

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

- ☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR  
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2024  
OR  
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR  
☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934  
Date of event requiring this shell company report:  
Commission File Number: 001-41431

Polestar Automotive Holding UK PLC  
(Exact name of Registrant as specified in its charter)

Not applicable  
(Translation of Registrant's name into English)

England and Wales  
(Jurisdiction of incorporation or organization)

Assar Gabrielssons Väg 9  
405 31 Gothenburg, Sweden  
(Address of Principal Executive Offices)

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Assar Gabrielssons Väg 9  
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Tel: +1 551 284 9479  
ir@polestar.com  
(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Securities Exchange Act of 1934,  
as amended (the "Exchange Act"):

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A American Depositary Shares	PSNY	The Nasdaq Stock Market LLC
Class A Ordinary Shares, par value \$0.01 each*	-	The Nasdaq Stock Market LLC*
Class C-1 American Depositary Shares	PSNYW	The Nasdaq Stock Market LLC
Class C-1 Ordinary Shares, par value \$0.10 each**	-	The Nasdaq Stock Market LLC**

**Securities registered or to be registered pursuant to Section 12(g) of the Exchange Act: None**  
**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Exchange Act: None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the shell company report: On December 31, 2024, the issuer had 2,060,461,997 Class A Shares (as defined in this Report) in the form of Class A ADSs (as defined in this Report) issued and outstanding, 49,892,575 Class B Shares (as defined in this Report) in the form of Class B ADSs (as defined in this Report) issued and outstanding, 20,499,965 Class C-1 Shares (as defined in this Report) in the form of Class C-1 ADSs (as defined in this Report) issued and outstanding and 4,500,000 Class C-2 Shares (as defined in this Report) in the form of Class C-2 ADSs (as defined in this Report) issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.    Yes ☐    No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.    Yes ☐    No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.    Yes ☒    No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).    Yes ☒    No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
				Emerging growth company	<input type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.    ☐

†    The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting over Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.    ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.    ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’ s executive officers during the relevant recovery period pursuant to §240.10D-1(b).☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

US GAAP <input type="checkbox"/>	International Financial Reporting Standards as issued by the International Accounting Standards Board <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
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If “Other” has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow.    Item 17 ☐    Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).    Yes ☐    No ☒

\* Not for trading, but only in connection with the listing of the Class A American Depositary Shares on The Nasdaq Stock Market LLC. The Class A American Depositary Shares each represent one Class A Ordinary Share and are registered under the Securities Act of 1933 pursuant to a separate Registration Statement on Form F-6. Accordingly, the Class A American Depositary Shares are exempt from the operation of Section 12(a) of the Exchange Act pursuant to Rule 12a-8 thereunder.

\*\* Not for trading, but only in connection with the listing of the Class C-1 American Depositary Shares on The Nasdaq Stock Market LLC. The Class C-1 American Depositary Shares each represent one Class C Ordinary Share and are registered under the Securities



Act pursuant to a separate Registration Statement on Form F-6. Accordingly, the Class C-1 American Depositary Shares are exempt from the operation of Section 12(a) of the Exchange Act pursuant to Rule 12a-8 thereunder.

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POLESTAR AUTOMOTIVE HOLDING UK PLC  
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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Report on Form 20-F (including information incorporated by reference herein, this “*Report*”) includes statements that express Polestar’s opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, “forward-looking statements” as defined in Section 27A of the Securities Act, and Section 21E of the Exchange Act, that involve significant risks and uncertainties. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “seeks,” “projects,” “intends,” “plans,” “may,” “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Report and include statements regarding Polestar’s intentions, beliefs or current expectations concerning, among other things: the benefits of the Business Combination; results of operations; financial condition; liquidity; prospects; growth; strategies and the markets in which Polestar operates, including estimates and forecasts of financial and operational metrics, projections of market opportunity, market share and vehicle sales; expectations and timing related to commercial product launches, including the start of production and launch of any future products of Polestar, and the performance, range, autonomous driving and other features of the vehicles of Polestar; future market opportunities, including with respect to energy storage systems and automotive partnerships; future manufacturing capabilities and facilities; future sales channels and strategies; and future market launches and expansion.

Such forward-looking statements are based on available current market information and the current expectations of Polestar including beliefs and forecasts concerning future developments and the potential effects of such developments on Polestar. Factors that may impact such forward-looking statements include:

- the outcome of any legal proceedings that may be instituted against GGI or Polestar in connection with the Business Combination;
- the ability to continue to meet stock exchange listing standards;
- Polestar’s securities’ potential liquidity and trading;
- changes in domestic and foreign business, market, financial, political and legal conditions;
- Polestar’s ability to enter into or maintain agreements or partnerships with its strategic partners, including Volvo Cars and Geely, original equipment manufacturers, vendors and technology providers, and to source new suppliers for its critical components, and to complete building out its supply chain, while effectively managing the risks due to such relationships;
- risks relating to the uncertainty of any projected financial information or operational results of Polestar, including underlying assumptions regarding expected development and launch timelines for Polestar’s carlines, manufacturing in the United States starting as planned, demand for Polestar’s vehicles or car sale volumes, revenue and margin development based on pricing, variant and market mix, cost reduction efficiencies, logistics and growing aftersales as the total Polestar fleet of cars and customer base grow;
- delays in the development, design, manufacture, launch and financing of Polestar’s vehicles and Polestar’s reliance on a limited number of vehicle models to generate revenues;
- risks related to the timing of expected business milestones and commercial launches, including Polestar’s ability to mass produce its current and new vehicle models and complete the upgrade or tooling of its manufacturing facilities;
- increases in costs, disruption of supply or shortage of materials, in particular for lithium-ion cells or semiconductors;
- risks related to product recalls, regulatory fines and/or an unexpectedly high volume of warranty claims;
- Polestar’s reliance on its partners to manufacture vehicles at a high volume, some of which have limited experience in producing electric vehicles, and on the allocation of sufficient production capacity to Polestar by its partners in order for Polestar to be able to increase its vehicle production volumes;
- competition, the ability of Polestar to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees;
- the possibility that Polestar may be adversely affected by other economic, business, and/or competitive factors;
- risks related to future market adoption of Polestar’s offerings;
- risks related to Polestar’s distribution model;
- the effects of competition and the high barriers to entry in the automotive industry, the pace and depth of electric vehicle adoption generally on Polestar’s future business, and the risk of other competing propulsion technologies, such as hydrogen fuel cells, gaining market acceptance;
- changes in regulatory requirements (including environmental laws and regulations), governmental incentives and fuel and energy prices;
- Polestar’s ability to rapidly innovate;
- risks associated with changes in applicable laws or regulations and with Polestar’s international operations;
- Polestar’s ability to effectively manage its growth and recruit and retain key employees, including its chief executive officer and executive team;
- Polestar’s reliance on the development of vehicle charging networks to provide charging solutions for its vehicles and its strategic partners for servicing its vehicles and their integrated software;

- Polestar’s ability to establish its brand and capture additional market share, and the risks associated with negative press or reputational harm, including from lithium-ion battery cells catching fire or venting smoke;
- the outcome of any potential litigation, government and regulatory proceedings, investigations and inquiries;
- Polestar’s ability to continuously and rapidly innovate, develop and market new products;
- the outcome of any potential litigation, government and regulatory proceedings, investigations and inquiries;
- the impact of inflation, interest rate changes, the ongoing conflict between Ukraine and Russia and in Israel, the Gaza Strip and the Red Sea, supply chain disruptions and logistical constraints on Polestar’s business, projected results of operations, financial performance or other financial and operational metrics or on any of the foregoing risks;
- the need to raise additional funds to support business growth; and
- the other risks and uncertainties included in this Report under “*Risk Factors*” in Item 3.D.

There can be no assurance that future developments affecting Polestar will be those that Polestar has anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond Polestar’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the heading “*Risk Factors*” in Item 3.D. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Polestar will not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## FREQUENTLY USED TERMS

Unless otherwise stated in this Report or the context otherwise requires, references to:

“*AD securities*” or “*ADSs*” means Class A ADSs and Class C ADSs.

“*ADS Deposit Agreement—Class A ADSs*” means the ADS Deposit Agreement, by and among the Company, Citibank, N.A., as depositary, and all holders and beneficial owners from time to time of American depositary shares issued thereunder and representing deposited Class A Shares, a form of which is filed as an exhibit to this Report.

“*ADS Deposit Agreement—Class C-1 ADSs*” means the ADS Deposit Agreement, dated June 23, 2022, by and among the Company, Citibank, N.A., as depositary, and all holders and beneficial owners from time to time of American depositary shares issued thereunder and representing deposited Class C-1 Shares, a copy of which is filed as an exhibit to this Report.

“*ADS Deposit Agreement—Class C-2 ADSs*” means the ADS Deposit Agreement, dated June 23, 2022, by and among the Company, Citibank, N.A., as depositary, and all holders and beneficial owners from time to time of American depositary shares issued thereunder and representing deposited Company C-2 Shares, a copy of which is filed as an exhibit to this Report.

“*Amendment No. 1 to the Business Combination Agreement*” means that certain amendment to the Business Combination Agreement, dated as of December 17, 2021, a copy of which is filed as an exhibit to this Report.

“*Amendment No. 2 to the Business Combination Agreement*” means that certain amendment to the Business Combination Agreement, dated as of March 24, 2022, a copy of which is filed as an exhibit to this Report.

“*Amendment No. 3 to the Business Combination Agreement*” means that certain amendment to the Business Combination Agreement, dated as of April 21, 2022, a copy of which is filed as an exhibit to this Report.

“*Board*” means the board of directors of the Company.

“*Business Combination*” means the transactions contemplated by the Business Combination Agreement, including the Merger, and the other transactions contemplated by the other transaction documents contemplated by the Business Combination Agreement.

“*Business Combination Agreement*” means that certain Business Combination Agreement, dated as of September 27, 2021 (as amended by Amendment No. 1 to the Business Combination Agreement, Amendment No. 2 to the Business Combination Agreement and Amendment No. 3 to the Business Combination Agreement), by and among GGI, the Company, Former Parent, Polestar Singapore, Polestar Sweden and Merger Sub, a copy of which is filed as an exhibit to this Report.

“*Business Combination Closing*” means the closing of the Business Combination.

“*Business Combination Closing Date*” means the date of the Business Combination Closing or June 23, 2022.

“*Class A ADS*” means one American depositary share of the Company duly and validly issued against the deposit with the Depositary of an underlying Class A Share.

“*Class A Shares*” means Class A ordinary shares of the Company, entitling the holder thereof to one vote per share.

“*Class B ADS*” means one American depositary share of the Company duly and validly issued against the deposit with the Depositary of an underlying Class B Shares.

“*Class B Shares*” means Class B ordinary shares of the Company, entitling the holder thereof to 10 votes per share.

“*Class C ADSs*” means Class C-1 ADSs and Class C-2 ADSs.

“*Class C Shares*” means Class C-1 Shares and Class C-2 Shares.

“*Class C Warrant Amendment*” means the amendment to the SPAC Warrant Agreement entered into by and among GGI, Computershare Inc. and Computershare Trust Company, N.A., and pursuant to which, among other things, each GGI Public Warrant converted into a Class C-1 ADS and each GGI Private Placement Warrant converted into a Class C-2 ADS, each of which is exercisable for Class A ADSs and subject to substantially the same terms as were applicable to the GGI Warrants under the SPAC Warrant Agreement, a copy of which is filed as an exhibit to this Report.

“*Class C-1 ADS*” means one American depositary share of the Company into which each GGI Public Warrant has been automatically cancelled and extinguished and converted into the right to receive one Class A ADS and each of which is duly and validly issued against the deposit with the Depositary of an underlying Class C-1 Share.

“*Class C-1 Share*” means a class C-1 ordinary share in the share capital of the Company, each of which underlies a Class C-1 ADS and is exercisable for one Class A Share.

“*Class C-2 ADS*” means one American depositary share of the Company into which each GGI Private Placement Warrant has been automatically cancelled and extinguished and converted into the right to receive one Class A ADS and each of which is duly and validly issued against the deposit with the Depositary of an underlying Class C-2 Share.

“*Class C-2 Share*” means a class C-2 ordinary share in the share capital of the Company, each of which underlies a Class C-2 ADS and is exercisable for one Class A Share.

“*Code*” means the U.S. Internal Revenue Code of 1986, as amended.

“*Company*” means, prior to the re-registration as a public limited company under the laws of England and Wales, “Polestar Automotive Holding UK Limited,” a limited company incorporated under the laws of England and Wales, and, after the re-registration as a public limited company under the laws of England and Wales, “Polestar Automotive Holding UK PLC.”

“*Company securities*” means the Shares and Class C Shares.

“*Current GGI Certificate*” means the Amended and Restated Certificate of Incorporation of GGI, dated March 22, 2021.

“*December PIPE Investment*” means the purchase of December PIPE Shares pursuant to the December PIPE Subscription Agreements.

“*December PIPE Investors*” means the purchasers of December PIPE Shares in the December PIPE Investment, which include certain affiliates and employees of the GGI Sponsor.

“*December PIPE Shares*” means the Class A Shares in the form of Class A ADSs purchased by December PIPE Investors in the December PIPE Investment.

“*December PIPE Subscription Agreements*” means the share subscription agreements, dated December 17, 2021, by and among the Company, GGI and the December PIPE Investors pursuant to which the December PIPE Investors purchased the December PIPE Shares.

“*Deferred Shares*” means the deferred shares of USD 0.01 each in the capital of the Company that have no right to vote or dividend rights.

“*Deloitte*” means Deloitte AB, an independent registered public accounting firm.

“*Deposit Agreements*” means the ADS Deposit Agreement—Class A ADSs, the ADS Deposit Agreement—Class C-1 ADSs and the ADS Deposit Agreement—Class C-2 ADSs.

“*Depository*” means Citibank, N.A., acting as depository under the Deposit Agreements.

“*Earn Out Class A Shares*” means the earn out shares issuable by the Company in the form of Class A ADSs.

“*Earn Out Class B Shares*” means the earn out shares issuable by the Company in the form of Class B ADSs.

“*Earn Out Shares*” means earn out shares from the Company issuable in Class A ADSs and Class B ADS to certain Former Parent Shareholders depending on share price performance of Polestar.

“*Employee Stock Purchase Plan*” means Polestar Automotive Holding UK PLC 2022 Stock Purchase Plan.

“*Equity Plan*” means the Polestar Automotive Holding UK PLC 2022 Omnibus Incentive Plan.

“*EU*” means the European Union.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“*Former Parent*” means Polestar Automotive Holding Limited, a Hong Kong incorporated company, which completed a voluntary liquidation in 2023.

“*Former Parent Shareholders*” means Snita, PSINV AB, PSD Investment Limited, GLY New Mobility 1. LP, Northpole GLY 1 LP, Chongqing Liangjiang (重庆承星股权投资基金合伙企业(有限合伙)), Zibo Financial Holding Group Co., Ltd. and Zibo High-Tech Industrial Investment Co., Ltd.

“*GAAP*” means generally accepted accounting principles in the United States.

“*Geely*” means Zhejiang Geely Holding Group Company Limited.

“*Geely Term Loan Facility*” means the Term Loan Facility, dated November 8, 2023, between the Company, as borrower, and Geely Sweden Automotive Investment AB, as lender.

“*GGI*” means Gores Guggenheim, Inc., subsequently renamed Polestar Automotive US Investment Inc. on July 5, 2024.

“*GGI Class A Common Stock*” means the shares of Class A common stock, par value \$0.0001 per share, of GGI.

“*GGI Class F Common Stock*” means the shares of Class F common stock, par value \$0.0001 per share, of GGI.

“*GGI Common Stock*” means the GGI Class A Common Stock and the GGI Class F Common Stock.

“*GGI Initial Stockholders*” means the GGI Sponsor and Randall Bort, Elizabeth Marcellino and Nancy Tellem, GGI’s independent directors.

“*GGI Public Warrants*” means the warrants included in the GGI public units (consisting of one share of GGI Class A Common Stock and one-fifth of one GGI Public Warrant) issued in the GGI initial public offering, consummated on March 25, 2021.

“*GGI Sponsor*” means Gores Guggenheim Sponsor LLC, a Delaware limited liability company and its affiliates, including The Gores Group, LLC.

“*GGI Warrants*” means, collectively, the GGI Private Placement Warrants and the GGI Public Warrants.

“*Initial PIPE Investment*” means the purchase of Initial PIPE Shares pursuant to the Initial PIPE Subscription Agreements.

“*Initial PIPE Investors*” means the purchasers of Initial PIPE Shares in the Initial PIPE Investment.

“*Initial PIPE Shares*” means the Class A Shares in the form of Class A ADSs purchased by Initial PIPE Investors in the Initial PIPE Investment.

“*Initial PIPE Subscription Agreements*” means the share subscription agreements, dated September 27, 2021, by and among the Company, GGI and the Initial PIPE Investors pursuant to which the Initial PIPE Investors purchased the Initial PIPE Shares.

“*IRS*” means the U.S. Internal Revenue Service.

“*March 2022 PIPE Investors*” means the purchasers of March 2022 PIPE Shares in the March 2022 PIPE Investment, which include certain affiliates and employees of the GGI Sponsor.

“*March 2022 PIPE Shares*” means the Class A Shares in the form of Class A ADSs purchased by March 2022 PIPE Investors in the March 2022 PIPE Investment.

“*March 2022 PIPE Subscription Agreements*” means the shares subscription agreements, dated March 24, 2022, by and among the Company, GGI and the March 2022 PIPE Investors pursuant to which the March 2022 PIPE Investors purchased the March 2022 PIPE Shares.

“*March 2022 Sponsor Investment*” means the purchase of March 2022 PIPE Shares pursuant to the March 2022 PIPE Subscription Agreements.

“*Merger*” means the merger between Merger Sub and GGI, with GGI surviving as a direct wholly owned subsidiary of the Company.

“*Merger Sub*” means PAH UK Merger Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of the Company until June 23, 2022.

“*Nasdaq*” means the National Association of Securities Dealers Automated Quotations Global Market.

“*PIPE Investment*” means the purchase of PIPE Shares pursuant to the PIPE Subscription Agreements.

“*PIPE Investors*” means the purchasers of PIPE Shares in the PIPE Investment.

“*PIPE Shares*” means the Class A Shares in the form of Class A ADSs purchased by PIPE Investors in the PIPE Investment.

“*PIPE Subscription Agreements*” means the Initial PIPE Subscription Agreements, the December PIPE Subscription Agreements and the March 2022 PIPE Subscription Agreements.

“*Polestar*” means, as the context requires, (i) in general Former Parent and its subsidiaries prior to the Business Combination Closing, (ii) in the context of the Business Combination, the Pre-Closing Reorganization and the Pre-Closing Sweden/Singapore Share Transfer, Polestar Sweden, or, both Polestar Singapore and Polestar Sweden if at any time (x) Polestar Sweden is not a wholly-owned subsidiary of Polestar Singapore or (y) Polestar Singapore is not a wholly-owned subsidiary of Polestar Sweden, or (iii) the Company or Polestar Group after the Business Combination Closing.

“*Polestar Articles*” means the Articles of Association of Polestar, a copy of which is filed as an exhibit to this Report.

“*Polestar Group*” means Former Parent, together with its subsidiaries prior to the Business Combination Closing and the Company and its subsidiaries following the Business Combination Closing.

“*Polestar Singapore*” means Polestar Automotive (Singapore) Pte. Ltd., a private company limited by shares in Singapore.

“*Polestar Spaces*” means permanent or pop up/temporary Polestar showrooms located in urban or peri-urban areas where potential customers can experience Polestar vehicles, engage with Polestar specialists and, at select locations, test-drive Polestar vehicles.

“*Polestar Sweden*” means Polestar Holding AB, a private limited liability company incorporated under the laws of Sweden.

“*Pre-Closing Reorganization*” means the reorganization effectuated by Former Parent, the Company, Polestar Singapore, Polestar Sweden and their respective subsidiaries, pursuant to which, among other things, Polestar Singapore, Polestar Sweden and their respective subsidiaries became, directly or indirectly, wholly owned subsidiaries of the Company.

“*Pre-Closing Sweden/Singapore Share Transfer*” means, collectively, the following transactions contemplated under the Business Combination Agreement: (i) the transfer by Polestar Singapore to Former Parent of all of the issued and outstanding equity securities of Polestar Sweden (the “*Pre-Closing Sweden Share Transfer*”) and (ii) after the Pre-Closing Sweden Share Transfer, the contribution by Former Parent to Polestar Sweden of all of the issued and outstanding equity securities of Polestar Singapore.

“*Registration Rights Agreement*” means the registration rights agreement, dated September 27, 2021, by and among the Company, Former Parent, the Former Parent Shareholders, the GGI Sponsor and the independent directors of GGI (such persons, together with the GGI Sponsor and the Former Parent Shareholders, the “*Registration Rights Holders*”), as amended by the Registration Rights Agreement Amendment No. 1, the Registration Rights Agreement Amendment No. 2 and the Registration Rights Agreement Amendment No. 3. A copy of the Registration Rights Agreement is filed as an exhibit to this Report.

“*Registration Rights Agreement Amendment No. 1*” means that certain amendment to the Registration Rights Agreement, dated December 17, 2021, a copy of which is filed as an exhibit to this Report.

“*Registration Rights Agreement Amendment No. 2*” means that certain amendment to the Registration Rights Agreement, dated March 24, 2022, a copy of which is filed as an exhibit to this Report.

“*Registration Rights Agreement Amendment No. 3*” means that certain amendment to the Registration Rights Agreement, dated April 26, 2023, a copy of which is filed as an exhibit to this Report.

“*Related Agreements*” means the Registration Rights Agreement, the Subscription Agreements, the Volvo Cars Preference Subscription Agreement, the Class C Warrant Amendment, the Shareholder Acknowledgement Agreement and the other agreements or documents contemplated under the Business Combination Agreement.

“*Resale Securities*” means the Class A ADSs and Class C ADSs being offered for resale in the prospectus that forms a part of the Shelf Registration Statement.

“*Sarbanes-Oxley Act*” means the Sarbanes-Oxley Act of 2002.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*Securities Act*” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“*Selling Securityholders*” means the securityholders named as selling securityholders in the prospectus that forms a part of the Shelf Registration Statement.

“*Share Matching Plan*” means the Polestar Automotive Holding UK PLC 2023 Share Matching Plan.

“*Shareholder Acknowledgement Agreement*” means the shareholder acknowledgement, dated September 27, 2021, by and among Former Parent, the Former Parent Shareholders, Volvo Car Corporation and the Company, as amended by the Shareholder Acknowledgement Agreement Amendment, a copy of which is filed as an exhibit to this Report.

“*Shareholder Acknowledgement Agreement Amendment*” means that certain amendment to the Shareholder Acknowledgement Agreement, dated March 24, 2022, a copy of which is filed as an exhibit to this Report.

“*Shares*” means the Class A Shares and the Class B Shares.

“*Shelf Registration Statement*” means the Registration Statement on Form F-3 that the Company initially filed on Form F-1 on July 12, 2022, and subsequently updated and supplemented with Post-Effective Amendments No. 1 and No. 2 filed with the SEC on September 20, 2022 and April 21, 2023, respectively, and later converted to a Form F-3 with Post-Effective Amendment No. 3 filed with the SEC on July 11, 2023.

“*Snita*” means Snita Holding B.V., a corporation organized under the laws of the Netherlands and a wholly owned subsidiary of Volvo Car Corporation.

“*Snita Term Loan Facility*” means the Term Loan Facility, dated November 3, 2022, between the Company, as borrower, and Snita, as lender, as amended by the parties on November 8, 2023 and August 21, 2024.

“*SPAC Warrant Agreement*” means that certain Warrant Agreement, by and between GGI and Computershare Trust Company, N.A., as warrant agent, dated as of March 22, 2021 (as amended by the SPAC Warrant Agreement Amendment and as may be further amended, supplemented or otherwise modified from time to time), a copy of which is filed as an exhibit to this Report.

“*SPAC Warrant Agreement Amendment*” means that certain Amendment to the SPAC Warrant Agreement, by and between GGI and Computershare Trust Company, N.A., as warrant agent, dated as of April 7, 2022, a copy of which is filed as an exhibit to this Report.

