March 20, 2025, between Polestar Performance AB, the owner, and Volvo US LLC.</u>			
4.165*†	<u>User Right Agreement, dated March 21, 2025, between Polestar Automotive USA Inc., the owner, and Volvo US LLC.</u>			
4.166*	<u>Amendment Letter, dated August 21, 2024, by and between Polestar Automotive Holding UK PLC, as borrower, and Snita Holding B.V., as original lender and agent.</u>	6-K	10.1	August 21, 2024
4.167*†	<u>User Right Agreement, dated March 23, 2025, between Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and Polestar Automotive China Distribution Co Ltd</u>			
4.168*†+	<u>Employment Agreement, dated August 19, 2024 by and between Polestar Automotive Holding UK PLC, and Michael Lohscheller</u>			
4.169*†+	<u>Employment Agreement, dated July 2, 2024 by and between Polestar Automotive Holding UK PLC, and Jean-Francois Mady</u>			
4.170*†+	<u>Employment Agreement, dated October 11, 2023, by and between Polestar Automotive Holding UK PLC, and Jonas Engström</u>			
8.1*	<u>Subsidiaries of Polestar Automotive Holding UK PLC</u>			
11.1	<u>Insider Trading Policy</u>			

- 12.1* [Certification of Principal Executive Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 12.2* [Certification of Principal Financial Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 13.1*** [Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 13.2*** [Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 15.1* [Consent of Deloitte AB, independent registered accounting firm to Polestar Automotive Holding UK PLC.](#)
- 97.1* [Compensation Clawback Policy](#)
- 101. INS* Inline XBRL Instance Document.
- 101. SCH* Inline XBRL Taxonomy Extension Schema Document.
- 101. CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101. DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 101. LAB* Inline XBRL Taxonomy Extension Label Linkbase Document.
- 101. PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document.
- 104* Cover Page Interactive Data Filed (embedded within the Inline XBRL document).

* Filed herewith.

** Form 8-K was originally filed by Gores Guggenheim, Inc., which became a subsidiary of Polestar in connection with the Business Combination.

*** Furnished herewith.

+ Indicates management contract or compensatory plan.

† Certain confidential information (indicated by brackets and asterisks) has been omitted from this exhibit because it is both (i) not material and (ii) the type of information that the registrant treats as private or confidential.

Certain schedules and similar attachments to the exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5).

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this report on its behalf.

May 9, 2025

**POLESTAR AUTOMOTIVE HOLDING UK
PLC**

By: /s/ Michael Lohscheller

Name: Michael Lohscheller

Title: Chief Executive Officer

By: /s/ Jean-François Mady

Name: Jean-François Mady

Title: Chief Financial Officer

INDEX TO FINANCIAL STATEMENTS

Polestar Automotive Holding UK PLC

Consolidated Financial Statements — For the years ended December 31, 2024, 2023, and 2022

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The Polestar Group
Consolidated Financial Statements for the Years Ended December 31, 2024, 2023, and 2022

Report Of Independent Registered Public Accounting Firm

To the shareholders and the Board of Directors of Polestar Automotive Holding UK PLC:

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Polestar Automotive Holding UK PLC (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of loss and comprehensive loss, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 9, 2025 expressed an adverse opinion on the Company's internal control over financial reporting because of material weaknesses.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company requires additional financing to support operating and development activities that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Inventories — Refer to Notes 2 and 20 to the financial statements

Critical Audit Matter Description

The Company's inventories include new, used, and internal vehicles that are held in geographically disparate locations. Management employs a range of procedures, including physical counts to record and verify the existence, completeness, and condition of inventories. Inventories are valued at the lower of cost or net realizable value.

We identified the existence, completeness, and valuation of inventories as a critical audit matter because of the extent of effort in performing procedures and evaluating audit evidence due to the geographical dispersion of the Company's inventories and because of the high degree of auditor's judgment and increased extent of effort required when performing audit procedures to evaluate the reasonableness of net realizable value of inventory.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the existence, completeness and valuation of inventory included, but were not limited to:

- For a selection of inventory locations:
 - We observed management's inventory count procedures close to the year-end date, and performed independent sample counts and tested the Company's roll-back/roll-forward of balances, between the time of the inventory count and December 31, 2024, or
 - We obtained confirmations to test the inventory held at third-party locations.
- For a sample of inventory, we obtained third-party invoices and other relevant documents to recalculate the vehicle cost.

- We evaluated the reasonableness of the Company’s methodology and key assumptions and judgments used to estimate the net realizable value of inventory by performing the following:
 - We benchmarked selling prices to observable data to evaluate the impact of the significant assumptions of the net realizable value within the inventories to the carrying value.
 - We performed corroborating inquiries with the personnel responsible for sales forecasting to evaluate the reasonableness of the product demand forecasts.
 - We made inquiries of various personnel in the Company including finance and operations personnel, about the expected timing of the introduction of campaigns and discounts.
 - We tested the mathematical accuracy of management’s calculations.

Intangible assets and goodwill, Property Plant and Equipment — Impairment of Polestar 3 and Internal Development projects, (i.e., Polestar 5, Polestar 6, and PX2 powertrain) CGUs — Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company’s evaluation of tangible and definite-lived intangible assets for impairment involves the comparison of the recoverable amount of each applicable cash generating unit (“CGU”), to its carrying value on at least an annual basis, in line with International Accounting Standard 36 *Impairment of Assets*. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The recoverable amount is determined based on the higher of value in use (VIU) and fair value less costs to dispose (FVLCD). The company recorded an impairment of \$205 million and \$416 million relating to the Polestar 3 and Internal Development projects CGUs, respectively, during the period.

Management’s value in use analysis is based on the 2025-2029 business plan. We identified the impairment of the Polestar 3 and Internal Development projects CGUs as a critical audit matter because of the significant estimates and assumptions management made in the value in use calculation related to future pricing, sales volumes and manufacturing costs. Auditing the significant estimate and assumptions required a high degree of auditor judgement and increased audit effort, including the need to involve our valuation specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the impairment of tangible and definite-lived intangible assets included, but were not limited to:

- We assessed the key assumptions used in calculating VIU including future pricing, volumes and manufacturing costs by:
 - Comparing the Company’s forecasted vehicles sales volumes to industry analyst reports,
 - Comparing the assumptions used in the forecasts to the Company’s historical trends in forecasted sales volume, pricing per car and manufacturing costs,
 - Comparing forecasted pricing, sales volumes, and manufacturing costs assumptions to preliminary recorded results from subsequent periods.
- With the assistance of our valuation specialists, we tested the underlying source information and the mathematical accuracy of the calculations.
- We evaluated the Company’s sensitivity analysis by comparing to our own sensitivity analysis to corroborate the disclosures around assumptions that are most sensitive to a reasonably possible change that could cause the carrying amount to exceed its recoverable amount for a cash generating unit.

/s/ Deloitte AB

Gothenburg, Sweden

May 9, 2025

We have served as the Company's auditor since 2021.

Polestar Automotive Holding UK PLC
 Consolidated Statement of Loss and Comprehensive Loss
 (in thousands of U.S. dollars except per share data and unless otherwise stated)

Consolidated Statement of Loss and Comprehensive Loss	For the year ended December 31,			
	Note	2024	2023	2022
Revenue	4	2,034,261	2,368,085	2,440,818
Cost of sales	6	(2,910,428)	(2,778,222)	(2,339,696)
Gross (loss) profit		(876,167)	(410,137)	101,122
Selling, general, and administrative expense	6	(890,703)	(944,177)	(840,151)
Research and development expense	6	(38,350)	(157,280)	(174,916)
Other operating income (expense), net	9	(8,091)	42,080	(305)
Listing expense	18	—	—	(372,318)
Operating loss		(1,813,311)	(1,469,514)	(1,286,568)
Finance income	11	23,879	69,565	8,552
Finance expense	11	(393,785)	(213,242)	(108,402)
Fair value change - Earn-out rights	18	126,624	443,168	902,068
Fair value change - Class C Shares	18	2,500	22,000	35,090
Share of losses in associates	10	(4,970)	(43,304)	—
Loss before income taxes		(2,059,063)	(1,191,327)	(449,260)
Income tax benefit (expense)	13	9,166	9,452	(29,757)
Net loss		(2,049,897)	(1,181,875)	(479,017)
Net loss per share (in U.S. dollars)	14			
Class A - Basic and Diluted		(0.97)	(0.56)	(0.24)
Class B - Basic and Diluted		(0.97)	(0.56)	(0.24)

Consolidated Statement of Comprehensive Loss

Net loss	(2,049,897)	(1,181,875)	(479,017)
Other comprehensive (loss) income:			
Items that may be subsequently reclassified to the Consolidated Statement of Loss:			
Exchange rate differences from translation of foreign operations	(37,513)	(10,143)	431
Total other comprehensive (loss) income	(37,513)	(10,143)	431
Total comprehensive loss	(2,087,410)	(1,192,018)	(478,586)

Polestar Automotive Holding UK PLC
Consolidated Statement of Financial Position
(in thousands of U.S. dollars unless otherwise stated)

		As of the year ended December 31,	
	Note	2024	2023
Assets			
Non-current assets			
Intangible assets and goodwill	15	1,040,849	1,418,707
Property, plant and equipment	12, 16	537,743	476,039
Vehicles under operating leases	12	56,137	70,223
Other non-current assets		39,740	9,733
Deferred tax assets	13	81,554	42,336
Other investments		—	2,414
Total non-current assets		1,756,023	2,019,452
Current assets			
Cash and cash equivalents		739,237	768,264
Trade receivables	19	152,405	126,716
Trade receivables - related parties	19, 27	37,844	61,026
Accrued income - related parties	27	42,839	152,605
Inventories	20	1,079,361	927,686
Current tax assets		5,021	12,657
Other current assets	21	238,907	214,228
Other current assets - related parties	27	2,713	9,576
Total current assets		2,298,327	2,272,758
Total assets		4,054,350	4,292,210
Equity			
Share capital		(21,169)	(21,168)
Other contributed capital		(3,625,027)	(3,615,187)
Foreign currency translation reserve		63,152	25,639
Accumulated deficit		6,911,604	4,861,707
Total equity	22	3,328,560	1,250,991
Liabilities			
Non-current liabilities			
Non-current contract liabilities	4	(61,002)	(63,153)
Deferred tax liabilities	13	(630)	(3,335)
Other non-current provisions	23	(94,757)	(103,608)
Other non-current liabilities	24	(71,398)	(127,423)
Earn-out liability	18	(28,778)	(155,402)
Non-current liabilities to credit institutions	25	(927,235)	—
Other non-current interest-bearing liabilities	12	(47,918)	(54,439)
Other non-current interest-bearing liabilities - related parties	27	(1,410,258)	(1,413,257)
Total non-current liabilities		(2,641,976)	(1,920,617)
Current liabilities			
Trade payables		(103,368)	(92,441)
Trade payables - related parties	27	(790,546)	(275,704)
Accrued expenses - related parties	27	(279,686)	(446,038)
Advance payments from customers		(17,344)	(16,415)
Current provisions	23	(72,769)	(88,745)
Current liabilities to credit institutions	25	(2,512,394)	(2,026,665)
Current tax liabilities		(28,872)	(11,363)
Interest-bearing current liabilities	12	(13,923)	(19,547)
Interest-bearing current liabilities - related parties	27	(100,662)	(73,814)
Current contract liabilities	4	(37,649)	(74,879)
Class C Shares liability	18	(3,500)	(6,000)
Other current liabilities	24	(740,577)	(489,747)
Other current liabilities - related parties	27	(39,644)	(1,226)
Total current liabilities		(4,740,934)	(3,622,584)
Total liabilities		(7,382,910)	(5,543,201)
Total equity and liabilities		(4,054,350)	(4,292,210)

Polestar Automotive Holding UK PLC
 Consolidated Statement of Changes in Equity
 (in thousands of U.S. dollars unless otherwise stated)

	Note	Share capital	Other contributed capital	Currency translation reserve	Accumulated deficit	Total
Balance as of January 1, 2022		(1,865,909)	(35,231)	15,927	1,701,689	(183,524)
Net loss		—	—	—	479,017	479,017
Other comprehensive income		—	—	(431)	—	(431)
Total comprehensive loss		—	—	(431)	479,017	478,586
Merger with Gores Guggenheim Inc.	18					
Changes in the consolidated group		1,846,472	(1,846,472)	—	(1,512)	(1,512)
Issuance of Volvo Cars Preference Shares		(589)	(588,237)	—	—	(588,826)
Issuance to Convertible Note holders		(43)	43	—	—	—
Issuance to PIPE investors		(265)	(249,735)	—	—	(250,000)
Issuance to GGI shareholders		(822)	(521,285)	—	—	(522,107)
Listing expense		—	(372,318)	—	—	(372,318)
Transaction costs		—	38,903	—	—	38,903
Earn-out rights		—	—	—	1,500,638	1,500,638
Equity-settled share-based payment	8	(9)	(9,900)	—	—	(9,909)
Balance as of December 31, 2022		(21,165)	(3,584,232)	15,496	3,679,832	89,931
Net loss		—	—	—	1,181,875	1,181,875
Other comprehensive loss		—	—	10,143	—	10,143
Total comprehensive loss		—	—	10,143	1,181,875	1,192,018
Equity-settled share-based payment	8, 22	(3)	(5,390)	—	—	(5,393)
Related party capital contribution	22, 27	—	(25,565)	—	—	(25,565)
Balance as of December 31, 2023		(21,168)	(3,615,187)	25,639	4,861,707	1,250,991
Net loss		—	—	—	2,049,897	2,049,897
Other comprehensive loss		—	—	37,513	—	37,513
Total comprehensive loss		—	—	37,513	2,049,897	2,087,410
Equity-settled share-based payment	8, 22	(1)	(9,840)	—	—	(9,841)
Balance as of December 31, 2024		(21,169)	(3,625,027)	63,152	6,911,604	3,328,560

Polestar Automotive Holding UK PLC
Consolidated Statement of Cash Flows
(in thousands of U.S. dollars unless otherwise stated)

	For the year ended December 31,			
	Note	2024	2023	2022
Cash flows from operating activities				
Net loss		(2,049,897)	(1,181,875)	(479,017)
Adjustments to reconcile net loss to net cash flows:				
Depreciation and amortization expense	6	55,719	115,445	140,806
Warranty provisions	23	34,710	66,158	91,245
Impairment of inventory	6, 20	89,744	146,550	14,830
Impairment of property, plant, and equipment, vehicles under operating leases, and intangible assets	6, 12, 15, 16	622,092	339,568	—
Finance income	11	(23,879)	(69,565)	(8,552)
Finance expense	11	393,785	213,242	108,402
Fair value change - Earn-out rights	18	(126,624)	(443,168)	(902,068)
Fair value change - Class C Shares	18	(2,500)	(22,000)	(35,090)
Listing expense	18	—	—	372,318
Income tax benefit (expense)	13	(9,166)	(9,452)	29,756
Share of losses in associates	10	4,970	43,304	—
Gain on sale of asset grouping	28	—	(16,334)	—
Loss on derecognition and disposal of property, plant, and equipment and intangible assets	15, 16	5,606	10,892	11,036
Litigation provisions, net of insurance	23	(2,345)	25,676	—
Other provisions	23	13,426	19,890	23,367
Unrealized exchange (loss) gain on trade payables and receivables		9,783	26,787	(26,672)
Other non-cash expense and income		20,339	(8,945)	13,451
Change in operating assets and liabilities:				
Inventories	20	(255,370)	(358,392)	(186,393)
Contract liabilities	4	(32,286)	77,424	23,663
Trade receivables, prepaid expenses, and other assets	21, 26	85,022	(156,860)	(214,164)
Trade payables, accrued expenses, and other liabilities	24, 26	464,887	(488,842)	21,268
Restricted deposits		(9,412)	—	—
Interest received		21,120	32,280	8,552
Interest paid		(292,770)	(220,147)	(68,130)
Taxes paid		(8,163)	(35,477)	(19,559)
Cash used for operating activities		(991,209)	(1,893,841)	(1,080,951)
Cash flows from investing activities				
Additions to property, plant, and equipment	16, 26	(147,894)	(137,400)	(32,269)
Additions to intangible assets	15, 26	(209,101)	(435,584)	(674,275)
Additions to other investments	17	—	—	(2,500)
Additions to investment in associates	10	(34,300)	—	—
Additions to other non-current assets		(21,300)	—	—
Proceeds from sale of property, plant, and equipment	16	33	1,779	—
Proceeds from sale of asset grouping	28	—	153,586	—
Cash used for investing activities		(412,562)	(417,619)	(709,044)
Cash flows from financing activities				
Change in restricted deposits		—	(1,906)	—
Proceeds from short-term borrowings	25, 26, 27	3,411,263	3,273,888	2,150,955
Proceeds from long-term borrowings	26, 27	938,474	1,381,738	—
Proceeds from related party capital contribution	22, 27	—	25,565	—
Proceeds from issuance of share capital and other contributed capital	18, 22	—	—	1,417,973

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Repayments of borrowings	25, 26, 27	(2,889,899)	(2,553,008)	(1,436,416)
Repayments of lease liabilities	12, 26	(35,646)	(21,916)	(19,448)
Transaction costs	18	—	—	(38,903)
Cash provided by financing activities		1,424,192	2,104,361	2,074,161
Effect of foreign exchange rate changes on cash and cash equivalents	3	(49,448)	1,486	(66,966)
Net (decrease) increase in cash and cash equivalents		(29,027)	(205,613)	217,200
Cash and cash equivalents at the beginning of the period		768,264	973,877	756,677
Cash and cash equivalents at the end of the period		739,237	768,264	973,877

Notes to the Consolidated Financial Statements
(in thousands of U.S. dollars unless otherwise stated)

Note 1 - Overview and basis of preparation

General information

Polestar Automotive Holding UK PLC (the "Parent"), together with its subsidiaries, hereafter referred to as "Polestar," "Polestar Group" and the "Group," is a limited company incorporated in the United Kingdom. Polestar Group operates principally in the automotive industry, engaging in research and development, branding and marketing, and the commercialization and selling of battery electric vehicles, and related technology solutions. Polestar Group's current lineup of battery electric vehicles consists of the Polestar 2 ("PS2"), a premium fast-back sedan, the Polestar 3 ("PS3"), a luxury aero sport-utility vehicle, the Polestar 4 ("PS4"), a premium sport utility vehicle, the Polestar 5 ("PS5"), a luxury sport grand-touring sedan, and the Polestar 6 ("PS6"), a luxury roadster. As of December 31, 2024, the PS2, PS3, and PS4 are in production while the remaining vehicles are under development. Operating sustainably is a critical priority of the Group; targeting climate neutrality by 2040, creating a climate neutral car (cradle-to-gate) by 2030, and halving the emission intensity per car sold by 2030. Polestar Group has a presence in 27 markets across Europe, North America, and Asia. Polestar Group has its management headquarters located at Assar Gabriellssons väg 9, 418 78 Göteborg, Sweden.

As of December 31, 2024, 2023, and 2022, related parties owned 81.8%, 88.3%, and 89.21% of the Group, respectively. The remaining 18.2%, 11.7%, and 10.79% of the Group at each respective year end was owned by external investors.

Merger with Gores Guggenheim, Inc.

Gores Guggenheim, Inc. ("GGI") was a special purpose acquisition company ("SPAC") formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or a similar business combination. GGI was incorporated in Delaware on December 21, 2021 and completed its initial public offering ("IPO") on March 25, 2021.

On September 27, 2021, GGI entered into a Business Combination Agreement ("BCA") with Polestar Automotive Holding Limited, a Hong Kong incorporated company ("Former Parent"), Polestar Automotive (Singapore) Pte. Ltd., a private company limited by shares in Singapore ("Polestar Singapore"), Polestar Holding AB, a private limited liability company incorporated under the laws of Sweden ("Polestar Sweden"), Polestar Automotive Holding UK Limited, a limited company incorporated under the laws of England and Wales and a direct wholly owned subsidiary of the Former Parent, and PAH UK Merger Sub Inc., a Delaware corporate and a direct wholly owned subsidiary of the Parent ("US Merger Sub").

On June 23, 2022 ("Closing"), the Former Parent consummated a reverse recapitalization pursuant to the terms and conditions of the BCA. At the Closing, Polestar Holding AB and its subsidiaries became wholly owned subsidiaries of Parent. US Merger Sub merged with GGI, pursuant to which the separate corporate existence of US Merger Sub ceased and GGI became a wholly owned subsidiary of the Parent. Simultaneously, the following events occurred:

- the Convertible Notes of the Former Parent outstanding immediately prior to the Closing were automatically converted into 4,306,466 Class A Shares in the Parent in the form of American depositary shares;
- the Former Parent was separated from Polestar Group and issued 294,877,349 Class A Shares in the Parent in the form of American depositary shares, 1,642,233,575 Class B Shares in the Parent in the form of American depositary shares, and the right to receive an earn out of a variable number of additional Class A Shares and Class B Shares, depending on the daily volume weighted average price of Class A Shares in the future;
- all GGI units outstanding immediately prior to the Closing held by GGI Stockholders were automatically separated and the holder was deemed to hold one share of GGI Class A Common Stock and one-fifth of a GGI Public Warrant;
- all GGI Class A Common Stock issued and outstanding, other than those held in treasury, were exchanged for 63,734,797 Class A Shares in the Parent in the form of American depositary shares;
- all GGI Class F Common Stock issued and outstanding, other than those held in treasury, were exchanged for 18,459,165 Class A Shares in the Parent in the form of American depositary shares;
- all GGI Common Stock held in treasury were canceled and extinguished without consideration;
- all GGI Public Warrants issued and outstanding immediately prior to the Closing were exchanged for 15,999,965 Class C-1 Shares in the Parent in the form of American depositary shares with effectively the same terms as the GGI Public Warrants and are exercisable for Class A Shares in the Parent;
- all GGI Private Warrants issued and outstanding immediately prior to the Closing were exchanged for 9,000,000 Class C-2 Shares in the Parent in the form of American depositary shares with effectively the same terms as the GGI Private Warrants and are exercisable for Class A Shares in the Parent;
- pursuant to the PIPE Subscription Agreements, third-party investors purchased 25,423,445 Class A Shares in Parent in the form of American depositary shares and Volvo Cars purchased 1,117,390 Class A Shares in Parent in the form of American depositary shares, for a total of 26,540,835 Class A Shares in Parent in the form of American depositary shares for an aggregate total of \$250,000; and
- pursuant to the Volvo Cars Preference Subscription Agreement, Volvo Cars purchased 58,882,610 Preference Shares in the Parent for an aggregate total of \$588,826 which automatically converted to Class A Shares in the Parent in the form of American depositary shares thereafter.

The merger with GGI, including all related arrangements, raised net cash proceeds of \$1,417,973. Gross proceeds of \$638,197 was assumed from GGI, \$250,000 was sourced from the PIPE Subscription Agreements, and \$588,826 was sourced from the Volvo Cars

Preference Subscription Agreement. Polestar incurred total transaction costs of \$97,953 in connection with the merger, of which \$59,050 had been recognized by GGI and deducted from the gross proceeds raised. The merger was accounted for as a reverse recapitalization, in accordance with the IFRS. Refer to *Note 18 - Reverse recapitalization* for additional information on the reverse recapitalization.

Immediately following the closing of the transaction, Parent changed its name to Polestar Automotive Holding UK PLC and began trading on the National Association of Securities Dealers Automated Quotations (“Nasdaq”) under the ticker symbol PSNY. Net loss per share was recast to retroactively reflect the shares issued by the parent to the Former Parent for December 31, 2022. Refer to *Note 14 - Net loss per share* and *Note 22 - Equity* for additional information.

Basis of preparation

The Consolidated Financial Statements in this annual report of Polestar Group are prepared in accordance with IFRS Accounting Standards as issued by the IASB and UK-adopted international accounting standards. The Consolidated Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. For group financial reporting purposes, Polestar Group companies apply the same accounting principles, irrespective of national legislation, as defined in the Group accounting directives. Such accounting principals have been applied consistently for all periods, unless otherwise stated.

This annual report is prepared in the presentation currency, U.S. Dollar (“USD”). All amounts are stated in thousands of USD (“TUSD”), unless otherwise stated. Additionally, non-USD currencies are presented in thousands unless otherwise stated.

Periods discussed prior to June 23, 2022 represent the operations of the Former Parent and its consolidated subsidiaries.

Going concern

Polestar Group’s Consolidated Financial Statements have been prepared on a basis that assumes Polestar Group will continue as a going concern, executing on management’s 2025-2029 business plan.

Management assessed Polestar Group’s ability to continue as a going concern and evaluated whether there are certain events or conditions, considered in the aggregate, that may cast significant doubt about Polestar’s ability to continue as a going concern. As a result of this assessment, management identified a material uncertainty that casts doubt on Polestar Group’s ability to obtain sufficient financing to support its cash flow needs and ensure on-going compliance with its debt covenants. In performing this assessment, management considered a broad range of relevant information, including cash flow forecasts, liquidity forecasts and operational forecasts pertaining to the twelve-month period following the issuance date of these Consolidated Financial Statements, as well as other risks related to Polestar’s business. In making these forecasts, management was required to make judgements relating to Polestar Group’s future operations as well as macroeconomic and geopolitical factors. These include judgements relating to car sale volumes and prices, operating expenses (including the potential impact of tariffs), required capital expenditure and market demand for debt refinancing and debt and equity issuances by Polestar.

As a result of scaling up commercialization and continued capital expenditures related to developing the PS3, PS4, PS5 and PS6, managing the Company’s liquidity profile and funding needs remains one of management’s key priorities. If Polestar is not able to raise the necessary funds through its operations, equity issuances, debt financings and refinancing or other means, the Group may be required to delay, limit, reduce, or, in the worst case, terminate research and development and / or commercialization efforts. As of December 31, 2024 Polestar has net current liabilities of \$2,442,607. Since inception, Polestar Group has generated recurring net losses and negative operating and investing cash flows. Net losses for the years ended December 31, 2024, 2023, and 2022, amounted to \$2,049,897, \$1,181,875, and \$479,017, respectively. Negative operating cash flows for the years ended December 31, 2024, 2023, and 2022, amounted to \$991,209, \$1,893,841, and \$1,080,951, respectively and negative investing cash flows for the years ended December 31, 2024, 2023, and 2022, amounted to \$412,562, \$417,619, and \$709,044, respectively. Management’s 2025-2029 business plan forecasts that Polestar will generate negative operating cash flows in the near term and that investing cash flows will continue to be negative in the near and long-term due to the high capital expenditure demands of Polestar’s business. Securing financing to support operating and development activities represents an ongoing challenge for Polestar Group.

Polestar Group primarily finances its operations through short-term (i.e., 12 months or less) working capital loan arrangements with credit institutions, contributions from shareholders, extended trade credit from related parties, and long-term financing arrangements with related parties. During the year ended December 31, 2024, Polestar entered into its first long-term financing arrangement with unrelated parties, an unsecured, multi-currency syndicated loan from banks, to help with the Group’s long-term liquidity needs - refer to *Note 25 - Liabilities to credit institutions*. For further details of the contractual maturities of Polestar’s non-derivative financial assets and liabilities, including its financing arrangements refer to *Note 17 - Financial instruments*. Management’s 2025-2029 business plan indicates that Polestar Group depends on rolling-over current financing arrangements as well as obtaining additional financing that is expected to be funded via a combination of new short-term working capital loan arrangements, long-term loan arrangements, loans with related parties, and executing capital market transactions through offerings of debt and/or equity. Until Polestar Group begins generating sufficient positive operating cash flows, the timely realization of these financing endeavors is essential for Polestar Group’s ability to continue as a going concern. Management cannot guarantee that Polestar Group will be successful in securing the funds necessary to continue operating and development activities as planned. During the year ended December 31, 2024, Polestar demonstrated efforts towards achieving liquidity targets in management’s 2025-2029 business plan by:

- Renegotiating the terms of its long-term convertible credit facility with Volvo Cars to extend the principal repayment date to December 29, 2028;
- Securing financing support from several lenders in the form of a long-term syndicated multicurrency green trade facility;
- Entering into a non-recourse revolving trade receivables factoring arrangement; and
- Entering into multiple short-term working capital loan arrangements with banking partners in China.

Following December 31, 2024 but prior to the issuance of these Consolidated Financial Statements, Polestar has secured additional financing through multiple short-term working capital loans with Chinese banking partners, a new green trade facility and an extension of the revolving credit green trade facility originally entered into during the year ended December 31, 2022 - refer to *Note 30 - Subsequent events* for further details of these subsequent events.

Polestar is party to financing instruments that contain financial covenants with which Polestar must comply during, and beyond, the 12 months following the issuance date of these Consolidated Financial Statements including, but not limited to, a minimum quarterly cash levels of €400,000, and maximum quarterly financial indebtedness of \$5,500,000 - refer to *Note 25 - Liabilities to credit institutions* for further details. A failure to comply with such covenants may result in an event of default that could have material adverse effects on its business. Due to the factors discussed above, there is material uncertainty as to whether Polestar will be able to comply with all covenants in future periods. Remedies to a potential event of default include proactively applying for a covenant waiver prior to such event of default occurring. Prior to December 31, 2024, Polestar applied for, and received acceptance of, a waiver of certain financial covenants related to its syndicated multicurrency green trade facility for the year ended December 31, 2024 and the quarter ended March 31, 2025. However, management cannot guarantee that waivers will be granted for any future non-compliance with covenants on this facility nor on Polestar's other borrowings with covenants.

Management forecasts sufficient liquidity in the twelve-month period following the issuance date of these Consolidated Financial Statements in order for Polestar to meet its cash flow requirements as well as to ensure compliance with the applicable financial covenants, but the uncertainty related to the execution of management's liquidity and funding plan indicates the existence of a material uncertainty that may cast significant doubt upon Polestar's ability to continue as a going concern. There are ongoing efforts in place to mitigate the uncertainty. The Consolidated Financial Statements do not include any adjustments to reflect the going concern uncertainty.

Note 2 - Significant accounting policies and judgements

Adoption of new and revised standards

Effects of new and amended IFRS

The following new standards and amendments effective from January 1, 2024 were adopted by the Group for the preparation of these Consolidated Financial Statements. Management concluded the adoption of any of the below accounting pronouncements did not have a material impact on the Group's financial statements, unless otherwise noted.

In January 2020, the IASB published amendments to IAS 1 which clarify the presentation of liabilities as current or non-current based off the rights that are in existence at the end of the reporting period, not the expectations about an entity's exercise of certain rights to defer the settlement of a liability or other subsequent events. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024.

In October 2022, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements* ("IAS 1"), which clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendment for annual periods is effective beginning on or after January 1, 2024.

In September 2022, the IASB issued an amendment to IFRS 16, *Leases* ("IFRS 16"), which clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. This amendment for annual periods is effective beginning on or after January 1, 2024.

In May 2023, the IASB issued amendments to IAS 7, *Statement of Cash Flows* ("IAS 7") and IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7") titled *Supplier Finance Arrangements*, to implement new disclosure requirements to improve clarity and usefulness of information provided by entities concerning supplier finance arrangements. These changes aim to help users of financial statements understand the impact of supplier finance arrangements on an entity's liabilities, cash flows, and exposure to liquidity risk. The amendments for annual periods are effective beginning on or after January 1, 2024.

New and amended IFRS issued but not yet effective

Management has concluded the adoption of any of the below accounting pronouncements, that were issued but not effective for the annual period ended December 31, 2024, will not have a material impact on the Group's financial statements, unless otherwise noted.

In June 2023, International Sustainability Standards Board ("ISSB") issued IFRS S1, *General Requirements for Disclosure of Sustainability-related Financial Information* ("IFRS S1"), and IFRS S2, *Climate-related Disclosures* ("IFRS S2"). IFRS S1 provides the basic requirements for sustainability disclosures, which should be used with IFRS S2 as well as the future Standards the ISSB releases. IFRS S2 has been developed specifically to capture climate-related risks and opportunities disclosure requirements. These standards for annual periods are effective beginning on or after January 1, 2024. However, as the Group's Parent is registered in the United Kingdom, and the United Kingdom does not require adoption of this standard no earlier than January 1, 2026, Polestar has not yet adopted this standard.

In August 2023, the IASB issued the amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21") titled *Lack of Exchangeability*, which outlines how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. This standard for annual periods is effective beginning on or after January 1, 2025.

In December 2023, the ISSB amended the non-climate-related content in the Sustainability Accounting Standards Board ("SASB") standards, which removes and replaces jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics. This standard for annual periods is effective beginning on or after January 1, 2025.

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which outlines the requirements for the presentation and disclosure of information in financial statements. It includes the requirement to classify income and expenses into three new categories: operating, investing, and financing. IFRS 18 will replace IAS 1 and will be effective for

annual periods beginning on or after January 1, 2027. Polestar is evaluating the impact of adopting this standard and the effects are not yet known.