“*Sponsor Subscription Agreement*” means the subscription agreement, dated September 27, 2021, as amended and restated on December 17, 2021 and amended on March 24, 2022, by and among GGI, the Company and the GGI Sponsor.

“*Sponsor Subscription Investment*” means the purchase of the Sponsor Subscription Shares pursuant to the Sponsor Subscription Agreement.

“*Sponsor Subscription Shares*” means the Class A Shares in the form of Class A ADSs purchased by the GGI Sponsor in the Sponsor Subscription Investment.

“*Subscription Agreements*” means the PIPE Subscription Agreements, the Sponsor Subscription Agreement and the Volvo Cars PIPE Subscription Agreement.

“*Subscription Investments*” means the purchase of the Subscription Shares pursuant to the Subscription Agreements.

“*Subscription Shares*” means the Class A Shares in the form of Class A ADSs purchased by the GGI Sponsor, the PIPE Investors and Snita pursuant to the Sponsor Subscription Agreement, the PIPE Subscription Agreements and the Volvo Cars PIPE Subscription Agreement, respectively.

“*The Gores Group*” means The Gores Group, LLC, an affiliate of the GGI Sponsor.

“*TUSD*” means thousands of U.S. Dollars.

“*U.S. Dollars*” and “*USD*” and “*\$*” means United States dollars, the legal currency of the United States.

“*U.S. GAAP*” means generally accepted accounting principles in the United States.

“*United Kingdom*” or “*UK*” means the United Kingdom of Great Britain and Northern Ireland and its territories and possessions.

“*United States*” or “*US*” means the United States of America and its territories and possessions.

“*Volvo Cars*” means Volvo Car AB (publ) and its subsidiaries.

“*Volvo Cars PIPE Subscription Agreement*” means the subscription agreement, dated September 27, 2021, as amended and restated on December 17, 2021 and amended on March 24, 2022, by and among GGI, the Company and Volvo Cars, pursuant to which Volvo Cars via its subsidiary Snita purchased 1,117,390 Volvo Cars PIPE Subscription Shares for a purchase price of \$10.00 per share.

“*Volvo Cars PIPE Subscription Investment*” means the purchase of Volvo Cars PIPE Subscription Shares pursuant to the Volvo Cars PIPE Subscription Agreement.

“*Volvo Cars PIPE Subscription Shares*” means the Class A Shares in the form of Class A ADSs purchased by Snita in the Volvo Cars PIPE Subscription Investment.

“*Volvo Cars Preference Subscription Agreement*” means the subscription agreement, dated September 27, 2021, by and between the Company and Snita as amended on March 24, 2022, pursuant to which Snita purchased, at Business Combination Closing, mandatory convertible preference shares of the Company for an aggregate subscription price of \$10.00 per share, for an aggregate investment amount equal to TUSD588,826.

“*Volvo Cars Preference Subscription Investment*” means the purchase of the Volvo Cars Preference Subscription Shares pursuant to the Volvo Cars Preference Subscription Agreement.



“*Volvo Cars Preference Subscription Shares*” means the mandatory convertible preference shares of the Company purchased by Snita pursuant to the Volvo Cars Preference Subscription Agreement.

## PART I

### ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

### ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

### ITEM 3. KEY INFORMATION

#### A. [Reserved]

#### B. Capitalization and Indebtedness

Not applicable.

#### C. Reasons for the Offer and Use of Proceeds

Not applicable.

#### D. Risk Factors

##### Overview of Risk Factors

Polestar’s business faces significant risks and uncertainties. You should carefully consider all of the information set forth in this Report and in other documents we file with or furnish to the SEC, including the following risk factors, before deciding to invest in or to maintain an investment in Polestar’s securities. Polestar’s business, as well as Polestar’s reputation, financial condition, results of operations and share price, could be materially adversely affected by any of these risks, as well as other risks and uncertainties not currently known to Polestar or not currently considered material. These risks include, among others, the following:

**Risks Related to Polestar’s Business and Industry**, such as, Polestar’s future growth and financial performance depends on the production and sale of its current and new vehicle models on an anticipated timeline and within an anticipated cost and pricing structure; Polestar’s ability to generate meaningful product revenue will depend on consumer adoption of electric vehicles; Polestar’s operations rely on its strategic partners, including Geely and Volvo Cars, and on key suppliers, including for manufacturing vehicles, research and development, intellectual property, engineering and logistics; Polestar is dependent on its strategic partners and suppliers, some of which are single-source suppliers; the success of Polestar’s business and its future financial performance are dependent on cost-cutting and strategic initiatives; Polestar may be unable to adequately control or predict the substantial costs associated with its operations; the success and growth of Polestar’s business depends upon its ability to continuously and rapidly innovate, develop and market new products and there are significant risks related to future market adoption of Polestar’s products; Polestar operates in an intensely competitive market, which is generally cyclical and volatile; Polestar’s business and prospects depend significantly on the Polestar brand; Polestar’s sales depend in part on its ability to establish and maintain confidence in its business prospects among consumers, analysts and others within its industry; Polestar’s future growth and financial performance are dependent on it meeting its ability to generate positive cash flow from its operations and to raise the necessary capital to fund its business plan and service its debt obligations; certain covenants in our debt agreements may restrict our operating activities; Polestar relies on the development of vehicle charging networks to provide charging solutions for its vehicles; Polestar relies on its strategic partners for servicing its vehicles and on their systems, such as dealer management systems and diagnostic tools; if Polestar’s vehicles fail to perform as expected, its ability to develop, market and sell or lease its products could be harmed; Polestar may become subject to product liability claims, which could harm its financial condition and liquidity if it is not able to successfully defend or insure against such claims; uninsured losses, including losses resulting from product liability, accidents, acts of God and other claims against Polestar, could result in payment of substantial damages, which would decrease Polestar’s cash reserves and could harm its cash flow and financial condition; Polestar must develop complex software and technology systems, including in coordination with its strategic partners, vendors and suppliers, in order to produce its electric vehicles; Polestar faces risks associated with international operations, including tariffs and unfavorable regulatory, political, tax and labor conditions; Polestar’s success depends on the success of its current and future partnerships, which could be adversely affected by its lack of sole decision-making authority and the actions of its co-owners or partners; the Chinese government may intervene in or influence Polestar’s and Polestar’s partners’ operations in China at any time, which could result in a material change in Polestar’s operations and ability to produce vehicles and significantly and adversely impact the value of Polestar’s securities; compliance with China’s new Data Security Law, Cybersecurity Review Measures (revised draft for public consultation), Personal Information Protection Law, regulations and guidelines relating to the multi-level protection scheme and any other future laws and regulations may entail significant expenses and could materially affect Polestar’s business; Polestar may be adversely affected by the complexity, uncertainties and changes in the regulations on internet-related business, automotive business and other business carried out by Polestar’s operating entities in China; Polestar relies heavily on manufacturing facilities and suppliers based in China, including single-source suppliers; if Polestar updates or discontinues the use of its manufacturing equipment more quickly than expected, it may have to shorten the useful lives of any equipment to be retired as a result of any such update;

Polestar’s main distribution approach is different from the currently predominant distribution model for automakers, and its long-term viability is unproven; if we encounter problems with our distribution system, our results of operations and financial condition could be adversely affected; insufficient reserves to cover future warranty or part replacement needs or other vehicle repair requirements, including any potential software upgrades, could have a material and adverse effect on Polestar; Polestar may be unable to offer attractive leasing and financing options for its current vehicle models and future vehicles, which would adversely affect consumer demand for its vehicles; Polestar is subject to risks associated with advanced driver assistance system technology; developments in electric vehicle or alternative fuel technology or improvements in the internal combustion engine may adversely affect the demand for Polestar’s vehicles; extended periods of low gasoline or other petroleum-based fuel prices could adversely affect our business, prospects, results of operations and financial condition; changes in foreign currency rates, interest rate risks, or inflation could materially affect Polestar’s results of operations; Polestar’s facilities or operations could be and have been adversely affected by events outside of its control; a global economic recession or other downturn may have a disproportionately adverse impact on Polestar; the ongoing conflicts between Russia and Ukraine, in Israel and the Gaza Strip, and in the Red Sea have, and are likely to continue to, generate uncertain geopolitical conditions.

**Risks Related to Cybersecurity and Data Privacy**, such as, Polestar relies on its and Volvo Cars’ IT systems and third-party consultants; any unauthorized control or manipulation of Polestar’s products, digital sales tools and systems could result in loss of confidence in Polestar and its products; data privacy concerns are generally increasing, which could result in new legislation, in negative public perception of Polestar’s current data collection practices and certain of its services or technologies and/or in changing user behaviors that negatively affect Polestar’s business and product development plans; Polestar is subject to evolving laws, regulations, standards, policies and contractual obligations related to data privacy, security and consumer protection.

**Risks Related to Polestar’s Employees and Human Resources**, such as, Polestar’s ability to manage growth through the retention and recruitment of key personnel, including its senior management team and other key employees; Polestar’s manufacturing partners will need to hire and train a significant number of employees to engage in full-scale operational and commercial operations; misconduct by Polestar’s employees and independent contractors during and before their employment with Polestar could expose Polestar to potentially significant legal liabilities, reputational harm and/or other damages to its business.

**Risks Related to Litigation and Regulation**, such as, Polestar is subject to evolving laws and regulations that could impose substantial costs, legal prohibitions or unfavorable changes upon its operations or products; Polestar may in the future be subject to legal proceedings, regulatory disputes and governmental inquiries that could cause it to incur significant expenses, divert its management’s attention and materially harm its business, results of operations, cash flows and financial condition; Polestar’s manufacturing partners may be exposed to delays, limitations and risks related to the environmental permits and other operating permits required to operate manufacturing facilities for its vehicles; Polestar and its manufacturing partners are and will be subject to various environmental, health and safety laws and regulations that could impose substantial costs on it and cause delays in expanding its production capabilities; Polestar is and will be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and noncompliance with such laws can subject Polestar to administrative, civil and criminal penalties, collateral consequences, remedial measures and legal expenses; the unavailability, reduction, elimination or the conditionality of certain government and economic programs could have a material and adverse effect on Polestar’s business, prospects, financial condition and results of operations; if Polestar’s estimates or judgments relating to its critical accounting policies are based on assumptions that change or prove to be incorrect, Polestar’s results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the market price of its ordinary shares; although the audit report included in this Report is prepared by auditors who are currently inspected fully by the US Public Company Accounting Oversight Board (“PCAOB”), there is no guarantee that future audit reports will be prepared by auditors that are completely inspected by the PCAOB.

**Risks Related to Intellectual Property**, such as, much of the intellectual property pertaining to Polestar’s vehicles is owned by Volvo Cars and Geely and licensed, in some cases on a non-exclusive basis, to Polestar; Polestar may fail to adequately obtain, maintain, enforce and protect relevant intellectual property and licensing rights, and may not be able to prevent third parties from unauthorized use of such intellectual property and related technology; Polestar uses other parties’ software and other intellectual property in its proprietary software, including “open source” software; Polestar may become subject to claims of intellectual property infringement by third parties which, regardless of merit, could be time-consuming and costly and result in significant legal liability, and could negatively impact Polestar’s business, financial condition, results of operations and prospects.

**Risks Related to Tax**, such as, unanticipated tax laws, changes in the application or interpretation of existing tax laws to Polestar or Polestar’s customers, changes to tax rates or challenges to Polestar’s tax positions may adversely impact its profitability and business; transfers of ADSs or the underlying Company securities may be subject to stamp duty or stamp duty reserve tax in the U.K., which would increase the cost of dealing in the Company’s securities; the Company may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. Holders of Class A ADSs; as a result of the Business Combination, the IRS may not agree that the Company is a foreign corporation for U.S. federal tax purposes; Polestar may be unable to utilize certain of its deferred tax assets, which could increase its future tax expenses.

**Risks Related to Financing and Strategy Transactions**, such as, Polestar will require additional capital to support business growth, and this capital might not be available on commercially reasonable terms, or at all; Polestar’s financial results may vary significantly from period to period due to fluctuations in its operating costs, product demand and other factors.

**Risks Related to Ownership of Polestar’s Securities**, such as, the market price and trading volumes of the ADSs may be volatile and could significantly decline; the grant and future exercise of registration rights may adversely affect the market price of the ADSs; the Class C ADSs will be exercisable for the Class A ADSs, which would increase the number of ADSs eligible for future resale in the public market and result in dilution to its shareholders; there is no guarantee that the Class C ADSs will ever be in the money, and they may expire worthless; Polestar may redeem unexpired Class C-1 ADSs prior to their exercise at a time that is disadvantageous to holders, thereby making their Class C-1 ADSs worthless; Polestar may issue additional equity securities or convertible debt securities

without the approval of the holders of the ADSs; Nasdaq may not continue to list the Class A ADSs and Class C-1 ADSs, which could limit investors’ ability to make transactions in the Company’s securities and subject the Company to additional trading restrictions; the requirements of being a public company may strain Polestar’s resources and distract its management; Polestar is a foreign private issuer within the meaning of the rules under the Exchange Act and, as such, it is exempt from certain provisions applicable to United States domestic public companies; as Polestar is a foreign private issuer and follows certain home country corporate governance practices, its shareholders may not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq’s requirements; Polestar may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses; Polestar has identified material weaknesses in its internal control over financial reporting, and if Polestar is unable to remediate these material weaknesses or identifies additional material weaknesses, it could lead to errors in Polestar’s financial reporting; Polestar has identified material weaknesses in its internal control over financial reporting, and if Polestar fails to develop and maintain an effective system of internal control over financial reporting, it may be unable to accurately report its financial results or prevent fraud; Polestar’s dual-class voting structure may limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of the Company securities or ADSs may view as beneficial; the U.K. City Code on Takeovers and Mergers, or the Takeover Code, may apply to Polestar; if securities or industry analysts do not publish research, publish inaccurate or unfavorable research or cease publishing research about Polestar, the ADS trading prices and trading volumes could decline significantly; you may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because Polestar is incorporated under the laws of England and Wales, because Polestar conducts substantially all of its operations outside of the United States and a majority of Polestar’s directors and executive officers reside outside of the United States; it is not expected that Polestar will pay dividends in the foreseeable future; Polestar has granted, and anticipates granting additional, share-based incentives, which may result in increased share-based compensation expenses; holders of ADSs have fewer rights than direct holders of the Company securities and must act through the Depositary to exercise their rights, and the voting rights of holders of ADSs are limited by the terms of the Deposit Agreements; the Depositary for the ADSs will give Polestar a discretionary proxy to vote the Company securities underlying the ADSs if the holders of such ADSs do not give timely voting instructions to the Depositary, except in limited circumstances, which could adversely affect the interests of holders of the ADSs; the Polestar Articles and the Deposit Agreements provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act and the Exchange Act and that certain claims may only be instituted in the courts of England and Wales, which could limit the ability of security holders of Polestar to choose a favorable judicial forum for disputes with Polestar or Polestar’s directors, officers or employees; an ADS holder’s right to pursue claims against the Depositary is limited by the terms of the Deposit Agreements; ADS holders may not be entitled to a jury trial with respect to claims arising under the Deposit Agreements, which could result in less favorable results to the plaintiff(s) in any such action; the Depositary for the ADSs is entitled to charge holders fees for various services; the ADS holders may not receive dividends or other distributions of the Company securities and the holders thereof may not receive any value for them, if it is illegal or impractical to make them available to such holders; holders of ADSs may be subject to limitations on transfer of their ADSs; the Company may be subject to securities litigation.

#### Risks Related to Polestar’s Business and Industry

*Polestar’s future growth and financial performance depends on the production and sale of its current and new vehicle models on an anticipated timeline and within an anticipated cost and pricing structure. Additionally, Polestar’s business and prospects depend significantly on the Polestar brand. If Polestar is unable to maintain and enhance its brand and capture additional market share or if its reputation and business are harmed, it could have a material and adverse impact on Polestar’s business, financial condition, results of operations and prospects.*

Polestar’s ability to meet its expectations of growth and financial performance depends on the production and sales of its current and new vehicle models on an anticipated timeline and within an anticipated cost and pricing structure. There are a number of risks inherent in the pursuit of such expectations, and—as discussed below—the occurrence of any combination of which could have a material, adverse effect on Polestar’s business, results of operations and financial condition:

- risks relating to the production of Polestar’s current and new vehicle models, including potential delays in the production of new vehicle models, Polestar’s reliance on its strategic partners as contract manufacturers and for the provision and development of key components, technology, software and materials used in Polestar’s vehicles, and the availability and pricing of raw materials and components necessary for the production of Polestar’s vehicles;
- risks relating to the cost of production of Polestar’s current and future vehicle models and other expenses of the business and Polestar’s ability to manage such costs and expenses;
- Polestar’s ability to accurately forecast demand for its current and future vehicle models, which may, among other things, negatively impact profit margins; and
- customer acceptance of Polestar’s current and future vehicle models, which, in addition to directly impacting sales volumes, may impact both production volume commitments and pricing levels for Polestar’s vehicles and, as a result, profit margins.

As discussed below, if any combination of these risks were to occur, it could have a material and adverse effect on Polestar’s business, results of operations and financial condition.

Polestar (either directly or due to its third-party suppliers and partners) has experienced in the past, and may experience in the future, delays with regard to the development, design, manufacture and commercial release of its current and new models of vehicles. Production delays can be caused by a variety of factors, including software development, delays or constraints by strategic partners or increases in the cost of or a sustained interruption in the supply or shortage of materials or components. Any delays may have a materially negative impact on Polestar’s results of operations and financial condition. Polestar may be able to establish alternate supply relationships and obtain or engineer replacement components for its vehicles, but it may be unable to do so quickly at prices or quality levels that are acceptable to it, or at all.

If the production ramp-up of the Polestar 3 and Polestar 4 is delayed or reduced Polestar’s revenues, cash flow and reputation would be adversely affected.

Customers’ acceptance and purchase of Polestar’s vehicles are critical components of its business. Polestar’s vehicle models, including the Polestar 3 and Polestar 4 models, may not meet market expectations or be well-received by the market, which could result in these vehicles penetrating the market at lower than expected rates and could ultimately lead to lower than expected sales volumes and revenue. Any negative third-party reviews of new Polestar models could have an adverse effect on consumer perception of these new models. In addition, if the average selling price for new models is below expectations, Polestar may be unable to meet its revenue, cash flow or gross margin expectations. As an SUV, the Polestar 3 is critical for the US market given its associated margin opportunity and the demand for SUVs in the US. Polestar has previously experienced lower than expected demand in the US and it could continue to do so. Additionally, Polestar’s sales volumes in the US market could be negatively impacted by delays in the enactment of regulations that incentivize broader market shifts to electric vehicles.

Additionally, if Polestar fails to continue to sell the Polestar 2 at anticipated levels while sales of the Polestar 3 and Polestar 4 ramp-up, Polestar will be unable to meet its revenue and cash flow expectations. Any failure to meet revenue expectations from sales of the Polestar 2, Polestar 3 and Polestar 4 models or other new models could result in Polestar not meeting its gross margin and profitability expectations and could materially damage Polestar’s business, prospects, results of operations and financial condition.

Polestar has previously experienced cost overruns and may experience cost overruns again in the future. Higher than expected cost of goods sold could occur from a variety of factors—including, but not limited to, unexpected increases in prices of raw materials; the pricing/availability of supplies and components (e.g. battery cells); higher than expected warranty claims; higher than expected equipment, freight and energy costs; reliance on third-party partner manufacturing and the imposition of new or increased tariffs or customs duties. Polestar has also begun certain cost savings initiatives and it may be unable to achieve the planned cost efficiency savings. Any inability to mitigate cost overruns or to achieve anticipated cost savings, and any inability to control and reduce supplier costs, would negatively impact Polestar’s financial performance and results of operations.

Polestar’s future financial performance requires Polestar to accurately forecast demand for its vehicles. As the scale of its vehicle production increases, Polestar will need to accurately forecast, purchase, and arrange for warehouse and transport of components internationally to manufacturing facilities and servicing locations at much higher volumes. To the extent Polestar underestimates demand for its vehicles, Polestar’s strategic partners and suppliers may have inadequate manufacturing capacity and/or inventory, resulting in the interruption of manufacturing of Polestar’s products and possible delays in shipments and revenues. If Polestar is unable to accurately match the timing and quantities of vehicle and component purchases to its actual needs or successfully implement automation, inventory management and other systems to accommodate the increased complexity in its supply chain, Polestar may incur unexpected production disruption, storage, transportation and write-off costs, which could have a material and adverse effect on its results of operations and financial condition.

To the extent Polestar overestimates demand, Polestar may experience strained liquidity and difficulties in managing its various trade finance facilities as it carries excess inventory, which may necessitate offering deeper discounts on its vehicles. For example, Polestar’s competitors have recently cut prices for their models in order to address supply relative to weakening demand for electric vehicles, and Polestar may be forced to do the same in order to remain competitive. Overestimating vehicle demand could also lead to substantial expenses being incurred by Polestar should it be required to agree to minimum production volumes or purchase commitments, such as for batteries, with its manufacturing partners and suppliers and such minimum vehicle or component quantities not ultimately be produced or ordered.

If demand for electric vehicles continues to worsen, or remains weak for a sustained period of time, the electric vehicle industry, and Polestar’s financial performance specifically, could be materially and adversely affected. Polestar may also experience higher than expected advertising, sales and promotion costs or may be unable to effectively charge such costs to its customers, which could have negative effects on Polestar’s financial performance. An inaccurate forecast in demand for its products may also result in a negative shift in its product mix (e.g., vehicles sold with fewer options and trim levels, higher than expected sales volumes of lower-priced variants). Furthermore, Polestar may experience shifts in its sales channel mix, including, but not limited to, a higher number of lower-margin fleet sales than planned. It may also experience a shift in Polestar’s regional sales mix, especially lower than expected sales in the United States and China, which Polestar is currently experiencing. It has significantly written-down the value of inventory and may need to do so again in the future. If Polestar experiences fluctuations in the demand for its products that is not accurately forecasted, it may experience one or more of the impacts outlined above and its results of operations and financial condition may be negatively affected.

Because Polestar’s business and prospects heavily depend on its ability to develop, maintain and strengthen the “Polestar” brand associated with design, sustainability and technological excellence, promoting and positioning its brand depend significantly on Polestar’s ability to provide a consistently high-quality customer experience. To promote its brand, Polestar may be required to change its customer development and branding practices, which could result in substantially increased expenses, including the need to use traditional media such as television, radio and print advertising. In particular, any negative publicity, whether or not true, can quickly proliferate on social media and harm consumer perception and confidence in Polestar’s brand. Polestar’s ability to successfully position its brand could also be adversely affected by perceptions about the quality of its competitors’ vehicles or its competitors’ success. For example, certain of Polestar’s competitors have been subject to significant scrutiny for incidents involving their self-driving technology and battery fires, which could result in similar scrutiny of Polestar. Furthermore, as Polestar launches new vehicles, particularly those based on new architectural platforms, whether developed by Polestar or its partners Geely and/or Volvo Cars, incorporating new technologies, it may experience unusually high numbers of quality issues, customer complaints and/or warranty claims. The use of multiple architectural platforms may also create further operational risks for Polestar due to aftermarket support being more complex. Should these risks with new technologies and multiple architectural platforms come to pass, Polestar’s brand may suffer lasting damage and its financial results could be negatively affected.

In addition, from time to time, Polestar’s vehicles may be evaluated and reviewed by third parties. Any negative reviews or reviews which compare Polestar unfavorably to competitors could adversely affect consumer perception about its vehicles and reduce demand for its vehicles, which could have a material and adverse effect on Polestar’s business, results of operations, prospects and financial condition.

***Polestar’s ability to generate meaningful product revenue will depend on consumer adoption of electric vehicles. However, the market for electric vehicles is still evolving and changes in governmental programs incentivizing consumers to purchase electric vehicles, fluctuations in energy prices, the sustainability of electric vehicles and other regulatory changes might negatively impact adoption of electric vehicles by consumers. If the pace and depth of electric vehicle adoption develops more slowly than Polestar expects, its revenue may decline or fail to grow, and Polestar may be materially and adversely affected.***

Polestar is only developing electric vehicles and, accordingly, its ability to generate meaningful product revenue will highly depend on sustained consumer demand for alternative fuel vehicles in general and electric vehicles in particular. If the market for electric vehicles does not develop as Polestar expects, developing more slowly than it expects, or if there is a decrease in consumer demand for electric vehicles, Polestar’s business, prospects, financial condition and results of operations will be harmed. The market for electric vehicles is relatively new and rapidly evolving and is characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulations (including government incentives, subsidies and, more recently, tariffs) and industry standards, frequent new vehicle announcements and changing consumer demands and behaviors. Any number of changes in the industry could negatively affect consumer demand for electric vehicles in general and Polestar’s electric vehicles in particular.

In addition, demand for electric vehicles may be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles such as sales and financing incentives like tax credits, prices of raw materials and parts and components, cost of fuel or electricity, availability of consumer credit and governmental regulations, including tariffs, import regulation and other taxes. Specifically, it is uncertain how such macroeconomic factors will impact Polestar as a newer entrant in an industry that has globally been experiencing a recent decline in sales.

Other factors that may influence the adoption of electric vehicles include:

- perceptions about electric vehicle quality, safety, design, performance and cost;
- perceptions about the limited range over which electric vehicles may be driven on a single battery charge;
- perceptions about the total cost of ownership of electric vehicles;
- concerns about electric grid capacity and reliability;
- perceptions about the sustainability and environmental and human rights impact of electric vehicles, including with respect to both the sourcing and disposal of materials for electric vehicle batteries and the generation of electricity provided in the electric grid;
- the availability of other alternative fuel vehicles, including plug-in hybrid electric vehicles;
- government regulations and economic incentives promoting fuel efficiency (including improvements in the fuel economy of the internal combustion engine) and alternative forms of energy;
- the quality and availability of service for electric vehicles, especially in international markets;
- volatility in the cost of oil, gasoline and electricity; and
- access to charging stations and the cost to charge an electric vehicle, especially in international markets, and related infrastructure costs and standardization.

The influence of any of the factors described above or any other factors may cause a general reduction in consumer demand for electric vehicles or Polestar’s electric vehicles in particular, either of which would materially and adversely affect Polestar’s business, results of operations, financial condition and prospects.

***Polestar’s operations rely on its strategic partners and on key suppliers, some of which are single-source suppliers, including for manufacturing vehicles, research and development, intellectual property, engineering and logistics, and materials traceability, and the inability of these strategic partners and suppliers to deliver necessary components of Polestar’s products on schedule and at prices, quality levels and volumes acceptable to Polestar, or Polestar’s inability to efficiently manage these components, could have a material and adverse effect on Polestar’s results of operations and financial condition.***

Polestar depends on strategic partners and key suppliers for manufacturing its vehicles. While Polestar plans to obtain components from multiple sources whenever possible, many of the components used in Polestar’s vehicles will be purchased by Polestar from a single source, and Polestar’s limited, and in many cases single-source, supply chain exposes it to multiple potential sources of delivery failure or component shortages for its production. Polestar’s suppliers may not be able to meet Polestar’s required product specifications and performance characteristics, which would impact Polestar’s ability to achieve its product specifications and performance characteristics as well. For example, Polestar’s ability to manufacture its vehicles will depend on the continued supply of battery cells for the battery packs used in its products. Polestar has limited flexibility in changing battery cell suppliers, and any disruption in the supply of battery cells from such suppliers could disrupt production of Polestar’s vehicles until a different supplier is fully qualified. In particular, Polestar is exposed to multiple risks relating to lithium-ion cells. In addition, for example, the loss of a strategic partner or any supplier, particularly a single- or limited-source supplier, or the disruption in the supply of components from its strategic partners or suppliers, could lead to vehicle design changes, production delays, idle manufacturing facilities and potential loss of access to important technology and parts for producing, servicing and supporting Polestar’s vehicles, any of which could result in negative publicity, damage to its brand and a material and adverse effect on its business, prospects, results of operations and financial condition.

Additionally, Polestar employs an asset-light business model that utilizes contract manufacturing and supply arrangements primarily with Volvo Cars and Geely. Polestar believes this business model requires significantly less capital to produce vehicles and generate revenue compared to traditional manufacturers or other electric vehicle companies. However, the supplier agreements Polestar has or may enter into with key suppliers and its strategic partners in the future may have provisions where such agreements can be terminated in various circumstances, including potentially without cause. If these suppliers and strategic partners become unable to provide, or experience delays in providing components or technology, or if the supplier and related party agreements Polestar has in place are

terminated, it may be difficult to find replacement components and technology. Additionally, if Polestar overestimates its requirements, its strategic partners or suppliers may have excess manufacturing capacity and Polestar may carry excess inventory of completed vehicles, which would strain Polestar’s liquidity and increase its costs through additional interest expense on trade finance facilities used to procure the inventory as well as charges for production capacities that Polestar reserves but was not able to use, negatively impacting its gross margins and potentially affecting when Polestar will become profitable. Underestimation of such requirements could have a similarly material, adverse effect. Polestar also depends on its strategic partners to ensure that new production facilities are operational in the expected timeframe and with the expected capacity and quality standards. If Polestar underestimates its production requirements, its strategic partners and suppliers may have inadequate manufacturing capacity and/or inventory, which could interrupt manufacturing of its products and result in delays in shipments and revenues. In addition, lead times for materials and components that Polestar’s suppliers order may vary significantly and could depend on factors such as the specific supplier, contract terms and demand for each component at a given time. If Polestar’s partners are unable to deliver necessary components of Polestar’s products on schedule or at quality levels and volumes acceptable to Polestar, or if Volvo Cars and Geely experience manufacturing delays beyond Polestar’s control, the production of Polestar’s vehicles could be delayed. The underestimation of manufacturing requirements or failure to timely deliver vehicles would harm Polestar’s brand, business, prospects, results of operations and financial condition.

In addition, Polestar’s operations rely heavily on agreements and arrangements with strategic partners, including Volvo Cars and Geely, for research and development, intellectual property licensing, purchasing, manufacturing engineering and logistics. These agreements are described in more detail in this Report in Item 4.B “*Information on the Company—Business Overview—Related Party Agreements with Volvo Cars and Geely*” and Item 7.B “*Major Shareholders and Related Party Transactions—Related Party Transactions*.” Polestar’s reliance on these agreements subjects it to a number of significant risks, including the risk of being unable to operate as a standalone business, produce vehicles, enforce intellectual property rights or effectively defend against intellectual property infringement claims, reach its development and production targets or focus its efforts on core areas of differentiation. If Polestar is unable to maintain agreements or partnerships with its existing partners, providers or licensors, or to enter into new agreements or partnerships, Polestar’s ability to operate as a standalone business, produce vehicles, reach its development and production targets or focus its efforts on core areas of differentiation could be materially and adversely affected.

Additionally, Polestar’s suppliers may be unable to obtain required certifications or provide necessary warranties for their products that are necessary for use in Polestar’s vehicles. Polestar’s suppliers may not ultimately be able to timely meet Polestar’s cost, quality, sustainability and volume needs, requiring Polestar to replace them with other sources. If Polestar is unable to obtain suitable components and materials used in its vehicles from its suppliers, if its suppliers decide to create or supply a competing product, or if Polestar fails to order sufficient quantities of product components in a timely manner, the delivery of vehicles to its customers could be delayed and its business could be adversely affected.

In addition, Polestar could experience delays if its strategic partners and suppliers do not meet agreed upon timelines or experience capacity constraints. Any disruption in the supply of components, whether or not from a single source supplier, could temporarily disrupt production of Polestar’s vehicles until an alternative supplier is able to supply the required material, and there can be no guarantee that Polestar or its strategic partners will be able to make up for delays in production caused by any disruption in the supply of critical components. Even in cases where Polestar may be able to establish alternate supply relationships and obtain or engineer replacement components for its single source components, it may be unable to do so quickly, or at all, at prices or quality and sustainability levels that are acceptable to it. This risk is heightened by the fact that Polestar has less negotiating leverage with suppliers than larger and more established automobile manufacturers, which could adversely affect its ability to obtain necessary components and materials on favorable pricing and other terms, or at all. Any of the foregoing could materially and adversely affect Polestar’s results of operations, financial condition and prospects.

In addition, as Polestar continues to develop its international manufacturing footprint, it will face additional challenges with respect to international supply chain management and logistics costs. If Polestar is unable to access or develop localized supply chains in the regions where it or its partners already have or develop manufacturing facilities with the quality, costs and sustainability capabilities required, Polestar could be required to source components from distant suppliers, which would increase its logistics and manufacturing costs as well as greenhouse gas emissions, increase the risk and complexity of Polestar's supply chain and significantly impair Polestar's ability to develop cost-effective manufacturing operations, which could have a material and adverse effect on Polestar's business including its sustainability goals, results of operations and financial condition.

Furthermore, should Polestar be unable to effectively trace the source of materials used in components, it may suffer fines and enforcement action through non-compliance with various laws and regulations, including the EU Conflict Minerals Regulation, the U.S. Dodd-Frank Act, and the U.S. Uyghur Forced Labor Prevention Act. In addition, a failure in materials traceability could also lead to supply chain disruptions as Polestar may be unable to effectively mitigate risks posed by certain geographies, such as regions prone to conflicts or sanctions. It may also result in vehicles not being able to be imported into certain jurisdictions, including the United States. Any of the foregoing could materially and adversely affect Polestar's results of operations, financial condition and reputation.

Unexpected changes in business conditions, materials pricing and/or availability, labor issues, wars, governmental changes, tariffs, natural disasters, health epidemics, and other factors beyond Polestar's and its suppliers' control could also affect these suppliers' ability to deliver components to Polestar on a timely basis. For example, if Polestar's suppliers experience substantial financial difficulties, cease operations or otherwise face business disruptions, Polestar may be required to provide substantial financial support to ensure supply continuity, which could have an additional adverse effect on Polestar's liquidity and financial condition.

***Polestar may be unable to adequately control or predict the substantial costs associated with its operations. In addition, the success of Polestar's business and its future financial performance are dependent on cost-cutting and strategic initiatives Polestar is implementing to mitigate the significant costs and expenses associated with its business.***

If Polestar does not enter into longer-term supplier agreements with guaranteed pricing for its parts or components, it may be exposed to fluctuations in prices of components, materials, labor and equipment. Agreements for the purchase of battery cells and other components contain or are likely to contain pricing provisions that are subject to adjustment based on changes in market prices of key commodities. Substantial increases in the prices for raw materials including lithium, cobalt and nickel for batteries, components, labor

and equipment, whether due to supply chain or logistics issues or due to inflation or other economic conditions, would increase Polestar's operating costs and could reduce its margins if it cannot recoup the increased costs.

Furthermore, Polestar's ability to manufacture its vehicles depends on continuing access to various components. Any component shortages could negatively impact our results of operations. For example, a global semiconductor supply shortage previously had a wide-ranging impact on many automotive suppliers and manufacturers, including Polestar, that incorporate semiconductors into the parts they supply or manufacture. Polestar experienced an impact on its operations as a result of the semiconductor supply shortage. Any similar shortage regarding critical components, such as for example batteries, could in the future have a material impact on Polestar or its suppliers, which could delay production or force Polestar or its suppliers to pay exorbitant rates for continued access to such critical components and could have a material and adverse effect on Polestar's business, prospects and results of operations.

Additionally, Polestar has certain minimum purchasing commitments to its manufacturing partners and suppliers. If Polestar is unable to meet these commitments, then Polestar's manufacturing partners and suppliers may attempt to pass the costs associated with such commitments to Polestar.

Polestar has incurred and expects to continue to incur significant costs and expenses in its operations and growth of its business. Polestar has made and expects to continue to make significant investments to design, research and develop, produce and market new vehicle models. Such investments can negatively affect Polestar's profitability. Additionally, the revenues from new models may not be sufficient to recoup the costs and investments associated with their development and may impact Polestar's ability to generate future cash flow.

Polestar is engaged in a variety of cost-cutting activities and strategic efficiency initiatives. In addition, Polestar expects to continue to restructure its operations as necessary to improve operational efficiency, including occasionally opening or closing offices, facilities or plants. The successful execution of cost-cutting initiatives will involve sourcing, logistics, technology and employment arrangements. Because these initiatives can be complex, there may be difficulties or delays in the implementation of any such initiatives and they may not be immediately effective, resulting in an adverse material impact on Polestar's financial performance. It will also involve working with suppliers and partners to identify and generate efficiency who may be unwilling or unable to implement any initiatives. Gaining additional efficiencies may be difficult and will likely become increasingly difficult over time as Polestar's asset-light business model limits opportunities to realize operational efficiencies. In addition, there is a risk that inflation and increased competition may reduce the efficiencies now available. Therefore, there can be no assurances that the efficiency and cost-cutting initiatives will be completed as planned or achieve the desired results. There may also be one-time and other costs and negative impacts relating to restructurings and anticipated cost savings, and Polestar's strategies may not be implemented or may fail to achieve the desired results.

In addition, prices and transportation expenses for materials fluctuate depending on many factors beyond Polestar's control, including fluctuations in supply and demand, currency fluctuations, tariffs and taxes, fluctuations and shortages in petroleum supply, freight charges, and other economic and political factors. If Polestar is unable to generate anticipated cost savings, successfully implement its strategies or optimize its supply chain, it may not realize all anticipated operational and efficiency benefits and cost savings, which could adversely affect its business and long-term strategies. It could also require Polestar to use more of its cash and to seek new or additional financing sooner than expected or at an undesirable cost. Profitability and cash flow could also suffer, which could also adversely affect Polestar's business, financial condition and results of operations. Any attempts to increase the announced or expected prices of Polestar's vehicles in response to increased costs could be viewed negatively by its customers or potential customers. In the event that these expenses are significantly higher than Polestar anticipates, Polestar could be required to seek additional financing earlier than it expects. If Polestar is unable to successfully implement its cost cutting and restructuring initiatives, its margins, profitability and prospects would be materially and adversely affected.

***The success and growth of Polestar's business depends upon its ability to continuously and rapidly innovate, develop and market new products and there are significant risks related to future market adoption of Polestar's products. Polestar's limited operating history makes evaluating its business and future prospects difficult and may increase the risk of your investment.***

The success and growth of Polestar's business depends upon its ability, working with its strategic partners, to continuously and rapidly innovate, develop and market new products, and there are significant risks related to future market adoption of Polestar's products and government programs incentivizing consumers to purchase electric vehicles. Polestar has a limited operating history and operates in a rapidly evolving and highly regulated market. Polestar has encountered and expects to continue to encounter risks and uncertainties frequently experienced by early-stage companies in rapidly changing markets. Certain of the other risks described in these risk factors are exacerbated by its limited operating history.

***Polestar operates in an intensely competitive market, which is generally cyclical and volatile. Should Polestar not be able to compete effectively against its competitors then it is likely to lose market share, which could have a material and adverse effect on the business, financial condition, results of operations and prospects of Polestar.***

The global automotive market, particularly for electric and alternative fuel vehicles, is highly competitive, and Polestar expects it will become even more so in the future. In recent years, the electric vehicle industry has grown, with many companies that focus completely or partially on the electric vehicle market. Polestar expects additional companies to enter this market within the next several years. Polestar also competes with established automobile manufacturers in the luxury vehicle segment, many of which have entered or have announced plans to enter the alternative fuel and electric vehicle market with either fully electric or plug-in hybrid versions of their vehicles, and Polestar also expects to compete for sales with luxury vehicles with internal combustion engines from established manufacturers. Many of Polestar's current and potential competitors have significantly greater financial, technical, manufacturing, marketing and other resources than Polestar does and may be able to devote greater resources to the design, development, manufacturing, distribution, promotion, sale, servicing and support of their products. In addition, many of these companies have longer operating histories, greater name recognition, larger and more established sales forces, broader customer and industry relationships and other resources than Polestar does. Polestar's competitors may be in a stronger position to respond quickly to new technologies and may be able to design, develop, market and sell their products more effectively than it does. Polestar has recently experienced greater competition and expects competition in its industry to continue to intensify in the future. Polestar's ability

to successfully compete in its industry will be fundamental to its future success in existing and new markets. Further, sales of vehicles in the automotive industry tend to be cyclical in many markets, which may expose Polestar to further volatility as it expands and adjusts its operations. Increases in the retail or wholesale prices of electricity from utilities or other renewable energy sources could make Polestar's products less attractive to customers. There can be no assurance that Polestar will be able to compete successfully in its markets.

***Polestar's sales depend in part on its ability to establish and maintain confidence in its business prospects among consumers, analysts and others within its industry.***

Consumers may be less likely to purchase Polestar's products if they do not believe that its business will succeed or that its operations, including service and customer support operations, will continue for many years. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with Polestar if they are not convinced that its business will succeed. Accordingly, to build, maintain and grow its business, Polestar must establish and maintain confidence among customers, suppliers, analysts and other parties with respect to its liquidity and business prospects. Maintaining such confidence may be particularly difficult as a result of many factors, including Polestar's limited operating history and recent financial and share price performance, others' unfamiliarity with its products, uncertainty regarding the future of electric vehicles, any delays in scaling production, delivery and service operations to meet demand, competition and Polestar's production and sales performance compared with market expectations. Many of these factors are largely outside of Polestar's control, and any negative perceptions about Polestar's business prospects, even if exaggerated or unfounded, would likely harm its business and make it more difficult to raise additional capital in the future. In addition, a significant number of new electric vehicle companies have recently entered the automotive industry, which is an industry that has historically been associated with significant barriers to entry and a high rate of failure. If these new entrants or other manufacturers of electric vehicles go out of business, produce vehicles that do not perform as expected or otherwise fail to meet expectations, such failures may have the effect of increasing scrutiny of others in the industry, including Polestar, and further challenging customer, supplier and analyst confidence in Polestar's business prospects.

***Polestar's future growth and financial performance are dependent on it meeting its ability to generate positive cash flow from its operations and to raise the necessary capital to fund its business plan and service its debt obligations.***

Polestar has incurred net losses each year since its inception. If Polestar is unable to raise additional funds through equity and debt financings, or other means when needed, it may be required to delay, limit, reduce, or, in the worst case, discontinue the production and sale of its vehicles as well as research and development and commercialization efforts and may not be able to fund continuing operations, all of which could adversely impact Polestar's business, results of operation and financial condition. Polestar has in the past and expects to continue to accumulate a cash flow deficit for several more years. Despite the loan facilities provided by Volvo Cars, Geely Holding and external lending institutions in late 2023 and throughout 2024, Polestar continues to require a substantial amount of additional incremental capital to fund its business plan. To the extent Polestar raises additional capital through the sale of equity or convertible debt securities, Polestar's shareholders may be diluted or suffer economic loss, and the terms of such securities may include liquidation or other preferences that adversely affect the rights of its existing shareholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting Polestar's ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. Any financing arrangements may require the payment of higher interest or preferred dividends, which will impact cash retention. If Polestar is unable to raise additional funds through equity and debt financings, or other means when needed, it may be required to delay, limit, reduce, or, in the worst case, discontinue the production and sale of its vehicles, as well as related research and development and commercialization efforts, and may not be able to fund continuing operations, all of which could have a material adverse effect on Polestar's business, results of operations and financial condition. Any debt financing in the future could involve additional restrictive covenants relating to Polestar's capital raising activities and other financial and operational matters, which may make it more difficult for Polestar to obtain additional capital and to pursue business opportunities, including potential acquisitions. There can be no assurance that Polestar will be able to raise the additional funding it expects to need or on commercially attractive terms, or at all. Furthermore, because Volvo Cars will not be providing further funding to Polestar, as it announced in February 2024, Polestar may be more reliant on Geely for either direct bilateral support, or for Geely to participate in public offerings of debt or equity securities.

Polestar has in the past and expects to continue to accumulate a cash flow deficit through at least 2026. Polestar's future growth and financial performance envisions Polestar introducing and growing additional revenue streams, including those relating to used car sales, aftermarket sales/services, technology licensing and revenue from financing. For example, Polestar is cooperating with Volvo Cars to develop their service center network, including the introduction of digital service booking, fault tracing, diagnostics and software download (Over-the-Air and in workshop). If Polestar fails to realize revenue from these possible additions to its business or fails to realize such revenue at the expected levels, its cash flows and profitability may be negatively impacted.

If Polestar's product development or commercialization is delayed, its cash flow generation may also be delayed and its costs and expenses may be significantly higher than it currently expects. Because Polestar will incur the costs and expenses from these efforts before it receives any incremental revenues with respect thereto, Polestar expects its losses in future periods may be significant. There is no assurance that the business will generate positive cash flow in the future.

Polestar could also experience adverse effects from making incorrect assumptions about important cash flow items. Such adverse effects could include, but are not limited to, the following: (i) a need for additional working capital due to, among other reasons, higher than expected inventory days and a lack of availability of trade finance facilities; (ii) higher than expected capital expenditures related to new vehicle development; (iii) unexpected decreases in cash flow from financing activities, which could be the result of, among other factors, an inability to roll over one or more of the working capital facilities with Chinese banking partners in 2025; (iv) an inability to refinance its existing indebtedness; or (v) an inability to raise additional financing in 2025, which would ultimately result in continued use of the China-based working capital facilities for longer than expected and until they can be gradually refinanced, and such facilities may not be available on commercially reasonable terms, or at all.

The deficits that Polestar has incurred, and may continue to incur in the future, fluctuate significantly from period to period; thus, even if Polestar achieves positive cash flow from its operations, it may not be able to sustain or increase such positive cash flow on a quarterly or annual basis. If Polestar is unable to generate positive cash flow from operations and raise the necessary capital to fund its

business plans and service its debt obligations, Polestar may not have sufficient resources to conduct its business as projected and may have to discontinue or delay the research and development, production and sale of its vehicles or reduce its operating expenses, each of which could result in a material, adverse effect on Polestar's business, results of operations and financial condition.

Additionally, Polestar's international operations require cash to be held in various subsidiaries to meet minimum equity requirements. Polestar is a holding company without any direct operations and has no significant assets other than its ownership interest in Polestar Sweden and the proceeds from any equity or debt financings. Accordingly, Polestar's ability to pay dividends will depend upon the financial condition, liquidity and results of operations of, and Polestar's receipt of dividends, loans or other funds from, Polestar Sweden and its subsidiaries. Polestar's subsidiaries are separate and distinct legal entities and have no obligation to make funds available to Polestar. In addition, there are various statutory, regulatory and contractual limitations and business considerations on the extent, if any, to which Polestar's subsidiaries may pay dividends, make loans or otherwise provide funds to Polestar.

Notably, in Sweden, the board of directors of Polestar Performance AB, Polestar's main group operating company, is required to immediately prepare and cause the company's auditors to review a balance sheet for liquidation purposes if there are reasons to believe that the company's shareholders' equity is less than one-half of the registered share capital. Polestar Performance AB's equity level is constantly monitored, and it periodically requires equity injections from Polestar. There is a risk that Polestar's asset light business model in combination with applicable minimum equity requirements requires more cash to be deployed than otherwise would be the case and that cash will be allocated in a manner that is not optimal for the business operations. Additionally, once cash has been contributed as equity, the cash is trapped insofar that it cannot be freely transferred back to the group company contributing the funds. If cash is trapped in parts of the Polestar group and cannot be used for the group's operations or be freely repatriated, or there is simply insufficient cash to meet the applicable minimum equity requirement, it may harm Polestar's operations and financial condition. For more information, see Item 5.B "Operating and Financial Review and Prospects—Liquidity and capital resources."

***Certain covenants in our debt agreements may restrict our operating activities, which may adversely affect our financial condition.***

Our multicurrency green syndicated term loan facility with BNP Paribas, Natixis, Standard Chartered Bank, Banco Bilbao Vizcaya Argentaria, the Hongkong and Shanghai Banking Corporation, Shanghai Pudong Development Bank Co., Credit Agricole Corporate and Investment Bank, Citibank, China Bohai Bank, China Zhesang Bank, Mizuho Bank, and MUFG Bank, entered into on February 22, 2024, contains certain covenants, including maintenance and performance covenants, limiting or restricting Polestar's ability to take certain actions and requiring Polestar to meet certain minimum revenue thresholds. These covenants may limit our operational flexibility and our investment activities. Moreover, if we breach any of the covenants in this facilities agreement, and such breach is not waived or remedied within the applicable remedy period, Polestar's obligations may be accelerated. While Polestar has received waivers under its \$950 million syndicated loan facilities, such as on May 14, 2024 for failing to timely file its Annual Report on Form 20-F for the year ended December 31, 2023 as well as on January 6, 2025 with regards to compliance with minimum revenue for year ended December 31, 2024 and testing of minimum consolidated indebtedness to consolidated assets ratios as of December 31, 2024 and March 31, 2025, there can be no assurance that further waivers would be granted by lenders in the event of future covenant breaches. Any default under this facilities agreement may have a material adverse effect on our financial condition, results of operations, ability to meet our obligations, and value of Polestar's securities.