In May 2024, the IASB issued the amendments to IFRS 7 and IFRS 9, *Financial Instruments* ("IFRS 9"), which outlines matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. This standard for annual periods is effective beginning on or after January 1, 2026.

In May 2024, the IASB issued IFRS 19, *Subsidiaries without Public Accountability: Disclosures* ("IFRS 19"), which specifies reduced disclosure requirements that eligible entities can apply instead of the disclosure requirements in other IFRS accounting standards. This standard for annual periods is effective beginning on or after January 1, 2027.

In July 2024, the IASB issued the amendments as part of its annual improvements process to IFRS 1, *First-time Adoption of International Financial Reporting Standards* ("IFRS 1") regarding hedge accounting by a first-time adopter, IFRS 7 about gain or loss on derecognition, IFRS 7 regarding disclosure of deferred difference between fair value and transaction price, IFRS 7 regarding credit risk disclosures, IFRS 9 regarding lessee derecognition of lease liabilities, IFRS 9 regarding transaction price, IFRS 10, *Consolidated Financial Statements* ("IFRS 10") regarding Determination of a 'de facto agent' and IAS 7 regarding Cost method. These annual improvements are sufficiently minor or narrow in scope that they were packaged in one document, even though the amendments are unrelated. This standard for annual periods is effective beginning on or after January 1, 2026.

Presentation

In the Consolidated Statement of Financial Position, an asset is classified as a current asset when it is held primarily for the purpose of trading, is expected to be realized within twelve months of the date of the Consolidated Statement of Financial Position 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 a current liability when it is held primarily for the purpose of trading or is expected to be settled within twelve months of the date of the Consolidated Statement of Financial Position. All other liabilities are classified as non-current.

Basis of consolidation

The consolidated accounts include the Parent company and all subsidiaries over which the Parent, either directly or indirectly, exercises control. The Parent controls an entity when the Parent is exposed to, or has rights to, variable returns from its involvement with the entity, has the ability to affect those returns through its power over the entity, and if it has power over decisions which affect investor returns (i.e., voting or other rights). All subsidiaries are fully consolidated from the date on which control is transferred to the Parent. They are deconsolidated from the date that control ceases. All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated upon consolidation. As of December 31, 2024, 2023 and 2022, the Parent had thirty-two fully consolidated subsidiaries.

Foreign currency

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, assets and liabilities denominated in a foreign currency are translated to the functional currency using the closing exchange rate and items of income and expense are translated at the monthly average exchange rate. Foreign currency gains and losses arising from translation differences are recognized in the Consolidated Statement of Loss and Comprehensive Loss. For more information about currency risk, see *Note 3 - Financial risk management*.

Accounting policies

Use of estimates and judgements

The preparation of these Consolidated Financial Statements, in accordance with IFRS, requires management to make judgements, estimates, and assumptions that affect the application of the Group's accounting policies, the reported amount of assets, liabilities, revenues, expenses, and other related financial items. Management reviews its estimates and assumptions on a continuous basis; changes in accounting estimates are recognized in the period in which the estimates are revised, and prospectively thereafter. Details of estimates and judgements which the Group considers to have a significant impact upon the financial statements are set out below and the corresponding impacts can be seen in the following notes, with key sources of estimation uncertainty being impairment of fixed assets and impairment of inventory:

- **Revenue** – Polestar generates revenue through various channels and has contracts with customers that include multiple performance obligations. The expected cost plus a margin method is used for determining the transaction price of performance obligations included with sales of vehicles. The Company transitioned from the residual method to the expected cost plus a margin method for the performance obligation related to the delivery of the vehicle, effective from the fourth quarter of the year ended December 31, 2023. Sales of vehicles with repurchase obligations are accounted for as operating leases and the related revenue is recorded as lease income. Refer to *Note 4 - Revenue*.
 - **Judgements:** Significant judgements relate to the likelihood of customer returns, the nature and timing of the satisfaction of performance obligations (i.e., revenue recognition over time versus a point in time), and Polestar's ability to collect payment from its customers. Polestar also transacts with its related party equity method investment, Polestar Times Technology (Nanjing) Co., Ltd ("Polestar Times Technology"), in the ordinary course of business in China. Historically, Polestar Times Technology has not been sufficiently capitalized and therefore, has not had the ability to pay Polestar for goods and services when due. Polestar makes significant judgements about the timing and collectability of payments to determine the point in time at which a customer contract is deemed to exist in order to recognize revenue for goods and services sold to Polestar Times Technology.

- *Assumptions and estimates:* Polestar determines the expected cost-plus margin by considering internal cost and pricing data. This information is supported by vehicle sales data from prior years. Polestar also offers volume related discounts and residual value guarantees to certain customers which impacts its estimation of the consideration it will be entitled to in exchange for the delivery of vehicles. In providing residual value guarantees, Polestar makes estimates regarding the future residual values on certain vehicles, considering variables like recent car auction values, future price deterioration due to expected changes in market conditions, vehicle quality data, and repair and recondition costs. Uncertainty exists related to these estimates as future returns, discounts, and residual values offered may change.
- **Intangible assets** – Polestar conducts various internal development projects which are divided into the concept phase and product development phase. Polestar also purchases intellectual property ("IP") which is capitalized into intangible assets. Refer to *Note 15 - Intangible assets and goodwill*.
 - *Judgements:* Significant judgement is used to determine when internally developed IP reaches the product development phase. Internally developed IP is capitalized as an intangible asset when the related project reaches the product development phase (i.e., is expected to generate future economic benefits) and costs can be reliably measured. Acquired IP are capitalized as intangible assets when purchased. Polestar must also make significant judgements related to future utility, technological advancements, market evolution, and potential obsolescence when determining the useful lives of internally developed IP, acquired IP, and software.
 - *Assumptions and estimates:* Polestar estimates the useful life of internally developed IP, acquired IP, and software to determine the period over which to amortize such assets and the best estimate of amortization. Amortization can be estimated using the straight-line, units of production, or an accelerated depreciation method depending on the nature and use of the asset. These estimations involve uncertainty as they require Polestar to predict the period over which these assets will generate economic benefits (e.g., product lifecycles), the asset's future utility, technological advancements, market evolution, and potential obsolescence. These estimates, which are subject to at least annual review, can affect the amortization expense recorded in the financial statements.
- **Property, plant and equipment** – Polestar purchases and constructs items of Property, Plant and Equipment ("PPE") related to vehicle production. Refer to *Note 16 - Property, plant and equipment*.
 - *Judgements:* When accounting for PPE, Polestar makes significant judgements related to the receipt of the future economic benefits of the asset and the reliability of the measurement of costs related to such PPE.
 - *Assumptions and estimates:* Polestar estimates the useful life of PPE to determine the period over which to depreciate such assets and the best estimate of depreciation. Depreciation can be estimated using the straight-line, units of production, or an accelerated depreciation method depending on the nature and use of the asset. These estimates involve uncertainty as they require Polestar to predict the period over which these assets will generate future economic benefit (e.g., product lifecycle), the asset's future utility, market evolution, and potential obsolescence). Polestar mitigates these uncertainties by periodically reviewing and, if necessary, adjusting estimates based off the latest available data.
- **Impairment of fixed assets** – Polestar conducts routine evaluations of its PPE, intangible assets, and goodwill for evidence of impairment indicators. At least annually and when impairment indicators exist, Polestar conducts an impairment test at the cash generating unit ("CGU") level. A CGU is defined as the smallest identifiable group of assets that generates largely independent cash inflows. Refer to *Note 12 - Leases, Note 15 - Intangible assets and goodwill, and Note 16 - Property, plant and equipment*.
 - *Judgements:* Polestar uses significant judgement to determining the number of CGUs, and the composition of each CGU, particularly in evaluating the interdependence of Polestar's capital-intensive assets like PPE and IP and working capital assets related to cash flow generation.
 - *Assumptions and estimates:* Polestar uses estimates to determine the recoverable amount of each CGU. Estimating the recoverable amount involves uncertainty, as it requires the forecasting of future cash flows and expected market conditions and estimating the appropriate discount rates and growth rates. Key estimates in forecasting future cash flows are volumes, pricing, manufacturing costs, and the weighted average cost of capital ("WACC") as the discount factor used. Refer to the section, *Impairment*, included later in this note for details on the sensitivity of fixed asset impairment charges to changes in volumes, pricing, manufacturing costs, and WACC.
- **Impairment of inventory** – Polestar conducts routine evaluations of its inventories to ensure that the carrying value of inventories does not exceed net realizable value ("NRV"). Refer to *Note 20 - Inventories*.
 - *Judgements:* Polestar exercises significant judgement in determining when to conduct evaluations of its inventories to ensure the carrying value does not exceed NRV. Significant judgements influencing the estimated selling price of inventories are based off an evaluation of internal and external market data and trends relevant to each market in which Polestar transacts.
 - *Assumptions and estimates:* NRV is based on the estimated selling price of inventories less estimated costs of completion and estimated costs necessary to make the sales. Polestar conducts routine analyses to determine if the estimates used in the NRV calculation require change. These estimates are subject to uncertainty due to potential changes in market pricing which fluctuates due to market conditions, sales prices, and discounts. Refer to *Note 20 - Inventories* for details on the sensitivity of inventory impairment charges to changes in market pricing.

- **Valuation of tax loss carry-forwards** – The recognition of deferred tax assets requires estimates to be made about the level of future taxable income and the timing of recovery of deferred tax assets, taking into account the relevant tax jurisdictions. Refer to *Note 13 - Income tax benefit (expense)*.
 - *Judgements*: The recognition of deferred tax assets involves significant judgement in assessing the probability that sufficient future taxable income will be available to utilize the loss carry-forwards. This requires considering the relevant tax jurisdictions and their specific rules and regulations. The decision to recognize deferred tax assets is based on Polestar's assessment of the likelihood and timing of future taxable income.
 - *Assumptions and estimates*: Estimating the level of future taxable income and the timing of the recovery of deferred tax assets introduces uncertainty. Polestar must consider various factors and assumptions, including future business performance, tax planning strategies, and the economic environment in different tax jurisdictions. These estimates can significantly impact the valuation of deferred tax assets and are subject to change based on new information or changes in circumstances.
- **Valuation of Class C-1 Shares and Class C-2 Shares (collectively, "Class C Shares")** – Class C Shares are derivative financial instruments that are carried at fair value through profit and loss. Class C-1 Shares are publicly traded on the NASDAQ (i.e., an active market). Quoted or observable prices for Class C-2 Shares are not available in active markets, requiring Polestar to estimate the fair value of the instruments each period utilizing certain valuation techniques. Refer to *Note 18 - Reverse recapitalization*.
 - *Assumptions and estimates*: Since the Class C-2 Shares do not have quoted or observable prices, Polestar is required to estimate the fair value of the instruments utilizing certain Black-Scholes valuation techniques. These techniques include models that incorporate various assumptions and market inputs, which are subject to change and can significantly affect the estimated fair value. Refer to *Note 3 - Financial risk management* for details on the sensitivity of changes in fair value of the Class C-2 Shares liability to changes in market volatility.
- **Valuation of Earn-out rights** – The contingent Earn-out rights are derivative financial instruments that are carried at fair value through profit and loss. Quoted or observable prices for these financial instruments are not available in active markets, requiring Polestar to estimate the fair value of the instruments each period utilizing certain valuation techniques. Refer to *Note 18 - Reverse recapitalization*.
 - *Assumptions and estimates*: Since quoted or observable prices for these instruments are not available in active markets, Polestar is required to estimate the fair value of the instruments each period utilizing a Monte Carlo valuation technique. This techniques involve utilizing a model that incorporates various assumptions and market inputs which are subject to change and can significantly impact the estimated fair value. Refer to *Note 3 - Financial risk management* for details on the sensitivity of changes in fair value of the Earn-out rights liability to changes in market volatility.
- **Manufacturing arrangements with related parties** – Polestar engages in manufacturing agreements with its related parties Volvo Car Group ("Volvo Cars") and Zhejiang Geely Holding Group Company Limited ("Geely") for the production of its vehicles. Polestar must either consider the manufacturing arrangements on their own, or in conjunction with other agreements, in order to account for the relevant explicit and implicit elements of the agreements. Refer to *Note 27 - Related party transactions*.
 - *Judgements*: Polestar uses significant judgement when evaluating its manufacturing agreements with related parties to determine if the arrangement (or multiple arrangements together) creates an explicit or implicit asset or liability. If the manufacturing agreements contain an financing component, Polestar recognizes a related party loan for the financing component. If the manufacturing arrangements contain a lease, Polestar must recognize a right-of-use asset and related lease liability for the leasing component.
 - *Assumptions and estimates*: In accounting for explicit and implicit financing and leasing components in manufacturing agreement with related parties, estimates must be made related to period of borrowing or the lease term. This is aligned to the production lifecycle of the underlying vehicle; if the production lifecycle changes, so will the period of borrowing or estimated lease term which impacts the present value of the respective liability. If the arrangement contains a lease, a change in the estimated production lifecycle would also change the measurement of the right-of-use asset and remaining depreciation since Polestar depreciates its right-of-use assets related to manufacturing arrangements on a units of production basis.

Actual results could differ materially if there is a change in estimates used.

Cash and cash equivalents

Cash consists of cash in banks. All highly-liquid, short-term investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value are classified as cash equivalents and presented as such in the Consolidated Statement of Cash Flows and Consolidated Statement of Financial Position. Polestar's cash and cash equivalents balance consists of cash in banks.

Restricted deposits

Restricted deposits are held by Polestar for specified use which are unavailable to the overall Group for general, operational purposes. As of December 31, 2024 and 2023, the Group had restricted deposits of \$31,011 and \$1,834, respectively, which is presented as other non-current assets in the Consolidated Statement of Financial Position.

Government grants

The Group's subsidiaries based in the People's Republic of China received government grants which were conditioned to be used for production related costs and grants for non-specified purposes. The Group's subsidiary based in the UK received government grants conditioned to be used for product development activities. Neither of these grants are tied to the future trends or performance of the Group and are not required to be refunded under any circumstance. For grants received related to assets the Group deducts the grant from the carrying value of the asset. The grant is then recognized in profit and loss over the life of the depreciable asset as a reduction of the depreciation expense. The amount of government grants received related to assets as of December 31, 2024 and 2023 was \$8,477, and \$4,223, respectively.

The Group's subsidiary based in Ireland received government grants related to incentivizing the use of zero emission vehicles. The incentive is given by the Sustainable Energy Authority of Ireland (SEAI) to support the switch to zero emission vehicles in Ireland. The Group's subsidiary based in Sweden received government grants related to incentivizing innovation and sustainable growth. This incentive is given by Vinnova - Sweden's innovation agency. Receipt of such grants is either reported as a deduction to the related expense or as other operating income, depending on the nature of the grant received. The amount of government grants received as of December 31, 2024, 2023, and 2022 was \$1,775, \$1,402, and \$59, respectively.

Polestar is granted carbon credits from various jurisdictions in which it operates related to its manufacturing and commercialization of electric vehicles. Polestar accounts for the receipt of carbon credits as government grants relating to income and are recognized in inventories in the Consolidated Statement of Financial Position at cost (i.e., nominal value) on the day they are received.

Revenue recognition

Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services. In determining the transaction price, the Group evaluates whether the contract includes other promises that constitute a separate performance obligation to which a portion of the transaction price needs to be allocated. When consideration in a contract includes variable amounts, the Group estimates the consideration to which Polestar will be entitled in exchange for transferring goods to the customer, using either the expected value method or the most likely amount method, depending on the facts and circumstances underlying the sale. In general, the most likely amount method is used when there is a single most likely amount of variable consideration Polestar will receive, and the expected value method is used otherwise.

For contracts that contain more than one performance obligation, Polestar Group allocates the transaction price to each performance obligation on a relative standalone selling price basis. The standalone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which Polestar Group would sell a promised good or service separately to a customer. If a standalone selling price is not directly observable, Polestar Group instead estimates it, using appropriate data that reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Polestar Group disaggregates revenue by major category based on what it believes are the primary economic factors that may impact the nature, amount, timing, and uncertainty of revenue and cash flows from customer contracts.

Sales of vehicles

Revenue from the sales of vehicles includes sales of the Group's vehicles as well as related accessories and services. Revenue is recognized when the customer obtains control of delivered goods or services, and thus has the ability to direct the use of, and obtain the benefits from, the goods or services. Polestar Group includes various services and maintenance (i.e., extended service) offers with the sale of each vehicle for a period of time specified in the contract.

For accessory sales, Polestar evaluates whether the Group is the principal or an agent to determine the appropriate revenue recognition method. As a principal, Polestar controls the specified goods or services before they are transferred to the customer, which is indicated by having primary responsibility for fulfilling the promise. Consequently, when acting as a principal, Polestar recognizes revenue on a gross basis. In the case where Polestar is not a principal, Polestar is an agent and recognizes revenue on a net basis.

Polestar Group also provides connected services, including access to the internet and over-the-air software and performance updates, which provide Polestar's customers new features and improvements to existing vehicle functionality. Although Polestar's connected services improve the in-vehicle experience, it is not required when driving a Polestar vehicle.

These services, maintenance, and connected services are considered stand-ready obligations as Polestar cannot determine (1) when a customer will access a service, or (2) the quantity of a service the customer will require (i.e., delivery is within control of the customer). Polestar uses an expected cost plus a margin method for estimating the transaction price for these stand-ready obligations as this is determined to be the most suitable method for estimating stand-alone selling price for performance obligations other than the vehicle. These services are available throughout the automotive industry, there is public information that is readily accessible, and there is a stable market and cost structure to determine the appropriate inputs to the cost-plus margin calculation. The related performance obligations are satisfied in accordance with the terms of each service, and revenue is deferred and recognized on a straight-line basis over the contract period as a stand-ready obligation. The deferred revenue is presented as current and non-current contract liabilities, since the customers' payments are made before the services are transferred.

Polestar recognizes revenue related to the extended service on a straight-line basis over the 3-year period following initial recognition, consistent with the terms of the contractually offered services. Polestar recognizes revenue related to connected services on a straight-line basis over the 8-year period following initial recognition, consistent with the expected utilization of the services.

The stand-alone selling price associated with the delivery of the vehicle is determined using an expected cost plus a margin method. The transaction price allocated to the delivery of the vehicle is recognized at a point in time on the delivery date. Polestar has continued to evaluate and monitor the number of observable inputs available for use in estimating the stand-alone selling price of its vehicles.

Vehicles are sold to individuals (end customers), fleet customers, financial service providers, dealers, importers, and our equity method investment, Polestar Times Technology. Importer markets exist where the Group does not have its own direct sales unit, so a third party imports Polestar vehicles and sells them to end users.

Since commercialization of Polestar vehicles commenced in the third quarter of 2020, the Group has not recognized a significant number of customer returns, and therefore accrues di-minimis obligations for returns, refunds, or other similar obligations for the years ended December 31, 2024 and 2023. Further, contracts with importers specify that the importer does not have the right to return vehicles.

As part of certain contracts, Polestar provides a residual value guarantee on vehicles sold. The residual value guarantee does not affect the customer's control of the vehicle (i.e., the customer is not constrained in its ability to direct the use of, and obtain substantially all of the benefits from, the vehicle), but it does impact the transaction price as the guarantee effectively reduces the compensation to which Polestar is entitled. Polestar evaluates variables such as recent car auction values, future price deterioration due to expected changes in market conditions, vehicle quality data, and repair and recondition costs to determine the amount of the residual value. For general residual value guarantee arrangements, a refund liability for the difference between the initial estimated residual value and the contracted residual value is accrued against revenue at contract inception as a direct reduction of the transaction price. This refund liability is subsequently trued-up each period to reflect Polestar's estimated changes in residual value risk until cash is paid out at the end of the contract. In other residual value guarantee arrangements, Polestar pays the difference between the initial estimated residual value and the contracted residual value up-front, in cash, and accounts for it as a direct reduction to the transaction price. If Polestar then estimates that it is exposed to additional residual value risk in subsequent periods, a refund liability is accrued against revenue as a subsequent variable adjustment to the transaction price.

There are no significant payment terms for end customers, fleet customers, financial service providers, dealers or importers as payment is due on or near the date of invoice. Consideration received by fleet customers is variable in nature as the customer can receive volume related discounts, which are annual rebates based on the number of vehicles ordered throughout the year. There is no variability in consideration received from importers as they are charged a fixed price per vehicle. There is no significant variability in consideration received from other customers.

Sales of software and performance engineered kits

Revenue from the sales of software is related to intellectual property licensed to Volvo Cars under which Volvo Cars obtained rights to provide software upgrades to their customers' vehicle computer systems in exchange for sales-based royalties to Polestar Group. Software upgrades are downloaded and installed at Volvo Cars' dealerships at a point in time. The Group's performance obligation is satisfied at the point in time the Group transfers the licensed know-how to Volvo Cars, which is when Volvo Cars obtains control of the intellectual property and has the ability to direct the use of, and obtain the benefits from, the license. The Group recognizes license revenue from sales-based royalties in the period in which Volvo Cars' sales of software occur.

Revenue from the sales of performance engineered kits is related to intellectual property licensed to Volvo Cars under which Volvo Cars obtained rights to provide optimizations and enhancements to their customers' vehicles in exchange for sales-based royalties to Polestar Group. Performance engineered kits are installed at Volvo Cars manufacturing plants as part of Volvo Cars' normal manufacturing processes. The Group's performance obligation is satisfied at the point in time the Group transfers the licensed know-how to Volvo Cars, which is when Volvo Cars obtains control of the intellectual property and has the ability to direct the use of, and obtain the benefits from, the license. The Group recognizes license revenue from sales-based royalties in the period in which Volvo Cars' sales of vehicles with the performance engineered kits occur.

There are no significant payment terms as payment is due near the date of invoice.

Sales of carbon credits

Revenue from the sale of carbon credits is recognized when the customer obtains control of the carbon credits (i.e., Polestar satisfies its performance obligation) and has the ability to direct the use of, and obtain the benefits from, the carbon credits transferred. As of December 31, 2024, the total transaction price allocated to performance obligations that were unsatisfied or partially unsatisfied for contracts with an original expected length of one or more years was \$120,188. Of this amount, Polestar expects to recognize \$12,188 in the next 12 months and the rest over the remaining performance obligation period. Additionally, changes in regulations on carbon credits and other demands may significantly impact our remaining performance obligations and revenue to be recognized under these contracts.

In certain jurisdictions, Polestar is unable to independently sell carbon credits generated through the manufacturing and commercialization of Polestar branded vehicles because Polestar is not recognized by the local authorities as the legal original equipment manufacturer of the vehicles. In such cases, Volvo Cars or Geely, depending on the jurisdiction, is registered as the legal original equipment manufacturer of the vehicles instead of Polestar in order to achieve administrative efficiencies with related parties with respect to carbon credit management towards the local authorities. As such, carbon credits generated through the manufacturing and commercialization of Polestar branded vehicles in these jurisdictions are owned and sold by either Volvo Cars or Geely. Consideration received from customers by Volvo Cars and Geely related to these carbon credits is then passed through to Polestar. Since Polestar does not legally own and control these carbon credits prior to sale, compensation received from Volvo Cars and Geely related to these carbon credits sales is recognized within other income on the Consolidated Statement of Loss and Comprehensive Loss.

There are no significant payment terms as payment is due near the date of invoice.

Vehicle leasing revenue

The Group enters into transactions to sell vehicles under which the Group maintains the right or obligation to repurchase the vehicles from the customer in the future (i.e., a forward or call option). The Group accounts for such arrangements as operating leases and records revenue from the sale of related vehicles as vehicle leasing revenue.

Operating leases are initially measured at cost and depreciated on a straight-line basis over the lease term to the estimated residual value. Incremental direct costs incurred in connection with the acquisition of operating lease contracts are capitalized into the operating lease asset and also amortized on a straight-line basis over the lease term. In the Consolidated Statement of Financial Position, such operating leases are presented as vehicles under operating leases and recognized as non-current assets. Vehicle leasing revenue is recognized on a straight-line basis over the lease term. For sales of vehicles with repurchase obligations that are accounted

for as operating leases, the entire amount due to Polestar is paid up-front. Deferred revenue is recorded for the difference between the cash received from the sale of the vehicle and the vehicle's repurchase value, where the associated liability is recorded in other current liabilities and other non-current liabilities in the Consolidated Statement of Financial Position.

Other revenue

Other revenue consists of revenue generated through the Group's sale of research and development services and intellectual property licensed to Volvo Cars under which Volvo Cars obtained rights to source and sell parts and accessories for the Group's vehicles to customers in exchange for sales-based royalties to Polestar Group.

The performance obligation related to the sale of research and development services is satisfied over time as Polestar maintains an enforceable right to payment as costs are incurred and services are provided. As such, revenue from the sale of research and development services is recognized over time.

The performance obligation related to intellectual property licensed to Volvo Cars is satisfied at the point in time the Group transfers the licensed know-how to Volvo Cars and therefore has the ability to direct the use of, and obtain the benefits from, the license. The Group recognizes license revenue from sales-based royalties in the period in which Volvo Cars' sales of parts and accessories occur.

The performance obligation related to the sales of technology to other related parties is satisfied at the point in time the Group transfers the Intellectual property to the related party.

There are no significant payment terms as payment is due near the date of invoice.

Refund liabilities

Refund liabilities are obligations related to contracts with customers and are recognized when Polestar Group estimates it is, or will be, obligated to transfer cash to customers or service providers incentivizing contracts with customers. Refund liabilities primarily relate to volume related bonuses or discounts, residual value guarantees, and interest rate subvention schemes. In the case of volume related bonuses or discounts and interest rate subvention schemes, a short-term refund liability will be recognized as payment is due within a twelve-month period, in line with contractual payment terms. For residual value guarantees, short-term and long-term refund liabilities may be recognized depending on the term of the guarantee.

Contract liabilities

Contract liabilities are obligations related to contracts with customers and are recognized when Polestar Group is obligated to transfer goods or services. Contract liabilities include deferred revenue from service contracts (i.e., services to be performed), operating leases, and connected services. As the Group satisfies its performance obligations, revenue is recognized, and the contract liability is reduced. As stated above, delivery of services and maintenance is within the customer's control. Accordingly, the Group expects to recognize revenue related to such service contract liabilities over the 3-year period following initial recognition, consistent with the terms of the contractually offered services. Related to connected services, the Group expects to recognize revenue over the 8-year period following initial recognition, consistent with the expected utilization of the services. For deferred revenue generated through operating leases, the Group expects to recognize revenue on a straight-line basis, consistent with the terms of the contract.

Cost of sales

Cost of sales relate to inventory costs (i.e., costs capitalized into inventory, subsequently released through cost of sales when inventory is sold) and other costs related to Polestar's revenue generating activities. Inventory costs are purchase costs, conversion costs, and other costs incurred in bringing inventories to their present location and condition. These primarily consist of contract manufacturing costs associated with the production of the PS2, PS3, and PS4, depreciation related to property, plant and equipment ("PPE"), depreciation of right-of-use ("ROU") assets, amortization of intangible assets, warehousing and transportation costs for inventory, customs duties, and other manufacturing and overhead. Costs presented within costs of sales which are not related to inventory costs are other costs related to Polestar's revenue generating activities (e.g., distribution costs and costs related to warranty provisions) and impairment charges (e.g., the write down of inventories and any impairment expense on long-term assets related to Polestar's CGUs). Sales of software and performance engineered kits and other revenue are related to items which were originally developed with the intent of internal use, not with the intent to sell. As such, all costs are appropriately capitalized or expensed as described in *Accounting policies – Intangible assets and goodwill – Internally developed IP*.

Employee benefits

Polestar Group compensates its employees through short-term employee benefits, other long-term benefits, and post-employment benefits. Additionally, termination benefits may be issued when Polestar decides to end employment with employees. Generally, an employee benefit is recognized in accordance with IAS 19, when an employee has provided service in exchange for employee benefits to be paid in the future or when Polestar Group is contractually committed to providing a benefit without a realistic probability of withdrawal from its commitment.

Short-term employee benefits

Short-term employee benefits consist of wages, salaries, social benefit costs, paid annual leave and paid sick leave, and bonuses that are expected to be settled within twelve months of the reporting period in which services are rendered. Short-term employee benefits are recognized at the undiscounted amounts expected to be paid when the liabilities are settled and presented within current provisions and other current liabilities in the Consolidated Statement of Financial Position.

Short-term employee benefits include Polestar Group's Annual Bonus Program (the "Polestar Bonus"), which is a cash-settled short-term incentive program for all permanent employees in all countries. The bonus is based on certain key performance indicators ("KPIs"). Bonuses are expressed as a percentage of employees' annual base salaries and the target bonus varies by employee location and level. The program runs during the calendar year and bonus pay-out is made on a pro-rata basis based on employment during the year. Employees need to have joined the organization as of December 1st of the year in order to be eligible for the program. An estimate of the expected costs of the program are calculated and recognized at the end of each reporting period.

Other long-term benefits

The annual Long Term Variable Pay Program (“LTVP”) is a cash-settled incentive program for certain key management personnel that is based on (1) valuation of Volvo Cars after a three year period (i.e., the vesting period) and (2) Volvo Car’s achievement of certain profit and revenue growth metrics. The LTVP program was instituted at Polestar Group to incentivize key management personnel who transferred employment from Volvo Cars to Polestar Group. Payouts are based on a synthetic share price derived from an independent third-party valuation that is calculated using a discounted cash flow analysis of Volvo Cars and a market analysis of peer companies. Depending on the employee’s position, they are eligible to receive an award equivalent to a certain percentage of their annual base salary that is capped at a 300% ceiling. Employees must remain employed to be eligible to receive the award. The fair value of the LTVP is recognized on the annual grant date, subsequently remeasured at the end of each reporting date, and presented within current and non-current provisions in the Consolidated Statement of Financial Position.

Post-employment benefits

Polestar Group’s post-employment benefits are comprised of defined contribution pension plans and the Swedish defined benefit pension (“ITP 2”) that is managed by the mutual insurance company Alecta.

For defined contribution plans, premiums are paid to a separate legal entity that manages pension plans on behalf of various employers. There is no legal obligation to pay additional contributions if this legal entity does not hold sufficient assets to pay all employee benefits. Contributions payable are recognized in the reporting period in which services are rendered and presented within current and non-current provisions in the Consolidated Statement of Financial Position. Contribution rates are unique to each employee.

Polestar Group’s only defined benefit plan is the ITP 2 plan in Sweden. This plan is accounted for as a multi-employer defined contribution plan under IAS 19 because Alecta does not distribute sufficient information that enables employers to identify their share of the underlying financial position and performance of ITP 2. This treatment is specific to companies operating in Sweden under the guidance discussed in the Swedish Corporate Reporting Board pronouncement UFR 10, *Accounting for the pension plan ITP 2 financed through an insurance in Alecta*, and IAS 19.32–39, *Multi-employer plans*. The premiums for retirement pensions and survivor’s pensions are calculated individually and are based on salary, previously earned pension benefits, and expected remaining years of service, among other factors. Premiums of \$4,967 are estimated to be paid to Alecta for the year ended December 31, 2024 related to ITP 2.

Polestar Group’s share of the total savings premiums for ITP 2 in Alecta for the years ended December 31, 2024, 2023, and 2022, amounted to 0.34%, 0.32%, and 0.21%, respectively. Further, Polestar Group’s share of the total number of active policy holders as of December 31, 2024, 2023, and 2022, amounted to 0.08%, 0.08%, and 0.07%, respectively. The collective consolidation level comprises the market value of Alecta’s asset as a percentage of the insurance obligations calculated in accordance with Alecta’s actuarial methods and assumptions. The collective funding ratio is normally allowed to vary between 125% and 175%. If Alecta’s collective consolidation level is below 125% or exceeds 175%, measures should be taken to create conditions for the consolidation level to return to the normal range. If the consolidation level is below 125%, a measure to return the consolidation level to a normal range may be to increase the agreed price for new subscriptions and/or expansion of existing benefits. If the consolidation level exceeds 175%, one measure to return the consolidation level to a normal range may be to introduce premium reductions. As of December 31, 2024, 2023, and 2022, Alecta’s surplus of consolidation level amounted to 162%, 158%, and 172%, respectively.

Termination benefits

Termination benefits consist of salaries, social benefits, fringe benefits, and severance pay provided to employees that have been terminated from employment as a result of either (1) Polestar’s decision to terminate an employee’s employment before the normal retirement date or (2) an employee’s decision to accept an offer of benefits from Polestar in exchange for the termination of employment. A liability and corresponding expense related to these benefits is recognized at the earlier of either (1) the date in which Polestar can no longer withdraw the offer for termination benefits (e.g., upon acceptance by the employee) and (2) the date when Polestar recognizes costs for a restructuring program that involves the payment of termination benefits.

Share-based payments

Share-based payments qualify as either cash-settled or equity-settled transactions, depending on the nature of their settlement terms. When the participant has the option for cash or equity settlement, the awards are classified as a compound financial instrument consisting of an equity and a financial liability component. When the Group has the option for cash or equity settlement, the awards are classified as equity-settled unless the Group has the obligation to settle in cash (i.e., the award provides the participant with a put option to the Group).