***Polestar has determined there is substantial doubt about its ability to continue as a going concern.***

There is substantial doubt about its ability to continue as a going concern, meaning that Polestar may not be able to continue in operation for the foreseeable future or be able to realize assets and discharge liabilities in the ordinary course of operations. Polestar is already highly levered and needs to raise additional funds through the issuance of new debt, equity securities, or otherwise in order to support its current operations, liquidity needs, and business growth. There is no assurance that sufficient financing will be available when needed to allow Polestar to continue as a going concern. The perception that Polestar may not be able to continue as a going concern may also make it more difficult to raise additional funds or operate Polestar's business due to concerns about its ability to meet contractual obligations.

Based on current operating plans, availability of short-term and long-term debt financing arrangements, and continued financial support from existing Polestar shareholders, Polestar believes that it has resources to fund its operations for at least the next twelve months. However, Polestar will require additional funds to finance its activities thereafter and expects to consider various financing alternatives with banks and other third parties. For more information, see “—Risks Related to Polestar's Business and Industry—Polestar's future growth and financial performance are dependent on it meeting its ability to generate positive cash flow from its operations and to raise the necessary capital to fund its business plan and service its debt obligations” and Item 5.B “Operating and Financial Review and Prospects—Liquidity and capital resources.”

***Polestar relies on the development of vehicle charging networks to provide charging solutions for its vehicles.***

Demand for Polestar's vehicles depends in part on the availability of charging infrastructure. While the prevalence of charging stations has been increasing, charging station locations are significantly less widespread than gas stations. Some potential customers may choose not to purchase an electric vehicle because of the lack of a more widespread service network or charging infrastructure at the time of sale. Polestar's ability to generate customer loyalty and grow its business could be impaired by a lack of satisfactory access to charging infrastructure. To the extent Polestar is unable to meet user expectations or experiences difficulties in providing charging solutions, demand for its vehicles may suffer, and Polestar's reputation and business may be materially and adversely affected.

***Polestar relies on its strategic partners for servicing its vehicles and on their systems, such as dealer management systems and diagnostic tools. If Polestar or its strategic partners are unable to adequately address the service requirements of its customers or if Polestar is unable to expand its servicing capabilities, Polestar's business, prospects, financial condition and results of operations may be materially and adversely affected.***

Because of Polestar's unique expertise with its vehicles, Polestar recommends that its vehicles be serviced by its strategic partners. Polestar's strategic partners have limited experience servicing or repairing Polestar vehicles. This risk is enhanced by Polestar's limited operating history and its limited data regarding its vehicles' real-world reliability and service requirements. Servicing electric

vehicles is different than servicing vehicles with internal combustion engines and requires specialized skills, including high voltage training and servicing techniques. As such, there can be no assurance that Polestar's service arrangements adequately address the service requirements of its customers to their satisfaction, or that Polestar and its servicing partners have sufficient resources, experience or inventory to meet these service requirements in a timely manner as the volume of vehicles Polestar delivers increases. If Polestar's strategic partners experience delays in servicing Polestar's vehicles efficiently, or experience unforeseen issues with the reliability of Polestar's vehicles, it could overburden servicing capabilities and parts inventory. In addition, if Polestar is unable to establish a widespread service network that provides satisfactory customer service, its customer loyalty, brand and reputation could be adversely affected, which in turn could materially and adversely affect its sales, results of operations, prospects and financial condition.

In addition, the motor vehicle industry laws in many jurisdictions require that service facilities be available to service vehicles physically sold from locations in the state. While Polestar anticipates developing a service program that would satisfy regulatory requirements in these circumstances, the specifics of its service program are still in development, and at some point may need to be restructured to comply with state law, which may impact Polestar's business, financial condition, results of operations and prospects.

Furthermore, in some jurisdictions, pursuant to applicable competition laws, Polestar may be regarded as a competitor of its strategic partners in relation to servicing vehicles. Therefore, Polestar and its strategic partners' sales units in those markets will be subject to strict controls over the sharing of commercially sensitive information and anti-cartel requirements that can result in reduced coordination with respect to providing servicing to customers, which in turn could have a material and adverse effect on Polestar's sales, results of operations, prospects and financial condition.

Polestar's customers will also depend on Polestar's customer support team to resolve technical and operational issues relating to the integrated software underlying its vehicles. As Polestar grows, additional pressure may be placed on its customer support team or partners, and Polestar may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support. Polestar also may be unable to change the manner and delivery of its technical support to compete with changes in the technical support provided by its competitors. Increased customer demand for support, without corresponding revenue, could increase costs and negatively affect Polestar's results of operations. If Polestar is unable to successfully address the service requirements of its customers, or if it establishes a market perception that it does not maintain high-quality support, its brand and reputation could be adversely affected, and it may be subject to claims from its customers, which could result in loss of revenue or damages, and its business, results of operations, prospects and financial condition could be materially and adversely affected.

***If Polestar's vehicles fail to perform as expected, its ability to develop, market and sell or lease its products could be harmed.***

Polestar's vehicles may contain defects in components, software, design or manufacture that may cause them not to perform as expected or that may require repairs, recalls and design changes, any of which would require significant financial and other resources to successfully navigate and resolve. Polestar has issued a number of recalls of its vehicles and expects more will be issued in the future. Polestar to licensing restrictions and conditions. In addition, certain components used by Polestar were originally developed for use in vehicles with internal combustion engines, and thus may not offer a similar or satisfactory level of performance in Polestar's electric vehicles. If Polestar's vehicles contain defects in design and manufacture that cause them not to perform as expected or that require repair, or certain features of Polestar's vehicles take longer than expected to become available, are legally restricted or become subject to additional regulation, Polestar's ability to develop, market and sell its products and services could be harmed. Efforts to remedy any issues Polestar observes in its products could significantly distract management's attention from other important business objectives, may not be timely, may hamper production or may not be to the satisfaction of its customers. Further, Polestar's limited operating history and limited field data reduce its ability to evaluate and predict the long-term quality, reliability, durability and performance characteristics of its battery packs, powertrains and vehicles. There can be no assurance that Polestar will be able to detect and fix any defects in its products prior to their sale or lease to customers.

Any defects, delays or legal restrictions on vehicle features, or other failure of Polestar's vehicles to perform as expected, could harm Polestar's reputation and result in delivery delays, product recalls, product liability claims, breach of warranty claims and significant warranty and other expenses, and could have a material and adverse impact on Polestar's business, results of operations, prospects and financial condition. Examples of some of Polestar's recalls were due to (i) a risk of certain high voltage battery cells overheating when the battery is fully charged, which could lead to a thermal event inside the battery, increasing the risk of fire, (ii) the defective production of seatbelts which could result in the early activation of the locking feature used to tightly secure a child restraint system, (iii) headlamps adjusting at too high an angle which could result in excessive glare for oncoming traffic, (iv) a software error causing an internal reset in the battery energy control module, resulting in the control unit opening the high voltage connectors during driving (which has caused two recalls), (v) a supplier design issue known as “tin whiskers,” which caused a short circuit inside the front and rear inverters, (vi) an error resulting in displayed velocity of the vehicle being lower than the actual velocity, and (vii) an incorrect message shown on display when the vehicle is placed in reverse mode. Product recalls in the future may result in litigation and adverse publicity and may damage Polestar's reputation and adversely affect its business, prospects, results of operations and financial condition. For example, the battery packs that Polestar utilizes make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. Any such events or failures of Polestar's vehicles, battery packs or warning systems could subject it to lawsuits, product recalls or redesign efforts, all of which would be time consuming and expensive.

In the future, Polestar may, voluntarily or involuntarily, initiate a recall if any of its electric vehicles or components (including its battery cells) prove to be defective or noncompliant with applicable motor vehicle safety standards. If a large number of vehicles are the subject of a recall or if needed replacement parts are not in adequate supply, Polestar may be unable to service and repair recalled vehicles for a significant period of time. These types of disruptions could jeopardize Polestar's ability to fulfill existing contractual commitments or satisfy demand for its electric vehicles and could also result in the loss of business to its competitors. Such recalls, whether caused by systems or components engineered or manufactured by Polestar or its suppliers, would involve significant expense and diversion of management's attention and other resources, which could adversely affect Polestar's brand image in its target market and its business, prospects, results of operations and financial condition. As a newer entrant to the industry attempting to build customer relationships and earn trust, these effects could be significantly detrimental to Polestar. Additionally, problems and defects experienced by other electric consumer vehicles, including failure of their energy storage product as well as the mishandling of battery

cells or a safety issue or fire related to the cells at manufacturing facilities, could by association have a negative impact on perception and customer demand for Polestar's vehicles.

In addition, even if its vehicles function as designed, Polestar expects that the battery efficiency, and hence the range, of its electric vehicles, like other electric vehicles that use current battery technology, will decline over the time of its life. Other factors, such as usage, time and stress patterns, may also impact the battery's ability to hold a charge, or could require Polestar to limit vehicles' battery charging capacity, including via over-the-air or other software updates, for safety reasons or to protect battery capacity, which could further decrease Polestar's vehicles' range between charges. Such decreases in or limitations of battery capacity and therefore range, whether imposed by deterioration, software limitations or otherwise, could also lead to consumer complaints or warranty claims, including claims that prior knowledge of such decreases or limitations would have affected consumers' purchasing decisions. There can be no assurance that Polestar will be able to improve the performance of its battery packs, or increase its vehicles' range, in the future. Any such battery deterioration or capacity limitations and related decreases in range may negatively influence potential customers' willingness to purchase Polestar's vehicles and negatively impact its brand and reputation, which could adversely affect Polestar's business, prospects, results of operations and financial condition.

***Polestar may become subject to product liability claims, which could harm its financial condition and liquidity if it is not able to successfully defend or insure against such claims.***

Polestar may become subject to product liability claims, which could harm its business, prospects, results of operations and financial condition. The automotive industry experiences significant product liability claims, and Polestar faces inherent risks of exposure to claims in the event its vehicles do not perform or are claimed not to perform as expected or malfunction, resulting in property damage, personal injury or death. Polestar also expects that, as is true for other automakers, Polestar's vehicles will be involved in crashes resulting in death or personal injury, and even if not caused by the failure of its vehicles, Polestar may face product liability claims and adverse publicity in connection with such incidents. In addition, Polestar may face claims arising from or related to failures, claimed failures or misuse of new technologies that Polestar expects to offer, including ADAS/AD features and future upgrades in its vehicles.

A successful product liability claim against Polestar could require it to pay a substantial monetary award. Moreover, a product liability claim against Polestar or its competitors could generate substantial negative publicity about its vehicles and business and inhibit or prevent commercialization of its future vehicles, which would have material and adverse effects on its brand, business, prospects and results of operations. Polestar's insurance coverage might not be sufficient to cover all potential product liability claims, and insurance coverage may not continue to be available to Polestar or, if available, may be at a significantly higher cost. Any lawsuit seeking significant monetary damages or other product liability claims may have a material and adverse effect on Polestar's reputation, business and financial condition.

***Uninsured losses, including losses resulting from product liability, accidents, acts of God and other claims against Polestar, could result in payment of substantial damages, which would decrease Polestar's cash reserves and could harm its cash flow and financial condition.***

In the ordinary course of business, Polestar may be subject to losses resulting from product liability, accidents, acts of God and other claims against it, for which it may have no insurance coverage. While Polestar currently carries general and products liability, commercial automobile liability, crime, marine cargo, property and business interruption, workers' compensation, employment practices, production and directors' and officers' insurance policies, it may not maintain as much insurance coverage as other companies do, and in some cases, it may not maintain any at all. Additionally, the policies it does have may include significant deductibles, and it cannot be certain that its insurance coverage will be sufficient to cover all or any future claims against it. A loss that is uninsured or exceeds policy limits may require Polestar to pay substantial amounts, which could adversely affect its financial condition and results of operations. Further, insurance coverage may not continue to be available to Polestar or, if available, may be at a significantly higher cost, especially if insurance providers perceive any increase in Polestar's risk profile in the future.

***Polestar must develop complex software and technology systems, including in coordination with its strategic partners, vendors and suppliers, in order to produce its electric vehicles, and there can be no assurance such systems will be successfully developed.***

Polestar's vehicles use a substantial amount of externally developed and in-house software and complex technological hardware to operate and to store, retrieve, process and manage immense amounts of data, some of which is still subject to further development and testing. The development and implementation of such advanced technologies is inherently complex, and Polestar will need to coordinate with its vendors and suppliers in order to develop such technologies and integrate them into its electric vehicles and ensure such technologies interoperate with other complex technology as designed and as expected. Some errors, bugs or vulnerabilities may be inherently difficult to detect and may only be discovered after code has been released for external or internal use. Although Polestar will attempt to remedy any issues it observes in its vehicles as effectively and rapidly as possible, such efforts may not be timely, may hamper production or may not be to the satisfaction of its customers. Additionally, if Polestar is able to deploy updates to the software addressing any issues, but its over-the-air update procedures fail to properly update the software, Polestar's customers would then need to arrange for installing such updates to the software, and their software may be subject to deficiencies and vulnerabilities until they do so. Any defects or errors in, or which are attributed to, Polestar's technology, could result in, among other things delayed production and delivery of Polestar's vehicles, customer dissatisfaction with Polestar's vehicles, damage to Polestar's reputation, third party legal action or regulatory penalties and, increased warranty or service costs and use of resources to remedy the issue.

In addition, if Polestar and its partners are unable to develop the software and technology systems necessary to operate its vehicles, Polestar's competitive position will be harmed. Polestar relies on its strategic partners and suppliers to develop a number of technologies for use in its products, including Google Android Automotive Services for the infotainment system installed in Polestar vehicles and independent developers developing third-party apps for Polestar vehicles. There can be no assurances that Polestar's strategic partners and suppliers will be able to meet the technological requirements, production timing and volume requirements to support Polestar's business plan. In addition, such technology may not satisfy the cost, performance useful life and warranty characteristics Polestar anticipates in its business plan, which could materially and adversely affect Polestar's business, prospects and results of operations.

***Polestar faces risks associated with international operations, including unfavorable regulatory, political, tax and labor conditions, which could materially and adversely affect its business, financial condition, results of operations and prospects.***

Polestar has operations and subsidiaries in Europe, North America and Asia that are subject to the legal, political, regulatory and social requirements and economic conditions in these jurisdictions. Additionally, as part of its growth strategy, Polestar intends to expand its sales, maintenance and repair services and manufacturing activities to new countries in the coming years. However, Polestar has limited experience in manufacturing, selling or servicing its vehicles, and such expansion would require it to make significant expenditures, including the hiring of local employees, in advance of generating any revenue.

Polestar is subject to a number of risks associated with international business activities that may increase its costs; impact its ability to sell, service and manufacture its vehicles; and require significant management attention.

These risks include:

- conforming Polestar's vehicles to various international regulatory requirements of jurisdictions where its vehicles are sold or homologated;
- establishing localized supply chains and managing international supply chain and logistics costs;
- difficulty in staffing and managing foreign operations;
- difficulties attracting customers in new jurisdictions;
- difficulties establishing international manufacturing operations, including difficulties establishing relationships with or establishing localized supplier bases and developing cost-effective and reliable supply chains for such manufacturing operations;
- taxes, regulations and permit requirements, including taxes imposed by one taxing jurisdiction that Polestar may not be able to offset against taxes imposed upon it by another relevant jurisdiction, and foreign tax and other laws limiting its ability to repatriate funds to another relevant jurisdiction;

- fluctuations in foreign currency exchange rates and interest rates, including risks related to any forward currency contracts, interest rate swaps or other hedging activities Polestar undertakes and changes in value of certain currencies relative to other currencies, including shifts in the Chinese Yuan, U.S. Dollar and Swedish Krona;
- United States, European Union and other and foreign government trade restrictions, tariffs and price or exchange controls;
- foreign labor laws, regulations and restrictions;
- changes in diplomatic and trade relationships, including political risk and customer perceptions based on such changes and risks;
- political instability, natural disasters, climate change, environmental conditions, pandemics, war or events of terrorism; and
- the strength of international economies.

***Restrictions on international trade, such as tariffs and other controls on imports or exports of goods, information or technology can materially adversely affect the Company’s operations and supply chain and limit the Company’s ability to offer and distribute its products and services to customers.***

Our business is subject to the imposition of tariffs, import and export controls and other trade restrictions, which may make it more costly for us to export our vehicles to other countries or import the materials and supplies needed to manufacture our vehicles. For example, many of Polestar’s vehicles are manufactured in China. The United States recently imposed extraordinary tariffs on Chinese-made electric cars and additional tariffs on goods from China may be imposed in the future.

The European Union has imposed a complex sanctions regime with higher import tariffs on Chinese electric vehicle imports. This has resulted in an additional 18.8% import tariff (in addition to the previously existing 10% tariff) on Polestar’s vehicles by the European Union for Polestar vehicles imported from China, which will lead to higher selling prices or lower margins on the vehicles sold. An effort led by the Chinese Ministry of Commerce is attempting to seek wider industry relief from these tariffs, but there is no guarantee that such relief would be granted or that it would adequately reduce the additional tariff burden. Although, Polestar manufacturing facilities in Charleston, South Carolina and Busan, South Korea (which are owned and operated by Polestar’s manufacturing partners) as well as any potential future facilities, are anticipated to reduce the risk of higher import or custom duties in the US and/or the European Union, this may not ultimately be the case. If these manufacturing facilities do not ramp up as expected, Polestar will rely more heavily on imported inventory from China and its vehicles may be subject to higher tariffs. These new tariff rules are also complex and may be difficult for Polestar to correctly interpret. These tariffs may have a negative impact on our results of operations and cash flows.

Additionally, the US Department of Commerce has implemented regulations on the use of information and communications technologies from China and deployed in connected vehicles. These regulations may prohibit the import of vehicles manufactured in China or by Chinese owned companies. Unless remedial measures to replace certain suppliers can be implemented and a license to exempt the indirect ownership of Polestar by a Chinese national can be obtained from the US Department of Commerce, there is a risk that these new US regulations governing connected vehicles may effectively prohibit Polestar from selling its vehicles in the US market. Such a result would have a materially negative result on our results of operations, cash flow and financial condition.

Other trade related laws and regulations may also impact the import of vehicles into the United States. For example, under the Uyghur Forced Labor Prevention Act, or UFLPA, Polestar may be required by U.S. Customs and Border Protection to trace its supply chains to demonstrate that materials or products within the supply chain did not originate in certain regions within China. If Polestar is not

able to import vehicles into the United States due to the UFLPA or other regulatory regimes, it would have a negative result on our results of operations, cash flows and financial condition.

***The Chinese government may intervene in or influence Polestar’s and Polestar’s partners’ operations in China at any time, which could result in a material change in Polestar’s operations and ability to produce vehicles and significantly and adversely impact the value of Polestar’s securities.***

The Chinese government exerts substantial influence, discretion, oversight and control over the manner in which companies incorporated under the laws and regulations of China must conduct their business activities, including activities relating to overseas offerings of securities and/or foreign investments in such companies. Polestar is incorporated under the laws of England and Wales with headquarters in Sweden, and has subsidiaries with operations in mainland China as well as other significant markets. Accordingly, Polestar is not subject to the permissions requirements of the China Securities Regulatory Commission (the “CSRC”) with respect to the issuance of securities by Polestar to investors. However, Polestar cannot guarantee that the Chinese government will not seek to intervene or influence any of Polestar’s or its partners’ operations or securities’ offerings at any time. If Polestar or its partners were to become subject to such direct influence, intervention, discretion, oversight or control, including those over overseas offerings of securities (including foreign investments), it may result in a material adverse change in Polestar’s and its partners’ operations and cause the value of Polestar’s securities to significantly decline or be worthless. Furthermore, because Polestar is indirectly majority owned by a Chinese national, any sanctions or other restrictions placed on Chinese or foreign owned companies by the government of the United States, or any other country in which we do business, that restricts the ability of Polestar to conduct its operations or business in that respective market could have a negative result on our results of operations, cash flow and financial condition.

The Chinese government has recently published new policies that significantly affected certain industries such as the education and internet industries, and Polestar, albeit not engaging in such industries, cannot rule out the possibility that the Chinese government will in the future release regulations or policies regarding Polestar’s industry that could require Polestar and its partners to seek permission from Chinese authorities to continue operating, which may adversely affect Polestar’s business, financial condition and results of operations.

***Compliance with China’s data security and information protection laws, regulations and guidelines relating to the multi-level protection scheme and any other future laws and regulations may entail significant expenses and could materially affect Polestar’s business.***

China has implemented several laws related to data security and information protection, including the Data Security Law of the People’s Republic of China, the Cyber Security Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China, the Several Measures on the Automobile Data Security Management, the Cross-border Data Transfer Security Measures and the Industry and Information Technology Field Data Security Administrative Measures. Many of these laws require regulatory approval or assessment if a person or entity engages in data or information collection, processing, storage, usage and transfer.

Polestar may not be able to comply with these various rules and regulations. Interpretation, application and enforcement of these laws, rules and regulations will evolve over time and their scope may continually change, through new legislation, amendments to existing legislation or changes in enforcement. Compliance with the Cyber Security Law, the Data Security Law, the Personal Information Protection Law and/or related implementing regulations could significantly increase the cost to Polestar of producing and selling vehicles, require significant changes to Polestar’s operations or even prevent Polestar from providing certain service offerings in jurisdictions in which Polestar currently operates or in which Polestar may operate in the future. Despite Polestar’s efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection and information security, it is possible that Polestar’s practices or offerings could fail to meet all of the requirements imposed on Polestar by the Cyber Security Law, the Data Security Law, the Personal Information Protection Law and/or related implementing regulations. Any failure on Polestar’s part to comply with such laws or regulations or any other obligations relating to privacy, data protection or information security, or any compromise of security that results in unauthorized access, use or release of personally identifiable information or other data, or the perception or allegation that any of the foregoing types of failure or compromise has occurred, could damage Polestar’s reputation, discourage new and existing counterparties from contracting with Polestar or result in investigations, fines, suspension or other penalties by Chinese government authorities and private claims or litigation, any of which could materially adversely affect Polestar’s business, financial condition and results of operations. Even if Polestar’s practices are not subject to legal challenge, the perception of privacy concerns, whether or not valid, may harm Polestar’s reputation and adversely affect Polestar’s business, financial condition and results of operations (See “—Risks Related to Cybersecurity and Data Privacy—Data privacy concerns are generally increasing, which could result in new legislation, in negative public perception of Polestar’s current data collection practices and certain of its services or technologies and/or in changing user behaviors that negatively affect Polestar’s business and product development plans.”). Moreover, the legal uncertainty created by the Data Security Law and the recent Chinese government actions could materially adversely affect Polestar’s ability, on favorable terms, to raise capital, including engaging in follow-on offerings of its securities in the U.S. market.

Polestar uses global information systems to support its worldwide operation, but the information systems might not have servers in China and the personal information collected by Polestar in China may be constantly exported outside China to countries hosting the information systems’ servers. Polestar also relies on certain information systems maintained by Volvo Cars to process certain personal information, which similarly exports personal information outside China on a regular basis. Personal information processed by information systems with servers in China is stored in China, unless Polestar’s operations necessitate exporting such personal information. Polestar could also be impacted should its OEM suppliers not fulfill such for obligations under the forgoing measures.

***Polestar may be adversely affected by the complexity, uncertainties and changes in the regulations on internet-related business, automotive business and other business carried out by Polestar’s operating entities in China. Polestar and its subsidiaries may not receive or maintain permissions or all required approvals from the CAC or other relevant authorities to operate in China.***

The Chinese government extensively regulates the internet and automotive industries and other business carried out by Polestar’s operating entities in China. Such laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations. The Chinese government also has significant oversight and discretion over the conduct of Polestar’s business and Polestar’s operations may be affected by evolving regulatory policies as a result. The Chinese government has recently published new policies that significantly affect certain industries, and Polestar cannot rule out the possibility that it will in the future release regulations or policies regarding Polestar’s industry that could adversely affect Polestar’s business, financial condition and results of operations.