Cash settled share-based payment awards are recognized as a financial liability at their fair value on the date of grant and remeasured at each reporting date until the date of settlement, with changes in fair value recognized in profit and loss. Equity-settled share-based payment awards are recognized in equity using the fair value as of the date of grant and not remeasured thereafter. The expense associated with share-based payments is recognized over the period in which services are provided by the participant, immediately if services are deemed to have already been provided by the participant, or a combination thereof if services were already provided and the participant will continue to provide services over a future period. Share-based payment expenses are recorded in the functional cost category of the Consolidated Statement of Loss and Comprehensive Loss that corresponds with the nature of the services provided.

As of December 31, 2024 and 2023, the Group granted equity settled share-based payments to the Executive Management Team (“EMT”), and other key management members in the form of restricted stock units (“RSU”), and performance stock units (“PSU”) through the Omnibus Incentive Plan. The Group also granted equity settled share-based payments to employees and other key management members in the form of restricted stock awards (“RSAs”) through an employee stock purchase plan. During the year ended December 31, 2024, the Group granted equity settled share-based payments to employees and other key management members in the form of RSUs through a one-time share-based retention program. As of December 31, 2022, the Group granted equity settled share-based payments to employees in the form of free shares, restricted stock units (“RSU”), and performance stock units (“PSU”) through the Omnibus Incentive Plan. During the year ended December 31, 2022, the Group also granted equity settled share-based

payments in exchange for certain marketing services through November 1, 2023 and the service of a public listing of the Group on the Nasdaq through the merger with GGI. Refer to *Note 18 - Reverse recapitalization* for more details on the merger with GGI. Refer to *Note 8 - Share-based payment* for more details on the 2022 Omnibus Incentive Plan, employee stock purchase plan, one time share-based retention program, and marketing service agreement.

Leases

Polestar as lessee

At inception of a contract, the Group assesses whether the contract is or contains a lease. In determining the lease term, management considers all relevant facts and circumstances related to exercising an extension option or not exercising a termination option. Such options are only included in the lease term if the extension option or termination option is reasonably certain to be exercised or not exercised, respectively. If circumstances surrounding the Group's decision related to extension and termination options change, the Group reassesses the term of the lease accordingly. As of December 31, 2024 and 2023, no contractual options to materially extend the lease term existed.

At the lease commencement date, a right-of-use ("ROU") asset and a lease liability are recognized on the Consolidated Statement of Financial Position with respect to all lease arrangements in which the Group is a lessee. The lease liability is initially measured at an amount equal to the present value of the future lease payments under the lease contract, discounted by the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise in-substance fixed payments, among other fixed lease payments, and variable lease payments that depend on an index or a rate, the exercise price of purchase options (if the lessee is reasonably certain to exercise the options), and payments of penalties for terminating the lease (if the lease term reflects the exercise of an option to terminate the lease). The practical expedient of including non-lease components in the measurement of the lease liability for all asset classes is applied.

The ROU asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, and the estimate of costs to dismantle and remove the underlying asset or the site on which it is located, less any lease incentives received. The asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term, except ROU assets that are used in the manufacturing of vehicles, which are depreciated on a production basis and capitalized into inventory. For more information regarding amortization of the ROU asset, refer to *Note 12 - Leases*. The ROU asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group elected the practical expedient to account for leases with lease terms which end within twelve months of the initial date of application as a short-term lease. The Group also elected the practical expedient to not recognize a ROU asset and lease liability for short-term and low-value leases. Low value assets are defined as asset classes that are typically of low value, for example, small IT equipment (cellphones, laptops, computers, printers) and office furniture. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense over the lease term in the Consolidated Statement of Loss and Comprehensive Loss.

On the Consolidated Statement of Financial Position, the lease liabilities are presented within interest-bearing current liabilities, interest-bearing current liabilities - related parties, other non-current interest-bearing liabilities, and other non-current interest-bearing liabilities - related parties. In the Consolidated Statement of Loss and Comprehensive Loss, depreciation expense of the ROU assets is presented on the same line item(s) as similar items of PPE. The interest expense on the lease liability is presented as part of finance expense. In the Consolidated Statement of Cash Flows, amortization of the lease liability is presented as a cash flow from financing activities. Payments of interest, short-term leases, and leases of low value are presented as cash flows from operating activities.

The Group has certain implicit leases stemming from contract manufacturing agreements related to the production of Polestar vehicles. These agreements are associated with unique type bound tooling and equipment ("PS Unique Tools") used in the production of Polestar vehicles at certain suppliers and vendors. The PS Unique Tools are suited specifically for Polestar vehicles and Polestar has the right to direct the use of the related assets. The production of Polestar vehicles occupies 100% of these assets' capacity; as such, the PS Unique Tools are also recognized as ROU assets by the Group from the day production starts.

Sale leaseback transactions

The Group enters into transactions to sell vehicles concurrent with agreements to lease the same vehicles back for a period of six to twelve months. At the end of the rental period, Polestar is obligated to repurchase the car. Due to this repurchase obligation, this transaction is accounted for as a financial liability instead of a lease liability. Accordingly, the Group does not record a sale of these vehicles for accounting purposes and depreciates the assets over their useful lives.

Polestar as lessor

In the Consolidated Statement of Financial Position, vehicles associated with the Group's operating leases are recognized as non-current assets and presented as vehicles under operating leases. The vehicles are initially measured at cost and depreciated on a straight-line basis over their respective lease term to their estimated residual value. Incremental direct costs incurred in connection with the acquisition of lease contracts are capitalized and amortized on a straight-line method over the lease term. Liabilities related to vehicles sold with repurchase obligations are recognized as other non-current and current liabilities. Following repurchase by Polestar, the vehicles are reclassified to inventories.

Finance income and expense

Finance income and expense represent items outside the Group's core business. These items are presented separately from operating loss and include net foreign exchange rate gains (losses) on financial activities, interest income on bank deposits, other finance income, expenses to credit facilities, interest expense, and other finance expenses.

Income tax benefit (expense)

Polestar Group’s income tax benefit (expense) consists of current tax and deferred tax. Taxes are recognized in the Consolidated Statement of Loss and Comprehensive Loss, except when the underlying transaction is recognized directly in equity, whereupon related taxation is also recognized in equity.

Current tax is tax that must be paid or will be received for the current year. Current tax also includes adjustments to current tax attributable to previous periods. Deferred tax is calculated according to the balance sheet method for all temporary differences, with the exception of book goodwill in excess of tax goodwill recorded in purchase accounting, which arises between the tax value and the carrying amount of assets and liabilities.

Deferred tax assets and liabilities are measured at the nominal amount and at the tax rates that are expected to be applied when the asset is realized or the liability is settled, using the tax rates and tax rules that have been enacted or substantively enacted at the date of the Consolidated Statement of Financial Position.

Deferred tax assets relating to deductible temporary differences and loss carry forwards are recognized to the extent it is probable that they will be utilized in the future. Deferred tax assets and deferred tax liabilities are offset when they are attributable to the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis and the affected company has a legally adopted right to offset tax assets against tax liabilities.

The recognition of deferred tax assets requires assumptions to be made about the level of future taxable income and the timing of recovery of deferred tax assets. These assumptions take into consideration forecasted taxable income by relevant tax jurisdiction. The measurement of deferred tax assets is subject to uncertainty and the actual result may diverge from judgements due to future changes in projected earnings by the company, business climate, and changes to tax laws. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. If needed, the carrying amount of the deferred tax asset will be altered.

The assessment of the potential exposure to Pillar Two income taxes is based on the Group’s consolidated financial statements for the current year. Based on the assessment performed, the transitional safe harbor relief applies for most jurisdictions and in the few jurisdictions where this relief does not apply, the full ETR calculation results in an effective tax rate above 15%. Management is not currently aware of any circumstances under which this might change. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes.

Earnings per share

Basic earnings per share is calculated by dividing the net loss for the period by the weighted average number of Class A Shares and Class B Shares outstanding during the period. Diluted earnings per share is calculated by adjusting the net income for the period and the weighted average number of Class A Shares and Class B Shares outstanding for the effect of dilutive potential ordinary shares (“POSs”) outstanding during the period (i.e., Class A Shares and/or Class B Shares that the Group is obligated to issue, or might issue under certain circumstances, in accordance with various contractual arrangements). The Group’s POSs are classified based on the nature of their instrument or arrangement and then the earnings per incremental share (“EPIS”) is calculated for each class of POS to determine if they are dilutive or anti-dilutive. Anti-dilutive POSs are excluded from the calculation of dilutive earnings per share.

EPIS is calculated as (1) the consequential effect on profit or loss from the assumed conversion of the class of POS (i.e., the numerator adjustment) divided by (2) the weighted average number of outstanding POSs for the class (i.e., the denominator adjustment). The EPIS denominator adjustment depends on the class of POS. The Group’s classes of POSs and their related EPIS denominator adjustment methods are as follows:

POS Class	EPIS Denominator Adjustment Method
Unvested equity-settled RSUs and RSAs ¹	Treasury share ²
Class C Shares	Treasury share
Earn-out Rights and PSUs	The number of shares issuable if the reporting date were the end of the contingency period
Convertible Credit Facilities with Volvo Cars and Geely	If the instrument is converted, the number of shares issued on the date of the conversion

1 - Restricted Stock Awards (“RSAs”) are related to the Group’s employee stock purchase plan implemented in January 2024.

2 - The treasury share method prescribed by IAS 33, Earnings Per Share (“IAS 33”), includes only the bonus element as the EPIS denominator adjustment. The bonus element is the difference between the number of ordinary shares that would be issued at the exercise of the options and the number of ordinary shares deemed to be repurchased at the average market price.

Intangible assets and goodwill

An intangible asset is recognized when it is identifiable, Polestar Group controls the asset, and it is expected to generate future economic benefits. Intangible assets have either finite or indefinite lives. Finite lived intangible assets are patents, intellectual property (“IP”), both acquired and internally developed, and software. Indefinite lived intangible assets are goodwill and trademarks.

Intangible assets are measured at acquisition or internal development cost, less accumulated amortization and, as applicable, impairment loss. Depending on the nature and use of finite lived intangible assets, they are either amortized into research and development expense on a straight-line basis or capitalized into inventory on a units of production basis. The Group makes estimates and judgements related to expected usage of intangible assets in accordance with management’s latest business plan, product life cycles, technological obsolescence, developments, and advancements specific to the battery electric vehicle industry. Management estimates the useful life of intangible assets by taking into account judgements on how the Group plans to utilize such intangibles in accordance with the business plan and any related rights and obligations under its contractual agreements. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The useful lives of intangible assets with indefinite useful lives, goodwill and trademarks, are assessed

annually to determine whether the indefinite designation continues to be appropriate. Intangible assets with indefinite useful lives are tested for impairment annually or if an event which could give rise to impairment occurs.

Manufacturing engineering

Polestar Group has entered into agreements with its related parties, Volvo Cars and Geely, regarding manufacturing engineering for the development of Polestar's vehicles. Amortization of manufacturing engineering is capitalized into inventory on a units of production basis.

Acquired IP

Acquired IP are finite-lived intangible assets. Generally, Polestar acquires IP which is directly related to vehicle platforms and production and more general use IP which is not directly related to vehicle production and platforms. Polestar Group has entered into agreements with Volvo Cars and Geely regarding patent rights and the development of technology for both upgrades of existing models and upcoming models. The technology can be either Polestar unique or commonly shared. In both cases, Polestar Group is in control of the developed product for use, either through a license or through ownership of the IP.

During the fourth quarter of the year ended December 31, 2023, Polestar changed how it amortized its acquired IP related to the PS2. Historically, amortization of acquired IP related to the PS1 and PS2 was included in research and development expenses as it represented foundational IP that was leveraged across multiple vehicle models. However, in the fourth quarter of the year ended December 31, 2023, there was a change where the acquired IP related to the PS2 was no longer amortized into Research and development expenses and was instead capitalized into inventory. The change occurred due to changes in the way the PS2 acquired IP will be used in Polestar's other vehicle models. As a result, there was a change in estimate related to the method of depreciation used for the acquired IP from the straight-line method to the units of production method. Because of this change in use, it is more appropriate to use the units of production method over the remaining life-time units to be produced. This provides an accurate estimate of the per-unit cost attributable to the acquired IP.

Internally developed IP

Internally developed IP are finite-lived intangible assets which arise from Polestar's research and development activities. Similar to acquired IP, internally developed IP can be directly related to either (1) vehicle platforms and production or (2) general use. During the fourth quarter of the year ended December 31, 2023, Polestar changed how it amortized its internally developed IP related to the PS1 and PS2 due to the same circumstances described above for acquired IP.

Polestar Group's research and development activities are divided into a concept phase and a product development phase. Costs related to the concept phase are expensed in the period incurred, whereas costs related to the product development phase are capitalized upon the commencement of product development. Each phase is identified by work plans, budgeted, and tracked internally by research and development personnel.

Costs incurred in the concept phase are expensed as incurred when (1) the Group is conducting research activities such as obtaining new knowledge, formulating a project concept, and searching for components to support the project (e.g., materials, devices, and processes) and (2) the Group cannot yet demonstrate that an intangible asset exists that will generate probable future economic benefits.

Costs incurred in the product development phase are capitalized when (1) the Group is conducting development activities such as designing, constructing, and testing pre-production prototypes, tools, systems, and processes, (2) technical feasibility of completing the intangible asset exists, (3) resources required to complete the intangible asset are available to the Group, (4) the Group intends and has the ability to use or sell the intangible asset to generate future economic benefits, and (5) related expenditures can be reliably measured.

Amortization of acquired and internally developed IP

Acquired and internally developed IP are amortized once the related asset, or asset grouping, is ready for its intended use. The amortization of acquired and internally developed IP which relates directly to vehicle platforms and production is capitalized into inventory and included as part of inventory cost. Acquired IP and internally developed IP that are general use and not related to a specific vehicles are amortized into the appropriate functional line item in the Consolidated Statement of Loss and Comprehensive Loss.

The following useful lives of acquired and internally developed IP are applied to Polestar Group to IP in use:

Asset	Useful lives (in years)
Acquired IP directly related to specific vehicle platforms and production	Variable - aligns to product lifecycle
Acquired IP related to general use	3-7
Internally developed IP directly related to specific vehicle platforms and production	Variable - aligns to product lifecycle
Internally developed IP related to general use	3-7

The remaining useful life of acquired and internally generated IP related to general use is 1-6 years.

Software

Software is a finite-lived intangible asset which is amortized over its estimated useful life of 3-8 years. Amortization of software is included in research and development expense and/or selling, general and administrative expense depending on the way in which the assets have been used.

Trademarks

Trademarks are assumed to have indefinite useful lives since Polestar Group has the right and the intention to continue to use the trademarks for the foreseeable future, while generating net positive cash flows for Polestar Group. Trademarks were generated when Volvo Cars acquired Polestar Group in July 2015. Trademarks are recognized at fair value at the date of the acquisition less any accumulated impairment losses.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable assets and liabilities acquired in a business combination. Goodwill was generated as a result of Volvo Cars acquiring Polestar Group in July 2015. For more detailed information on goodwill and intangible assets, see *Note 15 - Intangible assets and goodwill*.

Property plant and equipment

Items of PPE are recognized at acquisition cost, less accumulated depreciation, and as applicable, accumulated impairment loss. The cost of an acquired asset includes its purchase price, expenditures directly attributed to the acquisition and subsequent preparation of the asset for its intended use, and the initial estimate of costs to dismantle and remove the item of PPE and restore the site on which it was located. PPE can be directly related to vehicle production or general use. Repairs and maintenance expenditures are expensed in the period incurred. Expenses related to leasehold improvements and other costs which enhance or extend the life of PPE are capitalized over the useful life of the asset.

Tangible assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Consolidated Statement of Loss and Comprehensive Loss as other operating income and expense.

Buildings

Buildings under development are measured at actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before the building is ready for intended use, and other relevant costs. Buildings under development are not depreciated and are transferred to buildings when ready for the intended use.

Machinery and equipment

Polestar owns the unique tooling which is used in the manufacturing of its vehicles. Because tooling is production specific, it is depreciated on a units of production basis and capitalized into inventory.

Other machinery and equipment which are directly involved in vehicle production are respectively depreciated on a production basis down to its residual value, where the depreciation is capitalized into inventory. Machinery and equipment related to general use is depreciated on a straight-line basis down to its residual value, which is typically estimated to be zero, over its estimated useful life. Depreciation of machinery and equipment related to general use is included in costs of sales as well as selling or administrative expense, depending on the nature of the item being depreciated. Each part of a tangible asset, with a cost that is significant in relation to the total cost of the item, is depreciated separately when the useful life for that part differs from the useful life of the other parts of the item.

The following useful lives are applied in Polestar Group to PPE in use:

Asset	Useful lives (in years)
Buildings	30-50
Machinery and equipment directly related to vehicle production	Variable - aligns to product lifecycle
Machinery and equipment related to general use	3-7

Assets under construction

Assets under construction mainly consists of the construction activities related to Polestar’s machinery and vendor and in-house tooling equipment utilized in the production of vehicles. These assets are carried at cost, less any recognized impairment loss. All direct costs associated with acquisition or construction the tooling equipment, including interest expenses on borrowings, are capitalized. The amounts capitalized in assets under construction pertain to the completed work-in-progress portions of the tooling that Polestar has the control over and have no alternative use for the supplier. Once construction is completed and the assets are ready for their intended use, they are reclassified into the appropriate category of PPE. Depreciation of these assets begins when they are ready for their intended operational use and placed in production.

Impairment

At the end of each reporting period, tangible and definite-lived intangible assets are assessed for indications of impairment. Tangible and definite-lived intangible assets are tested for impairment when an impairment indicator is determined to exist. Indefinite-lived intangible assets, intangible assets not yet available for use, goodwill and trademarks are tested for impairment at least once annually or when an impairment indicator is determined to exist.

For the impairment assessment, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets (i.e., a cash-generating-unit or CGU). Prior to December 31, 2023, Polestar tested assets for impairment under a single CGU as all assets were concentrated around fewer product lines with largely the same assets in use to generate cash flows. As the business has grown, the capital intensive assets used to generate each model have become largely independent and therefore generate independent cash flows. Therefore, Polestar's evaluation of its CGUs changed during the year ended December 31, 2023, triggered by the commercialization of the Polestar 4, production of the Polestar 3, and changes in the expected usage of intangible assets undergoing internal development. For the years ended December 31,

2024 and 2023, Polestar had four cash generating units: (1) the Polestar 2, (2) the Polestar 3, (3) the Polestar 4, and (4) internal development projects (i.e., Polestar 5, Polestar 6, and PX2 powertrain). Any impairment recognized due to the change in Polestar's evaluation of its CGUs constitutes a change in accounting estimate.

Goodwill is allocated based on the nature of the transaction which gave rise to the goodwill and the consequential synergies. Accordingly, goodwill is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the transaction which gave rise to the goodwill. Similarly, the Polestar trademark is allocated. The current goodwill and trademarks are tested for impairment at the corporate level which reflects the lowest level at which the goodwill is monitored for internal management purposes. Impairment evaluations conducted for the years ended December 31, 2024, 2023, and 2022 have not resulted in any impairment of goodwill.

Corporate assets are assets other than goodwill that contribute to the future cash flows of both the CGU under review and other CGUs. Corporate assets are identified and allocated, if possible, on a reasonable and consistent basis to each CGU or groups of CGUs that have cash flows which benefit from operation of the corporate assets. The current identified corporate assets of the Group cannot be allocated on a reasonable and consistent basis to any CGU and, similar to goodwill, are tested for impairment at the corporate level. Impairment evaluations conducted for the years ended December 31, 2024, 2023, and 2022 have not resulted in any impairment of corporate assets.

In testing a CGU for impairment, Polestar compares the CGU's carrying amount to its recoverable amount. The recoverable amount is the higher of the CGU's (1) fair value less costs of disposal or (2) value in use. Value in use is defined as the present value of the future cash flows expected to be derived from an asset (i.e., a discounted cash flow). In calculating the value in use of a CGU, Polestar must determine if a terminal growth rate is applicable based off the facts and circumstances surrounding the CGU's potential for future cash flow generation. Additionally, Polestar uses a calculated after-tax WACC as the discount factor in its value in use calculation.

The estimated future cash flows are based on assumptions valid at the date of the impairment test that represent the best estimate of future economic conditions. Such estimates are calculated using assumptions and judgements related to future economic conditions, market share, market growth, and product profitability which are, generally, consistent with Polestar's latest business plan. When the carrying amount of the CGU is determined to be greater than the recoverable amount, an impairment loss is recognized by first reducing any goodwill allocated to the CGU to zero and then allocating the remaining impairment to the CGU's assets on a pro rata basis.

Impairment for the year ended December 31, 2024

For the year ended December 31, 2024, the recoverable amount for each CGU was based on their value in use and calculated based on estimations of future cash flows using assumptions that were generally consistent with the 2025-2029 business plan, adjusted where necessary to reflect changes in financial conditions and/or expectations in relation to the future subsequent to the preparation of the 2025-2029 business plan. All CGUs used a WACC of 15.5% and no terminal growth rate. Mainly due to a decrease in forecasted pricing for the Polestar 3 and forecasted demand for the Polestar 5, Polestar impaired the Polestar 3 and the internal development project (i.e., Polestar 5, Polestar 6, and PX2 powertrain) CGUs as of December 31, 2024. The recoverable amount of the Polestar 3 CGU was \$635,226, resulting in an impairment loss of \$205,789. The recoverable amount of the internal development project CGU was \$19,328, resulting in an impairment loss of \$416,303.

The volumes, pricing, manufacturing costs and WACC inputs used in determining the value in use for each CGU are sensitive and require significant judgement. Changing these inputs could result in an increase or decrease to the impairment charges recognized. The table below presents how a 1% change in volumes, pricing and manufacturing costs and a 1% increase/decrease in WACC would change the impairment loss for the year ended December 31, 2024:

		Impact on impairment loss			
			Polestar 3 CGU		Internal development project CGU
Volumes	Increase by 1%	-	14,793	-	5,595
	Decrease by 1%	+	4,678	+	2,370
Pricing	Increase by 1%	-	68,505	-	25,601
	Decrease by 1%	+	64,228	+	19,632
Manufacturing costs	Increase by 1%	+	37,165	+	8,960
	Decrease by 1%	-	42,093	-	15,632
WACC	Increase by 1%	+	29,072	+	11,743
	Decrease by 1%	-	30,969	-	11,970

Impairment for the year ended December 31, 2023

For the year ended December 31, 2023, the discounted cash flow for each CGU was based on their value in use and calculated based on estimations regarding future cash flows as seen in the 2024-2028 business plan. All CGUs used a WACC of 15.5% and no terminal growth rate. Mainly due to a decrease in forecasted demand for the Polestar 2, Polestar impaired its Polestar 2 CGU as of December 31, 2023. The recoverable amount of the Polestar 2 CGU was \$696,950, resulting in an impairment loss of \$339,568.

Impairment for the year ended December 31, 2022

No impairment losses were recognized for the year ended December 31, 2022 as the recoverable amount of the Group's single CGU was based on its value in use and determined to be higher than its carrying amount. In calculating the value in use of the Group's single CGU for the year ended December 31, 2022, the discounted cash flow was calculated based on estimations regarding future

cash flows as seen in the 2023-2027 business plan, a terminal growth rate of 2% for cash flows through 10 years following the 2023-2027 business plan, and a WACC of 14%.

Equity method investments

Polestar applies the equity method of accounting when it has an ownership interest that conveys significant influence over the associate, typically through interest in the voting stock of the associate of between 20% and 50%.

Under the equity method of accounting, at the date of acquisition, the investment is recorded at cost and the Group's proportionate share of the unconsolidated associate's net income or loss is included in the Consolidated Statement of Comprehensive Loss, adjusted to eliminate intercompany gains and losses.

The carrying amount of the Group's investment is adjusted to recognize its share of realized profit or loss. If Polestar's share of realized losses exceeds the carrying amount of its investment, the investment balance will be written down to not less than zero. In future periods, when Polestar's share of associate earnings returns to positive, the earnings will be netted against all previously unrecognized losses, providing recognized earnings.

Polestar eliminates its unrealized profit from downstream inventory transactions against the carrying amount of its investment. If the unrealized profit exceeds the balance of the investment, Polestar will reduce the carrying amount of its investment to zero. Any remaining portion of Polestar's share of unrealized profit will not be eliminated.

Polestar conducts routine evaluations of its investment to determine if there are any indicators of impairment present and if there is subsequently objective evidence that the investment is impaired and will recognize an impairment loss when there is a decline in value below carrying value that is other than temporary.

As of December 31, 2024 and 2023, Polestar had an equity method investment in Polestar Times Technology (Nanjing) Co., Ltd ("Polestar Times Technology"), recognized within investment in associates in the Consolidated Statement of Financial Position. For more detailed information on equity method investments, see *Note 10 - Investment in associates*.

Financial instruments

Financial instruments are any form of contract that gives rise to a financial asset in one company and a financial liability or equity instrument in another company. Financial assets and liabilities are presented separately in the Consolidated Statement of Financial Position except where there is a legally enforceable right to offset the recognized amounts and there is an intention of settling them on a net basis, to realize the assets and settle the liabilities simultaneously.

Classification of financial assets

Financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVO") or fair value through profit or loss ("FVTPL").

The classification of financial assets is based on the business model in which these instruments are held and their contractual cash flow characteristics. Assessments of the contractual cash flow characteristics are made on an instrument-by-instrument basis. Polestar Group applies one business model for managing financial instruments. Generally, interest and non-interest bearing financial assets are held to collect contractual cash flows and carried at amortized cost. Investments, other than those accounted for under the equity method, are carried at FVTPL.

Classification of financial liabilities

Financial liabilities are classified at amortized cost unless they are held for trading or designated as classified at FVTPL by IFRS 9, *Financial Instruments* ("IFRS 9"), such as derivative liabilities, financial guarantee contracts, commitments to provide loans at below-market interest rates, and contingent consideration recognized in a business combination. Generally, interest and non-interest bearing financial liabilities are carried at amortized cost as Polestar does not hold financial liabilities for trading. Polestar's derivative liabilities related to the Earn-out rights and Class C Shares are carried at FVTPL. Refer to *Note 18 - Reverse recapitalization* for additional information on the Earn-out rights and the Class C Shares.

Initial recognition

Financial assets and liabilities are recognized on the Consolidated Statement of Financial Position on the date when Polestar Group becomes party to the contractual terms and conditions (i.e., the transaction date). Financial assets are initially recognized at the price that would be received when selling an asset in an orderly transaction between market participants at the measurement date (i.e., fair value), plus transaction costs directly attributable to the acquisition of the financial asset, except for those financial assets carried at fair value through the Consolidated Statement of Loss and Comprehensive Loss. Financial liabilities are initially recognized at the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Subsequent measurement

Financial instruments carried at FVTPL consist of financial assets and liabilities with cash flows other than those of principal and interest on the nominal amount outstanding. Changes in fair value of these instruments are recognized in profit and loss as finance income (expense).

Financial instruments carried at amortized cost are non-derivative financial instruments with contractual cash flows that consist solely of payments of principal and interest on the nominal amount outstanding. These financial instruments are subsequently carried at amortized cost using the effective interest method. Gains and losses are recognized in the Consolidated Statement of Loss and Comprehensive Loss when financial instruments carried at amortized cost are impaired, modified, extinguished, or derecognized. Interest effects on the application of the effective interest method are also recognized in the Consolidated Statement of Loss and Comprehensive Loss as well as effects from foreign currency translation.

Financial assets

Financial assets on the Consolidated Statement of Financial Position consist of cash and cash equivalents, trade receivables, trade receivables - related parties accrued income - related parties, other current receivables, other current and non-current receivables - related parties, restricted cash, and other investments.

A financial asset or a portion of a financial asset is derecognized when the asset is settled or when substantially all significant contractual rights linked to the asset have been transferred to a third party. Where Polestar Group concludes that all significant risks and benefits have not been transferred, the portion of the financial assets corresponding to Polestar Group's continuous involvement continues to be recognized.

Financial liabilities

Financial liabilities in the Consolidated Statement of Financial Position encompass current and non-current liabilities to credit institutions, other current and non-current interest-bearing liabilities with related parties, accrued expenses, accrued expenses - related parties, trade payables, trade payables - related parties, current and non-current lease liabilities, current and non-current lease liabilities to related parties, current and non-current liabilities related to repurchase commitments, current and non-current liabilities related to refund liabilities, advance payments from customers, other current liabilities, other current liabilities - related parties, and derivative liabilities (i.e., Earn-out rights and Class C Shares).

A financial liability or a portion of a financial liability is derecognized when the obligation in the contract has been fulfilled, cancelled, expired, or substantially all significant contractual obligations linked to the liability have been transferred to a third party. Where Polestar Group concludes that all significant obligations have not been transferred, the portion of the financial liability corresponding to Polestar Group's continuous involvement continues to be recognized.

Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit loss associated with financial assets measured at amortized cost. The Group uses the simplified approach for estimating the provision for expected credit losses ("ECL"), which requires expected lifetime losses to be recognized from the initial recognition of the receivable. The Group considers historical credit loss experience, current economic conditions, supportable forecasts for future economic conditions, macroeconomic conditions, and other expectations of collectability. Polestar assumes that the risk of non-payment significantly increases when the financial asset is more than 90 days past due. Additionally, Polestar identifies financial assets as being in default when it is more likely than not that a debtor will not pay Polestar its dues, or when payment is more than 180 days past due. In certain circumstances, even if payment is more than 180 days past due, Polestar is confident it will receive payment and the asset is therefore not considered to be at risk of non-collection. The ECL provision is reevaluated on an ongoing basis after initial recognition.

When an ECL is calculated, and if it is material, it is recognized in an allowance account which decreases the amount of trade receivables. The amount of the expected credit loss will be recognized as an expense in the Consolidated Statement of Loss and Comprehensive Loss. During the years ended December 31, 2024 and 2023, the Group did not have a material amount of write-offs of receivables.

Trade receivables factoring

In situations where Polestar Group enters into an arrangement to sell trade receivables to a third party (i.e., a factor) at a discount, the sale is accounted for in accordance with IFRS 9. Polestar Group evaluates whether these transactions are with or without recourse and applies the derecognition criteria in IFRS 9 to determine if substantially all the risks and rewards of the trade receivables have been transferred to the factor.

For arrangements without recourse, where substantially all risks and rewards have been transferred in exchange for cash, the trade receivables are derecognized. For arrangements with recourse, where substantially all risks and rewards have not been transferred, the trade receivables are not derecognized, and the cash received from the purchaser is accounted for as secured borrowing.

Cash flows from factoring without recourse of trade receivables are classified as cash flows from operating activities in the Consolidated Statement of Cash Flows while cash flows from factoring with recourse are classified as cash flows from financing activities.

Fair value measurement

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required, or permitted, to be either recorded or disclosed at fair value, the Group considers the principal or most advantageous market in which it would operate, and it also considers assumptions that market participants would use when pricing the asset or liability.

A three-tiered hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value. This hierarchy requires that the Group use observable market data, when available, and minimize the use of unobservable inputs when determining fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Observable, market-based inputs, other than quoted prices, in active markets for identical assets or liabilities.

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Polestar Group's assessment of the significance of a particular input to the fair value measurements requires judgement and may affect the valuation of the assets and liabilities being measured and their classification within the fair value hierarchy.

Valuation methodology for the fair value of the financial liability related to the Class C-2 Shares

The Class C-2 Shares represents a derivative financial instrument that is carried at fair value through profit and loss (“FVTPL”) by reference to Level 2 measurement inputs because an observable price for the Class C-1 Shares, which are almost identical instruments, is available in the active market. Class C Shares are presented in current liabilities within the Consolidated Statement of Financial Position as they can be exercised by the holder at any time. The related liability is measured at fair value, with any changes in fair value recognized in earnings. The fair value of the Class C-2 Shares is determined using a binomial lattice option pricing model in a risk-neutral framework whereby the future prices of the Class A Shares are calculated assuming a geometric Brownian motion (“GBM”). For each future price, the Class C-2 payoff amount is calculated based on the contractual terms of the Class C-2 Shares, including assumptions for optimal early exercise and redemption, and then discounted at the term-matched risk-free rate. The final fair value of the Class C-2 Shares is calculated as the probability-weighted present value over all modeled future payoff amounts. As of December 31, 2024, the fair value of the Class C-2 Shares was determined to equal \$630 by leveraging the closing price of the Class C-1 Shares on the Nasdaq of \$0.14 per share, an implied volatility of 173%, a risk-free rate of 4%, a dividend yield of \$0, and a 1,000 time-steps for the binomial lattice option pricing model. As of December 31, 2023, the fair value of the Class C-2 Shares was determined to equal \$1,080 by leveraging the closing price of the Class C-1 Shares on the Nasdaq of \$0.24 per share, an implied volatility of 88%, a risk-free rate of 3.9%, a dividend yield of \$0, and a 1,000 time-steps for the binomial lattice option pricing model. Refer to *Note 18 - Reverse recapitalization* for more detail on the Class C-2 Shares.

Valuation methodology for the fair value of the financial liability related to the Former Parent’s contingent earn-out rights

The Former Parent’s contingent earn-out right represents a derivative financial instrument that is carried at FVTPL by reference to Level 3 measurement inputs because a quoted or observable price for the instrument or an identical instrument is not available in active markets. The earn-out liability is presented in non-current liabilities within the Consolidated Statement of Financial Position to align with the expected timing of the underlying earn-out payments. The fair value of the earn-out is determined using a Monte Carlo simulation that incorporates a term of 2.98, the five earn-out tranches, and the probability of the Class A Shares in Parent reaching certain daily volume weighted average prices during the earn-out period resulting in the issuance of each tranche of Class A Shares and Class B Shares in Parent to the Former Parent. As of December 31, 2024, the fair value of the earn-out was determined to equal \$28,778 by leveraging an implied volatility of 85% and a risk-free rate of 4%. As of December 31, 2023, the fair value of the earn-out was determined to equal \$155,402 by leveraging an implied volatility of 80% and a risk-free rate of 3.9%. The implied volatility represents the most significant unobservable input utilized in this Level 3 valuation technique. The calculated fair value would increase (decrease) if the implied volatility were higher (lower). Refer to *Note 18 - Reverse recapitalization* for more detail on the Former Parent’s earn-out rights.

Valuation methodology for the fair value of RSUs and PSUs granted to employees under the Omnibus Incentive Plan

The fair value of the RSUs granted April 5, 2024 was determined by reference to the Group’s closing share price of \$1.53 on the business day immediately preceding the grant date (i.e., \$1.53 per RSU). The fair value of the RSUs granted April 3, 2023 was determined by reference to the Group’s closing share price of \$3.79 on the business day immediately preceding the grant date (i.e., \$3.79 per RSU). The fair value of the RSUs granted September 9, 2022 was determined by the reference Group’s share price of \$6.72 on the grant date.

The fair value of PSUs granted April 5, 2024, April 3, 2023, and September 9, 2022 was determined by calculating the weighted-average fair value of the 838,323, 368,732 and 241,705 respective units linked to market-based vesting conditions and the 2,514,970, 1,106,195 and 644,116 respective units linked to non-market-based vesting conditions. The units linked to non-market-based vesting conditions were fair valued by reference to the Group’s closing share price of \$1.53, \$3.79, and \$6.72 on the business day immediately preceding the grant date (i.e., \$1.53, \$3.79, and \$6.72 per unit) April 5, 2024, April 3, 2023 and September 9, 2022. The units linked to market-based vesting conditions were fair valued using a Monte Carlo simulation in a risk-neutral option pricing framework whereby the future share prices of Polestar’s Class A Shares and shares of the peer group over the performance period were calculated assuming a GBM. For each simulation path, the payoff amount of the awards was calculated as the simulated price of the Class A Shares multiplied by the simulated total shareholder return vesting (i.e., the number of awards simulated to vest based on the probability of achievement of certain performance conditions) and then discounted to the grant date at the term-matched risk-free rate.

For the shares granted April 5, 2024, the fair value per unit of the units linked to market-based vesting conditions was determined to be \$1.67 by leveraging a peer group historical average volatility of 75%, a risk-free rate of 4.5%, a simulation term of 2.7 years, a dividend yield of 0%, and 100,000 simulation iterations. As such, the weighted-average fair value per PSU was calculated to be \$1.57. For the shares granted April 3, 2023, the fair value per unit of the units linked to market-based vesting conditions was determined to be \$3.33 by leveraging an implied volatility of 75%, a peer group historical average volatility of 63.5%, a risk-free rate of 3.8%, a simulation term of 2.7 years, a dividend yield of 0%, and 100,000 simulation iterations. As such, the weighted-average fair value per PSU was calculated to be \$3.68. For the shares granted September 9, 2022, the fair value per unit of the units linked to non-market-based vesting conditions was determined to be \$7.93 by leveraging an implied volatility of 70%, a peer group historical average volatility of 81.9%, a risk-free rate of 3.5%, a simulation term of 2.3 years, a dividend yield of nil, and a 100,000 simulation iterations. As such, the weighted-average fair value per PSU was calculated to be \$7.02. Refer to *Note 8 - Share-based payment* for more detail on the Omnibus Incentive Plan.

Inventories

Inventories in Polestar Group includes new, used, and internal vehicles. Internal vehicles are those used by employees or the Group for demonstration, test drive, and various other operating purposes that will be sold as used vehicles. Most internal vehicles are utilized for a period of one year or less prior to sale. Inventories are measured at the lower of cost and NRV and consist primarily of finished goods as of December 31, 2024 and 2023. NRV is calculated as the selling price in the ordinary course of business less estimated costs of completion and selling costs. The cost of inventory primarily includes costs of purchase and costs of conversion. Costs of purchase includes contract manufacturing price and costs incurred in bringing the inventory to its present location and condition, including, but not limited to, costs such as freight and customs duties. Costs of conversion include costs directly related to variable production overheads, including but not limited to, depreciation and amortization on a units of production basis related to certain ROU lease assets utilized in production, machinery and equipment utilized in production, and intellectual property dedicated to our individual

vehicle platforms. Costs for selling, administration and financial expenses are not included. For groups of similar products, a group valuation method is applied. The cost of similar assets is established using the first-in, first-out method (FIFO). The estimate of the provision for impairment of inventories is determined for those assets that have lost their value.

Equity

Distributed group contributions to the owners, along with the related tax effect, are recorded in equity in accordance with the principles for shareholder's contributions. If any unconditional shareholder's contributions are received from related party owners, they are recognized in equity.

Provisions and contingent liabilities

Provisions are recognized on the Consolidated Statement of Financial Position 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 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 recognized 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 unwinding of the discount is expensed as incurred and recognized in the Consolidated Statement of Loss and Comprehensive Loss. The discount rate does not reflect such risks that are taken into consideration in the estimated future cash flow. Revisions to estimated cash flows (both amount and likelihood) are allocated 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 recognized as a borrowing cost.

Warranty provisions

The Group issues various types of product warranties, under which the Group generally guarantees the performance of products delivered and services rendered for a certain period of time. The estimated warranty costs include those costs which are related to contractual warranties, warranty campaigns (i.e., recalls), and warranty cover in excess of contractual warranties or campaigns. Warranty cover in excess of contractual warranties or campaigns occurs when Polestar Group provides a customer warranty type assistance, above and beyond the stated nature of the contract. This type of warranty cover is normal practice in maintaining a strong business relationship with the customer; the Group accordingly includes the estimate of this provision in total estimated warranty costs. In the future, the Group, may at various times initiate a recall if any products or vehicle components, including any systems or parts sourced from our suppliers, prove to be defective or noncompliant with applicable laws and regulations.

All warranty provisions are recognized at the time of the sale of vehicles. The initial calculations of the warranty provisions are based on historical warranty statistics, considering factors like known quality improvements and costs for remedying defaults. The warranty provisions are subsequently adjusted if recalls for specific quality problems are made. On a periodic basis, the provisions are adjusted to reflect the latest available data such as actual spend and exchange rates. The provisions are reduced by warranty reimbursements from suppliers. Such refunds from suppliers decrease Polestar Group's warranty costs and are recognized to the extent these are considered to be virtually certain, based on historical experience or agreements entered into with suppliers.

Employee benefits provisions

Employee benefits provisions comprise estimated costs related to short-term incentive programs, long-term incentive programs, and post-employment benefit programs. Estimates for these provisions primarily give consideration to employment agreements and regular internal determinations made by the Board's compensation committee regarding cash-based incentives for employees. Refer to the *Employee benefits* section elsewhere in this footnote for additional discussion on the Group's incentive and post-employment benefits programs.

Litigation provisions

Litigation provisions comprise estimated costs for advisors, settlements, and other legal costs associated with lawsuits under which the Group is a defendant or in circumstances where the Group has indemnified other parties subject to a lawsuit. Estimates for these provisions give consideration to advice from advisors, precedents set by outcomes from lawsuits of similar nature, legal budgets, and internal assessments of trial timing and risk. Refer to *Note 23 - Current and non-current provisions* for additional detail of individual litigation provisions for circumstances where the Group's exposure is deemed material.

Other provisions

Other provisions primarily comprise estimated costs for taxes and other miscellaneous items. Estimates for these provisions give consideration to historical trends, various other risks, and specific agreements related to recoveries provided by suppliers which cannot be allocated to any other class of provision.

Contingent liabilities

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 derived 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 than likely or when the amount of the obligation cannot be reliably measured.

Borrowing costs

Borrowing costs are expensed as incurred unless they are directly attributable to the acquisition, construction, or production of a qualifying asset and are therefore part of the cost of that asset. In accordance with IAS 23 and IAS 16, borrowing costs related to assets under construction have been capitalized. These borrowing costs relate to special vendor tools and special type bound tooling, which have deferred payment terms. The borrowing costs capitalized for the years ended December 31, 2024 and 2023 were \$10,629

and \$6,881, respectively. The capitalization rate used to determine the amount of capitalized borrowing costs was 6.2% and 5.6% for the years ended December 31, 2024 and 2023, respectively.

Note 3 - Financial risk management

As a result of its business and the global nature of its operations, Polestar Group is exposed to market risks from changes in foreign currency exchange rates, interest rate risk, credit risk and liquidity risk.

Foreign currency exchange risk

The global nature of Polestar Group's business exposes the Group's cash flows to risks arising from fluctuations in currency exchange rates. Changes in currency exchange rates have a direct impact on Polestar Group's operating income, finance income, finance expense, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows. To mitigate the impact of currency exchange rate fluctuations on business operations, the Group continually assesses its exposure to exchange rate risks.

Translation risk

As Polestar Group has functional currencies other than that of the Parent's presentation currency, Polestar is subject to currency translation risk arising from a fluctuation in currency rates. As can be seen in *Note 5 - Geographic information*, Polestar's fixed assets are most concentrated in Sweden and China where the functional currency of the entities is SEK and CNY, respectively, giving rise to translation risk in the form of the SEK/USD and CNY/USD conversions.

Transaction exposure risk

Currency transaction risk arises from commercial transactions and settlement of recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity.

For example, Polestar purchases vehicles in CNY via a SEK denominated legal entity from Volvo Cars' Taizhou plant in China (see *Note 27 - Related party transactions* for further discussion on contract manufacturing arrangements). Under this contract manufacturing arrangement with Volvo Cars, Polestar's purchasing entity bears the currency transaction risk upon purchasing and recognizing the vehicles in inventories, which are denominated in SEK. As the SEK/CNY exchange rate fluctuates, the amount of SEK required to purchase a vehicle in CNY has a corresponding fluctuation. During the year ended December 31, 2024, the SEK weakened against the CNY by approximately 5.71%, from 0.70 SEK/CNY on January 1, 2024 to 0.66 SEK/CNY as of December 31, 2024. During the comparative period, the SEK strengthened against the CNY by approximately 7.58%, from 0.66 SEK/CNY on January 1, 2023 to 0.71 SEK/CNY as of December 31, 2023.

During the year ended December 31, 2024, the Group was primarily exposed to changes in CNY/USD, USD/SEK, EUR/SEK, and GBP/SEK foreign exchange rates. The following table illustrates the estimated impact of a 10% change in these foreign exchange rates as of December 31, 2024 for net asset balances which could be impacted by movements in foreign exchange rates:

	Impact on loss before income taxes	
CNY/USD exchange rate - increase/decrease 10%	+/-	85,516
USD/SEK exchange rate - increase/decrease 10%	+/-	70,227
EUR/SEK exchange rate - increase/decrease 10%	+/-	46,013
GBP/SEK exchange rate - increase/decrease 10%	+/-	8,320

During the year ended December 31, 2023, the Group was primarily exposed to changes in EUR/SEK, GBP/SEK, CNY/SEK, and CNY/USD foreign exchange rates. The following table illustrates the estimated impact of a 10% change in these foreign exchange rates as of December 31, 2023 for net asset balances which could be impacted by movements in foreign exchange rates:

	Impact on loss before income taxes	
EUR/SEK exchange rate - increase/decrease 10%	+/-	38,460
GBP/SEK exchange rate - increase/decrease 10%	+/-	10,838
CNY/SEK exchange rate - increase/decrease 10%	+/-	9,184
CNY/USD exchange rate - increase/decrease 10%	+/-	7,028

During the year ended December 31, 2022, the Group was primarily exposed to changes in the CNY/SEK, EUR/SEK, USD/SEK, and GBP/SEK foreign exchange rate. The following table illustrates the estimated impact of a 10% change in these foreign exchange rates as of December 31, 2022 for net asset balances which could be impacted by movements in foreign exchange rates:

	Impact on loss before income taxes	
CNY/SEK exchange rate - increase/decrease 10%	+/-	60,110
EUR/SEK exchange rate - increase/decrease 10%	+/-	44,850
USD/SEK exchange rate - increase/decrease 10%	+/-	35,445
GBP/SEK exchange rate - increase/decrease 10%	+/-	8,948

The Group's overall transaction currency exposure is reduced by natural hedging, which consists of the currency exposures of the business operations of different entities partially offsetting each other at the Group level. These natural hedges eliminate the need for hedging to the extent of the matched exposures.

Translation exposure risk

Currency translation risk arises from the consolidation of subsidiaries with a functional currency other than USD (i.e., the functional currency of the Parent). Translation risk arises from the conversion of balances denominated in foreign currencies to the functional currency using monthly closing exchange rates. Such currency effects (i.e., foreign currency gains and losses) are recorded in the Consolidated Statement of Loss and Comprehensive Loss. The Group is primarily exposed to currency translation risk from subsidiaries with functional currencies in the Swedish Krona ("SEK"), the Euro ("EUR") the Chinese yuan ("CNY"), and the Great British Pound ("GBP"). Exchange rate translation risk does not affect future cash flows.

Other risk

The Group is exposed to market volatility risk through the financial liabilities for the Class C Shares and Earn-out rights. These instruments are carried at fair value with subsequent changes in fair value recognized in the Consolidated Statement of Loss and Comprehensive Loss at each reporting date. The Class C-1 Shares are publicly traded on the Nasdaq. The Class C-2 Shares and Earn-out rights are not publicly traded and require Level 2 and Level 3 fair value measurements, respectively. Refer to *Note 1 - Overview and basis of preparation* and *Note 18 - Reverse recapitalization* for further details on the Class C Shares, Earn-out rights, and related valuation methodologies. The following table illustrates the estimated impact of a 10% change in market volatility:

	Impact on loss before income taxes			
	2024		2023	
Earn-out liability - increase 10%	+	9,185	+	32,137
Earn-out liability - decrease 10%	-	14,225	-	43,341

	Impact on loss before income taxes					
	Fair value change - Class C-1 Shares		Fair value change - Class C-2 Shares			
	2024	2023	2024	2023		
Class C Shares liability - increase of 10%	+	—	820	+	—	180
Class C Shares liability - decrease of 10%	-	410	820	-	90	180

Interest rate risk

Polestar Group's main interest rate risk arises from current liabilities to credit institutions, non-current liabilities to credit institutions, and other non-current interest-bearing liabilities - related parties with variable rates, which exposes the Group to cash flow interest rate risk. As of December 31, 2024 and 2023, the nominal amount of loans with floating rates within the following captions are as follows:

Loans with variable rates:	Nominal Amount	
	2024	2023
Current liabilities to credit institutions	2,167,369	1,923,755
Non-current liabilities to credit institutions	936,307	—
Other non-current interest-bearing liabilities - related parties	1,250,000	1,250,000

Management closely monitors the effects of changes in the interest rates on the Group's interest rate risk exposures, but the Group currently does not take any measures to hedge interest rate risks. Interest rate risk associated with the Group's current liabilities to credit institutions is limited given their short-term duration; a majority of the Group's risk comes from its non-current liabilities to credit institutions and other non-current interest-bearing liabilities - related parties.

The table below shows the estimated effect on profit or loss and equity of a parallel shift of the interest rate curves up or down by one percent on loans without fixed interest rates. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The calculation considers the effect of financial instruments with variable interest rates, financial instruments at fair value through profit or loss or available for sale with fixed interest rates, and the fixed rate element of interest rate caps. The analysis is performed on the same basis for 2024 and 2023.

	Impact on loss before income taxes			
	2024		2023	
Interest rates - increase/decrease by 1%	+/-	24,461	+/-	15,909

Credit risk

Polestar Group is exposed to counterparty credit risks if contractual partners, fleet customers for example, are unable or only partially able to meet their contractual obligations. Polestar Group's credit risk can be divided into financial credit risk and operational credit risk. Credit risk encompasses both the direct risk of default and the risk of a deterioration of creditworthiness, as well as concentration risks. The Group defines default as the inability to collect receivables once all reasonable means of collection have been unsuccessful and the expectation of recovering contractual cash flows on the receivables is not probable.

Financial credit risk

Financial credit risk on financial transactions is the risk that Polestar Group will incur losses as a result of non-payment by counterparties related to the Group's bank accounts, bank deposits, derivative transactions, and other liquid assets. In order to minimize financial credit risk, Polestar Group has adopted a policy of dealing with only well-established international banks or other major participants in the financial markets as counterparties. Further, Polestar Group also considers the credit risk assessment of its counterparties by the capital markets and places priority on institutions with high creditworthiness and balanced risk diversification. The credit rating of financial counterparties used during the years ended December 31, 2024 and 2023 were in the range of BBB to A+.

Assets that potentially subject the Group to concentrations of credit risk primarily consist of cash and cash equivalents, marketable securities, restricted cash, and trade receivables. Cash and cash equivalents, restricted cash, and marketable securities are all invested in major financial institutions with high credit ratings. Generally, these assets may be redeemed upon demand and, therefore, bear low risk. Risks associated with the Group's trade receivables are further specified below.

Operational credit risk

Operational credit risk arises from trade receivables. It refers to the risk that a counterparty will default on its contractual obligations which would, in turn, result in financial loss to the Group. Trade receivables at Polestar Group mostly consist of receivables resulting from the global sales of vehicles and technology. The credit risk from trade receivables encompasses the default risk of customers. Management evaluates for concentrations of credit risk at the customer level based on the outstanding trade receivables balance of each respective customer account. As of December 31, 2024, one unrelated party accounted for \$20,937 (11.01%) of the Group's total trade receivables (i.e., trade receivables plus trade receivables - related parties). As of December 31, 2023, two unrelated parties accounted for \$23,635 (12.68%) and \$19,205 (10.3%) of the Group's total trade receivables. Historically, the Group has not incurred any losses from these customers and does not have any contractual right to off-set its payables and receivables.

Polestar has six categories of customers when considering sales of vehicles: (1) end customers who pay up-front for vehicles, (2) fleet customers, (3) dealers, (4) importers, (5) financial service providers, and (6) our equity method investment (Polestar Times Technology). All credit risk related to sales to end customers who pay up-front for vehicles is eliminated due to the nature of the payment. To reduce risk related to fleet customers, credit risk reviews are performed prior to entering into related sales agreements. Depending on the creditworthiness of its customers, Polestar Group may establish credit limits to reduce credit risks. For sales to dealers and importers, title to Polestar vehicles remains with Polestar until the invoice is paid in full, which is generally on the invoice date or the day after (i.e., payment is received before the vehicle ships and credit risk is thereby mitigated). Polestar sells vehicles to financial service providers, who then form separate contractual relationships with end customers. To reduce the risk related to such financial service providers, Polestar Group has selected a few credible financing providers in each market. Credit risk reviews, establishment of credit limits, and selection of credible financial service providers must be strictly followed and monitored, globally. The maximum amount of credit risk exposure is the carrying amount of trade receivables. See *Note 17 - Financial instruments* for further details.

Liquidity risk

Liquidity risk is the risk that Polestar Group is unable to meet ongoing financial obligations on time. The Group faces liquidity risk from its loans from financial institutions which are both short-term and long-term in nature. Trade payables with related parties represent working capital arrangements under which the liquidity needs of the Group are highly dependent on the continued flexible payment terms offered to the Group by its related parties. These flexible payment terms are not a contractual right and may be called upon in the future. Refer to *Note 27 - Related party transactions* for additional information on these arrangements. Polestar Group needs to have adequate cash and cash equivalents and other liquid assets on hand to ensure the Group can meet its short-term financing obligations and other working capital needs.

As of December 31, 2024 and 2023, the Group held cash and cash equivalents of \$739,237 and \$768,264, respectively, that were available for managing liquidity risk. The Group entered into short-term and long-term financing arrangements with credit institutions and other financial service providers to enhance short-term and long-term liquidity and financing needs. Refer to *Note 25 - Liabilities to credit institutions* and *Note 27 - Related party transactions* for further details on short-term and long-term borrowings. The Group's short-term liquidity management takes into account the maturities of financial assets and financial liabilities and estimates of cash flows from business operations.

There is a weekly meeting of key stakeholders who engage in discussions related to Polestar's current and forecasted liquidity position to determine Polestar Group's short-term and long-term funding needs. Management has established a liquidity risk management framework for management of the Group's short and long-term funding and liquidity management requirements. The Group prepares long-term planning in order to mitigate funding and re-financing risks. Depending on liquidity needs, Polestar Group will enter into financing and debt agreements and/or lending agreements. All draws on loans are evaluated against future liquidity needs and investment plans.

Capital management

Safeguarding the Group's ability to continue as a going concern, driving growth to provide future returns for shareholders, and maintaining an optimal capital structure to reduce the cost of capital are Polestar Group's primary objectives when managing capital and implementing related capital management strategies. As a Company which is quickly scaling, Polestar's treasury department regularly evaluates the cash needs of the Company and enters into debt arrangements with banks in Europe, China, and with related

parties. To maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt, or enter into short term debt and financing arrangements to increase cash on hand, with an ultimate goal of striking a balance between capital generated through debt versus equity. Polestar's capital is summarized as follows:

	As of December 31,	
	2024	2023
Share capital and other contributed capital	3,646,196	3,636,355
Current liabilities to credit institutions	2,512,394	2,026,665
Other non-current interest-bearing liabilities - related parties	1,410,258	1,413,257
Non-current liabilities to credit institutions	927,235	—
Interest-bearing current liabilities - related parties	100,662	73,814
Total capital	\$ 8,596,745	\$ 7,150,091

As of December 31, 2024, Polestar's main sources of debt are short-term working capital loans which are entered into with credit institutions, long-term working capital loans which are entered into with credit institutions, and long-term related party loans. These obligations are reflected within non-current and current liabilities to credit institutions and other non-current and current interest-bearing liabilities - related parties on the Consolidated Statement of Financial Position, Polestar's working capital loans have a weighted average cost of capital of 5.05% and long-term related party loans have a weighted average cost of capital of 10.35%. As of December 31, 2023, Polestar's working capital loans and long-term related party loans had a weighted average cost of capital of 6.41% and 10.39%, respectively.

Note 4 - Revenue

Polestar Group disaggregates revenue by major category based on the primary economic factors that may impact the nature, amount, timing, and uncertainty of revenue and cash flows from these customer contracts as seen in the table below:

	For the year ended December 31,		
	2024	2023	2022
Sales of vehicles ¹	1,975,864	2,313,124	2,386,685
Vehicle leasing revenue	17,175	17,421	16,719
Sales of software and performance engineered kits	15,344	18,994	21,308
Other revenue	14,960	17,094	5,122
Sales of carbon credits	10,918	1,452	10,984
Total	\$ 2,034,261	\$ 2,368,085	\$ 2,440,818

1 - Revenue related to sales of vehicles is inclusive of (1) sales of accessories recognized at a point in time and (2) extended and connected services recognized over time.

For the years ended December 31, 2024, 2023, and 2022, other revenue primarily consisted of license revenue generated from sales-based royalties received from Volvo Cars on sales of parts and accessories for Polestar vehicles, software performance upgrades and sale of technology to other related parties. As of December 31, 2024, the total transaction price allocated to performance obligations that were unsatisfied or partially unsatisfied for contracts with an original expected length of one or more years was \$120,188. Of this amount, Polestar expects to recognize \$12,188 in the next 12 months and the rest over the remaining performance obligation period. Additionally, changes in regulations on automotive regulatory credits may significantly impact our remaining performance obligations and revenue to be recognized under these contracts.

For the years ended December 31, 2024 and 2022, no individual customer exceeded 10% of revenue. During the year ended December 31, 2023, the Group's largest individual customer that was not a related party accounted for \$372,597 (16%) of revenue. Refer to *Note 27 - Related party transactions* for further details on revenue from related parties.

Refund liabilities

For the years ended December 31, 2024, 2023, and 2022, the Group reduced revenue by \$305,086, \$119,832, and \$54,909 for amounts related to variable consideration due to customers or service providers incentivizing contracts with customers, primarily in the form of volume related bonuses or discounts, residual value guarantees, and interest rate subvention schemes. Accruals related to refund liabilities are presented in other current liabilities, other non-current liabilities, and other current liabilities - related parties. Refer to *Note 24 - Other current and non-current liabilities*.

Contract liabilities

	Deferred revenue - extended service	Deferred revenue - connected services	Deferred revenue - operating leases & other	Total
Balance as of January 1, 2023	39,856	28,511	13,035	81,402
Provided for during the year	30,811	14,469	56,022	101,302

Released during the year	(23,917)	(4,973)	(18,704)	(47,594)
Translation differences and other	755	1,558	609	2,922
Balance as of December 31, 2023	\$ 47,505	\$ 39,565	\$ 50,962	\$ 138,032
of which current	22,150	6,135	46,594	74,879
of which non-current	25,355	33,430	4,368	63,153
Provided for during the year	27,295	14,567	5,795	47,657
Released during the year	(25,672)	(6,656)	(48,406)	(80,734)
Translation differences and other	(2,037)	(3,734)	(533)	(6,304)
Balance as of December 31, 2024	\$ 47,091	\$ 43,742	\$ 7,818	\$ 98,651
of which current	23,649	7,348	6,652	37,649
of which non-current	23,442	36,394	1,166	61,002

As of December 31, 2024, total contract liabilities amounted to \$98,651, which was related to remaining performance obligations associated with sales of vehicles and vehicle leasing revenue. As of December 31, 2023, total contract liabilities amounted to \$138,032, which was related to remaining performance obligations associated with sales of vehicles and vehicle leasing revenue.

Revenue recognized during the year ended December 31, 2024 related to contract liabilities outstanding as of January 1, 2024 was \$74,879. Revenue recognized during the year ended December 31, 2024 related to performance obligations satisfied during the year ended December 31, 2023 was \$31,298.

Revenue recognized during the year ended December 31, 2023 related to contract liabilities outstanding as of January 1, 2023 was \$32,384. Revenue recognized during the year ended December 31, 2022 related to contract liabilities outstanding as of January 1, 2022 was \$27,989. No revenue was recognized during the years ended December 31, 2023 and 2022 related to performance obligation fully or partially satisfied in prior periods.

Note 5 - Geographic information

Polestar Group determined it has one reportable segment as the chief operating decision maker (“CODM”) assesses financial information and the performance of the business on a consolidated basis. The Group manages its business as a single operating segment, which is the business of commercializing and selling battery electric vehicles and related technologies. All substantial decisions regarding allocation of resources as well as the assessment of performance is based on the Group as a whole.

Polestar Group uses the “management approach” in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Group’s CODM to allocate resources and assess performance as the source for determining the Group’s reportable segments. Polestar Group’s CODM has been identified as the Chief Executive Officer (“CEO”) as he assesses the performance of the Group and has the function and sole ability to make overall decisions related to the allocation of the Group’s resources. Polestar Group allocates resources and assesses financial performance on a consolidated basis.

The following tables show the breakdown of Polestar Group’s revenue from external customers and non-current assets (PPE, vehicles under operating leases, and intangibles and goodwill) by geographical location where the Polestar company recognizing the revenue is located:

Revenue	For the year ended December 31,		
	2024	2023	2022
United Kingdom	401,790	529,372	338,042
Sweden	353,590	272,891	358,607
USA	219,888	388,080	515,711
Germany	156,361	242,923	287,010
Belgium	123,254	111,829	88,823
Norway	112,958	92,688	231,310
Netherlands	99,848	98,351	111,316
Denmark	91,375	95,234	67,836
Canada	77,023	129,209	84,220
China	74,373	26,216	39,203
Australia	61,691	103,288	64,547
Finland	46,215	45,567	42,236
Switzerland	43,259	42,611	37,855
Austria	35,583	33,898	27,604
Korea	32,279	59,809	118,108
Spain	29,501	21,594	4,927

Italy	16,988	35,244	1,067
Other regions ¹	58,285	39,281	22,396
Total	\$ 2,034,261	\$ 2,368,085	\$ 2,440,818

1 - Revenue: Other regions primarily consist of Portugal, Luxembourg, Ireland and Singapore for the year ended December 31, 2024, Spain, Ireland and Portugal for the year ended December 31, 2023, and Singapore for the year ended December 31, 2022.

	As of December 31,	
	2024	2023
Non-current assets¹		
Sweden	1,015,649	1,305,295
China	417,070	549,531
USA	84,211	5,017
United Kingdom	63,738	32,342
Other regions ²	54,061	72,784
Total	\$ 1,634,729	\$ 1,964,969

1 - Non-current assets: excludes Deferred tax assets, Other non-current assets and Other investments.

2 - Other regions primarily consist of Germany, Australia and Belgium in 2024 and Switzerland, Australia, Germany and Belgium in 2023. In the annual report of 2023, Germany was disclosed separately but is now aggregated into Other regions.

Note 6 - Expenses by nature

The following table illustrates the Group's expenses for major functions by nature:

	For the year ended December 31,		
	2024	2023	2022
Inventory costs	2,112,317	2,183,847	2,174,192
Impairment of property, plant and equipment, vehicles under operating leases, and intangible assets	622,092	339,568	—
Advertising, selling, and promotion costs	301,199	390,962	298,347
Professional services and consultant costs	283,397	252,734	270,656
Employee benefit costs	209,148	235,656	188,710
Impairment of inventory	89,744	146,550	14,830
Warranties and costs associated with settling contract liabilities	69,215	91,548	131,447
Sales agent costs	58,009	53,570	54,611
Depreciation and amortization expense	55,719	115,445	140,806
Maintenance and insurance service costs	17,910	21,844	15,901
Other costs	20,731	47,955	65,263
Total cost of sales, selling, general and administrative expense, and research and development expense	\$ 3,839,481	\$ 3,879,679	\$ 3,354,763

Note 7 - Employee benefits

The total employee benefits costs for the Group (including key management personnel) during the periods presented were as follows:

	For the year ended December 31,		
	2024	2023	2022
Wages, salaries, and other short-term benefits	116,804	157,011	127,242
Social security and other social benefits	49,828	44,255	30,216
Post-employment benefits	26,948	29,523	26,294
Share-based compensation	9,841	4,867	4,958
Termination benefits	5,727	—	—
Total employee benefits	\$ 209,148	\$ 235,656	\$ 188,710

Post-employment benefits primarily reflects those related to defined contribution plans for the years ended December 31, 2024, 2023 and 2022, inclusive of costs related to the ITP 2. Expenses related to defined contribution plans amounted to \$19,888, \$21,125 and \$20,664 for the years ended December 31, 2024, 2023 and 2022, respectively.

The following table discloses total costs related to employee benefits for the Group's Executive Management Team ("EMT") and managing directors at the Group's sales units:

	For the year ended December 31,		
	2024	2023	2022
Termination benefits	5,727	—	—
Short-term employee benefits	5,711	6,205	8,486
Share-based compensation	1,430	1,829	1,294
Post-employment benefits	656	907	996
Other long-term benefits	—	—	228
Total benefits to key management personnel only	\$ 13,524	\$ 8,941	\$ 11,004

The Group's EMT has the authority and responsibility for planning, directing, and controlling the Polestar Group's activities. The CEO has the ultimate authority for approval of actions proposed by each member of the EMT. As of December 31, 2024, the EMT consisted of the following individuals:

- Michael Lohscheller (CEO);
- Jean-François Mady (Chief Financial Officer, "CFO"); and
- Jonas Engström (Chief Operating Officer, "COO").

Effective December 2024, EMT included a COO position.

As of December 31, 2023, the EMT consisted of the following individuals:

- Thomas Ingenlath (CEO); and
- Johan Malmqvist (CFO).

On August 31, 2023, Dennis Nobelius resigned as COO.

As of December 31, 2022, the EMT consisted of the following individuals:

- Thomas Ingenlath (CEO);
- Johan Malmqvist (CFO); and
- Dennis Nobelius (COO).