Several regulatory authorities in China, such as the State Administration for Market Regulation, the National Development and Reform Commission, the Ministry of Industry and Information Technology and the Ministry of Commerce, oversee different aspects of the electric vehicle business, and Polestar’s operating entities in China are required to obtain a wide range of government approvals, licenses, permits and registrations in connection with their operations in China. For example, certain filings must be made by automobile dealers through the information system for the national automobile circulation operated by the relevant commerce department within 90 days after the receipt of a business license. Furthermore, the electric vehicle industry is relatively immature in China, and the government has not adopted a clear regulatory framework to regulate the industry.

There are also substantial uncertainties regarding the interpretation and application of the existing laws, regulations and policies and possible new laws, regulations or policies in China relating to internet-related businesses as well as automotive businesses and companies. There is no assurance that Polestar will be able to obtain all the permits or licenses related to its business in China, or will be able to maintain its existing permits and licenses or obtain new ones. In the event that the Chinese government considers that Polestar was or is operating without the proper approvals, licenses or permits, promulgates new laws and regulations that require additional approvals or licenses, or imposes additional restrictions on the operation of any part of Polestar’s business, the Chinese government has the power, among other things, to levy fines, confiscate any of Polestar’s income that it considers illegal, revoke its business licenses and require Polestar to suspend or discontinue the relevant business or impose restrictions on the affected portion of its business. Any of these actions by the Chinese government, and any related negative publicity, may have a material and adverse effect on Polestar’s business, prospects, financial condition, and results of operations, as well as the trading price of ADSs.

***Polestar relies heavily on manufacturing facilities and suppliers based in China, including single-source suppliers, and its growth strategy will depend on growing its business in China. This subjects Polestar to economic, operational, regulatory and legal risks specific to China.***

Polestar relies heavily on manufacturing facilities based in China for the manufacture of its vehicles, including facilities of Volvo Cars, Geely and its other contract partners. Polestar intends to rely solely on arrangements with its contract manufacturers, including Volvo Cars and Geely, for current and future Polestar models, many of which are based in China, and its growth strategy will depend on growing its business based in China. In addition, Polestar relies on single-source suppliers in China for critical components for Polestar vehicles. This growing presence increases Polestar’s sensitivity to the economic, operational and legal risks specific to China. For example, China’s economy differs from the economies of most developed countries in many aspects, including, but not limited to, the degree of government involvement, level of development, reinvestment control of foreign exchange, allocation of resources, growth rate and development level. Although the Chinese government has implemented measures since the late 1970s which are generally viewed as a positive development for foreign business investment, a substantial portion of productive assets in China are still owned by the Chinese government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over economic growth in China through allocating resources, controlling payments of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

While China’s economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy, and the rate of growth has been slowing down. Some of the governmental measures intended to benefit the overall Chinese economy may have a negative effect on Polestar. For example, Polestar’s financial condition and results of operations may be adversely affected by changes in tax regulations. Higher inflation could adversely affect Polestar’s results of operations and financial condition. Furthermore, certain operating costs and expenses, such as battery prices and freight and distribution costs, employee compensation and office operating expenses, may increase as a result of higher inflation. In addition, the Chinese government has implemented in the past certain measures to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for Polestar’s products and services, and consequently have a material and adverse effect on Polestar’s businesses, financial condition and results of operations.

It is unclear whether and how Polestar’s current or future business, prospects, financial condition or results of operations may be affected by changes in China’s economic, political and social conditions and in its laws, regulations and policies. Changes in Chinese policies, regulations and rules, or their enforcement, may occur with little advance notice and could have a significant impact upon Polestar’s and its partners’ ability to operate profitably.

In addition, many of the economic reforms carried out by the Chinese government are unprecedented or experimental and are expected to be refined and improved over time. This refining and improving process may not necessarily have a positive effect on Polestar’s operations and business development.

Additionally, the legal system in China is developing and there are inherent uncertainties that may affect the protection afforded to Polestar for its business and activities in China that are governed by Chinese laws and regulations. Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since administrative and court authorities in China have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection for Polestar than in more developed legal systems. These uncertainties may impede Polestar’s ability to enforce contracts and could materially and adversely affect Polestar’s business, financial condition and results of operations.

***If sales of Polestar car models do not develop as expected, intangible assets, property plant and equipment and/or inventory could be subject to substantial impairment charges, which could negatively affect Polestar’s financial results.***

Polestar has invested and expects to continue to invest significantly in intangible assets such as software and other intellectual property, tooling and other tangible assets and in finished cars, which are held in inventory. After a review of sales and cash flow forecasts, Polestar concluded during 2023 that the book value of certain assets related to Polestar 2 needed to be written down, and as a consequence Polestar recognized an impairment loss of \$249.4 million for intangible assets, \$90.2 million for property plant and equipment, right-of-use assets (included within property, plant and equipment on the Consolidated Statement of Financial Position), and vehicles under operating leases, and \$146.6 million for inventory. For the year ended December 31, 2024, after a review of sale and cash flow forecasts Polestar concluded that the book value of certain assets related primarily to Polestar 3, Polestar 5 and Polestar 6 needed to be written down, resulting in an aggregate impairment loss of \$622.1 million. In the event of below forecast sales, pricing, and cash flows in the future Polestar may again as part of its regular impairment assessments be requirement to write-down the value of certain assets, which could negatively affect its financial results.

***Polestar relies on various distribution approaches some of which are unproven and different from those employed by other automakers.***

Polestar’s primary distribution approach of selling vehicles directly through users (rather than through dealerships), or, in certain countries, through third parties via a franchising model, is not common in the automotive industry today. In North America, for example, all sales are conducted through dealerships. Polestar’s direct to consumer approach of vehicle distribution, which has recently been adapted for certain markets to follow a non-genuine agency model where more active selling and sales support takes place in the showrooms of Space partners, is relatively new and has a shorter track record to prove long-term effectiveness. It thus subjects Polestar to risks as this approach requires, in the aggregate, significant expenditures and the development of an in-house sales and marketing team and may provide for slower expansion of Polestar’s distribution and sales systems than the traditional dealership system. Polestar has

only recently adopted, to a limited extent, the long established sales channels developed through a dealership system to increase its sales volume. Polestar also leverages the existing Volvo Cars network of dealers as a pipeline of potential operators of Polestar Spaces or distributors (depending on the distribution approach in each country). Moreover, Polestar competes with automakers with well-established distribution channels. If Polestar’s lack of an established traditional dealer distribution network results in lost opportunities to generate sales, it could limit Polestar’s ability to grow. Polestar’s expansion of its network of retail locations and service points may not fully meet users’ expectations. Polestar’s success will depend in large part on its ability to effectively develop its own sales channels and marketing strategies and successfully expand its dealer distribution network. Implementing its business model is subject to numerous challenges, including obtaining permits and approvals from government authorities, and Polestar may not be successful in addressing these challenges.

Additionally, the laws governing licensing of dealers and sales of motor vehicles vary from country to country and, within a country, from state to state, and the application of these local laws to Polestar’s operations can be difficult to predict. Certain jurisdictions require a dealer license to sell new motor vehicles within the country or state. In the United States, for example, some automobile dealers have brought a claim before the Illinois Motor Vehicle Review Board claiming that they have a right to sell Polestar vehicles because of their franchise with Volvo Cars and in accordance with the Illinois Motor Vehicle Franchise Act. Further, even in jurisdictions where Polestar believes applicable laws and regulations do not currently prohibit its direct sales model, legislatures may impose additional requirements. Because the laws vary from country to country, and, within a country, from state to state, Polestar’s distribution model and its sales and service processes is continually monitored and adapted for compliance with the various jurisdictional requirements and may change from time to time. Regulatory compliance and likely challenges to the distribution model may add to the cost of Polestar’s business.

***Insufficient reserves to cover future warranty or part replacement needs or other vehicle repair requirements, including any potential software upgrades, could have a material and adverse effect on Polestar’s business, prospects, financial condition and results of operations.***

Polestar provides a manufacturer’s warranty on all vehicles, components and systems it sells. Polestar needs to maintain reserves to cover part replacement and other vehicle repair needs, including any potential software upgrades or warranty claims. In addition, Polestar provides additional warranties on installation workmanship or performance guarantees. Warranty reserves will include Polestar’s management team’s best estimate of the projected costs to repair or to replace items under warranty. Such estimates are inherently uncertain, particularly in light of Polestar’s limited operating history and the limited field data available to it, and changes to such estimates based on real-world observations may cause material changes to Polestar’s warranty reserves in the future. If Polestar’s reserves are inadequate to cover future maintenance requirements on its vehicles, its business, prospects, financial condition and results of operations could be materially and adversely affected. Polestar may become subject to significant and unexpected expenses as well as claims from its customers, including loss of revenue or damages. There can be no assurances that the then-existing reserves will be sufficient to cover all claims. In addition, if future laws or regulations impose additional warranty obligations on Polestar that go beyond Polestar’s manufacturer’s warranty, Polestar may be exposed to materially higher warranty, parts replacement and repair expenses than it expects, and its reserves may be insufficient to cover such expenses.

***Polestar may be unable to offer attractive leasing and financing options for its current vehicle models and future vehicles, which would adversely affect consumer demand for its vehicles.***

Polestar offers leasing and financing of its vehicles to potential customers through financing partners. Polestar believes that the ability to offer attractive leasing and financing options is particularly relevant to customers in the premium vehicle segments in which it competes. We cannot provide any assurance that our financing partners will continue, or would be able or willing, to provide such services on terms acceptable to us or our customers. If Polestar is unable to offer its customers an attractive option to finance the purchase or lease of its vehicles, such failure could substantially reduce the population of potential customers and decrease demand for Polestar’s vehicles.

***Polestar is subject to risks associated with advanced driver assistance system technology. Polestar is also working on adding autonomous driving technology to its vehicles and expects to be subject to the risks associated with this technology, including uncertain and evolving regulations. Polestar cannot guarantee that its vehicles will achieve its targeted assisted or autonomous driving functionality within its projected timeframe, or ever.***

Polestar’s vehicles are designed with the advanced driver assistance system (“ADAS”) hardware, and Polestar expects to launch automation functionalities and additional capabilities, including autonomous driving (“AD”), over time. ADAS/AD technologies are emerging and subject to known and unknown risks, and there have been accidents and fatalities associated with such technologies. The safety of such technologies depends in part on user interaction, and users, as well as other drivers on the roadways, may not be accustomed to using or adapting to such technologies. In addition, self-driving technologies are the subject of intense public scrutiny and interest, and previous accidents involving autonomous driving features in other vehicles, including alleged failures or misuse of such features, have generated significant negative media attention and government investigations. To the extent accidents associated with Polestar’s ADAS or AD technologies occur, Polestar could be subject to significant liability, negative publicity, government scrutiny and further regulation. ADAS/AD technology is subject to considerable regulatory uncertainty as the law in different jurisdictions evolves to catch up with the rapidly evolving nature of the technology itself, all of which is beyond Polestar’s control. There is a variety of international, federal and state regulations that may apply to self-driving and driver-assisted vehicles, which include many existing vehicle standards that were not originally intended to apply to vehicles that may not have a driver. There are currently no federal U.S. regulations pertaining to the safety of self-driving vehicles; however, NHTSA has established recommended guidelines. Certain states have legal restrictions on self-driving vehicles, and many other states are considering them. In Europe, certain vehicle safety regulations apply to self-driving braking and steering systems, and certain treaties also restrict the legality of certain higher levels of self-driving vehicles. Self-driving laws and regulations are expected to continue to evolve in numerous jurisdictions in the U.S. and foreign countries, which increases the likelihood of a patchwork of complex or conflicting regulations that may delay products or restrict self-driving features and availability, which could adversely affect Polestar’s business. Polestar’s vehicles may not achieve the requisite level of autonomy that may be required in some countries or jurisdictions for certification and rollout to consumers or may not satisfy changing regulatory requirements which could require Polestar to redesign, modify or update its ADAS/AD hardware and related software systems. Any of the foregoing could materially and adversely affect Polestar’s results of operations, financial condition and growth prospects.

In addition, Polestar faces substantial competition in the development and deployment of ADAS/AD technologies. Many of Polestar’s competitors, including Tesla, established automakers such as Mercedes-Benz, Audi and General Motors (including via its investments in Cruise Automation), and technology companies including Waymo (owned by Alphabet), Zoox.ai (owned by Amazon), Aurora, Argo AI (jointly owned by Ford and Volkswagen), Mobileye, Aptiv (which recently acquired Wind River), Baidu, Nuro and Ghost Autonomy, have devoted significant time and resources to developing ADAS/AD technologies. They may also own patents in this area, which may be relevant to technologies Polestar may use. If Polestar is unable to develop competitive or more advanced ADAS/AD technologies in-house or acquire access to such technology via partnerships or investments in other companies or assets, it may be unable to equip its vehicles with competitive ADAS/AD features, which could damage its brand, reduce consumer demand for its vehicles or trigger cancellations of reservations and could have a material and adverse effect on its business, results of operations, prospects and financial condition. ADAS/AD technologies are also subject to considerable regulatory uncertainty, which exposes Polestar to additional risks.

***Developments in electric vehicle or alternative fuel technology or improvements in the internal combustion engine may adversely affect the demand for Polestar’s vehicles. Additionally, extended periods of low gasoline or other petroleum-based fuel prices could adversely affect our business, prospects, results of operations and financial condition.***

Polestar may be unable to keep up with changes in electric vehicle technology or alternatives to electricity as a fuel source and, as a result, its competitiveness may suffer. Significant developments in alternative technologies, such as alternative battery cell technologies, hydrogen fuel cell technology, advanced gasoline, ethanol or natural gas or improvements in the fuel economy of the internal combustion engine, may materially and adversely affect Polestar’s business and prospects in ways it does not currently anticipate. Existing and other battery cell technologies, fuels or sources of energy may emerge as customers’ preferred alternative to the technologies in Polestar’s electric vehicles. Any failure by Polestar to develop new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay its development and introduction of new and enhanced electric vehicles, which could result in the loss of competitiveness of its vehicles, decreased revenues and a loss of market share to competitors. In addition, Polestar expects to compete in part on the basis of its vehicles’ range, efficiency, charging speeds and performance, and improvements in the technology offered by competitors could reduce demand for Polestar’s vehicles. As technologies change, Polestar plans to upgrade or adapt its vehicles and introduce new models that reflect such technological developments, but its vehicles may become obsolete, and its research and development efforts (and those of its strategic partners) may not be sufficient to adapt to changes in alternative fuel and electric vehicle technology. Additionally, as new companies and larger, existing vehicle manufacturers continue to enter the electric vehicle space, Polestar may lose any technological advantage it may have and suffer a decline in its competitive position. Any failure by Polestar to successfully react to changes in existing technologies or the development of new technologies could materially harm its competitive position and growth prospects.

Additionally, a portion of the current and expected demand for electric vehicles results from concerns about volatility in the cost of gasoline and other petroleum-based fuel, the dependency of Europe, North America and Asia on oil from unstable or hostile countries, government regulations and economic incentives promoting fuel efficiency and alternative forms of energy, as well as concerns about climate change resulting in part from the burning of fossil fuels. If the cost of gasoline and other petroleum-based fuel decreases significantly, the outlook for the long-term supply of oil to Europe, North America and Asia improves, the government eliminates or modifies its regulations or economic incentives related to fuel efficiency and alternative forms of energy or there is a change in the perception that the burning of fossil fuels negatively impacts the environment, the demand for electric vehicles, including our vehicles, could be reduced, and our business and revenue may be harmed.

Gasoline and other petroleum-based fuel prices have historically been extremely volatile and it is difficult to ascertain whether such volatility will continue to persist. Lower gasoline or other petroleum-based fuel prices over extended periods of time may lower the perception in government and the private sector that cheaper, more readily available energy alternatives should be developed and

produced. If gasoline or other petroleum-based fuel prices remain at deflated levels for extended periods of time, the demand for electric vehicles, including our vehicles, may decrease, which would have an adverse effect on our business, prospects, financial condition and results of operations.

***Polestar’s financial results may vary significantly from period to period due to fluctuations in its operating costs, product demand and other factors.***

Polestar expects its period-to-period financial results to vary based on its operating costs and product demand, which it anticipates will fluctuate as it continues to design, develop and manufacture new vehicles, increase production capacity and establish or expand design, research and development, production, sales and service facilities. Polestar’s revenues from period to period may fluctuate as it identifies and investigates areas of demand, adjusts volumes and adds new product derivatives based on market demand and margin opportunities, develops and introduces new vehicles or introduces existing vehicles to new markets for the first time. In addition, automotive manufacturers typically experience significant seasonality, with comparatively low sales in the first quarter and comparatively high sales in the fourth quarter. Polestar’s period-to-period results of operations may also fluctuate because of other factors including labor availability and costs for hourly and management personnel; profitability of its vehicles, especially in new markets; changes in interest rates; impairment of long-lived assets; macroeconomic conditions, both internationally and locally; negative publicity relating to its vehicles; changes in consumer preferences and competitive conditions; or investment in expansion into new markets. As a result of these factors, Polestar believes that period-to-period comparisons of its financial results, especially in the short term, may have limited utility as an indicator of future performance. Significant variation in Polestar’s quarterly performance could significantly and adversely affect the trading price of the ADSs.

***Changes in foreign currency rates, interest rate risks, or inflation could materially affect Polestar’s results of operations.***

Due to its international operations, Polestar faces foreign currency risk exposure from fluctuating currency exchange rates, interest rate risk from its exposure to floating and variable interest rates, and inflation risk from existing and expected rates of inflation in the U.S. and other jurisdictions.

The Russo-Ukrainian war led to increased inflationary pressures on prices of components, materials, labor, and equipment used in the production of Polestar vehicles. Increases in battery prices due to the increased prices of lithium, cobalt, and nickel are expected to lead to higher inventory and costs of goods sold. Higher oil prices have also increased freight and distribution costs across all markets. It is uncertain whether these inflationary pressures will persist in the future. See Item 5 “*Operating and Financial Review and Prospects—Key factors affecting performance—Impact of the Russo-Ukrainian War*” and “*Operating and Financial Review and Prospects—Key factors affecting performance—Inflation*.”

Further, fluctuations in currency rates, interest rate hikes and existing and expected rates of inflation in the U.S. and other jurisdictions have resulted in extreme volatility in the global financial markets, which has increased Polestar’s cost of capital and may limit its ability to access financing when needed. Polestar may not be able to obtain additional financing on terms favorable to it, if at all. See “*Risks Related to Financing and Strategic Transactions—Polestar will require additional capital to support business growth, and this capital might not be available on commercially reasonable terms, or at all*.”

***Polestar’s facilities or operations could be and have been adversely affected by events outside of its control, such as natural disasters, wars, health epidemics, pandemics or security incidents.***

Polestar may be impacted by natural disasters, wars, health epidemics or pandemics or other events outside of its control. For example, prolonged government mandated quarantines and lockdowns in China during 2022 due to further outbreaks of Covid-19 resulted in delays in the production and delivery of critical components and delayed production of Polestar vehicles. Further, if major disasters such as earthquakes, wildfires, tornadoes or other events occur, or if Polestar’s information system or communications network breaks down or operates improperly, Polestar’s facilities and manufacturing may be seriously damaged or affected, or Polestar may have to stop or delay production and shipment of its products. The effects of climate change may exacerbate the impact of natural disasters and weather events thereby causing interruptions to production or operations and could also lead to higher raw material costs in the event suppliers are also affected by climate change. Furthermore, Polestar could be impacted by physical security incidents at its facilities or those of its strategic partners, which could result in significant damage to such facilities that could require Polestar or its partners to delay or discontinue production of its vehicles. Polestar may incur significant expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, results of operations and financial condition.

***A global economic recession or other downturn may have a disproportionately adverse impact on Polestar’s business, prospects, results of operations and financial condition.***

Because of Polestar’s premium brand positioning and pricing, an economic downturn is likely to have a heightened adverse effect on it, compared to many of its electric vehicle and traditional automotive industry competitors, to the extent that consumer demand for luxury goods is reduced in favor of lower-priced alternatives. Any economic recession or other downturn could also cause logistical challenges and other operational risks if any of Polestar’s suppliers, sub-suppliers or partners becomes insolvent or are otherwise unable to continue their operations.

***The ongoing conflicts between Russia and Ukraine and in the Middle East have, and are likely to continue to, generate uncertain geopolitical conditions, including sanctions, economic boycotts, and divestment initiatives that could adversely affect Polestar’s business prospects and results of operations.***

Russia and Ukraine are not Polestar markets, and there are no plans to launch in either market in the near future. However, Israel is a Polestar market and Polestar has some suppliers with operations in Israel. The uncertain geopolitical conditions, sanctions, and other potential impacts on the global economic environment resulting from Russia’s invasion of Ukraine and the conflicts in the Middle East may weaken demand for Polestar’s vehicles and impact its ability to access production components, which could make it difficult for Polestar to forecast its financial results and manage its inventory levels. Polestar has suppliers in Israel, including Mobileye and

StoreDot. If the conditions in Israel interrupt Polestar’s suppliers’ operations or limit the ability for Polestar’s suppliers to operate, Polestar’s business can be harmed. Additionally, in the past, Israel and Israeli companies have been, and continue to be, subject to economic boycotts and divestment initiatives, which could negatively impact Polestar’s business given Polestar’s relationship with Mobileye and StoreDot. In addition, further escalation of the conflict in the Red Sea may affect our shipping operations and result in shipping companies rerouting their cargo ships. These potential shipping disruptions may cause additional shipping costs and delays.

The uncertainty surrounding these conditions and the current, and potentially expanded, scope of international sanctions against Russia may cause unanticipated changes in customers’ buying patterns or may adversely impact operations of Polestar’s suppliers. Sanctions have also created supply constraints and driven inflation that has impacted, and may continue to impact, Polestar’s operations and could create or exacerbate risks facing Polestar’s business.

Polestar vehicles are manufactured at facilities owned and operated by Volvo Cars. While Polestar understands that Volvo Cars does not have any “Tier 1” suppliers from Russia, car production is a complex process, with thousands of components sourced from all over the world. There can be no assurance, therefore, that there will not be some components sourced from suppliers subject to sanctions against Russia nor that the resulting disruption to the supply chain will not have an adverse impact on Polestar’s business and results of operations and financial condition.

In the event geopolitical tensions deteriorate further or fail to abate, additional governmental sanctions may be enacted that could adversely impact the global economy, banking and monetary systems, markets, and the operations of Polestar and its suppliers.

If Polestar fails to successfully address these risks, its business, prospects, results of operations and financial condition could be materially harmed.

**Risks Related to Cybersecurity and Data Privacy**



***Polestar relies on its and Volvo Cars’ IT systems and third-party consultants, and so any material disruption to its or Volvo Cars’ IT systems or the third-party operating our security operations center could have a material and adverse effect on Polestar.***

The availability and effectiveness of Polestar’s services depend on the continued operation of its information technology and communications systems. Polestar relies on its and Volvo Cars’ IT systems, and such systems are vulnerable to damage or interruption from, among other adverse effects, fire, terrorist attacks, natural disasters, power loss, telecommunications failures, computer viruses, computer denial of service attacks, targeted cybersecurity threats, or other attempts to harm its systems. In addition, the rapid evolution and increased adoption of artificial intelligence may intensify our cybersecurity risks. Polestar also contracts with a third party to operate its cybersecurity operations center. It is possible that our information technology systems and networks, or those that third parties manage or provide, could have vulnerabilities, which could go unnoticed for a period of time. Further, Polestar’s products and services are also highly technical and complex and may contain errors or vulnerabilities that could result in interruptions in its services or the failure of its systems or the systems on which it relies.

We have experienced cyber security threats and vulnerabilities in our systems, and we have experienced viruses and attacks targeting our information technology systems and networks. Such prior events, to date, have not had a material impact on Polestar. However, the potential consequences of a future material cybersecurity attack may adversely affect our business, results of operations, prospects or financial condition.