The average monthly number of persons employed by the Group (including key management personnel) for the periods presented were as follows:

	For the year ended December 31,		
	2024	2023	2022
Sales and marketing	707	796	705
R&D, design, and digital	656	756	639
Manufacturing	18	19	12
Management, administration, and others	550	651	534
Total average monthly headcount of the Group	1,931	2,222	1,890

Note 8 - Share-based payment

As noted in Note 2 - *Significant accounting policies and judgements*, Polestar granted shares to employees under the Omnibus Plan and employee stock purchase plan as part of the Group's employee compensation. The Omnibus Plan includes several types of programs, including: At-listing Plan, Post-listing Plan, Free Share Plan, and the One-time retention bonus plan, all of which are equity-settled. The employee stock purchase plan is an equity-settled share-matching program.

The following table illustrates share activity for the year ended December 31, 2024:

	Number of PSUs	Number of RSUs	Number of RSAs	Total
Outstanding as of January 1, 2024	1,971,076	762,071	—	2,733,147
Granted	3,353,293	11,359,298	876,835	15,589,426
Vested	—	(144,249)	—	(144,249)
Cancelled	(1,585,249)	(1,250,974)	(9,187)	(2,845,410)
Outstanding as of December 31, 2024	3,739,120	10,726,146	867,648	15,332,914

The following table illustrates share activity for the year ended December 31, 2023:

	Number of PSUs	Number of RSUs	Number of Free Shares	Total
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Outstanding as of January 1, 2023	858,821	458,620	4,222	1,321,663
Granted	1,378,621	530,424	—	1,909,045
Vested	—	(169,853)	(4,222)	(174,075)
Cancelled	(266,366)	(57,120)	—	(323,486)
Outstanding as of December 31, 2023	1,971,076	762,071	—	2,733,147

The following table illustrates total share-based compensation expense, all of which was equity settled, for the years ended December 31, 2024, 2023, and 2022:

	For the year ended December 31,		
	2024	2023	2022
Selling, general and administrative expense	7,257	5,131	7,128
Research and development expense	2,584	262	2,781
Total	\$ 9,841	\$ 5,393	\$ 9,909

At-listing plan

All executives and other key management members are eligible to receive RSUs under this plan. RSUs were granted on September 9, 2022 with the vesting commencement date of June 24, 2022; 33% of the RSUs vested on October 3, 2022 and 33% of the RSUs vested on June 24, 2023. The remaining RSUs will vest in one installment, with the final 34% of awards vesting on June 24, 2024. In order for the RSUs to vest, the employee must remain employed with Polestar at the vesting date. The total number of RSUs granted in 2022 was 517,220, with a fair value of \$3,476 as of the grant date. During 2023, the total number of awards vested was 169,853 with a fair value of \$1,141. During 2023, the total number of awards cancelled due to employees who left the company amounted to 23,780 with a fair value of \$160. During 2024, the remaining awards vested, a total of 144,249 shares with a fair value of \$969. The total number of awards cancelled due to employees who left the company in 2024 amounted to 8,656 with a fair value of \$58.

Post-listing plan

Under this plan, the EMT (i.e., CEO, CFO, and COO), are eligible to receive PSUs and other key management members are eligible to receive RSUs and PSUs. The following table outlines the key terms of awards granted under the plan:

Plan Year	Award Type	Grant Date	Vesting Period	Vesting Commencement Date	Final Vesting Date
2024	PSUs & RSUs	April 5, 2024	3-year cliff	January 1, 2024	June 1, 2027
2023	PSUs & RSUs	April 3, 2023	3-year cliff	January 1, 2023	April 3, 2026
2022	PSUs & RSUs	September 9, 2022	3-year cliff	June 24, 2022	June 24, 2025

In order for the participants to receive PSUs, the Group must achieve the following market and non-market performance-based targets:

Market condition

- 25% value creation – The target is equal to positive relative market value development compared to a specified peer group. This is measured by Relative Total Shareholder Return (“rTSR”) which captures share price change (of a single share) and dividend reinvestment. Relative rTSR is a metric that will be externally measured.

Non-market conditions

- 25% financial performance – The target metric varies by plan year. For the 2024 plan year, the target is equal to accumulated earnings before interest and taxes (“EBIT”) from January 1, 2024 through December 31, 2026. For the 2023 and 2022 plan years, the target is equal to unleveraged free cash flow accumulated from December 1, 2023 through December 31, 2025 and July 1, 2022 through December 31, 2024, respectively. Unleveraged free cash flow is defined as net income, plus net financial items, depreciation and amortization, less investments in intangible assets, investments in plant, property and equipment and change in net working capital.
- 20% environmental, social, governance (“ESG”) – The target is equal to Polestar’s total yearly greenhouse gas emissions divided by the number of cars sold for the applicable year. The greenhouse gas emissions are calculated every year according to Greenhouse gas protocol reporting standards. Polestar includes Scope 1, 2 and 3 emissions. The results and methodology are reported in the annual sustainability report.
- 30% operational milestones – The target is the fulfillment of operational milestones driving growth and stand-alone capabilities.

The following table summarizes the awards granted and canceled in each period along with their respective fair values:

Year Ended	Award Status	Total Awards	PSUs	PSUs Fair Value	RSUs	RSUs Fair Value
December, 31, 2024	Granted	4,708,167	3,353,293	\$5,248	1,354,874	\$2,073
	Canceled	1,926,607	1,585,249	\$4,473	341,358	\$992

December, 31, 2023	Granted	1,909,045	1,378,621	\$5,073	530,424	\$2,010
	Canceled	299,706	266,366	\$980	33,340	\$126
December, 31, 2022	Granted	970,904	858,821	\$6,031	112,083	\$753

Free share plan

All permanent employees hired no later than December 31, 2021 who remained employed were granted free shares on September 30, 2022. The awards vested on October 3, 2022 and are subject to a one-year holding period. During 2022, the total number of Free Shares granted and vested was 334,990 and 330,768, respectively, with vested shares fair value of \$1,715 as of the grant date. During 2023 the remaining free shares were vested with a fair value of \$22. The fair value of the Free shares was determined using the market value of the shares listed on the Nasdaq. Under the Free Share plan, Polestar must withhold the tax obligation related to the share-based payment and transfer that amount in cash to the tax authority on the employee's behalf. Polestar does not withhold shares in order to settle the employee's tax obligations.

Marketing consulting services agreement

On March 24, 2022, Polestar granted an equity-settled share-based payment in exchange for marketing services through November 1, 2023. Per the terms of the agreement, 250,000 Class A Shares vested on August 31, 2022, the date the F-1 Registration Statement became effective. The remaining 250,000 Class A Shares vest over eight equal quarterly installments with the final vesting date of November 1, 2023. The grant date fair value of the marketing consulting agreement was \$5,308 which was determined using the market value of the shares listed on the Nasdaq. Of the 500,000 Class A Shares granted, 375,000 Class A Shares with a fair value of \$4,946 were vested as of December 31, 2022. As of December 31, 2023, the final 125,000 Class A shares were vested and the Group incurred a share-based compensation expense of \$359.

Employee stock purchase plan

Under this recurring annual plan, all permanent employees who meet the eligibility criteria, excluding executive directors, are eligible to receive RSAs. Each annual plan spans 24 months, with employees contributing through 12 monthly net salary deductions to purchase shares in the first year, followed by a 12-month holding period. Polestar matches each acquired share with one additional share in the form of an RSA. The RSAs begin vesting upon the purchase of shares, with full vesting completed at the end of the holding period. To receive the matching RSAs, employees must retain the acquired shares and remain employed until the vesting date. During 2024, the total number of RSAs granted was 876,835, with a fair value of \$1,990. The total number of shares cancelled due to employees who left the company in 2024 amounted to 9,187 with a fair value of \$21.

One-time share-based retention program

On March 6, 2024, Polestar introduced a one-time share-based retention program for all permanent employees hired no later than December 1, 2023, in place of the 2023 Polestar Bonus. Under this program, Polestar granted RSUs on June 3, 2024, with an 11-month vesting period ending on May 3, 2025. The number of RSUs granted to each participant corresponds to Polestar's share price on the grant date and the cash value of that would have been granted to them under the 2023 Polestar Bonus. Receipt of this award is contingent upon the employee remaining employed with Polestar through the vesting date. During 2024, the total number of RSUs granted was 10,004,424 with a fair value of \$8,108. The total number of shares cancelled due to employees who left the company in 2024 amounted to 900,960 with a fair value of \$730.

Note 9 - Other operating income and expense

The following table details the Group's other operating income and expense:

	For the year ended December 31,		
	2024	2023	2022
Other operating income			
Transition services to Polestar Times Technology	26,944	—	—
Sales of plant operation services to a related party	10,100	25,202	—
Reduction of litigation provision, net of insurance	2,345	—	—
Gain on asset grouping sold to a related party	—	16,334	—
Sales of carbon credits to a related party	—	5,628	—
Net foreign exchange rate difference	—	37,466	—
Other operating income	20,043	15,773	4,723
Total	\$ 59,432	\$ 100,403	\$ 4,723
	For the year ended December 31,		
	2024	2023	2022
Other operating expense			
Net foreign exchange rate difference	43,705	—	2,264
Transition services to Polestar Times Technology	8,939	27,630	—
Non-income tax expense	1,248	669	1,083

Litigation expense, net of insurance	—	25,676	—
Other operating expenses	13,631	4,348	1,681
Total	\$ 67,523	\$ 58,323	\$ 5,028

Refer to *Note 10 - Investment in associates* for further details on Transition services to Polestar Times Technology; *Note 27 - Related party transactions* for further details on sales of plant operation services and gain on assets held for sale; and *Note 28 - Assets held for sale* for further details on gain on assets held for sale.

Note 10 - Investment in associates

On June 19, 2023 Polestar entered into a strategic agreement with the technology company, Xingji Meizu, a limited liability company and subsidiary of DreamSmart Technology Pte. Ltd (“DreamSmart”), to combine Polestar’s capabilities of design and performance with the software and consumer electronics hardware development expertise of Xingji Meizu. Xingji Meizu and DreamSmart are related parties. The strategic agreement resulted in the inception of Polestar Technology (Shaoxing) Co., Ltd. (“Polestar Technology”) which is incorporated in China and has its registered office in Zhejiang province. Polestar Technology engages in the sales and marketing of Polestar vehicles, DreamSmart smartphones, augmented reality glasses, and other technology products in China.

In January 2024, Polestar Technology, selected Nanjing as its final province of registration and was renamed to Polestar Times Technology (Nanjing) Co., Ltd (“Polestar Times Technology”). On February 29, 2024, Polestar Times Technology, Polestar, Xingji Meizu, and Nanjing Jiangning Economic and Technological Development Zone Industrial Equity Investment Partnership (the “Nanjing Investor”) entered an agreement for Polestar Times Technology to receive an additional \$60,360 in capital from the Nanjing Investor over four installments in exchange for equity; subject to Polestar Times Technology achieving certain increased paid-in capital and invoiced sales thresholds in Nanjing province. Additionally, Polestar Times Technology can receive an additional \$148,298 in the form of capital reserves from the Nanjing Investor over the four installments. In the event Polestar Times Technology achieves these thresholds and secures the investment installments from the Nanjing Investor, Polestar’s ownership in Polestar Times Technology will decrease to 37.6% over time. Polestar Times Technology is not publicly listed.

As of December 31, 2024, Polestar has finalized cash injection of \$29,400 for the first contribution initially recognized as of December 31, 2023 into Polestar Times Technology. An additional cash injection of \$4,900 was carried out, an accrual for additional investment of \$9,608 was recorded, and 46.2% ownership was maintained as of December 31, 2024. The remaining 48.1% and 5.7% was owned by Xingji Meizu and the Nanjing Investor, respectively. As of December 31, 2023, Polestar owned 49% of Polestar Times Technology and the remaining 51% was owned by Xingji Meizu. Polestar and Xingji Meizu held 40% and 60%, respectively, of the voting interests in Polestar Times Technology by virtue of their board seats and associated rights. The Group accounts for its investment in Polestar Times Technology under the equity method.

In the event of the dissolution of Polestar Times Technology and if Polestar Times Technology’s assets are insufficient to meet its debt obligations, shareholders who have not fully made their required capital contributions and other shareholders existing at the time of establishment of the company, may be held jointly responsible for the remaining debts, limited to the value of their unpaid contributions.

Transition services and corporate services

On June 19, 2023, Polestar began providing transition services to Polestar Times Technology to assist Polestar Times Technology through the start-up process. As the terms of the transition service agreement were not finalized and signed until December 20, 2023, these services were provided to Polestar Times Technology without an agreement of commercial and legal terms (i.e., a contract) between the Group and Polestar Times Technology; resulting in Polestar providing the transition services to Polestar Times Technology at its own risk and without rights to consideration from Polestar Times Technology prior to December 20, 2023. Polestar continued providing certain services to Polestar Times Technology after the transition period ending on December 31, 2023 to assist Polestar Times Technology in daily operation. As the terms of this corporate service agreement were not finalized and signed until September 3, 2024, these services were provided to Polestar Times Technology without a contract between the Group and Polestar Times Technology resulting in Polestar providing the corporate services to Polestar Times Technology at its own risk and without rights to consideration from Polestar Times Technology prior to September 3, 2024.

All related costs were expensed as incurred under their respective functional line items in the Consolidated Statement of Loss and Comprehensive Loss prior to signing and then reclassified to Other operating expenses at contract signing. Additionally, Polestar did not record an accrued asset and corresponding other operating income associated with the right to receive payment for the transition services from Polestar Times Technology at contract signing because the probability of collecting consideration was deemed to be remote due to Polestar Times Technology’s lack of available liquidity. Until facts and circumstances change such that it becomes probable Polestar will collect consideration under the terms of the agreement, other operating income will be recognized if and when payment is received from Polestar Times Technology.

During the year ended December 31, 2024, Polestar collected consideration from Polestar Times Technology and recognized around \$23,400 in income associated with transition and corporate services provided to Polestar Times Technology during the year ended December 31, 2023 which are presented in other operating income (expense), net in the Consolidated Statement of Loss and Comprehensive Loss. Polestar also collected consideration from Polestar Times Technology and recognized \$3,544 in income associated with corporate services provided to Polestar Times Technology during the year ended December 31, 2024.

On September 3, 2024, Polestar signed a Corporate Service Agreement (“SLA Agreement”) with Polestar Times Technology to provide long-term services to Polestar Times Technology. The SLA Agreement outlines that certain transition service activities will continue until December 31, 2025. The services provided include legal, finance, tax, human resources and other services and from time-to-time (including logistics and digital services). During the year ended December 31, 2024, Polestar recognized \$8,939 in expenses associated with providing corporate services to Polestar Times Technology which are presented in other operating income (expense), net in the Consolidated Statement of Loss and Comprehensive Loss. During the year ended December 31, 2024, the probability of collecting consideration in exchange for services provided to Polestar Times Technology remained remote due to

Polestar Times Technology's lack of available liquidity. Polestar did not record an accrued asset and corresponding Other operating income associated with the right to receive payment for the transition services from Polestar Technology. Other operating income will be recognized if and when payment is received from Polestar Technology.

Sales of vehicles

During the year ended December 31, 2023, Polestar and Polestar Times Technology entered into multiple vehicle sale and purchase agreements for Polestar to sell and deliver PS4s to Polestar Times Technology. Similar to transition services, the probability of collecting consideration under these agreements was deemed to be remote due to Polestar Times Technology's lack of available liquidity. As such, Polestar did not record an accrued asset and corresponding revenue associated with the right to receive payment for the vehicles. Until facts and circumstances change such that it becomes probable Polestar will collect consideration under the terms of the agreements, revenue will be recognized if and when payment is received from Polestar Times Technology. Additionally, despite Polestar Times Technology's lack of liquidity, physical possession and title to the vehicles are transferred to Polestar Times Technology without encumbrance or a right for Polestar to repossess the vehicles in the event Polestar Times Technology does not pay. This results in full recognition of inventory costs in cost of sales in the Consolidated Statement of Loss and Comprehensive Loss upon delivery; offset only by an adjustment for the equity method elimination of downstream sales. During the year ended December 31, 2023, the total expense in cost of sales for vehicles delivered where revenue was not recognized was \$28,376, offset by adjustments for the elimination of downstream sales of \$13,904.

During the year ended December 31, 2024, the probability of collecting consideration in exchange for vehicles sold to Polestar Times Technology remained remote due to Polestar Times Technology's lack of available liquidity. While Polestar did collect consideration from Polestar Times Technology during the year ended December 31, 2024 for certain vehicles sold during the year ended December 31, 2023 and December 31, 2024, the circumstances regarding Polestar Times Technology's liquidity have not improved. As such, the Group's accounting for sales of vehicles to Polestar Times Technology remained unchanged from the year ended December 31, 2023. During the year ended December 31, 2024, the Group collected consideration and recognized revenue related to sales of vehicles for \$69,478 of which \$31,298 pertained to vehicles delivered during the year ended December 31, 2023 and \$38,180 pertained to vehicles delivered during the year ended December 31, 2024. As of December 31, 2024, the Group remains unpaid for 416 vehicles delivered to Polestar Times Technology during the year ended December 31, 2024, totaling \$15,981 of unrecognized revenue.

Brand licensing

On November 15, 2023, Polestar licensed the use of the Polestar branding to Polestar Times Technology for use in its commercial operations in China in exchange for an annual royalty equal to 2% of Polestar Times Technology's net revenue each year. For the years ended December 31, 2024 and 2023, no royalty revenue was recognized from Polestar Times Technology.

Sale of operating assets

On November 28, 2023, Polestar agreed to assign certain lease agreements and sell other related assets to Polestar Times Technology for their fair value of \$8,159. This asset grouping was not classified as held for sale as of December 31, 2023 because Polestar deemed it unlikely that significant changes to the agreement would not occur or that the agreement would not be terminated after signing due to Polestar Times Technology's lack of liquidity and other unforeseen complexities. These assets were ultimately transferred in September 2024 and November 2024. However, as of December 31, 2024, no payment has been received from Polestar Times Technology.

The following table summarizes the activity related to Polestar's investment in Polestar Times Technology:

Balance as of January 1, 2023	—
Investment in Polestar Times Technology	29,400
Elimination of effects of downstream sales	13,904
Recognized share of losses in Polestar Times Technology	(43,304)
Balance as of December 31, 2023	\$ —
Investment in Polestar Times Technology	14,508
Elimination of effects of downstream sales	(9,538)
Recognized share of losses in Polestar Times Technology	(4,970)
Balance as of December 31, 2024	\$ —

The following table summarizes the activity related to Polestar's unrecognized losses in Polestar Times Technology:

Unrecognized balance as of January 1, 2023	—
Unrecognized share of losses in Polestar Times Technology	(1,407)
Unrecognized balance as of December 31, 2023	\$ (1,407)
Unrecognized share of losses in Polestar Times Technology	(64,581)
Unrecognized balance as of December 31, 2024	\$ (65,988)

The following table provides summarized financial information from Polestar Times Technology's financial statements and a reconciliation to the carrying amount of Polestar's investment for year ended in December 31, 2024 and 2023:

	For the year ended December 31,	
	2024	2023
Polestar's percentage ownership interest	46.2%	49%
Non-current assets	46,918	19,295
Current assets	48,501	95,770
Non-current liabilities	(20,007)	(8,774)
Current liabilities	(175,538)	(137,689)
Net liabilities	\$ (100,126)	\$ (31,398)
Less: capital reserves	(30,156)	—
Less: share capital attributable to Xingji Meizu	(16,641)	—
Adjusted net liabilities	\$ (146,923)	\$ (31,398)
The Group's share of net liabilities	(67,878)	(15,385)
Elimination of effects of downstream sales in inventory	2,578	13,904
Elimination of effects of downstream sales in long-term assets	1,789	—
Unrecognized losses in Polestar Times Technology	64,581	1,407
Other reconciling items	(1,070)	74
Carrying amount of the Group's investment in Polestar Times Technology	\$ —	\$ —
Revenue	53,248	1,445
Net loss	(150,864)	(91,247)
Other comprehensive loss	320	—
Total comprehensive loss	(150,544)	(91,247)
The Group's share of losses in Polestar Times Technology	\$ (69,551)	\$ (44,711)

Note 11 - Finance income and expense

The following table details the Group's finance income and expense:

	For the year ended December 31,		
	2024	2023	2022
Finance income			
Interest income on bank deposits	21,093	32,280	7,658
Other finance income	2,786	49	894
Net foreign exchange rate gains on financial activities	—	37,236	—
Total	\$ 23,879	\$ 69,565	\$ 8,552
	For the year ended December 31,		
	2024	2023	2022
Finance expense			
Interest expense on credit facilities and financing obligations	187,151	116,190	33,331
Interest expense on related party trade payables and financing liabilities	140,838	84,480	37,945
Net foreign exchange rate losses on financial activities	52,603	—	30,920
Interest expense related to lease liabilities	7,423	5,008	6,201
Other finance expenses	3,009	11	5
Loss on debt modification	2,761	7,553	—
Total	\$ 393,785	\$ 213,242	\$ 108,402

For the years ended December 31, 2024, 2023, and 2022, interest expense to related parties was comprised of interest on overdue trade payables balances and interest on related party borrowings. For the years ended December 31, 2024 and 2023, loss on debt modification relates to loss incurred on Polestar's modification of its related party convertible instrument with Volvo Cars. Refer to *Note 27 - Related party transactions* for further discussion.

Note 12 - Leases

Polestar Group as Lessee

As a lessee, Polestar Group primarily leases buildings and manufacturing production equipment. The Group also has short-term and low value leases related to the leasing of temporary spaces and small IT equipment, respectively. The lease term for land and buildings is generally 2-15 years, with the exception of one long term land lease with a term of 50 years. The lease term for machinery and equipment is generally 2-6 years.

The following table depicts the changes in the Group's right-of-use assets, which are included within Property, plant, and equipment:

	Buildings and land	Machinery and equipment	Total
Acquisition cost			
Balance as of January 1, 2023	78,188	47,083	125,271
Additions	49,807	4,762	54,569
Cancellations	(7,958)	(715)	(8,673)
Effect of foreign currency exchange rate differences	2,576	(1,298)	1,278
Balance as of December 31, 2023	\$ 122,613	\$ 49,832	\$ 172,445
Additions	32,184	37,894	70,078
Cancellations	(39,609)	(2,100)	(41,709)
Remeasurement	—	(713)	(713)
Effect of foreign currency exchange rate differences	(6,463)	(1,838)	(8,301)
Balance as of December 31, 2024	\$ 108,725	\$ 83,075	\$ 191,800
Accumulated depreciation			
Balance as of January 1, 2023	(18,934)	(11,776)	(30,710)
Depreciation expense	(19,110)	(1,656)	(20,766)
Depreciation expense capitalized to inventory	—	(5,682)	(5,682)
Depreciation expense employee benefits	—	(1,635)	(1,635)
Cancellations	4,318	449	4,767
Impairment loss	—	(19,361)	(19,361)
Effect of foreign currency exchange rate differences	(565)	509	(56)
Balance as of December 31, 2023	\$ (34,291)	\$ (39,152)	\$ (73,443)
Depreciation expense	(24,780)	(1,543)	(26,323)
Depreciation expense capitalized to inventory	—	(845)	(845)
Depreciation expense employee benefits	—	(2,070)	(2,070)
Cancellations	18,385	1,013	19,398
Impairment loss	—	(7,152)	(7,152)
Effect of foreign currency exchange rate differences	2,517	374	2,891
Balance as of December 31, 2024	\$ (38,169)	\$ (49,375)	\$ (87,544)
Carrying amount as of December 31, 2023	\$ 88,322	\$ 10,680	\$ 99,002
Carrying amount as of December 31, 2024	\$ 70,556	\$ 33,700	\$ 104,256

Amounts related to leases recognized in the Consolidated Statement of Loss and Comprehensive Loss are as follows:

	For the year ended December 31,		
	2024	2023	2022
Income from sub-leasing right-of-use assets	2,391	1,729	1,415
Expense relating to short-term leases	(637)	(888)	(1,598)
Expense relating to lease of low value assets	(8)	(5)	—
Interest expense on leases	(7,423)	(5,008)	(6,201)

The current and non-current portion of the Group's lease liabilities are as follows:

	As of December 31,	
	2024	2023
Current lease liabilities	13,923	19,547

Current lease liabilities - related party	16,999	10,628
Non-current lease liabilities	47,918	54,439
Non-current lease liabilities - related party	56,431	42,634
Total	\$ 135,271	\$ 127,248

Expected future lease payments to be made to satisfy the Group's lease liabilities are as follow:

	As of December 31,	
	2024	2023
Within 1 year	35,129	32,685
Between 1 and 2 years	37,128	33,275
Between 2 and 3 years	19,865	28,033
Between 3 and 4 years	17,179	18,634
Between 4 and 5 years	15,832	11,463
Later than 5 years	38,862	15,458
Total	\$ 163,995	\$ 139,548

For the years ended December 31, 2024, 2023, and 2022, total cash outflows related to leases, inclusive of interest paid, amounted to \$43,069, \$26,924, and \$25,649, respectively.

Polestar Group as lessor

As a lessor, revenue recognized from operating leases are as follows:

	For the year ended December 31,		
	2024	2023	2022
Vehicle leasing revenue	17,175	17,421	16,719

For the majority of the Group's operating lease contracts as a lessor, vehicles are paid for upfront by the customer at contract inception and repurchased by Polestar at the end of the lease term. The following table depicts the changes in the Group's vehicles under operating leases:

	Vehicles under operating leases
Acquisition cost	
Balance as of January 1, 2023	113,614
Reclassification from inventories	47,438
Reclassification from PPE	56,899
Reclassification to inventories	(82,222)
Effect of foreign currency exchange rate differences	5,719
Balance as of December 31, 2023	\$ 141,448
Reclassification from inventories	73,795
Reclassification from PPE	—
Reclassification to inventories	(83,246)
Effect of foreign currency exchange rate differences	(7,925)
Balance as of December 31, 2024	\$ 124,072
Accumulated depreciation & impairment	
Balance as of January 1, 2023	(16,428)
Depreciation expense	(6,773)
Impairment loss	(48,754)
Reclassification to inventories	12,476
Reclassification from PPE	(9,873)
Effect of foreign currency exchange rate differences	(1,873)

Balance as of December 31, 2023	\$ (71,225)
Depreciation expense	(12,958)
Impairment loss	(737)
Reclassification to inventories	15,431
Reclassification from PPE	—
Effect of foreign currency exchange rate differences	1,554
Balance as of December 31, 2024	\$ (67,935)
Carrying amount as of December 31, 2023	\$ 70,223
Carrying amount as of December 31, 2024	\$ 56,137

Note 13 - Income tax benefit (expense)

Income tax benefit (expense) recognized in the Consolidated Statement of Loss and Comprehensive Loss is as follows:

	For the year ended December 31,		
	2024	2023	2022
Current income tax for the year	(35,585)	(13,725)	(21,144)
Deferred taxes	42,581	38,810	(7,629)
Foreign taxes	2,170	(15,633)	(984)
Total	\$ 9,166	\$ 9,452	\$ (29,757)

Information regarding current year income tax benefit (expense) based on the applicable UK rates are as follows:

	For the year ended December 31,		
	2024	2023	2022
Loss before tax for the year	(2,059,063)	(1,191,327)	(449,260)
Tax according to the applicable tax rate ¹	514,766	280,200	85,359
Effect of different tax rates in other countries	(76,738)	(25,817)	16,559
Operating income/costs, non taxable ²⁻³	(50,039)	19,924	85,861
Withholding tax	2,170	(15,634)	(983)
Not recognized tax losses carried forward	(276,790)	(209,739)	(188,757)
Non-recognition of deferred tax assets on other temporary differences	(104,779)	(40,585)	(12,185)
Recognition/derecognition of deferred taxes from previous year	1,228	124	(11,830)
Current tax related to previous year	(652)	979	(3,781)
Total	\$ 9,166	\$ 9,452	\$ (29,757)

1 - 2024: 25% (UK rate), 2023: 23.52% (UK rate), 2022: 19% (UK rate)

2 - 2024: Main non-taxable income attributable to the fair value changes of the earn-out rights, corresponding tax \$35,115. Within the group there are non-deductible expenses such as non-deductible interest expenses in the parent company of corresponding tax \$49,513. Other non-deductible items net \$35,641 including non-taxable income.

3 - 2023: Main non-taxable income attributable to the fair value changes of the earn-out rights, corresponding tax \$104,233. Within the group there are non-deductible expenses such as non-deductible interest expenses in the parent company of corresponding tax \$15,300. Other non-deductible items net \$69,009, including non-taxable income.

Information regarding the composition of recognized deferred tax assets is as follows:

Specification of deferred tax assets	As of December 31,	
	2024	2023
Right-of use assets	31,361	30,068
Inventory	27,209	17,400
Provisions for residual value risks	17,295	—
Warranty	12,584	10,732
Accruals	10,759	22,560
Tax losses carried forward	8,340	30,131
Tangible assets	6,309	612
Other temporary differences	1,404	4,380
Recognized value of deferred tax assets as of December 31	\$ 115,261	\$ 115,883

Netting of asset and liability tax positions	(33,707)	(73,547)
Deferred tax assets as of December 31	\$ 81,554	\$ 42,336

Information regarding the composition of recognized deferred tax liabilities is as follows:

Specification of deferred tax liabilities	As of December 31,	
	2024	2023
Lease liability	27,024	29,430
Accruals	5,374	13,008
Inventory	1,491	4,360
Intangible assets	448	23,825
Warranty	—	6,259
Recognized value of deferred tax liabilities as of December 31	\$ 34,337	\$ 76,882
Netting of asset and liability tax position	(33,707)	(73,547)
Deferred tax liability as of December 31	\$ 630	\$ 3,335

All changes in deferred tax assets and liabilities have been reported in the Consolidated Statement of Loss and Comprehensive Loss for the years ended December 31, 2024, 2023, and 2022 respectively. Deferred taxes have been calculated by applying the tax rate per jurisdiction.

2024 was the first year Polestar calculated and posted a provision for residual value guarantee, hence there is no comparative figure for 2023.

Information regarding the recognition deferred tax assets:

The Group recognizes deferred tax assets to the extent that the Group believes that the likelihood of recognition is probable. In making such a determination, the Group considers reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and the results of recent operations. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. Significant management judgements and assumptions are required in determining the recognition of deferred tax assets related to tax losses and other temporary deductible differences. A change in judgement or assumption could have a material impact on the recognition of deferred tax assets.

As of December 31, 2024 and 2023, the Group made the judgement that there is not sufficient, objectively verifiable evidence available which would demonstrate that it is more likely than not that the Group would be able to realize all deferred tax assets in the future. This resulted in deferred tax assets on tax loss carry forwards not being recognized amounting to \$1,044,029 and \$698,037 as of December 31, 2024 and 2023, respectively.

Tax loss carryforwards through the year of expiration are as follows:

	As of December 31,	
	2024	2023
2025	2,425	—
2026	165,344	169,970
2027	103,696	109,965
2028	143,178	146,459
2029	311,913	135,403
2030 onwards	4,229,307	2,814,699
Tax loss carryforwards as of December 31	\$ 4,955,863	\$ 3,376,496

The increase in tax losses available for carryforward are mainly attributable to losses incurred as a consequence of the Group scaling its research and development expense to meet the demands of the growing business.

As of December 31, 2024, the Group had unused tax losses of \$4,955,863, for which no deferred tax assets had been recognized due to unpredictability of future profit streams. As of December 31, 2024 and 2023, tax losses in Sweden of \$4,031,242 and \$2,814,699 respectively, have an indefinite carryforward period. As of December 31, 2024 and 2023, \$885,091 and \$545,618, respectively, have a five-year carryforward period.

In addition to the losses referred to above, the Group also had deferred tax assets arising on other temporary differences of \$574,087 and \$423,744 as of December 31, 2024 and 2023, respectively, where no deferred tax assets have been recognized.

Pillar Two

The Pillar Two legislation has been enacted or substantively enacted in several of the jurisdictions in which the Polestar Group operates. The legislation is effective for the Group's financial year beginning January 1, 2024. The Group is in scope of the enacted or

substantively enacted legislation and has performed an assessment of the Group’s potential exposure to Pillar Two income taxes for the current year ending on December 31, 2024.

The assessment of the exposure to Pillar Two income taxes is based on the Group’s Consolidated Financial Statements for the current year. Based on the assessment performed, the transitional safe harbor relief applies for most jurisdictions, with the exception of Denmark, Ireland, and Portugal. The full effective tax rate (ETR) calculations for Denmark, Ireland, and Portugal result in an ETR lower than 15%.

The Group’s Pillar Two income tax expense is immaterial and relates to profits earned in Denmark, Ireland, and Portugal.

The Group has determined that the Pillar Two income tax – which it is required to pay under Pillar Two legislation – is an income tax in scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting. Any Pillar Two income taxes are accounted for as current taxes.

Note 14 - Net loss per share

For the years ended December 31, 2024 and 2023, potentially dilutive instruments issued were unvested equity-settled payments discussed in *Note 8 - Share-based payment*. For the year ended December 31, 2022, potentially dilutive instruments issued were the Class C Shares and the earn-out to the Former Parent related to the Closing of the BCA discussed in *Note 18 - Reverse recapitalization*, and unvested equity-settled payments discussed in *Note 8 - Share-based payment*. The Convertible Notes of the Former Parent were the only dilutive instrument outstanding prior to the reverse recapitalization and were converted to Class A Shares in the Group upon the Closing of the BCA. These financial instruments were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive. Dilutive net loss per share was the same as basic net loss per share for all periods presented.

Loss per share for the periods prior to the reverse recapitalization are retrospectively adjusted to reflect the number of equivalent shares issued by the parent to the former parent, based on the number of shares outstanding on the reporting dates multiplied by the exchange ratio of 8.335. Refer to *Note 22 - Equity* for further details. The following table presents the computation of basic and diluted net loss per share for the years ended December 31, 2024, 2023, and 2022 when applying the exchange ratio:

	For the year ended December 31,		
	2024	2023	2022
	Class A and B Common Shares		
Net loss attributable to Polestar Group	(2,049,897)	(1,181,875)	(479,017)
Weighted-average number of common shares outstanding:			
Basic and diluted	2,110,285	2,110,069	2,027,328
Net loss per share (in ones):			
Basic and diluted	(0.97)	(0.56)	(0.24)

The following table presents shares that were not included in the calculation of diluted loss per share as their effects would have been antidilutive for the years ended December 31, 2024, 2023, and 2022:

	For the year ended December 31,		
	2024	2023	2022
Earn-out Shares	158,177,609	158,177,609	158,177,609
Class C-1 Shares	20,499,965	20,499,965	15,999,965
Class C-2 Shares	4,500,000	4,500,000	9,000,000
PSUs	3,739,120	1,971,076	858,821
RSUs	10,726,146	762,071	458,620
Marketing consulting services agreement	—	—	125,000
RSAs	867,648	—	—
Total antidilutive shares	198,510,488	185,910,721	184,620,015

Note 15 - Intangible assets and goodwill

The following table depicts the split between Polestar Group's intangible assets, goodwill and trademarks:

	As of December 31,	
	2024	2023
Intangible assets	994,881	1,368,259
Goodwill and trademarks	45,968	50,448
Total	\$ 1,040,849	\$ 1,418,707

Intangible assets were as follows:

	Internally developed IP	Software	Acquired IP	Total
Acquisition cost				
Balance as of January 1, 2023	208,966	3,203	1,565,849	1,778,018
Additions	97,720	7,665	241,048	346,433
Derecognition due to program changes	(8,341)	—	—	(8,341)
Divestments and disposals	—	—	(12,347)	(12,347)
Effect of foreign currency exchange rate differences	12,105	512	41,937	54,554
Balance as of December 31, 2023	\$ 310,450	\$ 11,380	\$ 1,836,487	\$ 2,158,317
Additions ¹	178,487	2,592	116,301	297,380
Derecognition due to program changes	—	(984)	—	(984)
Effect of foreign currency exchange rate differences	(33,908)	(1,323)	(141,668)	(176,899)
Balance as of December 31, 2024	\$ 455,029	\$ 11,665	\$ 1,811,120	\$ 2,277,814
Accumulated amortization and impairment				
Balance as of January 1, 2023	(14,856)	(673)	(417,717)	(433,246)
Amortization expense	(748)	(812)	(77,895)	(79,455)
Amortization expense capitalized into inventory	—	—	(27,580)	(27,580)
Divestments and disposals	—	—	12,297	12,297
Impairment loss	(2,588)	—	(246,775)	(249,363)
Effect of foreign currency exchange rate differences	(597)	(63)	(12,051)	(12,711)
Balance as of December 31, 2023	\$ (18,789)	\$ (1,548)	\$ (769,721)	\$ (790,058)
Amortization expense	—	(2,055)	(6,310)	(8,365)
Amortization expense capitalized into inventory	(1,581)	—	(49,592)	(51,173)
Impairment loss ²	(313,868)	(1,029)	(161,963)	(476,860)
Effect of foreign currency exchange differences	1,750	252	41,521	43,523
Balance as of December 31, 2024	\$ (332,488)	\$ (4,380)	\$ (946,065)	\$(1,282,933)
Carrying amount as of December 31, 2023	\$ 291,661	\$ 9,832	\$ 1,066,766	\$ 1,368,259
Carrying amount as of December 31, 2024	\$ 122,541	\$ 7,285	\$ 865,055	\$ 994,881

1 - Of \$297,380 in additions for the full year ended December 31, 2024 \$157,373 has been settled in cash. These \$157,373 are included in the \$209,101 cash used for investing activities related to additions to intangible assets, and the remaining \$51,728 relates to decreases in trade payables - related parties from prior years which were settled in cash during the full year ended December 31, 2024. Of \$346,433 in additions for the year ended December 31, 2023, has \$217,861 been settled in cash and included in cash used for investing activities related to additions to intangible assets.

2 - For the year ended December 31, 2024, Polestar 3, Polestar 5 and Polestar 6 CGU was assessed for impairment, and impairment losses amounting to \$476,860 were recognized related to Intellectual property, where 100% of the amount was recognized within cost of sales.

For the year ended December 31, 2024, additions to internally developed IP are primarily related to Polestar 5 and various other internal programs, such as model year changes. Additions of acquired IP during the year ended December 31, 2024 were primarily related to acquisitions of Polestar 3 IP from Volvo Cars and Polestar 4 IP from Geely. Polestar also acquired IP related to model years changes of the Polestar 2 from Volvo Cars. Refer to *Note 27 - Related party transactions* for further details.

Changes to the carrying amount of goodwill and trademarks were as follows:

	Goodwill	Trademarks	Total
Balance as of January 1, 2023	46,460	2,307	48,767
Impairment loss	—	—	—
Effect of foreign currency exchange rate differences	1,601	80	1,681
Balance as of December 31, 2023	\$ 48,061	\$ 2,387	\$ 50,448
Impairment loss	—	—	—
Effect of foreign currency exchange rate differences	(4,268)	(212)	(4,480)
Balance as of December 31, 2024	\$ 43,793	\$ 2,175	\$ 45,968

Note 16 - Property, plant and equipment

As of December 31, 2024 and 2023, PPE has been reported in the Consolidated Statement of Financial Position with carrying amounts of \$537,743 and \$476,039, respectively. Of these amounts, \$70,556 and \$88,322 is related to ROU assets for leased buildings and land, and \$33,700 and \$10,680 is related to ROU assets for leased machinery and equipment, respectively. Refer to *Note 12 - Leases* for more details on the Group's ROU assets and operating leases.

Property, plant and equipment was as follows:

	Buildings and land	Machinery and equipment	Assets under construction	Total
Acquisition cost				
Balance as of January 1, 2023	4,070	175,684	160,280	340,034
Additions ¹	4,699	81,253	122,869	208,821
Divestments and disposals	(313)	(47,419)	—	(47,732)
Reclassifications ²	433	(27,606)	(29,726)	(56,899)
Effect of foreign currency exchange rate differences	27	(967)	(1,785)	(2,725)
Balance as of December 31, 2023	\$ 8,916	\$ 180,945	\$ 251,638	\$ 441,499
Additions ¹	5,133	66,874	171,439	243,446
Divestments and disposals	(4,525)	(2,567)	(651)	(7,743)
Reclassifications	1,963	250,630	(252,593)	—
Effect of foreign currency exchange rate differences	(621)	(19,720)	(3,637)	(23,978)
Balance as of December 31, 2024	\$ 10,866	\$ 476,162	\$ 166,196	\$ 653,224
Depreciation and impairment				
Balance as of January 1, 2023	(1,010)	(81,245)	—	(82,255)
Depreciation expense	(1,715)	(6,736)	—	(8,451)
Depreciation capitalized into inventory	—	(7,000)	—	(7,000)
Divestments and disposal	25	45,206	—	45,231
Impairment loss ³	—	(21,511)	(579)	(22,090)
Reclassifications ²	(6)	9,879	—	9,873
Effect of foreign currency exchange rate differences	(3)	233	—	230
Balance as of December 31, 2023	\$ (2,709)	\$ (61,174)	\$ (579)	\$ (64,462)
Depreciation expense	(3,542)	(4,531)	—	(8,073)
Divestments and disposal	1,858	1,230	—	3,088
Depreciation capitalized into inventory	—	(15,042)	—	(15,042)
Impairment loss ⁴	—	(65,222)	(72,121)	(137,343)
Effect of foreign currency exchange rate differences	239	1,856	—	2,095
Balance as of December 31, 2024	(4,154)	(142,883)	\$ (72,700)	\$ (219,737)
Carrying amount at December 31, 2023	\$ 6,207	\$ 119,771	\$ 251,059	\$ 377,037
Carrying amount at December 31, 2024	\$ 6,712	\$ 333,279	\$ 93,496	\$ 433,487

1 - Of \$243,446 in additions for the year ended December 31, 2024, \$128,960 has been settled in cash. These \$128,960 are included in the \$147,894 in the cash-flow from investing activities related to additions to property, plant and equipment, and the remaining \$18,934 relates to decreases in trade payables - related parties from prior years which were settled in cash during the year ended December 31, 2024. Of \$208,821 in additions for the year ended December 31, 2023, \$109,141 has been settled in cash. These \$109,141 are included in the \$137,400 in the cash-flow from investing activities related to additions to property, plant and equipment, and the remaining \$28,259 relates to decreases in trade payables from prior years which were settled in cash during the year ended December 31, 2023.

2 - For the years ended December 31, 2023, \$47,026 is a reclassification from property, plant and equipment to assets under operating lease for vehicles that have been repurposed permanently and are currently in use for leasing business with customers.

3 - For the year ended December 31, 2023 the Polestar 2 CGU was assessed for impairment, and impairment losses amounting to \$22,090 were recognized in cost of sales. The impairment amount was allocated to machinery and equipment, and assets under construction.

4 - For the year ended December 31, 2024, the Polestar 3 CGU, Polestar 5 CGU, and Polestar 6 CGU were assessed for impairment, and impairment losses amounting to \$137,343 were recognized in cost of sales. The impairment amount was allocated to machinery and equipment, and assets under construction.

Note 17 - Financial instruments

The following table shows the carrying amounts of financial assets and liabilities measured at fair value through profit and loss on a recurring basis:

Assets measured at FVTPL	As of December 31, 2024				As of December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total

Other investments	—	—	—	—	—	—	2,414	2,414
Total financial assets measured at FVTPL	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,414	\$ 2,414
Liabilities measured at FVTPL								
Earn-out rights	—	—	28,778	28,778	—	—	155,402	155,402
Class C-1 Shares	2,870	—	—	2,870	4,920	—	—	4,920
Class C-2 Shares	—	630	—	630	—	1,080	—	1,080
Total financial liabilities measured at FVTPL	\$ 2,870	\$ 630	\$ 28,778	\$ 32,278	\$ 4,920	\$ 1,080	\$ 155,402	\$ 161,402

During the year ended December 31, 2024, Polestar wrote down the value of its 2022 investment in StoreDot to \$0. The investment is presented in other investments in the Consolidated Statement of Financial Position and was valued at \$2,414 as of December 31, 2023. The loss on this write-down is reflected within finance expense on the Consolidated Statement of Loss and Comprehensive Loss. Refer to *Note 11 - Finance income and expense* for additional details. During the year ended December 31, 2024, Polestar did not make any additional investments.

Refer to *Note 1 - Overview and basis of preparation* and *Note 18 - Reverse recapitalization* for more details on the financial liabilities related to the Class C Shares and the Earn-out rights.

The following table shows the carrying amounts of financial assets and liabilities measured at amortized cost included in the following captions:

	As of December 31,	
	2024	2023
Financial assets		
Cash and cash equivalents	739,237	768,264
Trade receivables and trade receivables - related parties	190,249	187,742
Accrued income - related parties	42,839	152,605
Restricted cash	31,011	1,834
Other current receivables and other current receivables - related parties	12,013	35,496
Other non-current receivables	5,917	9,733
Total financial assets measured at amortized cost	\$ 1,021,266	\$ 1,155,674
Financial liabilities		
Current and non-current liabilities to credit institutions	3,439,629	2,026,665
Other non-current interest bearing liabilities and other non-current interest bearing liabilities - related parties ¹	1,458,176	1,467,696
Trade payables and trade payables - related parties	893,914	368,145
Accrued expenses and accrued expenses - related parties	670,340	720,759
Current and non-current refund liabilities ²	155,506	53,257
Current and non-current liabilities related to repurchase commitments	117,418	119,664
Interest-bearing current liabilities and interest bearing current liabilities - related parties ¹	114,585	93,361
Other current liabilities and other current liabilities - related parties	58,594	20,939
Advance payments from customers	17,344	16,415
Other non-current liabilities	8,094	64,990
Total financial liabilities measured at amortized cost	\$ 6,933,600	\$ 4,951,891

¹ - The Group's current and non-current lease liabilities are included in interest-bearing current liabilities and other non-current interest-bearing liabilities, respectively. The Group's current and non-current related party lease liabilities are included in interest-bearing current liabilities - related parties and other non-current interest-bearing liabilities - related parties, respectively. These amounts are presented separately in Note 12 - Leases.

² - The Group's current related party refund liabilities are included in current and non-current refund liabilities above. These amounts are presented in other current liabilities - related parties on the Consolidated Statement of Financial Position.

Total interest income arising on financial assets measured at amortized cost related to cash and cash equivalents as of December 31, 2024, 2023, and 2022, and amounted to \$21,093, \$32,280, and \$7,658, respectively. Total interest expense arising on financial liabilities measured at amortized cost related to liabilities to credit institutions, lease liabilities, other financing obligations, and related party liabilities as of December 31, 2024 amounted to \$335,412. Total interest expense arising on financial liabilities measured at amortized cost related mainly to liabilities to credit institutions and other financing obligations as of December 31, 2023, and 2022, and amounted to \$205,677 and \$77,477, respectively.

The following table shows the maturities for the Group’s non-derivative financial assets and liabilities as of December 31, 2024:

	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years	Total
Financial assets				
Trade receivables and trade receivables - related parties	190,249	—	—	190,249
Accrued income - related parties	42,839	—	—	42,839
Other current receivables and other current receivables - related parties	12,013	—	—	12,013
Restricted cash	—	31,011	—	31,011
Other non-current receivables	—	3,659	2,258	5,917
Total financial assets measured at amortized cost	\$ 245,101	\$ 34,670	\$ 2,258	\$ 282,029
Financial liabilities				
Current and non-current liabilities to credit institutions	2,512,394	927,235	—	3,439,629
Trade payables and trade payables - related parties	893,914	—	—	893,914
Accrued expenses and accrued expenses - related parties	670,340	—	—	670,340
Interest-bearing current liabilities and interest-bearing current liabilities - related parties	114,585	—	—	114,585
Current and non-current liabilities related to repurchase commitments	106,401	11,017	—	117,418
Current and non-current refund liabilities	103,219	52,287	—	155,506
Other current liabilities and other current liabilities - related parties	58,594	—	—	58,594
Advance payments from customers	17,344	—	—	17,344
Other non-current interest-bearing liabilities and other non-current interest-bearing liabilities - related parties	—	1,399,900	58,276	1,458,176
Other non-current liabilities	—	8,094	—	8,094
Total financial liabilities measured at amortized cost	\$ 4,476,791	\$ 2,398,533	\$ 58,276	\$ 6,933,600

The following table shows the maturities for the Group’s non-derivative financial assets and liabilities as of December 31, 2023:

	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years	Total
Financial assets				
Trade receivables and trade receivables - related parties	187,742	—	—	187,742
Accrued income - related parties	152,605	—	—	152,605
Other current receivables and other current receivables - related parties	35,496	—	—	35,496
Other non-current receivables	—	9,733	—	9,733
Restricted cash	—	1,834	—	1,834
Total financial assets measured at amortized cost	\$ 375,843	\$ 11,567	\$ —	\$ 387,410
Financial liabilities				
Liabilities to credit institutions	2,026,665	—	—	2,026,665
Accrued expenses and accrued expenses - related parties	720,760	—	—	720,760
Trade payables and trade payables - related parties	368,145	—	—	368,145
Liabilities related to repurchase commitments	119,664	—	—	119,664
Interest-bearing current liabilities and interest-bearing current liabilities - related parties	93,361	—	—	93,361
Current and non-current refund liabilities	52,006	1,251	—	53,257
Other current liabilities and other current liabilities - related parties	20,939	—	—	20,939
Advance payments from customers	16,415	—	—	16,415
Other non-current interest bearing liabilities and other non-current interest bearing liabilities - related parties	—	1,456,225	11,471	1,467,696

Other non-current liabilities	—	64,991	—	64,991
Total financial liabilities measured at amortized cost	\$ 3,417,955	\$ 1,522,467	\$ 11,471	\$ 4,951,893

Maturities are not provided for the Group's derivative liabilities related to the Earn-out rights and the Class C Shares that were assumed as part of the merger with GGI on June 23, 2022. The derivative liability related to the Earn-out rights can only be equity settled and therefore will never have a cash flow impact on the Group. The derivative liabilities related to the Class C Shares can be either cash or equity settled, depending on certain circumstances that may occur in the future. However, the timing of those circumstances are uncertain and any cash flow impacts cannot be forecasted in a useful manner. Refer to *Note 1 - Overview and basis of preparation* and *Note 18 - Reverse recapitalization* for more details on the financial liabilities related to the Class C Shares and the Earn-out rights.

Polestar's material financial instruments measured at FVTPL are its derivative financial liabilities for the Earn-out rights and Class C Shares. For the year ended December 31, 2024 and 2023, respectively, Polestar recognized \$129,124 and \$465,168, in gains for these financial instruments measured at FVTPL.

Note 18 - Reverse recapitalization

As previously outlined in *Note 1 - Overview and basis of preparation*, Polestar underwent a reverse recapitalization through the merger with GGI and related arrangements. Under this type of transaction structure, Polestar Group is the accounting acquirer and accounting predecessor while GGI is treated as the acquired entity for financial reporting purposes. The Group was deemed to be the accounting acquirer based on an evaluation of the following facts and circumstances:

- Shareholders of the Former Parent retained the largest voting interest in the Group with over 99% of the voting interests;
- the Board of Directors of the Group comprises four members nominated by the Former Parent, as compared to one member nominated by certain investors in GGI;
- the Former Parent has the ability to appoint the remaining members of the Board as deemed necessary;
- the Former Parent's senior management is the senior management of the Group;
- the Former Parent's operations comprise substantially all of the ongoing operations of the Group following the merger with GGI; and
- the Group was the larger entity by substantive operations and employee base while GGI lacked operating activities and maintained net assets principally comprised of cash.

GGI did not meet the definition of a business in accordance with IFRS 3, *Business Combination* ("IFRS 3"), and the merger with GGI was instead accounted for within the scope of IFRS 2, *Share-based payment* ("IFRS 2"), as a share-based payment transaction in exchange for a public listing service. Under IFRS 2, the Group recorded a one-time share-based expense of \$372,318 at the Closing of the BCA that was calculated based on the excess of the fair value of the Group issued to public investors via Class A Shares in Parent utilizing the publicly traded share price at the Closing of \$11.23 over the fair value of the identifiable net assets of GGI that were acquired. The amount of GGI's identifiable net assets of acquired at Closing, were as follows:

Cash and cash equivalents	579,146
Prepaid assets	6,050
Public warrant liability	(40,320)
Private warrant liability	(22,770)
Total SPAC identifiable net assets at fair value	\$ 522,106

The net assets of GGI are stated at fair value, with no goodwill or other intangible assets recorded. The IFRS 2 listing expense was calculated as follows:

Fair value of Polestar ¹	22,183,823
Equity interest in Polestar issued to GGI shareholders	5.1%
Equity interest in Polestar issued to Former Parent shareholders	94.9%
Deemed cost of shares issued by Polestar ¹	1,131,375
GGI identifiable net assets at fair value	(522,106)
Sponsor and third-party PIPE Cash	(236,951)
IFRS 2 Listing Expense	\$ 372,318

¹ - The deemed cost of the shares issued by Polestar was estimated based on the fair value of Polestar at Closing, less an adjustment in respect to the fair value of the earn-out rights (discussed below).

Class C Shares

On the Closing of the BCA, Public Warrants and Private Warrants in GGI that were issued and are outstanding immediately prior to the Closing were exchanged for Class C-1 Shares and Class C-2 Shares in Parent. Class C-1 Shares have the following terms:

- Each whole Class C-1 Share entitles the holder to purchase one Class A Share in Parent at an exercise price of \$11.50, subject to adjustments for split-ups and dividends. The Class C-1 Shares may also be exercised on a cashless basis by the holder

- Each whole Class C-1 Share is exercisable 30 days after the Closing of the BCA and expires on the earlier of:
 - June 23, 2027,
 - the date the Class C-1 Shares are redeemed by the Group, or
 - the liquidation of the Group.
- The Group may (1) redeem the outstanding whole Class C-1 Shares at a price of \$0.01 per Class C-1 Share or (2) convert the outstanding whole Class C-1 Shares in Class A Shares in Parent on a cashless basis any time while the warrants are exercisable upon a minimum of 30 days prior written notice of redemption if, and only if, the last sales price of the Class A Shares in Parent equals or exceeds \$18 per share (as adjusted for split-ups, dividends, and the like) on each of 20 trading days within any 30 trading day period ending on the third business day prior to the date on which redemption notice is given.
- The Group may require the conversion of all of the outstanding Class C-1 Shares into Class A Shares in Parent on a cashless basis beginning on October 24, 2022, provided:
 - that the last reported price of the Class A Shares in Parent was at least \$10.00 per share (as adjusted for split-ups, dividends, and the like) on the trading day prior to the date on which redemption notice is given,
 - the Class C-2 Shares are converted on the same basis as the outstanding Class C-1 Shares, and
 - there is an effective registration statement covering the Class A Shares in Parent arising upon conversion of the Class C Shares is available for 30 days prior to the date the Class C-1 Shares are redeemed by the Group.
- The Class C-1 Shares may be exercised, on a cash or cashless basis at any time after a notice of redemption shall have been given by the Group and prior to the date the Class C-1 Shares are redeemed by the Group.

The Class C-2 Shares are identical to the Class C-1 Shares, except that the Class C-2 Shares:

- are not redeemable by the Group as long as they are held by certain GGI investors and their permitted transferees;
- automatically convert to Class C-1 Shares if they are transferred to individuals other than certain GGI investors and their permitted transferees;
- may be converted to Class C-1 Shares at any time by the holder upon notification to the Group; and
- are exercisable on a cashless basis by the holder.

The Group applied the provisions of IAS 32, and IFRS 9 in accounting for the Class C Shares. Under IAS 32 and IFRS 9, the Class C Shares failed to meet the definition of equity because they could result in the issuance of a variable number of Class A Shares in the Parent in the case of a cashless basis exercise. Additionally, in the case of a redemption or conversion, the Group would be required to either pay cash or issue a variable number of shares to the holders of the Class C Shares. Instead, the Class C Shares meet the definition of derivative liabilities that are carried at fair value with subsequent changes in fair value recognized in the Consolidated Statement of Loss and Comprehensive Loss at each reporting date.

The Class C-1 Shares are publicly traded on the Nasdaq (i.e., Level 1 input) and the closing share price of the GGI Public Warrants on June 23, 2022 was used to measure their fair value upon initial recognition. The Class C-2 Shares are not publicly traded and require a valuation approach leveraging Level 2 inputs. Refer to *Note 1 - Overview and basis of preparation* for further details on the valuation methodology utilized to determine the fair value of the Class C-2 Shares upon initial recognition and subsequently thereafter. On March 22, 2023, 4,500,000 Class C-2 Shares with a fair value of \$3,285 were converted to 4,500,000 Class C-1 Shares with the same fair value following the election by the respective holders of the Class C-2 Shares and approval from the Board of Directors.

	As of December 31, 2024		As of December 31, 2023	
	Liability Fair Value	Number Outstanding	Liability Fair Value	Number Outstanding
Class C-1 Shares	2,870	20,499,965	4,920	20,499,965
Class C-2 Shares	630	4,500,000	1,080	4,500,000
Total	\$ 3,500	24,999,965	\$ 6,000	24,999,965

	Class C-1 Shares
As of January 1, 2023	17,920
Class C-2 Shares converted to Class C-1 Shares	3,285
Change in fair value measurement	(16,285)
As of December 31, 2023	\$ 4,920
Change in fair value measurement	(2,050)
As of December 31, 2024	\$ 2,870

	Class C-2 Shares
As of January 1, 2023	10,080

Class C-2 Shares converted to Class C-1 Shares	(3,285)
Change in fair value measurement	(5,715)
As of December 31, 2023	\$ 1,080
Change in fair value measurement	(450)
As of December 31, 2024	\$ 630

The fair value change for Class C Shares are as follows:

	For the year ended December 31,		
	2024	2023	2022
Fair value change - Class C-1 Shares	2,050	13,000	22,400
Fair value change - Class C-2 Shares	450	9,000	12,690
Fair value change - Class C Shares	\$ 2,500	\$ 22,000	\$ 35,090

Earn-out rights

On the Closing of the BCA, the Former Parent (or the shareholders of the Former Parent if the Former Parent is dissolved or liquidated) was issued a contingent right to receive earn-outs of up to 24,078,638 Class A Shares and 134,098,971 Class B Shares in Parent, issuable in five tranches that each comprise 4,815,728 Class A Shares and 26,819,794 Class B Shares in Parent. Each tranche is issuable once the daily volume weighted average price of Class A Shares in Parent meets specific price hurdles for 20 trading days out of any 30 day trading period beginning after December 23, 2022 and ending on December 23, 2028. The daily volume weighted average price of Class A Shares in Parent that is required to trigger each tranche is as follows:

- Tranche 1 — \$13 per share
- Tranche 2 — \$15.50 per share
- Tranche 3 — \$18 per share
- Tranche 4 — \$20.50 per share
- Tranche 5 — \$23 per share

If the daily volume weighted average price of Class A Shares in Parent triggers a higher price tranche prior to triggering a lower price tranche, all tranches below the tranche triggered are also triggered for (e.g., if tranche 5 is triggered, tranches 1 through 4 are also triggered). Additionally, in the event there is a change of control of the Group (i.e., there is a change in greater than 50% equity ownership of the Group) all five tranches are automatically triggered for issuance. The Former Parent's contingent right to the earn-out tranches that are not triggered for issuance by December 23, 2028 will expire immediately.

The Group applied the provisions of IAS 32 and IFRS 9 in accounting for the contingent earn-out rights of the Former Parent. Under IAS 32 and IFRS 9, the contingent earn-out rights failed to meet the definition of equity because it could result in the issuance of a variable number of Class A Shares and Class B Shares in Parent and the triggering events are subject to price hurdles (i.e., a market condition) that are outside of the control of the Group. Instead, it meets definition of a derivative liability that is carried at fair value with subsequent changes in fair value recognized in the Consolidated Statement of Loss and Comprehensive Loss at each reporting date. However, since it provides value to owners of the Former Parent effectively in the form of a pro rata dividend, the fair value at the Closing of the BCA was charged to accumulated deficit.

The contingent earn-out rights require a valuation approach leveraging Level 3 inputs. Refer to *Note 1 - Overview and basis of preparation* for further details on the valuation methodology utilized to determine the fair value of the earn-out.

	Earn-out Rights
As of January 1, 2023	\$ 598,570
Change in fair value measurement	(443,168)
As of December 31, 2023	\$ 155,402
Change in fair value measurement	(126,624)
As of December 31, 2024	\$ 28,778

The fair value change of earn-out rights are as follows:

	For the year ended December 31,		
	2024	2023	2022
Fair value change - Earn-out rights	126,624	443,168	902,068

Volvo Cars Preference Subscription Shares

At the Closing of the BCA and pursuant to the Volvo Cars Preference Subscription Agreement, Volvo Cars agreed to subscribe for Preference Shares in the Parent in exchange for a cash payment of \$588,826. The cash proceeds were used to pay down outstanding payables owed to VCC. Each Preference Share in the Parent automatically converted into Class A Shares in the Parent at a conversion price of \$10 per share thereafter. The Group applied the provisions of IAS 32 and IFRS 9 in accounting for the Volvo Cars Preference Subscription Shares. Under IAS 32, the preference shares did not meet the definition of a financial liability but instead represent a fixed residual interest in Parent (i.e., Class A shares). As such, the initial carrying value of the Volvo Cars Preference Subscription Shares was equity classified and accounted for as a capital contribution from Volvo Cars.

Parent entity restructuring

Pursuant to the terms and conditions of the BCA, the Former Parent was separated from the Group and 100% of the ownership interests in the Group's subsidiaries were transferred to the Parent in exchange for the issuance of 294,877,349 Class A Shares in the Parent, the issuance of 1,642,233,575 Class B Shares in the Parent, and the Earn-out rights. When the Group was separated from the Former Parent, the intercompany relationship between the Former Parent and the Group was severed. This resulted in the realization of accumulated gains in equity of \$1,512 in the Former Parent, which were historically eliminated upon consolidation. The \$1,512 adjustment to equity does not reflect cash consideration transferred, but rather, the non-cash impact of separating intercompany interests and changing parent entities. The restructuring was recognized using the historic value method (i.e., the assets and liabilities are measured using the existing book value) and the impact of the restructuring is reflected in the Consolidated Statement of Changes in Equity under the "Changes in the consolidated group" subheading.

Note 19 - Trade receivables

Trade receivables from contracts with customers represent sales transactions, conducted via sales units, within the markets in which the Group operates. The average credit term to finance service providers and fleet customers is two weeks. Refer to the *Sale of goods, services and other* section of Note 27 - *Related party transactions* for further information related to Trade Receivables - related parties.

The following table details the aging analysis of the trade receivables:

	Not overdue	1-30 days overdue	30-90 days overdue	>90 days overdue	Total
2024					
Gross trade receivables, external	94,490	47,393	7,482	3,040	152,405
Trade receivables - related parties	13,901	1,051	99	22,793	37,844
Net trade receivables	\$ 108,391	\$ 48,444	\$ 7,581	\$ 25,833	\$ 190,249
2023					
Gross trade receivables, external	63,427	49,670	7,842	5,777	126,716
Trade receivables - related parties	52,313	7,474	1,204	35	61,026
Net trade receivables	\$ 115,740	\$ 57,144	\$ 9,046	\$ 5,812	\$ 187,742

Management determines that a receivable is written off once reasonable means of collection have been unsuccessful and the Group has no reasonable expectations of recovering the entire contractual cash flows, or a portion thereof. As of December 31, 2024 and 2023, the Group has written off a de minimis amount of receivables.

Further information on credit risks for trade receivables is included in Note 3 - *Financial risk management*.

Note 20 - Inventories

The Group's inventory primarily consisted of vehicles as follows:

	As of December 31,	
	2024	2023
Work in progress	—	32
Finished goods and goods for resale	1,191,047	1,070,897
Provision for impairment	(111,686)	(143,243)
Total	\$ 1,079,361	\$ 927,686

Inventory costs recognized during the years ended December 31, 2024, 2023 and 2022 amounted to \$2,112,317, \$2,183,847 and \$2,174,192, respectively, and were included in cost of sales in the Consolidated Statement of Loss and Comprehensive Loss.

For the years ended December 31, 2024, 2023, and 2022, write-downs of inventories to net realizable value amounted to \$89,744, \$146,550 and \$14,830 respectively. The write-downs were recognized as an expense during the years ended December 31, 2024, 2023, and 2022 and were included in cost of sales in the Consolidated Statement of Loss and Comprehensive Loss.

The write-downs of inventories to net realizable value include significant judgement for the estimated market price (i.e., selling price of inventories less estimated costs of completion and estimated costs necessary to make the sales). Changing estimated market price could result in an increase or decrease to the write-downs recognized. For the year ended December 31, 2024, a 1% increase or decrease in estimated market price would result in a decrease of \$5,022 or increase of \$5,350 to the impairment loss, respectively; a

3% increase or decrease in estimated market price would result in a decrease of \$14,379 or an increase of \$16,999 to the impairment loss, respectively.

Inventories can be pledged as security for liabilities. Refer to *Note 25 - Liabilities to credit institutions* for further details.

Note 21 - Other current assets

Other current assets for the Group were as follows:

	As of December 31,	
	2024	2023
Value added tax receivables	148,405	121,306
Prepaid expenses	40,800	35,856
Other current receivables	32,417	30,614
Insurance recovery assets	8,886	10,000
Advances to suppliers	8,399	16,452
Total	\$ 238,907	\$ 214,228

As of December 31, 2024 and 2023, prepaid expenses consisted primarily of prepaid insurance, selling expenses, and software license expenses, and other current receivables consisted primarily of accruals for future value added tax ("VAT") receivables where Polestar recognizes an asset for a future VAT receivable when it sells a vehicle under a repurchase commitment.