Additionally, as part of Volvo Cars IT incident process, Volvo Cars has informed Polestar of cybersecurity incidents that could have had an impact on the operations of Polestar. While the outcomes of these incidents were determined not to have had a material impact on the safety or security of Polestar’s customers or their personal data, it nonetheless highlights the risk that Polestar faces by being partly reliant on external IT systems. Should a future material IT incident occur at Volvo Cars or at the third party that operates our cybersecurity operations center, it could cause Polestar to suffer lengthy interruptions to its ability to operate its business, damage to Polestar’s reputation, loss of customers, loss of revenue, investigations or litigation or liability for damages, any of which could materially and adversely affect Polestar’s business, results of operations, prospects and financial condition.

***Any unauthorized control or manipulation of Polestar’s products, digital sales tools and systems could result in loss of confidence in Polestar and its products.***

Polestar’s products contain complex information technology systems. Polestar collects, stores, transmits and otherwise processes data from vehicles, customers, employees and other third parties as part of its business operations, which may include personal data or confidential or proprietary information. Polestar also works with third parties that collect, store and process such data on its behalf and also uses digital tools to sell vehicles to its customers. Polestar has created a foundation of security policies and an information security directive and is in the process of creating and testing information security policies to deployed systems. Polestar is creating measures to implement such policies, including encryption technologies, to prevent unauthorized access by malicious actors and plans to continue deploying additional security measures as it grows. Notwithstanding these measures, there can be no assurance that such systems and measures will be adhered to or will not be compromised as a result of intentional misconduct, including by employees, contractors or vendors, as well as by software bugs, human error or technical malfunctions.

Furthermore, hackers may in the future attempt to gain unauthorized access to, modify, alter, disable, and use Polestar’s vehicles, products, and digital sales tools and Polestar’s and its service providers’ or vendors’ systems to (i) gain control of, (ii) change the functionality, user interface and performance characteristics of or (iii) gain access to sensitive or proprietary data stored in or generated by, such vehicles, products, digital sales tools and systems. Advances in technology, an increased level of sophistication and diversity of Polestar’s products, digital sales tools and services, an increased level of expertise of hackers and new discoveries in the field of cryptography could lead to a compromise or breach of the measures that Polestar or its service providers or vendors use. Polestar and its service providers’ and vendors’ systems have in the past and may in the future be affected by cybersecurity incidents. Polestar’s and its service providers’ and vendors’ systems are also vulnerable to damage or interruption from, among other things, physical theft, fire, terrorist attacks, natural disasters, power loss, war, telecommunications failures, computer viruses, computer denial or degradation of service attacks, ransomware, social engineering schemes, domain name spoofing, insider theft or misuse or other attempts to harm its products and such systems. Polestar’s and its service providers’ or vendors’ data centers could be subject to break-ins, sabotage and

intentional acts of vandalism causing potential disruptions. Some of Polestar’s and its service providers’ and vendors’ systems are not and will not be fully redundant. Further, Polestar’s disaster recovery planning is not yet fully developed and cannot account for all eventualities. Any problems at Polestar’s or its service providers’ or vendors’ data centers could result in lengthy interruptions in Polestar’s service. There can be no assurance that any security or other operational measures that Polestar or its service providers or vendors have implemented will be effective against any of the foregoing threats or issues.

If Polestar is unable to protect its products, digital sales tools and its service providers’ and vendors’ systems (and the information stored on such platforms) from unauthorized access, use, disclosure, disruption, modification, destruction or other cybersecurity breaches, such problems or security breaches could have negative consequences for its business and future prospects, subjecting Polestar to substantial fines, penalties, damages and other liabilities under applicable laws and regulations, incurring substantial costs to respond to, investigate and remedy such incidents, reducing customer demand for Polestar’s products, harming its reputation and brand and compromising or leading to a loss of protection of its intellectual property or trade secrets. In addition, regardless of their veracity, reports of unauthorized access to Polestar’s vehicles or data or Polestar’s or its service providers’ and vendors’ systems, as well as other factors that may result in the perception that such vehicles, systems or data are capable of being “hacked,” could negatively affect Polestar’s brand. In addition, some members of the U.S. federal government, including certain members of Congress and the National Highway Traffic Safety Administration (“NHTSA”), have recently focused attention on automotive cybersecurity issues and may in the future propose or implement regulations specific to automotive cybersecurity. In addition, the United Nations Economic Commission for Europe has introduced regulations governing connected vehicle cybersecurity, which became effective in January 2021 and apply in the European Union to all new vehicle types beginning in July 2022 and will become mandatory for all new vehicles produced from July 2024. Such regulations are also in effect, or expected to come into effect, in certain other international jurisdictions. These and other regulations could adversely affect Polestar’s business in Europe and other markets, and if such regulations or other future regulations are inconsistent with Polestar’s approach to automotive cybersecurity, Polestar would be required to modify its systems (or cause its service providers and vendors to modify their systems) to comply with such regulations, which would impose additional costs and delays and could expose Polestar to potential liability to the extent its automotive cybersecurity systems and practices are inconsistent with such regulation.

***Data privacy concerns are generally increasing, which could result in new legislation, in negative public perception of Polestar’s current data collection practices and certain of its services or technologies and/or in changing user behaviors that negatively affect Polestar’s business and product development plans.***

In the course of its operations, Polestar collects, uses, stores, discloses, transfers and otherwise processes personal information from its customers, employees and third parties with whom it conducts business, including names, accounts, user IDs and passwords and payment or transaction related information. Additionally, Polestar uses its vehicles’ electronic systems to log information about vehicle use, such as charge time, battery usage, mileage and driving behavior, in order to aid it in vehicle diagnostics, repair and maintenance, as well as to help it customize and improve the driving experience.

Data privacy concerns of consumers are generally increasing, which could result in new legislation, in negative public perception of Polestar’s current data collection practices and certain of its services or technologies and/or in changing user behaviors that negatively affect Polestar’s business and product development plans. New concerns or vulnerabilities could be introduced as a result by the use of artificial intelligence technologies by us or third parties.

Significant capital and other resources may be required to protect against information security breaches or to alleviate problems caused by such breaches or to comply with our privacy policies or privacy-related legal obligations. The resources required may increase over time as the methods used by hackers and others engaged in online criminal activities are increasingly sophisticated and constantly evolving. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause our customers to lose trust in us and could expose us to legal claims. Any perception by the public that online transactions or the privacy of user information are becoming increasingly unsafe or vulnerable to attacks could inhibit the growth of online retail and other online services generally, which may reduce the number of orders Polestar receives.

***Polestar is subject to evolving laws, regulations, standards, policies and contractual obligations related to data privacy, security and consumer protection, and any actual or perceived failure to comply with such obligations could harm Polestar’s reputation and brand, subject Polestar to significant fines and liability, or otherwise adversely affect its business.***

Due to Polestar’s data collection practices, products, services and technologies, Polestar is subject to or affected by a number of federal, state, local and international laws and regulations, as well as contractual obligations and industry standards, that impose certain obligations and restrictions with respect to data privacy and security and govern its collection, storage, retention, protection, use, processing, transmission, sharing and disclosure of personal information including that of Polestar’s employees, customers and other third parties with whom Polestar conducts business. These laws, regulations and standards may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material and adverse impact on Polestar’s business, financial condition and results of operations.

The global data protection landscape is rapidly evolving, and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. The increasing use of artificial intelligence may lead to additional rules and regulations in the jurisdictions in which we operate. Polestar may not be able to monitor and react to all developments in a timely manner. The European Union adopted the General Data Protection Regulation (“GDPR”), which became effective on May 25, 2018, and as a result of the withdrawal of the United Kingdom from the European Union on 31 January 2020 the United Kingdom now has its own data privacy regime comprised of the United Kingdom General Data Protection Regulation and Data Protection Act 2018 (collectively, the “UK GDPR”) (the GDPR and UK GDPR together referred to as the “GDPR”) and California adopted the California Consumer Privacy Act of 2018 (“CCPA”), which became effective in January 2020. Both the GDPR and the CCPA impose additional obligations on companies regarding the handling of personal data and provides certain privacy rights to individual persons whose data is collected. Compliance with existing, proposed and recently enacted laws and regulations (including implementation of the privacy and process

enhancements called for under the GDPR and CCPA) can be costly, and any failure to comply with these regulatory standards could subject Polestar to legal and reputational risks.

The GDPR imposes comprehensive data privacy compliance obligations in relation to Polestar’s collection, processing, sharing, disclosure, transfer and other use of personal information, including a principle of accountability and the obligation to demonstrate compliance through policies, procedures, training and audit. The GDPR also regulates cross-border transfers of personal information out of the EEA and the UK. Recent legal developments in Europe have created complexity and uncertainty regarding such transfers, in particular in relation to transfers to the United States, and recent European court and regulatory decisions have taken a restrictive approach. Polestar currently relies on the standard contractual clauses and definition of supplementary measures, where applicable and available, or derogations, to transfer personal information outside the EEA and the UK, with respect to both intragroup and third party transfers. As the enforcement landscape further develops, and supervisory authorities issue further guidance on international data transfers, Polestar could suffer additional costs, complaints and/or regulatory investigations or fines; Polestar may have to stop using certain tools and vendors and make other operational changes; and/or it could otherwise affect the manner in which Polestar provides its services, and could adversely affect Polestar’s business, operations and financial condition.

Since Polestar is subject to the supervision of relevant data protection authorities under both the GDPR and the UK GDPR, Polestar could be fined under each of those regimes independently in respect of the same breach. Penalties for certain breaches are up to the greater of EUR 20 million/GBP 17.5 million or 4% of Polestar’s global annual turnover. In addition to fines, a breach of the GDPR may result in regulatory investigations, reputational damage, orders to cease/change Polestar’s data processing activities, enforcement notices, assessment notices (for a compulsory audit) and/or civil claims (including class actions).

Polestar is also subject to evolving EU and UK privacy laws. Recent European court and regulator decisions are driving increased attention to cookies and tracking technologies. In light of the complex and evolving nature of EU, EU Member State and UK privacy laws in this area, there can be no assurances that Polestar will be successful in its efforts to comply with such laws; violations of such laws could result in regulatory investigations, fines, orders to cease/change Polestar’s use of such technologies, as well as civil claims including class actions, and reputational damage. Furthermore, the EU Data Act, which was adopted in January 2024 and will become applicable in September 2025, will apply to data alongside GDPR and extend to providers of internet-of-things devices, providers of related services and holders of both personal and non-personal data in the European Union.

The CCPA establishes a privacy framework for covered businesses, including an expansive definition of personal information and data privacy rights for California residents. The CCPA includes a framework with potentially severe statutory damages for violations and a private right of action for certain data breaches. The CCPA requires covered businesses to provide California residents with new privacy-related disclosures and new ways to opt-out of certain uses and disclosures of personal information. As Polestar expands its operations, the CCPA may increase its compliance costs and potential liability. Some observers have noted that the CCPA could mark the beginning of a trend toward more stringent privacy legislation in the United States.

Additionally, effective in most respects on January 1, 2023, the California Privacy Rights Act (“CPRA”) has significantly modified the CCPA, including by expanding California residents’ rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. Other US states have implemented or are implementing comprehensive privacy statutes that share similarities with the CCPA. For example, such laws have been enacted in Virginia, Colorado, Connecticut and Utah, and came into force in 2023. Additionally, Polestar may be subject to certain laws and regulations, e.g., “Right to Repair” laws, that require Polestar to provide third-party access to its network and/or vehicle systems.

Other jurisdictions have begun to propose similar laws. Compliance with additional applicable privacy and data security laws and regulations is a rigorous and time-intensive process and may place restrictions on the conduct of our business and the manner in which Polestar interacts with its customers. Polestar may be required to put in place additional mechanisms to comply with such laws and regulations, which could cause Polestar to incur substantial costs or require Polestar to change its business practices, including its data practices, in a manner adverse to its business. In particular, certain emerging privacy laws are still subject to a high degree of uncertainty as to their interpretation and application. Failure to comply with applicable laws or regulations or to secure personal information could result in investigations, violations of data privacy laws, enforcement actions and other proceedings against Polestar, which could result in substantial fines, damages and other liability as well as damage to Polestar’s reputation and credibility, which could have a negative impact on revenues and profits.

Additionally, on July 26, 2023, the SEC adopted new cybersecurity disclosure rules for public companies that require disclosure regarding cybersecurity risk management (including the corporate board’s role in overseeing cybersecurity risks, management’s role and expertise in assessing and managing cybersecurity risks, and processes for assessing, identifying and managing cybersecurity risks) in annual reports. These new cybersecurity disclosure rules also require the disclosure of material cybersecurity incidents in a Form 6-K, generally within four days of determining an incident is material.

There are also ongoing complex, uncertain, rapid development and changes of data privacy and security related laws in China. Polestar and its business partners in China could be affected by intervention by the Chinese government relating to, for example, information-sharing and cybersecurity matters. The risk of such interventions could be heightened in connection with a listing of shares of Polestar or any of its business partners, and could result in prohibitions of the sale and/or marketing of certain products. For example, on December 28, 2021, the CAC published the Cybersecurity Review Measures, which came into effect on February 15, 2022, specifying that the cybersecurity review must be conducted in the event the data processing operators in possession of personal information of over 1 million users intend to list their securities in a foreign country. Polestar has not exceeded this threshold as of the date of this Report. However, under the Cybersecurity Review Measure, the CAC could also initiate cybersecurity review under certain situations, for example, if a regulatory agency within the cyber-security review coordination mechanism believes a network product or service, data processing activity impacts or might impact Chinese national security. If Polestar would be subject to such review and be found to be non-compliant with applicable data protection laws, Polestar may face administrative fines up to RMB 10 million. Additionally, significant restrictions may be imposed on Polestar’s operation in China, or relevant Chinese licenses may be completely or partially revoked. Also, other Chinese regulatory agencies might examine Polestar with regulatory scrutiny and enact sanctions. Finally, Polestar may suffer significant public opinion damage, and there is a risk that its reputation may be materially harmed. Any of these

events could have a material and adverse effect on Polestar’s results of operations and financial position as well as on its possibilities to carry out business in China.

Polestar posts public privacy policies on its websites and provides privacy notices to the categories of persons whose personal information it collects, processes, uses or discloses. Although Polestar endeavors to comply with its published policies and other documentation, Polestar may at times fail to do so or may be perceived to have failed to do so. Moreover, despite its efforts, Polestar may not be successful in achieving compliance if its employees, contractors, service providers, vendors or other third parties fail to comply with its published policies and documentation. Such failures could carry similar consequences or subject Polestar to potential international, local, state and federal action if they are found to be deceptive, unfair or misrepresentative of Polestar’s actual practices. Claims that Polestar has violated individuals’ privacy rights or failed to comply with data protection laws, regulations or applicable privacy notices could, even if Polestar is not found liable, be expensive and time-consuming to defend and could result in adverse publicity that could harm its business.

Most jurisdictions have enacted laws or regulations requiring companies to notify individuals, regulatory authorities and other third parties of security breaches involving certain types of data. Such laws or regulations may be inconsistent or may change or additional laws or regulations may be adopted. In addition, Polestar’s agreements with certain customers may require it to notify them in the event of a security breach. Such mandatory disclosures are costly, could lead to negative publicity, penalties or fines, litigation and Polestar’s customers losing confidence in the effectiveness of its security measures, and could require it to expend significant capital and other resources to respond to or alleviate problems caused by the actual or perceived security breach. Any of the foregoing could materially and adversely affect Polestar’s business, prospects, results of operations and financial condition.

**Risks Related to Polestar’s Employees and Human Resources**

***Polestar’s ability to manage growth relies on the retention and recruitment of key personnel. The loss of key personnel or an inability to attract, retain and motivate qualified personnel may impair Polestar’s ability to expand its business.***

Polestar's ability to effectively manage its growth and achieve its strategic objectives is heavily reliant on the performance of highly skilled personnel, including its senior management team and other critical employees, as well as its capacity to recruit, retain, and motivate such individuals. The loss of key personnel or the inability to attract and retain qualified talent may impair the Company's ability to expand its operations and achieve its long-term business goals.

Polestar's success is substantially dependent on the continued service and performance of its senior management team and key personnel, particularly those with expertise in digital, technical, commercial, and automotive fields. Although Polestar expects its senior leadership to remain in place, there is no guarantee against the potential loss of key individuals. In 2024, Polestar underwent several significant changes in senior leadership, including the appointment of a new Chief Executive Officer, Chief Financial Officer, and other key management roles. The ability of these new leaders to effectively develop the Company's business, operations, and strategic plans is critical to achieving Polestar's strategic objectives. Management transitions, as well as any future leadership changes, could require significant time and resources and may temporarily disrupt the Company's operations or delay the implementation of its strategic initiatives.

Polestar's ability to attract, integrate, and retain highly skilled personnel is also a critical factor in its future success. The electric vehicle (EV) industry is characterized by intense competition for talent, particularly for individuals with specialized skills. While the Company continues to prioritize talent acquisition and retention, there is no assurance that it will consistently succeed in securing or retaining such personnel. Furthermore, the presence of highly skilled employees does not necessarily guarantee immediate or sustained profitability.

The workforce reductions undertaken by Polestar in 2023 and 2024 have presented certain challenges, including potential decreases in employee morale, operational disruptions, and the loss of institutional knowledge. These challenges have contributed to a slight increase in employee turnover, prompting the Company to implement measures to mitigate further attrition. However, higher-than-anticipated turnover rates, particularly among employees in critical roles, could adversely affect Polestar's ability to execute its strategic initiatives and maintain operational productivity. Unplanned departures of key personnel could disrupt ongoing projects, delay essential business processes, and weaken the Company's competitive position. Replacing such employees often involves substantial time and expense, with no guarantee of securing equally capable successors.

In a highly competitive labor market, particularly within the EV industry, Polestar faces additional challenges related to rising compensation expectations, market dynamics, and reputational factors. These issues may constrain the Company's ability to attract and retain talent, which could negatively affect its capacity to innovate, adapt to evolving market conditions, and meet customer expectations. Changes in employment laws, labor regulations, or immigration policies may further complicate workforce management, potentially increasing costs or limiting access to qualified personnel in certain jurisdictions.

The inability to attract and retain key personnel could materially and adversely impact Polestar's operations, competitive position, and long-term success. Additionally, any failure by the Company's management to effectively anticipate, implement, and oversee the changes required to sustain Polestar's growth could have a material adverse effect on its business, financial condition, and results of operations.

***Polestar's manufacturing partners will need to hire and train a significant number of employees to engage in full-scale operational and commercial operations, and Polestar's business could be adversely affected by labor and union activities.***

Polestar's manufacturing partners will need to hire and train a significant number of employees to engage in full-scale operational and commercial operations. There are various risks and challenges associated with hiring, training and managing a large workforce. If Polestar's manufacturing partners are unsuccessful in hiring and training a workforce in a timely and cost-effective manner, Polestar's business, financial condition and results of operations could be adversely affected.

Furthermore, it is common throughout the automobile industry generally for many employees at automobile companies to belong to a union, which can result in higher employee costs. Worker and union disagreements may result in strikes and increased risk of work

stoppages. Moreover, regulations in some jurisdictions outside of the U.S. mandate employee participation in industrial collective bargaining agreements and work councils with certain consultation rights with respect to the relevant companies' operations. Approximately 51% of Polestar's workforce is covered by collective bargaining agreements. Polestar has collective agreements in Austria, Belgium, Finland, Italy, the Netherlands, Portugal, Spain and Sweden. Labor unions or labor organizations could also seek to organize some or all of Polestar's non-unionized workforce. Future negotiations with the union or other certified bargaining representatives could divert management attention and disrupt operations, which may result in increased operating expenses and lower net income. Additionally, if Polestar is unable to reach labor agreements with any current or future unionized work groups, it may be subject to work interruptions or stoppages, which may adversely affect its ability to conduct its operations. Moreover, future agreements with unionized and non-unionized employees may be on terms that are not as attractive as Polestar's current agreements or comparable to agreements entered into by Polestar's competitors. Furthermore, Polestar may be directly or indirectly dependent upon companies, such as parts suppliers and trucking and freight companies, with unionized work forces, and work stoppages or strikes organized by such unions could have a material adverse impact on Polestar's business, financial condition or results of operations. If a work stoppage occurs, it could delay the manufacture and sale of Polestar's products and have a material and adverse effect on its business, prospects, results of operations or financial condition.

***Misconduct by Polestar's employees and independent contractors during and before their employment with Polestar could expose Polestar to potentially significant legal liabilities, reputational harm and/or other damages to its business.***

Many of Polestar's employees play critical roles in ensuring the safety and reliability of its vehicles and/or its compliance with relevant laws and regulations. Certain of Polestar's employees have access to sensitive information and/or proprietary technologies and know-how. While Polestar has adopted a code of conduct for all of its employees and implemented policies relating to intellectual property, confidentiality and the protection of company assets, Polestar cannot assure you that its employees will always abide by the codes, policies and procedures, nor that the precautions Polestar takes to detect and prevent employee misconduct will always be effective. If any of Polestar's employees engages in any misconduct, illegal or suspicious activities, including but not limited to misappropriation or leakage of sensitive customer information or proprietary information, Polestar and such employees could be subject to legal claims and liabilities and Polestar's reputation and business could be adversely affected as a result.

In addition, while Polestar has screening procedures during the recruitment process, Polestar cannot assure you that it will be able to uncover misconduct of job applicants that occurred before Polestar offered them employment, or that Polestar will not be affected by legal proceedings against its existing or former employees as a result of their actual or alleged misconduct. Any negative publicity surrounding such cases, especially in the event that any of Polestar's employees is found to have committed any wrongdoing, could negatively affect Polestar's reputation and may have an adverse impact on its business.

Furthermore, Polestar faces the risk that its employees and independent contractors may engage in other types of misconduct or other illegal activity, such as intentional, reckless or negligent conduct that violates production standards, workplace health and safety regulations, fraud, abuse or consumer protection laws, other similar non-U.S. laws or laws that require the true, complete and accurate reporting of financial information or data. It is not always possible to identify and deter misconduct by employees and other third parties, and the precautions Polestar takes to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting Polestar from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, Polestar is subject to the risk that a person or government could allege fraud or other misconduct, even if none occurred. If any such actions are instituted against Polestar and Polestar is not successful in defending itself or asserting its rights, those actions could have a significant impact on Polestar's business, prospects, financial condition and results of operations, including, without limitation, the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgement, integrity oversight and reporting obligations to resolve allegations of non-compliance, imprisonment, other sanctions, contractual damages, reputational harm, diminished profits and future earnings and curtailment of Polestar's operations, any of which could adversely affect its business, prospects, financial condition and results of operations.

**Risks Related to Litigation and Regulation**

***Polestar is subject to evolving laws and regulations that could impose substantial costs, legal prohibitions or unfavorable changes upon its operations or products, and any failure to comply with these laws and regulations, including as they evolve, could result in litigation, loss of market access and substantially harm its business and results of operations.***

Polestar is or will be subject to complex environmental, manufacturing, and health and safety laws and regulations at numerous jurisdictional levels, including laws relating to the use, handling, storage, recycling, disposal, release of and exposure to hazardous materials and with respect to constructing, expanding and maintaining its facilities. For example, Polestar is subject to laws, regulations and regulatory agencies like EU Regulation 2018/858 in the EU, the Environmental Protection Agency ("EPA") and NHTSA in the United States and the Provisions on the Administration of Investments in the Automotive Industry in China. The costs of compliance, including remediating contamination if any is found on Polestar's properties and any changes to Polestar's operations mandated by new or amended laws, may be significant and such costs may increase in the event of new, or changes to existing, environmental or climate change laws, regulations or rules. Polestar may also face unexpected delays in obtaining permits and approvals required by such laws in connection with the manufacturing and sale of its vehicles, which would hinder its ability to conduct its operations. Such costs and delays may adversely impact its business prospects and results of operations. Furthermore, any violations of these laws may result in litigation, substantial fines and penalties, remediation costs, a loss of market access, third party damages or a suspension or cessation of Polestar's operations.

In addition, motor vehicles are subject to substantial regulation under international, federal, state and local laws. Polestar has incurred, and expects to continue to incur, significant costs in complying with these regulations. Any failures to comply could result in litigation, significant expenses, delays or fines. Generally, vehicles must meet or exceed mandated motor vehicle safety standards to be certified under applicable regulations. Rigorous testing and the use of approved materials and equipment are among the requirements for achieving certification. Any future vehicles will be subject to substantial regulation under federal, state and local laws and standards. These regulations include those promulgated by the EPA, NHTSA, other federal agencies, various state agencies and

various state boards (including the California Air Resources Board ("CARB")), and compliance certification is required for each new model year and changes to the model within a model year. These laws and standards are subject to change from time to time, and Polestar could become subject to additional regulations in the future, which would increase the effort and expense of compliance. In addition, federal, state and local laws and industrial standards for electric vehicles are still developing, and Polestar faces risks associated with changes to these regulations, which could have an impact on the acceptance of its electric vehicles, and increased sensitivity by regulators to the needs of established automobile manufacturers with large employment bases, high fixed costs and business models based on the internal combustion engine, which could lead them to pass regulations that could reduce the compliance costs of such established manufacturers or mitigate the effects of government efforts to promote electric vehicles. Compliance with these regulations is challenging, burdensome, time consuming and expensive. If compliance results in litigation, delays or substantial expenses, Polestar's business could be adversely affected.

Polestar is also subject to laws and regulations applicable to the supply, manufacture, import, sale and service of automobiles internationally, including in Europe, North America and Asia Pacific. As Polestar expands, it will need to ensure its compliance with regulatory requirements in various jurisdictions. If Polestar fails to manage its growth effectively, its brand, business, prospects, financial condition and operating results may be harmed. Regulations such as standards relating to vehicle safety, fuel economy and emissions, among other things, often vary materially from country to country and compliance with such regulations will therefore require additional time, effort and expense to ensure regulatory compliance in those countries. This process may include official review and certification of Polestar's vehicles by foreign regulatory agencies prior to market entry, as well as compliance with foreign reporting and recall management systems requirements. The costs of achieving international regulatory compliance or the failure to achieve international regulatory compliance could harm Polestar's business, prospects, results of operations and financial condition.

***Polestar may in the future be subject to legal proceedings, regulatory disputes and governmental inquiries that could cause it to incur significant expenses, divert its management's attention and materially harm its business, results of operations, cash flows and financial condition.***

From time to time, Polestar may be subject to claims, lawsuits, government investigations and other proceedings involving product liability, consumer protection, competition, antitrust and anti-subsidy, intellectual property, privacy, securities, tax, labor and employment, health and safety, its direct distribution model, environmental claims, commercial disputes, corporate and other matters that could adversely affect its business, results of operations, cash flows and financial condition. In the ordinary course of business, Polestar has been the subject of complaints or litigation, including claims related to consumer complaints and intellectual property matters.

Litigation and regulatory proceedings may be protracted and expensive, and the results are difficult to predict. Additionally, Polestar's litigation costs could be significant, even if it achieves favorable outcomes. Adverse outcomes with respect to litigation or any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, or require Polestar to modify, make temporarily unavailable or stop manufacturing or selling its vehicles in some or all markets, all of which could negatively affect its sales and revenue growth and adversely affect its business, prospects, results of operations, cash flows and financial condition. The results of litigation, investigations, claims and regulatory proceedings cannot be predicted with certainty, and determining reserves for pending litigation and other legal and regulatory matters requires significant judgment. There can be no assurances that Polestar's expectations will prove correct, and even if these matters are resolved in Polestar's favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm Polestar's business, results of operations, cash flows and financial condition. In addition, the threat or announcement of litigation or investigations by governmental authorities or other parties, irrespective of the merits of the underlying claims, may itself have an adverse impact on the trading price of the Company's securities.

***The Company is subject to and in the future may be subject to securities litigation, which is expensive and could divert management attention.***

The price of the AD securities may be volatile and, in the past, companies that have experienced volatility in the market price of their shares may be subject to securities class action litigation. Polestar is and may be in the future the target of this type of litigation. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could have a material adverse effect on business, financial condition, results of operations and prospects. Any adverse determination in such litigation could also subject Polestar to significant liabilities and materially impact our results of operations. Furthermore, a shareholder filed a securities class action lawsuit in August 2023 against parties formerly connected to Gores Guggenheim Inc., the special purpose acquisition company that combined with Polestar as part of the Business Combination. Although Polestar is not a party to such lawsuit, in February 2024 it received a demand from certain of the defendants which stems from indemnification obligations Polestar agreed to as part of the Business Combination Agreement. Polestar will thus be responsible for covering certain defendants' costs including legal expenses and, potentially, a future settlement or adverse judgment, which may negatively impact our results of operations and cash flows.

On January 30, 2025 Polestar and several of its former executive officers were named as defendants in a putative securities class action complaint filed in the U.S. District Court for the District of New Jersey. Plaintiffs allege that Polestar and the individual defendants violated Sections 10(b) and 20(a) of the Exchange Act in connection with historical financial disclosures and the announcement by Polestar on January 16, 2025, that certain of its previously issued financial information contained errors that required restatement. Defendants intend to defend against the lawsuit.

It is possible that Polestar could be a target of other shareholder litigation in the future and that such lawsuits may require Polestar to expend significant time and resources to defend against such claims.

***Polestar's manufacturing partners may be exposed to delays, limitations and risks related to the environmental permits and other operating permits required to operate manufacturing facilities for its vehicles.***

Operation of an automobile manufacturing facility requires land use and environmental permits and other operating permits from federal, state and local government entities. Polestar plans to expand its manufacturing capacities by entering into additional

agreements with its manufacturing partners over time to achieve a future target production capacity and will be required to apply for and secure various environmental (including wastewater) and land use permits and certificates of occupancy necessary for the commercial operation and occupation of such expanded and additional facilities and will also rely on its partners' ability to apply for and secure various environmental and land use permits and certificates of occupancy necessary for the commercial operation and occupation of such expanded and additional facilities. Delays, denials or restrictions on any of the applications for or assignment of the permits to operate Polestar's manufacturing facilities could adversely affect its ability to execute on its business plans and objectives based on its current target production capacity or its future target production capacity.

***Polestar and its manufacturing partners are and will be subject to various environmental, health and safety laws and regulations that could impose substantial costs on it and cause delays in expanding its production capabilities.***

Polestar and its manufacturing partners' operations are subject to federal, state and local environmental laws and regulations in different jurisdictions and are and will be subject to international environmental laws, including laws relating to the use, handling, storage, disposal of and human exposure to hazardous materials. Environmental, health and safety laws and regulations are complex and continuously evolving, and Polestar's compliance obligations as a stand-alone company under such laws are still relatively new. Moreover, Polestar and its manufacturing partners may be affected by future amendments to such laws or other new environmental, health and safety laws and regulations which may require it to change or otherwise adapt its operations in order to comply, potentially resulting in a material and adverse effect on its business, prospects, results of operations and financial condition. These laws can give rise to liability for administrative oversight costs, cleanup costs, property damage, bodily injury, fines and penalties. Capital and operating expenses needed to comply with environmental laws and regulations can be significant, and



violations could result in litigation and substantial fines and penalties, third-party damages, suspension of production, cessation of operations or negative reputational concerns, any of which could adversely affect Polestar’s business, prospects, results of operations and financial condition.

*Polestar is and will be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and noncompliance with such laws can subject Polestar to administrative, civil and criminal penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect its business, results of operations, financial condition and reputation.*

Polestar is and will be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations in various jurisdictions in which it conducts activities, including the U.S. Foreign Corrupt Practices Act (“FCPA”), the United Kingdom Bribery Act 2010 (“Bribery Act”) and other applicable anti-corruption laws and regulations. These applicable anti-corruption laws and regulations, among other things, prohibit Polestar and its officers, directors, employees and relevant other persons acting on its behalf, from corruptly offering, promising, authorizing or providing anything of value to a “foreign official” for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. These laws and regulations apply worldwide. The FCPA also requires companies to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. Similarly, it is a defense under section 7 of the Bribery Act if a company has implemented “adequate procedures” designed to ensure compliance with the provisions of the Bribery Act. A violation of these laws or regulations could adversely affect Polestar’s business, reputation, financial condition and results of operations.

Polestar has direct or indirect interactions with officials and employees of government agencies and state-owned affiliated entities in the ordinary course of business. It also has business collaborations with government agencies and state-owned affiliated entities. These interactions subject Polestar to an increasing level of compliance-related concerns. Polestar has implemented policies and procedures designed to ensure compliance by Polestar and its directors, officers, employees, representatives, consultants, agents and business partners with applicable anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations, including the FCPA and the Bribery Act. However, its policies and procedures may not be sufficient and its directors, officers, employees and relevant other persons acting on its behalf could engage in improper conduct for which Polestar may be held responsible.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering or financial and economic sanctions laws could subject Polestar to whistleblower complaints, adverse media coverage, investigations and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect Polestar’s business, reputation, financial condition and results of operations.

*The unavailability, reduction, elimination or the conditionality of certain government and economic programs could have a material and adverse effect on Polestar’s business, prospects, financial condition and results of operations.*

Polestar has benefited from government subsidies, economic incentives and government policies that support the growth of electric vehicles. These government and economic programs are subject to certain limits as well as changes that are beyond Polestar’s control, and Polestar cannot assure you that future changes, if any, would be favorable to its business and could result in margin pressures. For example, recent U.S. legislative efforts, including the Inflation Reduction Act of 2022 (“IRA”), may reduce or eliminate federal tax incentives available for purchasers of Polestar vehicles, thereby diminishing the competitiveness of Polestar in the U.S. market. Further, any uncertainty or delay in collection of the government subsidies may also have an adverse impact on Polestar’s financial condition. In addition, Polestar may not be able to obtain or agree on acceptable terms and conditions for all or a significant portion of the government grants, loans and other incentives for which it may apply. Any of the foregoing could materially and adversely affect Polestar’s business, financial condition and results of operations.

The IRA modifies the tax credit taxpayers are eligible to claim pursuant to Section 30D of the Code (the “30D tax credit”) for electric vehicle purchases on or after January 1, 2023 until December 31, 2032. The IRA placed certain restrictions on both taxpayers eligible to claim such credit via maximum income restrictions and the type of electric vehicles for which the credit may be claimed. Electric vehicles eligible for the 30D tax credit must, among other requirements, (i) be priced below \$55,000 (or \$80,000 in the case of vans, sport utility vehicles and pickup trucks), (ii) finally assembled in North America and (iii) meet certain assembly and sourcing requirements for both the vehicle itself and the battery, including final assembly of the vehicle and sourcing of a percentage of battery

components in North America. Although the IRS is continuing to release guidance on the new requirements imposed by the IRA and Polestar 3 commenced production in South Carolina during summer 2024, Polestar does not currently meet other 30D tax credit eligibility requirements, and its vehicles may suffer a price disadvantage in the U.S. market as compared to electric vehicles of certain competitors that meet all of the requirements for eligibility under the 30D tax credit. Polestar has entered into an agreement with the IRS to become a “qualified manufacturer,” but as described in the previous sentence, does not currently have specific makes or models of eligible vehicles listed with the IRS. Given the importance of the U.S. market to Polestar’s future business plans, a prolonged or permanent inability to offer electric vehicles that are eligible for the 30D tax credit could materially and adversely affect Polestar’s business, financial condition and results of operations.

*If Polestar’s estimates or judgments relating to its critical accounting policies are based on assumptions that change or prove to be incorrect, Polestar’s results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the market price of its ordinary shares.*

The preparation of financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Polestar bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing Polestar’s consolidated financial statements include those related to revenue recognition, inventory valuation, income taxes, impairment of long-lived assets, share-based compensation, operating leases and fair value of financial instruments requiring the use of level 2 or level 3 inputs. If these assumptions change or if actual circumstances differ from those in these assumptions, Polestar’s results of operations may be adversely affected and may fall below the expectations of securities analysts and investors, resulting in a decline in the market price of Polestar’s ordinary shares.

*Although the audit report included in this Report is prepared by auditors who are currently inspected fully by the United States Public Company Accounting Oversight Board (the “PCAOB”), there is no guarantee that future audit reports will be prepared by auditors that are completely inspected by the PCAOB and, as such, future investors may be deprived of such inspections, which could result in limitations or restrictions to the Company’s access to U.S. capital markets. Furthermore, trading in the Company’s securities on any U.S. stock exchange may be prohibited under the HFCAA or the Accelerating Holding Foreign Companies Accountable Act if the SEC subsequently determines that the Company’s audit work is performed by auditors that the PCAOB is unable to inspect or investigate completely and, as a result, U.S. national securities exchanges, such as Nasdaq, may determine to delist the Company’s securities. Furthermore, the Accelerating Holding Foreign Companies Accountable Act, amends the HFCAA and requires the SEC to prohibit an issuer’s securities from trading on any U.S. stock exchange if its auditor is not subject to PCAOB inspections for two consecutive years instead of three.*

As an auditor of companies that are registered with the SEC and publicly traded in the United States and a firm registered with the PCAOB, Deloitte is required under the laws of the United States to undergo regular inspections by the PCAOB to assess their compliance with the laws of the United States and professional standards. Although Polestar relies on its and its partners’ operations within China, a jurisdiction where historically the PCAOB has encountered difficulty with conducting inspections, Deloitte is currently inspected fully by the PCAOB.

Inspections of other auditors conducted by the PCAOB outside China have at times identified deficiencies in those auditors’ audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The lack of PCAOB inspections of audit work undertaken in China prevents the PCAOB from regularly evaluating auditors’ audits and their quality control procedures. As a result, to the extent that any component of Deloitte’s work papers are or become located in China, such work papers will not be subject to inspection by the PCAOB. As a result, investors would be deprived of such PCAOB inspections, which could result in limitations or restrictions to the Company’s access of the U.S. capital markets.

There can be no assurance that the Company will be able to comply with requirements imposed by U.S. regulators. The market price of the Company’s securities could be adversely affected as a result of anticipated negative impacts of these executive or legislative actions upon, as well as negative investor sentiment towards, companies reliant upon operations in China that are listed in the United States, regardless of whether these executive or legislative actions are implemented and regardless of the Company’s actual operating performance.

**Risks Related to Intellectual Property**

*Much of the intellectual property pertaining to Polestar’s vehicles is owned by Volvo Cars and Geely and licensed, in some cases on a non-exclusive basis, to Polestar. Accordingly, Polestar may lack certain advantages that competitors or owners of intellectual property, as opposed to licensees, typically have, with respect to some of such intellectual property, such as the ability to enforce intellectual property rights against infringers or the ability to effectively defend against infringement suits that may be initiated against Polestar.*

Polestar licenses much of the intellectual property that relates to its vehicles from Volvo Cars and Geely. Thus, in instances where license agreements do not give Polestar the right to defend the intellectual property, Volvo Cars or Geely rather than Polestar enjoys the rights intellectual property owners typically enjoy for certain of such intellectual property, such as the right to bring a lawsuit against a suspected infringer, the right to grant licenses to third parties, and the right to prosecute patent applications. If Polestar suspected such intellectual property were being infringed, e.g., by a competitor, in some cases, it would not be able to stop the infringement without Volvo Cars’ or Geely’s cooperation, which it may or may not at the relevant time be in Volvo Cars’ or Geely’s interest to provide. Some of the intellectual property Polestar licenses from Volvo Cars is licensed on a non-exclusive basis. This means that in principle Volvo Cars or Geely could use the same intellectual property itself, for its own account, and grant licenses to such intellectual property to third parties. Moreover, license agreements such as those with Volvo Cars or Geely may be subject to termination in certain instances. In any event, in such cases, Volvo Cars or Geely and not Polestar would have the right to obtain, maintain, enforce, and protect much of Volvo Cars’ or Geely’s intellectual property pertaining to Polestar’s business.

*Polestar may fail to adequately obtain, maintain, enforce and protect relevant intellectual property and licensing rights, and may not be able to prevent third parties from unauthorized use of such intellectual property and related technology. If Polestar is unsuccessful in any of the foregoing, its competitive position could be harmed and it could be required to incur significant expenses to enforce its rights.*

Polestar’s ability to compete effectively is dependent in part upon its ability to obtain, maintain, enforce and protect its intellectual property, proprietary technology and licensing rights, but it may not be able to prevent third parties from the unauthorized use of its intellectual property and proprietary technology (or its licensors’ intellectual property and proprietary technology, including Volvo Cars’ or Geely’s), which could harm its business and competitive position. Polestar establishes and protects its intellectual property and proprietary technology through a combination of licensing agreements, nondisclosure and confidentiality agreements and other contractual provisions, as well as through patent, trademark, copyright and trade secret laws in the United States and other jurisdictions. In addition, Polestar licenses material intellectual property from Volvo Cars and Geely. Despite Polestar’s efforts to obtain and protect intellectual property rights, there can be no assurance that these protections will be available in all cases or will be adequate or timely to prevent Polestar’s competitors or other third parties from copying, reverse engineering or otherwise obtaining and using Polestar’s or its licensors’ (including Volvo Cars’ or Geely’s) technology or seeking court declarations that they do not infringe, misappropriate or otherwise violate Polestar’s or its licensors’ (including Volvo Cars’ or Geely’s) intellectual property. Failure to adequately obtain, maintain, enforce and protect Polestar’s intellectual property could result in its competitors offering identical or similar products, potentially resulting in the loss of Polestar’s competitive advantage and a decrease in its revenue, which would adversely affect its business, prospects, financial condition and results of operations.

The measures Polestar takes to obtain, maintain, protect and enforce intellectual property rights, including preventing unauthorized use by third parties, may not be effective for various reasons, including the following:

- Polestar’s licensors (including Volvo Cars and Geely) may have developed and may own the intellectual property, and Polestar may enjoy only a license to it without rights to prosecute patent applications, maintain patents, defend the validity of the intellectual property against challenges, or assert the intellectual property against suspected infringers;
- any patent application Polestar or its licensors (including Volvo Cars and Geely) files may not result in the issuance of a patent;
- Polestar or its licensors (including Volvo Cars and Geely) may not be the first inventor of the subject matter to which it has filed a particular patent application, and/or it may not be the first party to file such a patent application;
- the scope of issued patents may not be sufficient to protect the inventions and technology;
- issued patents may be challenged by its competitors or other third parties and invalidated by courts or other tribunals;
- patents have a finite term, and competitors and other third parties may offer identical or similar products after the expiration of patents that cover such products;
- employees, contractors or business partners (and the employees and contractors of business partners such as Volvo Cars and Geely) may breach their confidentiality, non-disclosure and non-use obligations;
- competitors and other third parties may independently develop technologies that are the same or similar to Polestar’s or its licensors (including Volvo Cars and Geely);
- the costs associated with enforcing patents or other intellectual property rights, or confidentiality and invention assignment agreements may make enforcement impracticable; and
- competitors and other third parties may circumvent or otherwise design around Polestar’s or its licensors (including Volvo Cars’ and Geely’s) patents or other intellectual property.

Patent, trademark, copyright and trade secret laws vary significantly throughout the world. The laws of some countries, including countries in which Polestar’s products are or will be sold, may not be as protective of intellectual property rights as those in the United States or Sweden, and mechanisms for obtaining and enforcing intellectual property rights may be ineffectual or inadequate. Therefore, Polestar’s and its licensors’ (including Volvo Cars’ and Geely’s) intellectual property may not be as strong or as predictably obtained or enforced outside of the United States or Sweden. Further, policing the unauthorized use of Polestar’s and its licensors’ (including Volvo Cars’ and Geely’s) intellectual property in some jurisdictions may be difficult or too expensive to be practical. In addition, third parties may seek to challenge, invalidate or circumvent patents, trademarks, copyrights, trade secrets or other intellectual property, or applications for any of the foregoing, which could permit Polestar’s competitors or other third parties to develop and commercialize products and technologies that are the same or similar to Polestar’s or its licensors’ (including Volvo Cars’ and Geely’s).

While Polestar has registered and applied for registration of trademarks in an effort to protect its brand and goodwill with customers, competitors or other third parties have in the past and may in the future oppose its trademark applications or otherwise challenge Polestar’s use of the trademarks and other brand names in which it has invested. Such oppositions and challenges can be expensive and may adversely affect Polestar’s ability to maintain the goodwill gained in connection with a particular trademark. In addition, Polestar may lose its trademark rights if it is unable to submit specimens or other evidence of use by the applicable deadline to perfect such trademark rights.

It is Polestar’s policy to enter into confidentiality and invention assignment agreements with its employees and contractors that have developed material intellectual property for Polestar, but these agreements may not be self-executing and may not otherwise adequately protect Polestar’s intellectual property, particularly with respect to conflicts of ownership relating to work product generated by the employees and contractors. Furthermore, Polestar cannot be certain that these agreements will not be breached and that third parties will not improperly gain access to its trade secrets, know-how and other proprietary technology. Third parties may also independently develop the same or substantially similar proprietary technology. Monitoring unauthorized use of Polestar’s and its licensors’ (including Volvo Cars’ and Geely’s) intellectual property is difficult and costly, as are the steps Polestar has taken or will take to prevent misappropriation.

Polestar has acquired or licensed, and plans to further acquire licenses, patents and other intellectual property from third parties, including suppliers and service providers, and it may face claims that its use of this acquired or in-licensed technology infringes, misappropriates or otherwise violates the intellectual property rights of third parties. In such cases, Polestar will seek indemnification from its licensors or other applicable entities. However, Polestar’s rights to indemnification may be unavailable or insufficient to cover its costs and losses. Furthermore, disputes may arise with Polestar’s licensors or other applicable entities regarding the intellectual property subject to, and any of Polestar’s rights and obligations under, any license or other commercial agreement.

To prevent the unauthorized use of Polestar’s or its licensors’ (including Volvo Cars’ and Geely’s) intellectual property, it may be necessary to prosecute actions for infringement, misappropriation or other violation against third parties. Any such action could result in significant costs and diversion of Polestar’s resources and management’s attention, and there can be no assurances that Polestar will be successful in any such action or that its licensors (including Volvo Cars and Geely) will consent to institute or participate in such an action. Any such action may result in a loss of intellectual property rights. Furthermore, many of Polestar’s current and potential competitors have the ability to dedicate

substantially greater resources to enforce their intellectual property rights than Polestar currently does. Accordingly, despite its efforts, Polestar may not be able to prevent third parties from infringing, misappropriating or otherwise violating intellectual property. Any of the foregoing could adversely affect Polestar’s business, prospects, financial condition and results of operations.

***Polestar uses other parties’ software and other intellectual property in its proprietary software, including “open source” software. Any inability to continuously use such software or other intellectual property in the future could have a material adverse impact on Polestar’s business, financial condition, results of operations and prospects.***

Polestar uses open source software in its products and anticipates using open source software in the future. Some open source software licenses require those who distribute open source software as part of their own software product to publicly disclose all or part of the source code to such software product or to make available any derivative works of the open source code on unfavorable terms or at no cost, and Polestar may be subject to such terms. The terms of many open source licenses to which Polestar is subject have not been interpreted by U.S. or other courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on Polestar’s ability to provide or distribute its products or services. Any actual or claimed requirement to disclose Polestar’s proprietary source code or pay damages for breach of contract or copyright infringement could harm Polestar’s business and could help third parties, including Polestar’s competitors, develop products and services that are similar to or better than Polestar’s. While Polestar monitors its use of open source software and tries to ensure that none is used in a manner that would require it to disclose its proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, or could be claimed to have occurred. Additionally, Polestar could face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that it developed using such software, which could include its proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require Polestar to make its software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until it can re-engineer them to avoid infringement, which may be a costly and time-consuming process, and Polestar may not be able to complete the re-engineering process successfully.

Additionally, the use of certain open source software can lead to greater risks than use of other parties’ commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. There is typically no support available for open source software, and Polestar cannot ensure that the authors of such open source software will implement or push updates to address security risks or will not abandon further development and maintenance. Many of the risks associated with the use of open source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect Polestar’s business. Any of these risks could be difficult to eliminate or manage and, if not addressed, could have a material and adverse effect on Polestar’s business, financial condition and results of operations.