Note 22 - Equity

Changes in the Group's equity during the years ended December 31, 2024, 2023, and 2022 were as follows:

	Class A Shares	Class B Shares	Share capital	Other contributed capital
<i>Pre-closing of the merger with GGI</i>				
Balance as of January 1, 2022	197,026,729	35,377,866	(1,865,909)	(35,231)
Issuance during the period	—	—	—	—
Balance as of June 23, 2022	197,026,729	35,377,866	\$ (1,865,909)	\$ (35,231)
<i>Closing of the merger with GGI</i>				
Removal of Polestar Automotive Holding Limited from the Group				
Exchange of Class A for Class B (1:8.335)	(197,026,729)	1,642,233,575	1,565,447	(1,565,447)
Exchange of Class B for Class A (1:8.335)	294,877,349	(35,377,866)	281,090	(281,090)
Reclassification of GBP Redeemable Preferred Shares	—	—	(65)	65
Issuance of Volvo Cars Preference Shares ¹	58,882,610	—	(589)	(588,237)
Issuance to Convertible Note holders	4,306,466	—	(43)	43
Issuance to PIPE investors	26,540,835	—	(265)	(249,735)
Issuance to GGI shareholders	82,193,962	—	(822)	(521,285)
Listing expense	—	—	—	(372,318)
Transaction costs	—	—	—	38,903
<i>Post-closing of the merger with GGI</i>				
Equity-settled share-based payment	876,451	—	(9)	(9,900)
Balance as of December 31, 2022	467,677,673	1,642,233,575	\$ (21,165)	\$ (3,584,232)
Equity-settled share-based payment	299,075	—	(3)	(5,390)
Related party capital contribution ²	—	—	—	(25,565)
Balance as of December 31, 2023	467,976,748	1,642,233,575	\$ (21,168)	\$ (3,615,187)
Conversion of Class B to Class A (1:1)	1,592,341,000	(1,592,341,000)	—	—
Equity-settled share-based payment	144,249	—	(1)	(9,840)
Balance as of December 31, 2024	2,060,461,997	49,892,575	\$ (21,169)	\$ (3,625,027)

1 - The Volvo Cars Preference Shares subsequently converted into Class A shares following the merger with GGI on June 23, 2022.

2 - Refer to the Other financing instruments section of *Note 27 - Related party transactions* for more details.

Closing of the merger with GGI

Between January 1, 2022, and prior to the Closing of the merger with GGI, there were no events impacting the Group's equity other than the issuance of 50,000 British Pound Sterling ("GBP") Redeemable Preferred Shares in the Parent with a par value of GBP 1.00, equivalent to \$65, to the Former Parent. This issuance was part of Parent's incorporation in the United Kingdom as a subsidiary of the Former Parent in preparation for the Closing of the merger with GGI. These shares were subsequently reclassified to Share capital when the Former Parent was separated from the Group at Closing.

In connection with the Closing of the merger with GGI and the removal of the Former Parent (Polestar Automotive Holding Limited) from the Group:

- 197,026,729 Class A Shares were exchanged at a ratio of 1:8.335 for 1,642,233,575 Class B Shares;
- 35,377,866 Class B Shares were exchanged at a ratio of 1:8.335 for 294,877,349 Class A Shares;
- 4,306,466 Class A Shares were issued to holders of the Convertible Notes;
- 26,540,835 Class A Shares were issued to the PIPE investors;
- 82,193,962 Class A Shares were issued to the former shareholders of GGI; and
- 58,882,610 Preference Shares were issued to Volvo Cars which subsequently converted into 58,882,610 Class A Shares.

Refer to *Note 1 - Overview and basis of preparation* and *Note 18 - Reverse recapitalization* for more details on the merger with GGI.

Post-closing of the merger with GGI

Following the merger with GGI, 144,249, 174,075, and 501,451 Class A Shares were issued to employees of the Group as of December 31, 2024, 2023, and 2022 under the Omnibus Plan, respectively. 125,000 and 375,000 Class A Shares were issued in exchange for marketing services as of December 31, 2023, and 2022, respectively. Refer to *Note 8 - Share-based payment* for additional details. As of December 31, 2024, there were an additional 2,939,538,003 Class A Shares and 1,727,474,164 Class B Shares with par values of \$0.01 authorized for issuance. No additional Class C Shares or Redeemable Preferred Shares were authorized for issuance.

The following instruments of the Parent were issued and outstanding as of December 31, 2023:

- 467,976,748 Class A Shares with a par value of \$0.01, of which 220,918,695 were owned by related parties;
- 1,642,233,575 Class B Shares with a par value of \$0.01, of which all were owned by related parties;
- 20,499,965 Class C-1 Shares with a par value of \$0.10;
- 4,500,000 Class C-2 Shares with a par value of \$0.10; and
- 50,000 GBP Redeemable Preferred Shares with a par value of GBP 1.00.

Prior to Volvo Cars' distribution of a portion of its shareholding in the Group in May 2024, Volvo Cars and PSD Investment Limited, both related parties to the Group, elected to convert 814,219,838 Class B Shares and 778,121,162 Class B Shares, respectively, into Class A Shares at a ratio of 1:1.

The following instruments of the Parent were issued and outstanding as of December 31, 2024:

- 2,060,461,997 Class A Shares with a par value of \$0.01, of which 1,675,841,017 were owned by related parties;
- 49,892,575 Class B Shares with a par value of \$0.01, of which all were owned by related parties;
- 20,499,965 Class C-1 Shares with a par value of \$0.10;
- 4,500,000 Class C-2 Shares with a par value of \$0.10; and
- 50,000 GBP Redeemable Preferred Shares with a par value of GBP 1.00.

Holders of Class A Shares in Parent are entitled to one vote per share and holders of Class B Shares in the Parent are entitled to ten votes per share. Holders of Class C Shares in Parent are entitled to one vote per share for certain matters, but have no voting rights with respect to general matters voted on by holders of Class A Shares and Class B Shares in the Parent. Additionally, holders of GBP Redeemable Preferred Shares in the Parent have no voting rights. Any dividends or other distributions paid by the Parent shall only be issued to holders of outstanding Class A Shares and Class B Shares in the Parent. Holders of Class C Shares and GBP Redeemable Preferred Shares in the Parent are not entitled to participate in any dividends or other distributions. Refer to *Note 18 - Reverse recapitalization* for additional information on the Class C Shares which are accounted for as derivative financial liabilities in accordance with IAS 32 and IFRS 9.

Convertible Notes

In July 2021, Geely and two other third-parties invested \$35,231 in non-interest-bearing Convertible Notes. Of the \$35,231, \$9,531 was held by Geely. The Convertible notes were accounted for as equity upon issuance and classified within other contributed capital. The Convertible Notes were not eligible to receive a coupon or dividend for the first 24 months after issuance and were to convert to common shares upon (1) an issuance of equity securities in an amount greater than \$50,000 to any entity that owned more than 35% voting power in the Former Group, (2) the occurrence of any initial public offering, combination with a special purpose acquisition company, or direct listing, (3) a liquidation of the Former Group, or (4) the non-occurrence of any of the preceding events by the 24-month anniversary of the issuance of the Convertible Notes. The second conversion event was satisfied on June 23, 2022 in connection with the merger with GGI and the Convertible Notes were converted into 4,306,466 Class A Shares in the Parent, resulting in a reclassification of par value within equity from other contributed capital to Share capital.

Currency translation reserve

The currency translation reserve comprises exchange rate differences resulting from the translation of financial reports of foreign operations that have prepared their financial reports in a currency other than Polestar Group's reporting currency.

Accumulated deficit

Accumulated deficit comprises net loss for the year and preceding years less any profits distributed. Accumulated deficit also includes the effects of business combinations under common control within Polestar Group.

Note 23 - Current and non-current provisions

Changes in the Group's current and non-current provisions were as follows:

	Warranties	Employee benefits	Litigation	Other	Total
Balance as of January 1, 2023	123,529	13,418	—	4,063	141,010
Additions	91,240	2,832	35,676	19,702	149,450
Utilization	(44,995)	(11,704)	—	(13,053)	(69,752)
Reversals	(17,091)	(1,825)	—	(2,242)	(21,158)
Unwinding of discount and effect in changes due to discount rate	(10,975)	—	—	—	(10,975)
Calculated translational difference	2,985	501	—	292	3,778
Balance as of December 31, 2023	\$ 144,693	\$ 3,222	\$ 35,676	\$ 8,762	\$ 192,353
of which current	44,582	2,139	35,676	6,348	88,745
of which non-current	100,111	1,083	—	2,414	103,608
Balance as of January 1, 2024	144,693	3,222	35,676	8,762	192,353
Additions	71,821	259	—	13,562	85,642
Utilization	(41,579)	(1,154)	(5,082)	(11,012)	(58,827)
Reversals	(40,186)	(215)	(3,459)	(180)	(44,040)
Unwinding of discount and effect in changes due to discount rate	3,075	—	—	—	3,075
Calculated translational difference	(9,233)	(1,210)	—	(234)	(10,677)
Balance as of December 31, 2024	\$ 128,591	\$ 902	\$ 27,135	\$ 10,898	\$ 167,526
of which current	36,640	902	27,135	8,092	72,769
of which non-current	91,951	—	—	2,806	94,757

Litigation

Per the terms of the BCA governing the merger with GGI discussed in *Note 1 - Overview and basis of preparation*, Polestar is obligated to indemnify directors, officers, and employees of GGI for six years following the Closing of the merger. In August 2023, former public stakeholders of GGI filed a legal claim against certain directors, officers, and employees of GGI; alleging certain misconduct by these individuals with respect to their duties to GGI's stakeholders during and prior to GGI's merger with Polestar. As of December 31, 2024 and 2023, Polestar maintains a provision for \$27,135 and \$35,676, respectively, relating to its indemnification obligation towards the defendants, which is based on estimates of future expenditure, including related legal costs. Polestar's directors and officers insurance policy applies to the legal claim and provides coverage for up to \$10,000 of costs after \$5,000 has been paid by Polestar. However, as of December 31, 2024, and 2023, only \$8,886 and \$10,000, respectively, has been recognized and included in other current assets on the Consolidated Statement of Financial Position as a virtually certain recovery. As the outcome of the litigation includes inherent uncertainty, the final expenditure may not be known until there is a final and unappealable judgment. Polestar's estimates of its obligation could change in the future if new facts and circumstances arise as the legal proceedings continue to develop.

Note 24 - Other current and non-current liabilities

Other current liabilities for the Group were as follows:

	As of December 31,	
	2024	2023
Accrued expenses	283,212	125,384
VAT liabilities	115,501	88,520
Liabilities related to repurchase commitments	106,401	58,482

Refund liabilities	Table of Contents	100,844	48,132
Liabilities related to assets under construction		62,896	111,120
Personnel related liabilities		31,757	37,518
Accrued interest		18,644	10,090
Other liabilities		21,322	10,501
Total		\$ 740,577	\$ 489,747

Accrued expenses were mainly related to marketing and product development; personnel related liabilities consisting of wages, salaries, and other benefits payable.

Other non-current liabilities for the Group were as follows:

	As of December 31,	
	2024	2023
Refund liabilities	52,287	1,251
Liabilities related to repurchase commitments	11,017	61,182
Liabilities related to assets under construction	—	53,024
Other liabilities	8,094	11,966
Total	\$ 71,398	\$ 127,423

Note 25 - Liabilities to credit institutions

The carrying amount of Polestar Group's liabilities to credit institutions as of December 31, 2024 and 2023 were as follows:

Liabilities to credit institutions	As of December 31,	
	2024	2023
Current		
Working capital loans from banks	2,414,763	1,923,755
Floorplan facilities	89,471	75,963
Sale-leaseback facilities	8,160	26,947
Total	\$ 2,512,394	\$ 2,026,665
Non-Current		
Syndicated loans from banks	927,235	—
Total	\$ 927,235	\$ —
Total liabilities to credit institutions	\$ 3,439,629	\$ 2,026,665

The Group had the following current working capital loans outstanding as of December 31, 2024:

Currency	Term	Security	Interest	Nominal amount in respective currency	Carrying value in USD
CNY	March 2024 - March 2025	Unsecured ⁶	12 month LPR ³ plus 1.05% settled quarterly	177,000	24,249
CNY	April 2024 - April 2025	Unsecured ⁶	12 month LPR ³ plus 0.35% settled quarterly	473,000	64,802
CNY	May 2024 - May 2025	Unsecured ⁶	12 month LPR ³ plus 0.35% settled quarterly	88,000	12,056
CNY	June 2024 - June 2025	Unsecured ⁶	12 month LPR ³ plus 0.85% settled quarterly	231,000	31,647
USD	August 2024 - June 2025	Unsecured ⁶	7.8% per annum, settled quarterly	196,000	196,000
USD	August 2024 - August 2025	Secured ¹	12 month Term SOFR ⁵ plus 0.55% settled quarterly	320,000	320,000
USD	August 2024 - August 2025	Unsecured ⁶	12 month Term SOFR ⁵ plus 0.55% settled quarterly	82,000	82,000
USD	August 2024 - August 2025	Secured ¹	12 month Term SOFR ⁵ plus 1.15% settled on maturity	100,000	100,000
USD	September 2024 - March 2025	Secured ¹	6.9% per annum, settled monthly	100,000	100,000

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USD	September 2024 - June 2025	Unsecured ⁶	7.8% per annum, settled quarterly	104,000	104,000
CNY	September 2024 - September 2025	Unsecured ⁶	12 month LPR ³ plus 0.45% settled quarterly	39,000	5,343
USD	September 2024 - September 2025	Secured ¹	12 month Term SOFR ⁵ plus 1.15% settled on maturity	100,000	100,000
USD	September 2024 - September 2025	Secured ¹	12 month Term SOFR ⁵ plus 1.1% settled on maturity	100,000	100,000
EUR	October 2024 - February 2025	Secured ²	3 month EURIBOR ⁴ plus 2.3% settled on maturity	361,886	375,548
USD	December 2024 - January 2025	Secured ¹	1 month Term SOFR ⁵ plus 1% settled on maturity	25,000	25,000
USD	December 2024 - January 2025	Secured ¹	1 month Term SOFR ⁵ plus 1% settled on maturity	50,000	50,000
USD	December 2024 - February 2025	Secured ¹	1 month Term SOFR ⁵ plus 1% settled on maturity	50,000	50,000
USD	December 2024 - February 2025	Secured ¹	1 month Term SOFR ⁵ plus 1% settled on maturity	25,000	25,000
USD	December 2024 - December 2025	Unsecured ⁶	12 month Term SOFR ⁵ plus 0.3% settled quarterly	41,650	41,650
USD	December 2024 - December 2025	Unsecured ⁶	12 month Term SOFR ⁵ plus 0.3% settled quarterly	58,350	58,350
USD	December 2024 - December 2025	Unsecured ⁶	12 month Term SOFR ⁵ plus 0.3% settled quarterly	11,200	11,200
CNY	December 2024 - December 2025	Unsecured ^{6,7}	12 month LPR ³ plus 1.4% settled monthly	2,000,000	274,000
CNY	December 2024 - December 2025	Secured ^{1,7}	12 month LPR ³ plus 1.4% settled monthly	1,000,000	137,000
CNY	December 2024 - December 2025	Unsecured ⁶	12 month LPR ³ plus 0.9% settled quarterly	14,000	1,918
USD	December 2024 - December 2025	Secured ¹	12 month Term SOFR ⁵ plus 1.1% settled on maturity	125,000	125,000
Total					\$ 2,414,763

1 - Secured by Geely.

2 - New vehicle inventory purchased via this facility is pledged as security until repaid. This facility has a repayment period of 90 days and includes a covenant tied to the Group's financial performance and minimum quarterly cash levels of €400,000. As of the issuance date of these Consolidated Financial Statements.

3 - People's Bank of China ("PBOC") Loan Prime Rate ("LPR").

4 - Euro Interbank Offered Rate ("EURIBOR").

5 - Secured Overnight Financing Rate ("SOFR")

6 - Letter of comfort from Geely.

7 - The working capital CNY loans from the Industrial Bank, Ningbo branch, are subject to covenant requirements. These require a six-month observation period starting from the loan issuance date, during which the monthly average sales of Polestar vehicles must reach at least 5,000 units. Upon breach, the bank is entitled to collect 25% of the loan principal and interest each month starting from July 2025, ensuring that the entire loan amount, including principal and interest, is fully repaid within four months.

The Group has the following non-current syndicated loans from banks outstanding as of December 31, 2024:

Currency	Term	Security	Interest	Nominal amount in respective currency	Carrying value in USD
USD	February 2024 - February 2027	Unsecured ^{2,3,6}	3 month Term SOFR ¹ plus 3.35%	583,489	577,785
EUR	February 2024 - February 2027	Unsecured ^{2,3,6}	3 month EURIBOR ⁴ plus 2.85%	340,000	349,450
Total					\$ 927,235

1 - Term Secured Overnight Financing Rate ("Term SOFR").

2 - Keepwell deed from Geely, and Letter of Comfort from Volvo Cars and PSD.

3 - The loans are secured by interest reserve accounts pledges with an aggregate of three months interest deposited.

4 - Euro Interbank Offered Rate ("EURIBOR").

5 - The nominal amount in USD as of December 31, 2024, is \$352,825.

6 - The syndicated loans are subject to covenant requirements, including but not limited to a minimum annual revenue of \$5,359,900 for 2024, minimum quarterly cash levels of €400,000, maximum quarterly financial indebtedness of \$5,500,000, and maximum quarterly debt ratio of 0.9. Prior to December 31, 2024, Polestar applied for, and received acceptance of, a waiver and amendment of the revenue covenant and a waiver of the debt ratio covenant. The waiver amended the covenant of consolidated revenue for the Group for the year ended December 31, 2024 by adjusting the amount from \$5,359,900 to \$1,400,000 as well as waiving the testing of the debt ratio for the quarter ended December 31, 2024 and the quarter ended March 31, 2025; the debt ratio covenant will continue to be tested in the quarters thereafter.

The Group had the following working capital loans outstanding as of December 31, 2023:

Currency	Term	Security	Interest	Nominal amount in respective currency	Carrying value in USD
EUR	February 2023 - February 2024	Secured ¹	3 month EURIBOR3 plus 2.3% and an arrangement fee of 0.15%	400,104	442,795
USD	March 2023 - March 2024	Unsecured ²	7.35% per annum, settled quarterly	100,000	100,000
CNY	March 2023 - March 2024	Unsecured ²	12 month LPR4 plus 0.05%, settled quarterly	260,000	36,617
CNY	April 2023 - April 2024	Unsecured ²	12 month LPR4 plus 0.05%, settled quarterly	11,430	1,610
CNY	May 2023 - May 2024	Unsecured ²	12 month LPR4 plus 0.45%, settled quarterly	231,000	32,533
CNY	June 2023 - June 2024	Unsecured ²	12 month LPR4 plus 1.3%, settled monthly	310,000	43,659
USD	August 2023 - August 2024	Unsecured ²	3 month SOFR5 plus 2.3%, settled quarterly	402,000	402,000
USD	August 2023 - August 2024	Secured ⁶	12 month SOFR5 plus 0.9%, settled quarterly	320,000	320,000
USD	August 2023 - August 2024	Unsecured ²	12 month SOFR5 plus 1.1%, settled quarterly	82,000	82,000
CNY	September 2023 - September 2024	Unsecured ²	12 month LPR4 plus 0.25%, settled quarterly	500,000	70,417
USD	September 2023 - September 2024	Unsecured ²	12 month SOFR5 plus 0.65%, settled quarterly	118,000	118,000
USD	September 2023 - September 2024	Secured ⁶	12 month SOFR5 plus 1.11%, settled semi-annual	100,000	100,000
CNY	October 2023 - October 2024	Unsecured ²	12 month LPR4 plus 0.15% settled quarterly	200,000	28,167
CNY	December 2023 - December 2024	Unsecured ²	12 month LPR4 plus 1.05% settled quarterly	92,000	12,957
USD	December 2023 - December 2024	Secured ⁶	12 month SOFR5 plus 1.7%, settled semi-annual	133,000	133,000
Total					\$ 1,923,755

1 - New vehicle inventory financed via this facility is pledged as security for 100% of the outstanding principal under the facility, via first-ranking English law security over vehicles and transport documents, until repaid. This facility consists of individual loans that have a repayment period of 90 days, and includes a covenant tied to the Group's liquidity levels.

2 - Euro Interbank Offered Rate ("EURIBOR").

3 - People's Bank of China ("PBOC") Loan Prime Rate ("LPR").

4 - Secured by Geely, including letters of keep well from both Volvo Cars and Geely.

5 - Secured Overnight Financing Rate ("SOFR").

6 - Letters of keep well from both Volvo Cars and Geely.

Floorplan facilities

In the ordinary course of business, Polestar, on a market by market basis, enters into multiple low value credit facilities with various financial service providers to fund operations related to vehicle sales. These facilities provide access to credit with the option to renew as mutually determined by Polestar Group and the financial service provider. The facilities are partially secured by the underlying assets on a market-by-market basis. As of December 31, 2024 and December 31, 2023, the aggregate amount outstanding under these arrangements was \$144,446 and \$120,840, respectively.

The Group maintains one such facility with the related party Volvo Cars Financial Services UK that is presented separately in interest-bearing current liabilities - related parties within the Consolidated Statement of Financial Position. Of the amounts above, the aggregate amount outstanding as of December 31, 2024 and December 31, 2023 due to related parties amounted to \$54,975 and \$44,877, respectively. Refer to *Note 27 - Related party transactions* for further details.

Sale-leaseback facilities

Polestar has also entered into contracts to sell vehicles and then lease such vehicles back for a period of up to twelve months. At the end of the leaseback period, Polestar is obligated to repurchase the vehicles. Accordingly, the consideration received for these transactions was recorded as a financing transaction. As of December 31, 2024 and December 31, 2023, the aggregate amount outstanding under these arrangements was \$8,160 and \$26,947, respectively.

Note 26 - Supplemental cash flow information

The Group's non-cash investing and financing activities were as follows:

	For the year ended December 31,		
	2024	2023	2022
Non-cash investing and financing activities			
Purchases of property, plant and equipment in trade payables	114,486	96,011	79,623
Purchases of intangible assets in trade payables - related parties and accrued expenses - related parties	140,007	129,019	74,781
Initial recognition of ROU assets and lease liabilities	70,078	54,569	43,514
Initial recognition of investment in associates	9,608	29,400	—
Prepaid assets and warrant liabilities assumed upon closing of the merger with GGI	—	—	57,040
Issuance of Earn-out rights upon closing of the merger with GGI	—	—	1,500,638

Changes in the Group's current and non-current liabilities arising from financing activities were as follows:

	Liabilities to credit institutions	Convertible liabilities	Other financing liabilities	Earn-out and Class C Shares liabilities	Lease liabilities	Total
Balance as of January 1, 2023	1,329,716	—	17,132	626,570	96,832	2,070,250
of which outstanding principal	1,327,102	—	17,132	—	—	1,344,234
of which accrued interest	2,614	—	—	—	—	2,614
Changes from financing cash flows						
Proceeds from short-term borrowings	3,177,038	—	96,850	—	—	3,273,888
Proceeds from long-term borrowings	—	1,250,000	131,738	—	—	1,381,738
Repayments of borrowings	(2,482,674)	—	(70,334)	—	—	(2,553,008)
Repayments of lease liabilities	—	—	—	—	(21,916)	(21,916)
Total changes from financing cash flows	\$ 694,364	\$ 1,250,000	\$ 158,254	\$ —	\$ (21,916)	\$ 2,080,702
Changes from other items						
Initial recognition of lease liabilities	—	—	—	—	54,569	54,569
Cancellation of lease liabilities	—	—	—	—	(2,829)	(2,829)
Interest expense	111,949	60,325	2	—	5,008	177,284
Interest paid	(104,762)	(42,620)	(2)	—	(5,008)	(152,392)
Total changes from other items	\$ 7,187	\$ 17,705	\$ —	\$ —	\$ 51,740	\$ 76,632
Changes from effects of foreign exchange rates	5,488	—	1,228	—	592	7,308
Changes from effects of fair value measurement	—	7,553	—	(465,168)	—	(457,615)
Changes from interest on fair value	—	(359)	—	—	—	(359)
Balance as of December 31, 2023	\$ 2,036,755	\$ 1,274,899	\$ 176,614	\$ 161,402	\$ 127,248	\$ 3,776,918
of which outstanding principal	2,026,665	1,257,194	176,614	—	—	3,460,473
of which accrued interest	10,090	17,705	—	—	—	27,795
Balance as of January 1, 2024	\$ 2,036,755	\$ 1,274,899	\$ 176,614	\$ 161,402	\$ 127,248	\$ 3,776,918
Changes from financing cash flows						
Proceeds from short-term borrowings	3,273,142	—	138,121	—	—	3,411,263
Proceeds from long-term borrowings	938,474	—	—	—	—	938,474
Repayments of borrowings	(2,755,562)	—	(134,337)	—	—	(2,889,899)
Repayments of lease liabilities	—	—	—	—	(35,646)	(35,646)
Total changes from financing cash flows	\$ 1,456,054	\$ —	\$ 3,784	\$ —	\$ (35,646)	\$ 1,424,192
Changes from other items						
Initial recognition of lease liabilities	—	—	—	—	70,078	70,078
Cancellation of lease liabilities	—	—	—	—	(21,151)	(21,151)
Interest expense ¹	174,480	127,032	6,689	—	7,423	315,624
Interest paid	(165,642)	(104,285)	—	—	(7,423)	(277,350)
Amortization of loan fees	3,086	—	—	—	—	3,086
Total changes from other items	\$ 11,924	\$ 22,747	\$ 6,689	\$ —	\$ 48,927	\$ 90,287

Changes from effects of foreign exchange rates	(46,461)	—	(4,387)	—	(5,258)	(56,106)
Adjustment for revised cash flow estimate	—	—	(2,478)	—	—	(2,478)
Loss on debt modification	—	2,761	—	—	—	2,761
Changes from effects of fair value measurement	—	—	—	(129,124)	—	(129,124)
Balance as of December 31, 2024	\$ 3,458,272	\$ 1,300,407	\$ 180,222	\$ 32,278	\$ 135,271	\$ 5,106,450
of which outstanding principal	3,439,629	1,257,637	179,853	—	—	4,877,119
of which accrued interest	18,643	42,770	369	—	—	61,782

1 - Other financial liabilities includes the imputed interest expense related to the PS3 Tooling and Equipment financing instrument. The full amount of all repayments of the PS3 Tooling and Equipment financing instrument are presented as 'Repayments of borrowings'.

Note 27 - Related party transactions

Related parties are as follows:

- A person, or a close family member of such person, that has control, joint control or significant influence over a Polestar entity. Due to the Group's ownership structure, Li Shufu is the person who effectively controls the Group and its entities;
- A person who is a member of the key management of the Group, or a close family member of such person. Key management of the Group includes EMT consisting of the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) and Managing Directors;
- A legal entity, controlled by a person mentioned in either of the previous two bullets, that can exercise significant influence over the Group;
- A legal entity that is a parent company, subsidiary, joint venture, associate or other company where Li Shufu owns 10% or greater interest in the voting power of the company; or
- A legal entity whose key management personnel provide services to an entity within the Group.

Prior to the merger with GGI, Polestar Group existed as a joint venture between Geely and Volvo Cars. Geely is primarily owned and operated by Li Shufu. Geely, through a combination of wholly owned and partially owned entities, owns a controlling number of equity interests in Volvo Cars. Therefore, Li Shufu, as a controlling equity interest holder in Geely, effectively controls Geely and Volvo Cars. All transactions with Geely and Volvo Cars are related party transactions.

Unless specifically detailed in this footnote, all transactions with related parties are on an arm’s length basis. During the years ended December 31, 2024, 2023, and 2022, the Group had related party transactions in the following functions:

Product development

The agreements in place to support the Group’s product development include licenses and intellectual property, patents, R&D services, design, and technology agreements with Volvo Cars and Geely. The Group owns its developed Polestar Unique technology, which was created using purchased R&D, design services, and licenses to critical common technology from Volvo Cars and Geely. Polestar also benefits from related parties as subcontractors in certain internal technology development programs of the Group. Major product development agreements Polestar entered into with related parties during the years ended December 31, 2024, 2023, and 2022 are as follows:

Product	Agreements
PS2	<ul style="list-style-type: none"> • On January 4, 2024, October 3, 2023, November 9, 2022 and December 27, 2022, Polestar entered into amendment agreements related to the service and joint development agreements with Volvo Cars regarding the PS2 model year updates entered on April 13, 2021. The amendment agreements both modify existing model year fees as well as add new model years. The fee Polestar agreed to pay Volvo Cars for model year 2024, 2025, and 2026 updates was approximately \$22,219. The fee Polestar agreed to pay Volvo Cars for model year 2022 and 2023 updates was \$67,429. The fee Polestar agreed to pay Volvo Cars for model year 2021 updates was amended to approximately \$34,004.
PS3	<ul style="list-style-type: none"> • No material agreements were signed in the years ended December 31, 2024, 2023, and 2022.

PS4	<ul style="list-style-type: none"> On December 23, 2024, October 25, 2024 and August 14, 2024 Polestar entered into supplement and amendment agreements regarding the R&D service agreement for the development phase of the PS4 entered into on December 28, 2021. Under the supplement and amendments, Geely provided additional PS4 IP services, including modified development services, model year updates and prototypes totaling approximately \$29,219. The total fee Polestar agreed to pay, in eight installments through 2025, was approximately \$368,718, calculated on time and materials under a cost-plus methodology. On July 23, 2024, Polestar entered into a R&D service agreement for development and prototypes to be performed and supplied by Renault Korea Co. Ltd ("RK"), subcontracted by Geely, and based on Geely's PMA-1 platform and GEEA2.0 electrical architecture. The service charges include a combination of fixed fees and estimated charges for the services to be provided, paid based on predefined project milestones. The total fee Polestar agreed to pay Geely through 2025 was approximately \$31,090. On March 4, 2022, Polestar entered into two technology license agreements related to the right to use Geely's PMA-1 platform and GEEA2.0 electrical architecture for the PS4 in and outside of China. Under these agreements, Polestar agreed to pay Geely a monthly license royalty fee based on the net revenue of PS4s sold each month during the vehicle's lifecycle. The agreements also include a minimum sales volume commitment for sales inside and outside of China each year during the vehicle's lifecycle. Polestar is required to pay Geely compensation for any deficit between the actual volume sold and the minimum sales volume commitment each year. Polestar also entered into a third technology license agreement with Zhejiang Zeekr Automobile Research and Development Co., Ltd ("Zeekr"), an entity controlled by Geely, related to the right to use Zeekr carry-over tophat technology in the PS4 in China. Polestar agreed to pay Zeekr a monthly license royalty fee based on the net revenue of PS4s sold each month in China during the vehicle's lifecycle. The agreement also includes a minimum sales volume commitment for China for each year during the vehicle's lifecycle. Polestar is required to pay Zeekr compensation for any deficit in China between the actual volume sold and the minimum sales volume commitment each year.
PS5 & PS6	<ul style="list-style-type: none"> On December 1, 2023 and February 3, 2023, Polestar amended a vehicle supply agreement with Asia Europe New Energy Vehicle Manufacturing (Chongqing) Co., Ltd. ("AECQ"), a subsidiary of Geely, related to the production of PS5 prototypes, which was originally entered into on July 26, 2022. Under the original agreement, AECQ agreed to manufacture and sell Polestar prototypes of the PS5 for a total cost of approximately \$25,398 that was determined under a cost-plus methodology. On February 3, 2023, the agreement was amended to change the timing and composition of prototypes, including adding production for spare parts and components, and increased the total cost to \$25,783. On December 1, 2023, the agreement was amended again for similar reasons and increased the total cost to \$27,290. On September 28, 2023, Polestar entered into a technology license agreement with Geely related to the right to use Zeekr's ZEEA2.5 and Geely's GEEA2.0 electrical architectures for the PS5. The total license fee of \$31,245 is required to be paid in two installments: a payment of \$14,011 that occurred in October 2023 and a payment of \$17,234 to be made in 2025.

Refer to *Note 29 - Commitments and contingencies* for details on commitments and contingencies related to product development of Polestar vehicles.

Procurement

The Group has entered into service agreements with Geely and Volvo Cars regarding the procurement of direct materials for production and the indirect procurement of material, IT and other general services not related to car components. The joint sourcing of indirect procurement activities and direct material for the Group, Volvo Cars, and Geely has allowed the companies to leverage economies of scale.

Manufacturing

The Group purchases contract manufacturing services, manufacturing and logistics engineering services, and has entered into tool sharing agreements with Volvo Cars and Geely. Manufacturing engineering includes activities related to the development of the production process (i.e., deciding which manufacturing equipment should be utilized and where equipment should be situated to ensure an efficient production process), rather than development of the vehicle itself. Logistics engineering includes activities related to the determination of how different components are delivered to the production sites. The Group outsourced the manufacturing and logistics engineering for the production processes of the PS1, PS2, and PS3 to Volvo Cars and for the production processes of the PS4 to Geely.

Tool sharing occurs when the Group purchases production tools, together with Volvo Cars or Geely, to obtain synergies in the manufacturing processes by utilizing the same or similar tools. Polestar also enters into machinery and equipment lease arrangements as well as certain building lease agreements with Geely and Volvo Cars. Refer to *Note 12 - Leases* for more information on Polestar's leasing arrangements.

Major manufacturing agreements Polestar entered into with related parties during the years ended December 31, 2024, 2023, and 2022 are listed below.

Product	Agreements
PS2	<ul style="list-style-type: none"> No material agreements were signed in the years ended December 31, 2024, 2023, and 2022.

PS3	<ul style="list-style-type: none"> On September 6, 2024, Polestar and Volvo Cars entered into an agreement for the manufacturing of the PS3 in Volvo Cars' Charleston plant. PS3 is agreed to be priced based on the full cost of production plus a mark-up. The mark-up will be reviewed annually and adjusted in accordance to the median of the latest available benchmark procured by Volvo Cars in accordance to the "arm's length principle" between the Parties. Under this agreement, Polestar is committed to purchasing certain volumes of the PS3 between 2024 and 2030. In the event that Polestar's actual volumes purchased during the production period are lower than the agreed volumes, Polestar is obligated to compensate Volvo Cars for fixed costs related to the lost capacity, such as depreciation for common equipment, common type-bound tooling and equipment, and common vendor tooling. On January 8, 2024 and January 12, 2024, Polestar and Volvo Cars entered into an agreement for the manufacturing of the PS3 in Volvo Cars' Chengdu plant for sale in and outside of China. PS3 is agreed to be priced based on the full cost of production plus a mark-up. The mark-up will be reviewed annually and adjusted in accordance to the median of the latest available benchmark procured by Volvo Cars in accordance to the "arm's length principle" between the Parties. Under this agreement, Polestar is committed to purchase specific volumes of the PS3 between 2024 and 2030. In the event that Polestar's actual volumes purchased during the production period are lower than the agreed volumes, Polestar is obligated to compensate Volvo Cars for fixed costs related to the lost capacity, such as depreciation for common equipment, common type-bound tooling and equipment, and common vendor tooling. On December 8, 2023, Polestar entered into an asset transfer agreement with Geely under which Polestar agreed to sell Polestar unique tooling and equipment that will be used in the manufacturing of the PS3 to Geely in exchange for \$156,056. This agreement was accounted for as a financing transaction instead of a sale due to the terms of the agreement and the terms of other agreements with Volvo Cars and Geely that were signed on January 8, 2024 and March 3, 2024. Refer to the <i>Financing</i> section of this footnote for more details.
PS4	<ul style="list-style-type: none"> On November 9, 2023, Polestar entered into a framework agreement with Geely and Renault Korea Co. Ltd ("RK") related to the production of the PS4 in RK's plant in Busan, South Korea for sale in South Korea, Canada, and the United States. Under the agreement, Polestar agreed to pay RK per vehicle produced based on a cost-plus methodology inclusive of cost components such as bill of materials, manufacturing service, long-lived asset, and outbound logistics fees. The agreement includes a purchase volume commitments for each year during the vehicle's lifecycle and Polestar is required to pay RK compensation each year if the purchase volume commitment is not met. Between signing of the agreement and 2026, Polestar, Geely, and RK are committed to invest approximately \$242,000 to prepare the plant for production of the PS4. Polestar's share of the commitments that are required to be paid outside of piece price of each PS4 produced total approximately \$200,000 and approximately \$38,000 are required to be paid in piece price. The remaining commitment will be paid by Geely. On June 26, 2024, Polestar further entered into a production development and localization service agreement with RK detailing the payments terms of the investment and project costs with respect to milestones, with the final milestone estimated to be met in 2026. On July 17, 2023 and July 24, 2023, Polestar entered into two manufacturing and vehicle supply agreements with Geely related to production of the PS4 in Geely's plant in Hangzhou, China for sale in and outside of China. Under the agreements, Polestar agreed to pay Geely per vehicle produced based on a cost-plus methodology inclusive of cost components such as bill of materials, manufacturing service, and outbound logistics fees. The agreements include purchase volume commitments for each year during the vehicle's lifecycle. Polestar is required to pay Geely compensation for the deficit between the actual volume purchased during the year and 90% of Polestar's fixed reserved volume for the year. Polestar's fixed reserve volume for each year is negotiated and agreed upon in November of the year prior. On October 1, 2024 and October 8, 2024, supplemental agreements modified the cost components that affect the vehicle price. On January 17, 2022, Polestar entered into a tooling and equipment agreement with Geely related to PS4 unique equipment, tooling, and launch costs related to the manufacturing of the PS4. Under the agreement, Geely agreed to invest a total of \$60,948 for PS4 unique equipment, tooling, and launch costs on behalf of Polestar and Polestar agreed to pay Geely in seven installments at certain pre-defined milestones between contract signing and February 2024. The cost to Polestar for PS4 unique equipment and tooling is \$39,371 and \$21,577 for PS4 launch costs.
PS5 & PS6	<ul style="list-style-type: none"> On December 20, 2023 and September 15, 2023, Polestar entered into a memorandum of understanding and framework services agreement with Asia Europe New Energy Automobile Manufacturing (Chongqing) Co. Ltd. ("AECQ"), a subsidiary of Geely, related to the setup of plant operation services for manufacturing of the PS5 and PS6. Refer to Production of the PS5 and PS6 for details on the memorandum of understanding agreement.

Refer to *Note 29 - Commitments and contingencies* for details on commitments and contingencies related to manufacturing of Polestar vehicles.

Production of the PS5 and PS6

Production of the PS5 and PS6 is intended to occur in a manufacturing plant owned by Geely, via its AECQ subsidiary, in Chongqing, China. During the year ended December 31, 2021, Polestar and Geely established a steering committee to oversee decisions relevant to the plant, including planning, design, construction, engineering management of the plant. Following the establishment of the steering committee, Polestar began providing digital, human resources, indirect procurement, finance, logistics, plant management, blue collar launch, product launch, and plant launch services (collectively, the "Plant Operation Services") related to the setup of Geely's plant. Since the year ended December 31, 2021 and prior to December 20, 2023, these services were provided to Geely without an agreement of commercial and legal terms (i.e., a contract) between Polestar and Geely; resulting in Polestar providing the Plant Operation Services to Geely at its own risk and without rights to consideration from Geely. All costs incurred by Polestar during the years ended December 31, 2023, 2022 and 2021 that were associated with providing the Plant Operation Services were expensed as incurred under their respective functional line items in the Consolidated Statement of Loss and Comprehensive Loss.

On December 20, 2023, Polestar and Geely entered into an agreement under which Geely agreed to compensate Polestar for the Plant Operation Services provided by Polestar during the years ended December 31, 2023, 2022, and 2021. The consideration received by Polestar upon signing of the service agreement amounted to \$25,202 and was calculated utilizing a cost-plus methodology. During the year ended December 31, 2024, the consideration received by Polestar upon providing plant operation services in 2024 amounted to

\$10,100. The consideration received was recognized in other operating income (expense), net in the Consolidated Statement of Loss and Comprehensive Loss for the year ended December 31, 2024.

Sales and distribution

For the years ended December 31, 2024, 2023, and 2022, the Group sold software technology, vehicles, prototype engines and carbon credits to Geely and Volvo Cars. The Group leverages Volvo Cars sales and services network for go-to-market strategies and dealer support to assist with tasks, which include agreements related to distribution and outbound logistics, delivery of vehicles and other products and global customer service. In 2023, the Group had new agreements in place to begin selling vehicles and services to Polestar Times Technology, a strategic joint venture for the China market with the technology company Xingji Meizu. Polestar leverages Xingji Meizu software and consumer electronics hardware development to strengthen Polestar's offer in the China market. Refer to *Note 10 - Investment in associates* for more information regarding the agreements with Polestar Times Technology.

The Group sells vehicles to Volvo Cars and end customers while end customers can choose to finance the vehicles via Polestar's related party, Ziklo Bank AB (previously Volvofinans Bank AB).

Polestar and Volvo Car Financial Services US LLC, doing business as Polestar Financial Services ("PFS"), entered into residual value guarantee agreements with Bank of America, National Association ("BANA"), a third party, in the US. BANA sought to obtain economic protection against degradation in the residual value of leased vehicles it funds, and Polestar agreed to provide such protection as a service for a fee.

Information technology

While Polestar has its own information technology ("IT") department, Polestar operates in a shared IT environment with Volvo Cars and has service and software license agreements related to the support, maintenance, and operation of IT processes. These IT services include resource planning systems, operations, infrastructure, networking, communications, collaboration, integration, and application hosting.

Other support

The Group has various other related party agreements in place with Volvo Cars. These are primarily service agreements that relate to support for corporate or back-office functions, including human resources, legal, accounting, and logistics. Human resources support services relate to activities associated with payroll administration, training and workforce administration. Legal support services include routine work associated with patent and brand registrations and competition law. Accounting support services include statutory finance administration, accounting, and financial reporting for sales units.

As the PS2 is manufactured at Volvo Cars' Taizhou plant and the PS3 is manufactured at Volvo Cars' Chengdu and Charleston plants, Volvo Cars are responsible for inbound logistics and Polestar outsources the related outbound logistics to Volvo Cars. As the PS4 is manufactured at Geely's Hangzhou Bay plant, Geely is responsible for inbound logistics. Inbound logistics relate to supplier shipments to various production sites; outbound logistics relate to the transport of vehicles to end customers. The Group outsources customs handling to Volvo Cars as it does not currently have its own customs department. Warranty claims handling is also outsourced to Volvo Cars.

Financing

Floorplan facilities

In May 2021, the Group entered into a floorplan facility with Volvo Cars Financial Services UK. The floorplan facility is renewed each 12-month period and is denominated in GBP. Interest is calculated at the floating Bank of England ("BoE") base rate plus 2-2.5%, settled monthly. The facility is partially secured by the underlying assets. As of December 31, 2024 and 2023, \$54,975 and \$44,877 of this financing arrangement remained outstanding, respectively, which is included in interest-bearing current liabilities - related parties on the Consolidated Statement of Financial Position.

Convertible instruments

On November 3, 2022 the Group entered into a credit facility agreement with Volvo Cars providing available credit of up to \$800,000; originally terminating on May 3, 2024. The credit facility can be drawn upon once a month and is utilizable for general corporate purposes. Interest is calculated at the floating six-month SOFR rate plus 4.97% per annum. Prior to June 30, 2027, if the Group announces an offering of shares with a proposed capital raise of at least \$350,000 and no fewer than five institutional investors participate in the offering, Volvo Cars has the right to convert the principal amount of any outstanding loans into the same class of shares and at the same price per share as received by the participating institutional investors. Under IAS 32 and IFRS 9, Volvo Cars' conversion right meets the definition of an embedded derivative financial liability that is required to be bifurcated from the host debt instrument and accounted for separately because it could result in the issuance of a variable number of Class A Shares in the Parent at a price that was not fixed at the inception of the agreement. Additionally, the economics of Volvo Cars' conversion right are not clearly and closely related to that of the host debt instrument because the principal value of Volvo Cars' conversion right depends on (1) whether or not the Group conducts a qualified equity offering to investors at a market discount and (2) the time-value of money associated with settlement of the liability earlier than June 30, 2027. As such, the financial liability related to Volvo Cars' conversion right is carried at fair value with subsequent changes in fair value recognized in the Consolidated Statement of Loss and Comprehensive Loss at each reporting date.

On November 8, 2023, the credit facility agreement was amended to increase the overall credit capacity to \$1,000,000 and extend the termination date to June 30, 2027. As a result of the amended terms, Polestar recalculated the carrying amount of the liability as the present value of the modified contractual cash flows and recognized a modification loss of \$7,553 within finance expense. The carrying value of the liability as of December 31, 2023 was \$1,007,194.

On August 21, 2024, the credit facility agreement was amended to extend the termination date to June 30, 2027. As a result of the amended terms, Polestar recalculated the carrying amount of the liability as the present value of the modified contractual cash flows and recognized a modification loss of \$2,761 within finance expense during the year ended December 31, 2024. The carrying value of the liability as of December 31, 2024 was \$1,007,637.

As of December 31, 2024 and 2023, the Group had principal draws of \$1,000,000 and \$1,000,000 outstanding under the facility and the fair value of the financial liability related to Volvo Cars' conversion right was \$0 and \$0.

On November 8, 2023, the Group entered into a credit facility agreement with Geely providing available credit of up to \$250,000; terminating on June 30, 2027. Other than the amount of credit available, the credit facility agreement with Geely maintains terms that are identical to the original credit facility agreement with Volvo Cars. As of December 31, 2024 and 2023, the Group had principal draws of \$250,000 and \$250,000 outstanding under the facility and the fair value of the financial liability related to Geely's conversion right was \$0 and \$0.

As of December 31, 2024 and 2023, the total principal balance outstanding under the facilities with Volvo Cars and Geely is reflected within other non-current interest-bearing liabilities - related parties.

Of the \$35,231 in Convertible Notes issued on July 28, 2021, \$9,531 was issued to various entities affiliated with Geely. As of December 31, 2021, all \$9,531 of the Convertible Notes were outstanding. Upon the Closing of the merger with GGI, the Convertible Notes were converted into 4,306,466 Class A Shares. Refer to *Note 1 - Overview and basis of preparation* and *Note 22 - Equity* for further details.

Other financing instruments

On December 8, 2023, Polestar and Geely entered into an asset transfer agreement which, when considered together with certain other agreements not signed until after December 31, 2023, was designed to provide financing to Polestar in exchange for Polestar transferring legal ownership of certain Polestar unique tooling and equipment that will be used in the manufacturing of the PS3 (the "PS3 Tooling and Equipment") to Geely. The agreements were as follows:

- Polestar and Geely entered into an asset transfer agreement on December 8, 2023 under which Geely agreed to purchase the PS3 Tooling and Equipment for \$156,056. The PS3 Tooling and Equipment sold to Geely included (1) tooling and equipment at certain vendors' premises and (2) unique type bound tooling and equipment located in Volvo Cars' plant. The purchase price was comprised of (1) Polestar's book value of the PS3 Tooling and Equipment equal to \$149,470 (the "Base") and (2) an estimate of the cost to Polestar for future changes or modifications to the PS3 Tooling and Equipment equal to \$6,586 (the "Cap"). The amount of the Cap not utilized by Polestar must be repaid by Polestar to Geely at the end of the useful life of the PS3. During and at the end of the useful life of the PS3, Polestar has the right to repurchase the PS3 Tooling and Equipment at Geely's book value. In the event the user right agreement (discussed below) is terminated, Polestar is obligated to repurchase the PS3 Tooling and Equipment at the amount not reimbursed to Geely under the user right agreement.
- Polestar, Geely, and Volvo Cars were committed to enter into a user right agreement under which Geely will grant Volvo Cars the right to use to PS3 Tooling and Equipment to manufacture the PS3 for Polestar in exchange for an annual user right fee from Volvo Cars equal to the Base divided by the estimated useful life of the PS3 (i.e., 6 years). In the event Polestar utilizes the Cap in the future, the numerator of the annual user right fee calculation will be adjusted by Geely to add the amount of the Cap utilized by Polestar. The user right fee does not carry interest or a mark-up.
- Polestar and Volvo Cars were committed to enter into a manufacturing agreement under which Volvo Cars will manufacture the PS3 in its plant in Chengdu, China. Per the pricing terms of the manufacturing agreement, Polestar will repay Volvo Cars for the annual user right fee paid to Geely in the piece price of each PS3 purchased (i.e., the annual user right fee divided by the annual manufacturing volume of PS3s).

In accounting for the asset transfer agreement, the Group applied the guidance in IFRS 15, IFRS 16, and IFRS 9. Under IFRS 15 and IFRS 16, the transfer of the PS3 Tooling and Equipment failed to meet the definition of a sale because the PS3 Tooling and Equipment is (1) unique to Polestar and the manufacturing of the PS3, (2) Polestar maintains a right to repurchase the PS3 Tooling and Equipment during and at the end of the useful life of the PS3, and (3) Polestar has a contingent obligation to repurchase the PS3 Tooling and Equipment at a value equal to Geely's purchase price less the total amount of the user right fee paid to Geely in the event the user right agreement is terminated. Further, since Polestar is required to (1) pay Volvo Cars in PS3 piece price for the annual user right fee Volvo Cars is required to pay Geely and (2) pay Geely at the end of the useful life of the PS3 for any unused amount of the Cap, the agreements together form a failed sale and lease-back transaction. In accordance with IFRS 16, the PS3 Tooling and Equipment was not derecognized from PPE and Polestar's obligation to repay the purchase price from Geely was accounted for under IFRS 9. Per the terms of the agreement, Polestar's long-term obligation to repay Geely through Volvo Cars does not include any interest or mark-up (i.e., the amount borrowed is the exact amount which will be repaid). This transfer of proceeds from Geely did not factor for the time-value of money (e.g., in a manner similar to a discount on a bond that a third party investor would require), so the transaction was not at arm's length in accordance with IAS 24, *Related Party Disclosures* ("IAS 24"), resulting in a portion of the purchase price from Geely being accounted for as a capital contribution instead of a financial liability. Accordingly, Polestar's obligation to Geely was recognized at the present value of \$131,737, determined utilizing an estimated market interest rate in China of 5.2%, and the difference between the present value of Polestar's obligation and the purchase price from Geely of \$25,565 was recognized as a component of other contributed capital.

On March 1, 2024, Polestar extended the production lifecycle of the PS3 from six years to seven years. As the duration of the PS3 Tooling and Equipment financing instrument follows the production lifecycle of the vehicle, the length of the repayment period also extended from six years to seven years resulting in a \$2,478 gain. The carrying value of the PS3 Tooling and Equipment financing instrument was \$124,878 and \$131,737 as of the year ended December 31, 2024 and 2023, respectively.

Sale of goods, services and other

Related party revenue transactions relate to product development and sales and distribution agreements discussed above. These transactions are comprised of sales of products and related goods and services, sales of software technology and performance engineered kits, sales of carbon credits and sales of prototype engines. The total revenue recognized from each related party is shown in the table below:

	For the year ended December 31,		
	2024	2023	2022
Ziklo Bank AB ¹	107,553	46,319	68,391
Volvo Cars	101,299	86,460	64,558
Polestar Times Technology	67,451	—	—
Other related parties	10	5,895	—
Total	\$ 276,313	\$ 138,674	\$ 132,949

1 - In March 2024, Volvofinans Bank AB changed its name to Ziklo Bank AB.

For the year ended December 31, 2024, revenue from related parties amounted to \$276,313 (13.58%) of total revenue. For the year ended December 31, 2023, revenue from related parties amounted to \$138,674 (5.86%) of total revenue. For the year ended December 31, 2022, revenue from related parties was \$132,949 (5.45%) of total revenue.

Purchases of goods, services and other

Purchases from related parties include agreements related to product development, procurement, manufacturing, IT, and other support (specifically, inbound and outbound logistics) agreements discussed above. These agreements include work in progress and finished goods, including Polestar 2 vehicles purchased from Volvo Cars' factory in Taizhou, China and Polestar 4 vehicles purchased from Geely's Hangzhou Bay factory in Ningbo, China. Purchases of PS2 vehicles were from Geely until the change in plant ownership in November 2021; purchases and their related payables were from Volvo Cars subsequent to this event. Inventory cost of the Group is comprised of all costs of purchase, production charges and other expenditures incurred in bringing the inventory to its present location and condition.

Additionally, purchases from related parties include administrative costs associated with service agreements with Volvo Cars that relate to corporate or back-office functions. IT service and software related agreements are also included in administrative costs.

The total purchases of goods, services and other for each related party is shown in the table below:

	For the year ended December 31,		
	2024	2023	2022
Volvo Cars	1,330,998	2,341,970	2,215,643
Geely	877,908	252,888	248,553
Other related parties	13,204	7,693	1,566
Total	\$ 2,222,110	\$ 2,602,551	\$ 2,465,762

Cost of R&D and intellectual property

Polestar has entered into agreements with Volvo Cars and Geely regarding the development of technology leveraged in the development of the PS1, PS2, PS3, and PS4. The Group is in control of the developed product either through a license or through ownership of the IP and the recognized asset reflects the relevant proportion of Polestar Group's interest. The recognized asset associated with these agreements as of December 31, 2024 was \$865,055, of which acquisitions attributable to 2024 were \$116,301. As of December 31, 2023, the recognized asset associated with these agreements was \$1,066,766, of which acquisitions attributable to 2023 were \$241,048.

Amounts due to related parties

Amounts due to related parties include transactions from agreements associated with purchases of intangible assets, sales and distribution, procurement, manufacturing and other support from Volvo Cars and Geely.

Trade payables – related parties, accrued expenses, and other current liabilities to related parties	As of December 31,	
	2024	2023
Volvo Cars	562,676	494,170
Geely	528,711	195,255
Polestar Times Technology	10,016	30,668
Other related parties	8,473	2,875
Total	\$ 1,109,876	\$ 722,968

As of December 31,

Interest-bearing current liabilities - related parties	2024	2023
Volvo Car Financial Services UK	54,975	44,878
Geely	28,688	18,308
Volvo Cars	16,999	10,628
Total	\$ 100,662	\$ 73,814

	As of December 31,	
Other non-current interest-bearing liabilities - related parties	2024	2023
Volvo Cars	1,064,068	1,049,828
Geely	346,190	363,429
Total	\$ 1,410,258	\$ 1,413,257

The Group's interest expense related to related party trade payables and financing liabilities is as follows:

	For the year ended December 31,		
	2024	2023	2022
Volvo Cars	104,455	87,942	8,823
Geely	32,244	1,902	28,403
Other related parties	4,139	2,190	720
Total	\$ 140,838	\$ 92,034	\$ 37,946

Amounts due from related parties

Amounts due from related parties include transactions related to the sales of products and related goods and services, sales of software technology and performance engineered kits, sales of carbon credits and sales of prototype engines discussed above.

	As of December 31,	
Trade receivables – related parties, accrued income – related parties, and other current assets - related parties	2024	2023
Volvo Cars	21,713	167,989
Geely	45,029	44,979
Other related parties	16,654	10,239
Total	\$ 83,396	\$ 223,207

Incentives to key management personnel

During the year ended December 31, 2019, Volvo Cars provided an equity based incentive program to certain members of the Group's management team (the "Polestar Incentive Plan"). The Polestar Incentive Plan was launched to incentivize the retention of key personnel with pivotal roles in the development of the Group into a successful standalone company. Each participant was offered to purchase shares in PSINV AB, a subsidiary of Volvo Cars which in turn owned shares in Polestar Automotive Holding Limited and hence the participants were indirectly minority owners of the Group. The investment was made at fair market value in accordance with an external valuation.

In total 38,125 shares were acquired by the participants, which corresponded to an indirect ownership in the Group of 0.16 percent. Management evaluated the Polestar Incentive Plan to determine whether it qualified as an equity-settled share-based payment transaction within the scope of IFRS 2, as the participants receive shares of equity in exchange of their investment and more than one entity was involved in delivering the benefit to the participants. Given that the Group does not receive identifiable or unidentifiable goods or services in exchange for the equity purchase of PINSV AB, the transaction is not within the scope of IFRS 2. Furthermore, the Polestar Incentive Plan is in agreement with Volvo Cars and individual members of the Group's prior EMT, as participants were given the option to purchase equity shares in PSINV AB being an entity outside the Group. Therefore, the Polestar Incentive Plan is not a share-based payment transaction in the scope of IFRS 2 and there is no financial statement impact on the Group.

As a consequence of the listing of Polestar Automotive Holding UK Limited on the Nasdaq Stock Exchange in June 2022 and in accordance with the terms of the Polestar Incentive Program, Volvo Cars was obliged to repurchase the participants shares in PSINV AB at fair market value. Each participant was thereafter obliged to reinvest the net proceeds received (repurchase amount less an amount corresponding to the effective tax rate on capital gains in the participants jurisdiction) in shares in Polestar Automotive Holding UK Limited directly on the open market. The purchased shares were subject to a 180 days' lock-up period.

Refer to *Note 7 - Employee benefits* for details on compensation to the EMT and managing directors at the Group's sales units.

Asset disposals

In December 2022, Polestar committed to a plan to sell, to Geely, its Chengdu manufacturing plant held by Polestar New Energy Vehicle Co. LTD. ("PSNEV"). Prior to the sale, there was a change in the grouping of assets classified as held for sale to include

additional assets and immaterial liabilities. The inclusion of these additional assets and immaterial liabilities formed a group of assets and did not meet the definition of a business as defined by IFRS 3. The sale of PSNEV represented a common control transaction because (1) PSNEV did not meet the definition of a business at the time of the transaction, (2) the ultimate control of PSNEV was the same before and after the transaction, and (3) control of PSNEV was not transitory (i.e., organized to effect a 'grooming' transaction.). Refer to *Note 28 - Assets held for sale* for additional details.

Note 28 - Assets held for sale

In December 2022, the Group committed to a plan to sell, to Geely, its Chengdu manufacturing plant held by the Group subsidiary, PSNEV, that was previously used to manufacture the Polestar 1 and special edition Polestar 2 BST 270. Accordingly, the Chengdu plant and certain related assets were presented as a disposal group held for sale. The assets related to the Chengdu Plant which were classified as held for sale amounted to \$56,001 as of December 31, 2022. The cumulative foreign exchange losses related to exchange rate differences from translation of the disposal group that were included in other comprehensive income as of December 31, 2022 amounted to \$1,392. In July 2023, there was a change in the asset grouping classified as held for sale to include an immaterial amount of other current assets and liabilities along with \$85,542 of accounts receivable. The accounts receivable was an intercompany receivable, held by PSNEV, which was not settled prior to the sale of the asset group. Geely agreed to purchase the intercompany receivable as part of the sale, resulting in a change in the asset grouping.

On August 1, 2023, the Group completed the sale of the asset group to Geely. Upon disposal of the asset group, cumulative foreign exchange losses of \$6,636 were reclassified from equity to profit or loss as part of the gain on disposal. The derecognition of the asset group previously classified as held for sale, including the modification to include accounts receivable, resulted in a total gain of \$16,334. The gain is reflected within other operating income (expense) on the Consolidated Statement of Loss and Comprehensive Loss. Refer to *Note 27 - Related party transactions* for additional details.

Note 29 - Commitments and contingencies

Commitments

As of December 31, 2024, commitments to acquire PPE and intangible assets were \$0 and \$26,124, respectively. As of December 31, 2023, commitments to acquire PPE and intangible assets were \$42,288 and \$31,338, respectively. These commitments are contractual obligations to invest in PPE, intangible assets for the production of Polestar 3, Polestar 4, and upcoming vehicle models Polestar 5 and Polestar 6. As of December 31, 2024 and December 31, 2023, Polestar had a commitment to make capital contributions to Polestar Times Technology amounting to \$0 and \$68,600, respectively. Refer to *Note 10 - Investment in associates* for more details on the investment in Polestar Times Technology.

Polestar has contractual obligations with certain suppliers including non-cancelable manufacturing commitments or minimum sales volume commitments. In the event of a shortfall in sales or Polestar's decision to terminate such contracts, these suppliers are entitled to compensation from Polestar. The amounts in the table below represent Polestar's future commitments as of December 31, 2024:

	Total	Less than 1 year	Between 1-5 years	After 5 years
Non-cancelable manufacturing commitments	268,811	38,879	171,797	58,135
PS4 license volume commitments	83,073	22,086	60,987	—
Total	\$ 351,884	\$ 60,965	\$ 232,784	\$ 58,135

Contingencies

In the normal course of business, the Group is subject to contingencies related to legal proceedings, claims, and other assessments that cover a wide range of matters. Liabilities for such contingencies are not recorded until it is probable that a present obligation exists and the amount of the obligation can be estimated reliably. However, contingencies are disclosed when the potential financial effect could be material. As of December 31, 2024 and 2023, the Group did not have any material contingencies.

Note 30 - Subsequent events

Management has evaluated events subsequent to December 31, 2024 and through May 9, 2025, the date these Consolidated Financial Statements were authorized for issuance by the Board of Directors. The following events which occurred subsequent to December 31, 2024 merited disclosure in these Consolidated Financial Statements. Management determined that no adjustments were required to the figures presented as a result of these events.

On January 21, 2025, Polestar borrowed \$50,000 under its revolving green trade facility with Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch ("BBVA"). This draw carried interest at the 1-month SOFR plus 1.0% and had a repayment period of 1 month. On February 10, 2025, Polestar borrowed \$150,000 under the facility. This draw carried interest at the 1-month SOFR plus 1.1% and had a repayment period of 1 month. On February 19, 2025, Polestar borrowed \$50,000 under the facility. This draw carries interest at the 3-month SOFR plus 1.0% and has a repayment period of 3 months. On February 21, 2025, Polestar borrowed \$50,000 under the facility. This draw carried interest at the 1-month SOFR plus 1.0% and had a repayment period of 1 month.

On February 25, 2025, Polestar entered into another 12-month revolving green trade facility with BBVA for an aggregate principal amount of up to \$450,000. On March 10, 2025, Polestar borrowed \$300,000 under the facility. This draw carried interest at the 1-month SOFR plus 1.7% and had a repayment period of 1 month. On March 21, 2025, Polestar borrowed \$100,000 under the facility. This draw carried interest at the 1-month SOFR plus 1.7% and had a repayment period of 1 month. On April 10, 2025, Polestar borrowed \$300,000 under the facility. This draw carries interest at the 1-month SOFR plus 1.7% and has a repayment period of 1

month. On April 22, 2025, Polestar borrowed \$100,000 under the facility. This draw carries interest at the 1-month SOFR plus 1.7% and has a repayment period of 1 month.

Both BBVA facilities can be drawn down in EUR or USD and have a maximum repayment period of 12 months. All draws under both revolving credit facilities are secured by Geely.

On February 26, 2025, Polestar agreed to a one-year extension of the green trade revolving credit facility with Standard Chartered Bank, Nordea Bank ABP, Citibank Europe PLC, ING Belgium SA/NV, and Barclays Bank Ireland PLC with an aggregate principal amount available of €470,000. Utilizations of this facility carry interest at the relevant interbank offered rate plus 2.3% per annum and have a repayment period of 90 days. On March 7, 2025, ING Belgium SA/NV transferred its participation of €90,000 to BBVA. Standard Chartered Bank's participation was increased by €10,000 to €130,000 and then the increase of €10,000 was subsequently transferred to BBVA; bringing BBVA's total participation to €100,000.

On March 12, 2025, Polestar entered into a 12-month working capital loan for ¥255,000 with Bank of East Asia Bank Shanghai Branch. This loan carries an interest rate of 4.0% per annum due quarterly. This loan benefits from letters of comfort from Geely.

On March 26, 2025, Polestar entered into a 12-month revolving credit facility with SG Asset Finance (Hong Kong) Limited ("Societe Generale") for an aggregate principal amount of up to €150,000. All draws under this revolving credit facility are secured by Geely. On March 31, 2025, Polestar borrowed €150,000 under the facility. This draw carries interest at the 3-month EURIBOR plus 2.5% per annum due quarterly, and has a repayment period of 12 months.

On March 28, 2025, Polestar entered into a 12-month working capital loan for \$210,000 with China CITIC Bank Shanghai Branch. This loan carries an interest rate of 5.45% per annum due quarterly. This loan is secured by Geely.

On March 28, 2025, Polestar entered into a 12-month working capital loan for ¥800,000 with Bank of China Shanghai Branch. This loan carries an interest rate of 12-month LPR plus 0.55% due quarterly. This loan benefits from letters of comfort from Geely.

From December 31, 2024 until the date these Consolidated Financial Statements were authorized for issuance, Polestar has made multiple 1-month draws under its \$300,000 revolving credit facility with Standard Chartered Bank, signed on August 20, 2024. Each draw carries interest at the 1-month SOFR plus 1.0% and has a repayment period of 1 month. As of the date of these Consolidated Financial Statements were made ready for issuance aggregate principal of \$75,000 remains outstanding

On April 10, 2025, Polestar entered into an agreement with Xingji Meizu to terminate commercial operations of its investment in associate, Polestar Times Technology, in China and transfer the distribution rights related to Polestar branded vehicles back to Polestar. As part of the agreement, Polestar Times Technology will continue certain non-commercial operations while winding down commercial activities. Polestar Times Technology will take sole responsibility for settlement of any outstanding financial obligations and remaining liabilities against its business partners, suppliers, and external investors. The agreement also includes the transfer of certain assets from Polestar Times Technology back to Polestar on arms-length terms in order for Polestar to resume exclusive control of commercial operations, including sales, customer service, and distribution activities, in China. As part of the winding down of Polestar Times Technology's activities, Polestar expects to make the remaining capital contributions into Polestar Times Technology set forth in the original strategic agreement between the parties. As of the date these Consolidated Financial Statements were authorized for issuance, Polestar had \$24,884 in capital contributions it expects to make into Polestar Times Technology, subject to certain conditions precedent as defined in the original shareholder agreement.