***Polestar may become subject to claims of intellectual property infringement by third parties which, regardless of merit, could be time-consuming and costly and result in significant legal liability, and could negatively impact Polestar’s business, financial condition, results of operations and prospects.***

Polestar’s competitors or other third parties may hold or obtain patents, copyrights, trademarks or other proprietary rights that could prevent, limit or interfere with Polestar’s ability to make, use, develop, sell or market Polestar’s products and services, which could make it more difficult for Polestar to operate. From time to time, the holders of such intellectual property rights may assert their rights and urge Polestar to take licenses and/ or may bring suits alleging infringement or misappropriation of such rights, which could result in substantial costs, negative publicity and management attention, regardless of merit. While Polestar endeavors to obtain and protect the intellectual property rights that it expects will allow it to retain or advance its strategic initiatives, there can be no assurance that it will be able to adequately identify and protect the portions of intellectual property that are strategic to its business, or mitigate the risk of potential suits or other legal demands by its competitors. Accordingly, Polestar may consider entering into licensing agreements with respect to such rights, although no assurance can be given that such licenses can be obtained on acceptable terms or that litigation will not occur, and such licenses and associated litigation could significantly increase Polestar’s operating expenses. In addition, if Polestar is determined to have or believes there is a high likelihood that it has infringed upon a third party’s intellectual property rights, it may be required to cease making, selling or incorporating certain components or intellectual property into its goods and services, to pay substantial damages and/or license royalties, to redesign its products and services and/or to establish and maintain alternative branding for its products and services. In the event that Polestar is required to take one or more such actions, its brand, business, financial condition and operating results may be harmed.

**Risks Related to Tax**

***Unanticipated tax laws, changes in the application or interpretation of existing tax laws to Polestar or Polestar’s customers, changes to tax rates or challenges to Polestar’s tax positions may adversely impact its profitability and business.***

Polestar operates and is subject to income and other taxes in Sweden, China, the United Kingdom, the United States and a growing number of other jurisdictions throughout the world. Existing domestic and foreign tax laws, statutes, rules, regulations or ordinances

could be interpreted, changed, modified or applied adversely to Polestar (possibly with retroactive effect), which could require Polestar to change its transfer pricing policies and pay additional tax amounts, fines or penalties, surcharges and interest charges for past amounts due, the amounts and timing of which are difficult to discern. This is also the case with regard to the application of transfer pricing rules to transactions or other provisions between Polestar entities. Existing tax laws, statutes, rules, regulations or ordinances could also be interpreted, changed, modified or applied adversely to Polestar’s customers (possibly with retroactive effect) and, if Polestar’s customers are required to pay additional surcharges, it could adversely affect demand for Polestar’s vehicles. Furthermore, changes to tax laws on income, sales, use, import/export, indirect or other tax laws, statutes, rules, regulations or ordinances on multinational corporations continue to be considered by countries in the European Union, the United States and other countries where Polestar currently operates or plans to operate. These contemplated tax initiatives, if finalized and adopted by countries, and the other tax issues described above may materially and adversely impact Polestar’s operating activities, effective tax rate, deferred tax assets, operating income and cash flows. Polestar often relies on generally available interpretations of applicable tax laws and regulations. There cannot be certainty that the relevant tax authorities are in agreement with Polestar’s interpretation of these laws. If Polestar’s tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require Polestar to pay taxes that it currently does not collect or pay or increase the costs of Polestar’s services to track and collect such taxes, which could increase Polestar’s costs of operations or Polestar’s effective tax rate and have a negative effect on Polestar’s business, financial condition and results of operations. The occurrence of any of the foregoing tax risks could have a material adverse effect on Polestar’s business, financial condition and results of operations.

***Transfers of ADSs or the underlying Company securities may be subject to stamp duty or stamp duty reserve tax in the U.K., which would increase the cost of dealing in the Company’s securities.***

Stamp duty or stamp duty reserve tax (“SDRT”) is imposed in the U.K. on certain transfers of chargeable securities (which include securities in companies incorporated in the U.K.) at a rate of 0.5% of the consideration paid for the transfer. Certain transfers of securities to depositories or into clearance systems may be charged at a higher rate of 1.5%, unless an election has been made and maintained by the depository or clearance system under section 97A of the UK Finance Act 1986. Polestar is not aware of any such election having been made. No UK stamp duty or SDRT should arise in respect of an issue of ordinary shares into a depository or clearance system or a transfer where it forms an integral part of capital raising.

Any stamp duty or SDRT payable on a transfer of the underlying Company securities to a depository or a clearance system will in practice generally be paid by the transferors or participants in the depository or a clearance system.

Transfers of ADSs representing underlying Company securities that have been deposited with the depository, which will take place in book entry form through the Depository Trust Company (“DTC”), currently do not attract a charge to stamp duty or SDRT in the U.K., provided no written instrument of transfer is used to effect the transfer. If, following a change in law, transfers of Company securities effected through DTC attracted a charge to SDRT or stamp duty, then this would increase the cost of dealing in the Company securities.

A transfer of title in the underlying Company securities from the depository to another person and any subsequent transfers of title in the Company securities will generally attract a charge to stamp duty or SDRT at a rate of 0.5% of any consideration, which is generally payable by the transferee of the underlying Company securities. To the extent such transfer is effected by a written instrument of transfer, then any such duty must be paid (and the relevant instrument of transfer stamped by HM Revenue & Customs (“HMRC”)) before the transfer can be registered in the register of members of the Company. However, if those underlying Company securities are redeposited with the depository otherwise than in course of arrangements to raise new capital, the redeposit is expected to attract stamp duty or SDRT at the rate of 1.5% of the value of the Company securities, which will, in practice, be required to be paid by the transferor.

***The Company may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. Holders of ADSs.***

A foreign corporation will be treated as a “passive foreign investment company,” or “PFIC,” for U.S. federal income tax purposes if either (i) 75% or more of the gross income for a taxable year constitutes passive income for purposes of the PFIC rules, or (ii) 50% or more of such foreign corporation’s assets in any taxable year is attributable to assets, including cash, that produce passive income or are held for the production of passive income. Passive income generally includes dividends, interest, royalties and certain rents. U.S. shareholders of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their interests in the PFIC.

Based on the current and projected composition of the Company’s income and assets, the Company does not believe it was classified as a PFIC for its most recent taxable year ended on December 31, 2024 and does not expect to be classified as a PFIC for the current taxable year or, to the best of its current estimates, for subsequent taxable years. However, the application of the PFIC rules is subject to uncertainty as the composition of the Company’s income and assets may change in the future and, therefore, no assurances can be provided that the Company will not be a PFIC for the current taxable year or in a future year. It is also possible that the IRS would not agree with the Company’s conclusion, or that U.S. tax laws could change significantly. For additional information, see Item 10.E “Additional Information—Taxation—Material U.S. Federal Income Tax Considerations.”

***As a result of the Business Combination, the IRS may not agree that the Company is a foreign corporation for U.S. federal tax purposes.***

A corporation generally is considered to be a tax resident for U.S. federal income tax purposes in the jurisdiction of its organization or incorporation. Accordingly, under the generally applicable U.S. federal income tax rules, the Company, which is incorporated under the laws of England and Wales, would be classified as a non-U.S. corporation (and, therefore, not a U.S. tax resident) for U.S. federal income tax purposes. Section 7874 of the Code provides an exception to this general rule under which a non-U.S. incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal income tax purposes. If the Company were to be treated as a U.S. corporation for U.S. federal income tax purposes as a result of the Business Combination, it could be subject to

substantial liability for additional U.S. income taxes. However, dividend payments to U.S. Holders (as defined below) would generally constitute “qualified dividends” and be subject to tax at the rates accorded to long-term capital gains. In addition, even if the Company is not treated as a U.S. corporation, it may be subject to unfavorable treatment as a “surrogate foreign corporation” in the event that, following the Business Combination, ownership attributable to former GGI stockholders and certain other U.S. investors exceeded a threshold amount. If it were determined that the Company is treated as a surrogate foreign corporation for U.S. federal income tax purposes under Section 7874 of the Code and the Treasury regulations promulgated thereunder, dividends paid by the Company would not qualify for “qualified dividend income” treatment, and U.S. affiliates of the Company could be subject to increased taxation under the inversion gain rules and the “base erosion anti-abuse tax” of Section 59A of the Code. Furthermore, the ability of the U.S. subsidiaries of the Company to utilize certain U.S. tax attributes against income or gain recognized pursuant to certain transactions could be limited.

Polestar does not believe the Company should be treated as a U.S. corporation for U.S. federal income tax purposes or otherwise be subject to unfavorable treatment as a surrogate foreign corporation for U.S. federal income tax purposes as a result of the Business Combination. However, the rules for determining ownership under Section 7874 of the Code are complex and unclear and there is no assurance the IRS may agree with Polestar’s determination of ownership of the Company for purposes of Section 7874 of the Code. For additional discussion of the U.S. federal income tax treatment of the Company, see Item 10 “Additional Information.”

***Polestar may be unable to utilize certain of its deferred tax assets, which could increase its future tax expenses.***

Due to Polestar scaling its research and development expenses to meet the demands of its growing operations, it has generated tax losses since inception. As of December 31, 2024, Polestar had cumulative carryforward losses of \$4,956 million. While tax losses in Sweden have an indefinite carryforward period, the carryforward period in China, where Polestar had a carryforward balance of \$885 million as of December 31, 2024, is only five years. As a consequence, the ability of Polestar to utilize certain portions of its deferred tax assets to reduce taxes payable on future Polestar profits, should such profits ever arise, may be limited.

**Risks Related to Ownership of Polestar’s Securities**

***The market price and trading volumes of the ADSs may be volatile and could significantly decline.***

The Nasdaq stock market, on which Polestar has listed the Class A ADSs and the Class C-1 ADSs under the symbols “PSNY” and “PSNYW,” respectively, have from time to time experienced significant price and volume fluctuations. An active trading market for Polestar’s ADSs may not be sustained, may be volatile and could decline significantly. You may be unable to sell your ADSs if an active trading market cannot be sustained. Fluctuations in the price of the ADSs could contribute to the loss of all or part of your investment. The trading price of the ADSs could be volatile and subject to wide fluctuations in response to various factors, some of which are beyond Polestar’s control. Any of the factors listed below could have a material and adverse effect on the trading price of the ADSs, which may trade at prices significantly below the price you paid. In such circumstances, the trading price of the ADSs may not recover and may experience a further decline. The trading price of the ADSs may be negatively impacted by any of the risks described elsewhere in these risk factors. Broad market and industry factors may also materially harm the market price of the ADSs irrespective of Polestar’s operating performance. The stock market in general and Nasdaq have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of Polestar’s securities, may not be predictable. A loss of investor confidence in the market for the stocks of other companies that investors perceive to be similar to Polestar could depress the price of ADSs regardless of Polestar’s business, prospects, financial conditions or results of operations. A decline in the market price of the ADSs also could adversely affect its ability to issue additional securities and obtain additional financing in the future.

In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert management’s attention and resources, and could also require Polestar to make substantial payments to satisfy judgments or to settle litigation.

***The grant and future exercise of registration rights may adversely affect the market price of the ADSs.***

Pursuant to the Registration Rights Agreement, the Registration Rights Holders can each demand that Polestar register their registrable securities under certain circumstances and will each also have piggyback registration rights for these securities in connection with certain registrations of securities that Polestar undertakes. In addition, Polestar is required to file and maintain an effective registration statement under the Securities Act covering such securities and certain other securities of Polestar.

The registration of the resale of these securities will permit the public sale of such securities. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of ADSs.

***The Class C ADSs will be exercisable for the Class A ADSs, which would increase the number of ADSs eligible for future resale in the public market and result in dilution to its shareholders.***

GGI issued GGI Public Warrants to purchase 16,000,000 shares of GGI Class A Common Stock as part of the GGI initial public offering, consummated on March 25, 2021, and, on the closing date of the GGI initial public offering, GGI issued Private Placement Warrants to the GGI Sponsor to purchase 9,000,000 shares of GGI Class A Common Stock, in each case at \$11.50 per share. The GGI Private Placement Warrants were identical to the GGI Public Warrants sold as part of the GGI public units (consisting of one share of GGI Class A Common Stock and one-fifth of one GGI Public Warrant) except that, so long as they are held by the GGI Sponsor or its permitted transferees: (i) they may not be redeemable by GGI, except as described in the SPAC Warrant Agreement; (ii) they (including the GGI Class A Common Stock issuable upon exercise of these warrants) may not, subject to certain limited exceptions, be transferred, assigned or sold by the GGI Sponsor until 30 days after the completion of an initial business combination involving GGI and one or more businesses; (iii) they may be exercised by the holders on a cashless basis; and (iv) they are subject to registration rights. The GGI Warrants were exercisable on the later of 30 days after the consummation of the Business Combination.

In connection with the Business Combination, each GGI Warrant converted into a Class C ADS, of which the underlying Class C Share is exercisable for a Class A ADS representing one Class C Share and subject to substantially the same terms as were applicable to the GGI Warrants under the SPAC Warrant Agreement. Please see Item 12 “Description of Securities Other Than Equity Securities.” The Class A ADSs issued upon exercise of the Class C ADSs will result in dilution to then existing Company shareholders and increase the number of AD securities eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of Class A ADSs.

***There is no guarantee that the Class C ADSs will ever be in the money, and they may expire worthless.***

The exercise price for the Class C ADSs is \$11.50 per Class C ADS (excluding any fees due to the depository in connection with the conversion of the Class C ADSs and the issuance of the Class A ADSs). There is no guarantee that the Class C ADSs will ever be in the money prior to their expiration, and as such, the Class C ADSs may expire worthless.

Polestar may amend the terms of the Class C ADSs in a manner that may be adverse to holders. As a result, the exercise price of your Class C ADSs could be increased, the exercise period could be shortened and the number of Class A ADSs purchasable upon exercise of a Class C ADS could be decreased, all without your approval. With respect to the Class C-1 ADSs, in accordance with the U.K. Companies Act 2006 (the “Companies Act”) and the Polestar Articles, such amendment would require (i) in order to amend the relevant provisions in the Polestar Articles, a special resolution (requiring approval by at least 75% of members entitled to vote at a meeting of members of Polestar) and (ii) written consent to such amendment by holders of at least 75% of the then-outstanding Class C-1 ADSs.

***Polestar may redeem unexpired Class C-1 ADSs prior to their exercise at a time that is disadvantageous to holders, thereby making their Class C-1 ADSs worthless.***

Polestar has the ability to redeem outstanding Class C-1 ADSs at any time prior to their expiration, at a price of \$0.01 per Class C-1 ADS; provided that the last reported sales price of Class A ADSs equals or exceeds \$18.00 per share for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date on which Polestar gives proper notice of such redemption to the holders of Class C-1 ADSs and provided certain other conditions are met. Polestar will not redeem the Class C-1 ADSs unless an effective registration statement under the Securities Act governing the issuance of the Class A ADSs issuable upon exercise of the Class C-1 ADSs is effective and a current prospectus relating to those Class C-1 ADSs is available throughout the 30-day redemption period, except if the Class C-1 ADSs may be exercised on a cashless basis and such cashless exercise is exempt from registration under the Securities Act. If and when the Class C-1 ADSs become redeemable by Polestar, Polestar may exercise its redemption right even if Polestar is unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding Class C-1 ADSs could force the holders of such Class C-1 ADSs: (i) to exercise their Class C-1 ADSs and pay the exercise price therefor at a time when it may be disadvantageous for them to do so; (ii) to sell their Class C-1 ADSs at the then-current market price when they might otherwise wish to hold their Class C-1 ADSs; or (iii) to accept the nominal redemption price which, at the time the outstanding Class C-1 ADSs are called for redemption, is likely to be substantially less than the market value of their Class C-1 ADSs. Additionally, if a significant number of holders of Class C-1 ADSs exercise their Class C-1 ADSs instead of accepting the nominal redemption price, the issuance of these Class A ADSs would dilute other equity holders, which could reduce the market price of Class A ADSs. As of the date of this Report, the Class A ADSs have never traded above \$18.00 per share.

In addition, Polestar may redeem Class C-1 ADSs for a number of Class A ADSs determined based on the redemption date and the fair market value of Class A ADSs, starting at a trading price of \$10.00. Any such redemption may have similar consequences to a cash redemption described above. In addition, such redemption may occur at a time when the Class C-1 ADSs are “out-of-the-money,” in which case holders of Class C-1 ADSs would lose any potential embedded value from a subsequent increase in the value of the Class A ADSs had such holders’ Class C-1 ADSs remained outstanding. None of the Class C-2 ADSs will be redeemable by Polestar (except as set forth in the Polestar Articles) so long as they are held by the GGI Sponsor or its permitted transferees. The Class A ADSs currently trade below \$10.00.

In the event Polestar elects to redeem the outstanding Class C-1 ADSs, Polestar will fix a date for the redemption (the “Class C Redemption Date”) and provide notice of the redemption to be mailed by first class mail, postage prepaid by Polestar not less than 30 days prior to the Class C Redemption Date to the registered holders of the Class C-1 ADSs (who will, in turn, notify the beneficial holders thereof). For additional information regarding the Class C-2 ADSs and the Class C-1 ADSs, please see the applicable sections in the Polestar Articles.

***Polestar may issue additional equity securities or convertible debt securities without the approval of the holders of the ADSs, which would dilute ownership interests and may depress the market price of the ADSs.***

Polestar will continue to require significant capital investment to support its business, and Polestar may issue equity securities or convertible debt securities of equal or senior rank in the future without approval of the holders of the ADSs in certain circumstances. Additionally, the shareholder loan facility between Polestar and each of Snita and Geely give Snita and Geely the option to convert borrowings under such facilities into equity upon certain financing events. Any such conversion would result in a dilution to our existing ADSs holders,

Polestar’s issuance of additional equity securities or convertible debt securities of equal or senior rank may have the following effects: (i) Polestar’s shareholders’ proportionate ownership interest in Polestar may decrease; (ii) the amount of cash available per share, including for payment of dividends in the future, may decrease; (iii) the relative voting power of each previously outstanding Class A ADS may be diminished; and (iv) the market price of ADSs may decline.

Furthermore, certain employees of Polestar and its subsidiaries have been granted equity awards under the Equity Plan, and it is anticipated that certain employees of Polestar and its subsidiaries may receive future grants of equity awards under the Equity Plan and/or may be eligible to participate in the Employee Stock Purchase Plan and the Share Matching Plan. Holders of ADSs will experience additional dilution when those equity awards become vested and settled or exercised, as applicable, for Company securities. See Item 6.B “Directors, Senior Management and Employees—Executive Officer and Director Compensation.”

***Nasdaq may not continue to list the Class A ADSs and Class C-1 ADSs, which could limit investors’ ability to make transactions in the Company’s securities and subject the Company to additional trading restrictions.***

The Class A ADSs and Class C-1 ADSs are currently listed on Nasdaq. The Company announced on May 17, 2024, that it had received a notification letter from Nasdaq notifying that the Company was no longer in compliance with the Nasdaq Listing Rule 5250(c)(1) for continued listing due to its failure to timely file its annual report on Form 20-F for the year ended December 31, 2023 with the SEC. The Company filed its Form 20-F for the year ended December 31, 2023 on August 14, 2024, which resolved this issue, but no assurance can be given that Polestar will not become late again with respect to a future required SEC filing.

There are several other requirements that must be met in order for our ADSs to remain listed on the Nasdaq Global Market, including but not limited to, the minimum share price of at least U.S. \$1.00 per ADS. On July 5, 2024, Nasdaq notified the Company that the minimum bid price per share for its ordinary shares has been below \$1.00 for a period of 30 consecutive business days and the Company therefore no longer meets the minimum bid price requirements set forth in Nasdaq Listing Rule 5550(a)(2). The notification received had no immediate effect on the listing of the Company’s shares on Nasdaq.

On September 17, 2024, Nasdaq determined that the closing bid price of Polestar’s ADSs exceeded \$1.00 for at least 10 consecutive business days. Accordingly, the Company has regained compliance with Listing Rule 5550(a)(2), and considers this matter now closed.

There can be no assurance that the Company will be able to comply with the continued listing standards of Nasdaq. If Nasdaq delists the Class A ADSs or Class C-1 ADSs from trading on its exchange for failure to meet the listing standards, holders of the Company’s securities could face significant material adverse consequences including:

- a limited availability of market quotations for the Company’s securities;
- reduced liquidity for the Company’s securities;
- a determination that the Class A ADSs are a “penny stock” which will require brokers trading in the Class A ADSs to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary market for the Company’s securities; and
- a limited amount of news and analyst coverage.

Further consequences of any delisting of the Class A ADS or Class C-1 ADS would include a decreased ability for Polestar to issue additional securities or to obtain additional financing in the future. We cannot assure that our securities will continue to satisfy the Nasdaq minimum share price requirement or prevent future non-compliance with Nasdaq’s listing requirements.

***The requirements of being a public company may strain Polestar’s resources and distract its management, which could make it difficult to manage its business.***

Polestar is required to comply with various regulatory and reporting requirements, including those required by UK companies laws and the SEC. Complying with these reporting and other regulatory requirements are time-consuming and will continue to result in increased costs to Polestar and could have a negative effect on Polestar’s results of operations, financial condition or business.

As a public company, Polestar is subject to the reporting requirements of the Exchange Act and the requirements of the Sarbanes-Oxley Act, as well as the reporting requirements of the UK companies laws that related to quoted companies. These requirements may place a strain on Polestar’s systems and resources. The Exchange Act and UK companies laws require that Polestar file an annual report with respect to its business and financial condition. In addition, Polestar publishes certain results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of Nasdaq. Press releases relating to certain financial results and material events will also be furnished to the SEC on Form 6-K. Polestar has implemented and will continue to implement additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. Sustaining its growth also will require Polestar to commit additional management, operational and financial resources to identify new professionals to join it and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management’s attention from other business concerns, which could have a material and adverse effect on Polestar’s results of operations, financial condition or business.

Polestar expects to incur additional expenses and devote increased management effort toward ensuring compliance with the applicable regulations. Polestar cannot predict or estimate the amount of additional costs Polestar may incur as a result of becoming a public company or the timing of such costs.

***Polestar is a foreign private issuer within the meaning of the rules under the Exchange Act and, as such, it is exempt from certain provisions applicable to United States domestic public companies. Because Polestar follows certain home country corporate governance standards, its shareholders may not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq’s corporate governance requirements.***

Because Polestar qualifies as a foreign private issuer under the Exchange Act, it is exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including: (i) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q, quarterly certifications by the principal executive and financial officers or current reports on Form 8-K; (ii) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; (iii) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (iv) the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

Polestar is required to file an annual report on Form 20-F within four months of the end of each fiscal year. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information Polestar is required to file with or furnish to the SEC is less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. For example, U.S. domestic issuers are required to file annual reports within 60 to 90 days from the end of each fiscal year. In

addition, beginning in the third quarter of 2024, Polestar has been providing reduced disclosure for the first and third fiscal quarters. It will continue to publish half year and annual results consistent with its prior practice. As a result, there may be less publicly available information concerning Polestar’s business than there would be if Polestar was not a foreign private issuer, and you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

Additionally, as long as Polestar continues to qualify as a foreign private issuer, Polestar is exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.

In addition, Polestar is not required to file annual reports and financial statements with the SEC as promptly as U.S. domestic companies whose securities are registered under the Exchange Act, and is not required to comply with Regulation FD, which restricts the selective disclosure of material information.

Further, Polestar is exempt from certain corporate governance requirements of Nasdaq by virtue of being a foreign private issuer. Although the foreign private issuer status exempts Polestar from most of Nasdaq’s corporate governance requirements, Polestar has decided to voluntarily comply with these requirements, except for the requirement to have a compensation committee and a nominating and governance committee consisting entirely of independent directors.

Furthermore, Nasdaq rules also generally require each listed company to obtain shareholder approval prior to the issuance of securities in certain circumstances in connection with the acquisition of the stock or assets of another company, equity based compensation of officers, directors, employees or consultants, change of control and certain transactions other than a public offering. As a foreign private issuer, Polestar is exempt from these requirements and may, if not required by the laws of England and Wales, elect not to obtain shareholders’ approval prior to any further issuance of its Class A ADSs or prior to adopting or materially revising equity compensation plans or share incentive plans.

Subject to requirements under the Polestar Articles and Shareholder Acknowledgment Agreement that the Board be comprised of a majority of independent directors for the three years following the Business Combination Closing, Polestar may in the future elect to avail itself of these exemptions or to follow home country practices with regard to other matters. As a result, its shareholders will not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq’s corporate governance requirements.

Further, by virtue of being a controlled company under Nasdaq listing rules, Polestar may elect not to comply with certain Nasdaq corporate governance requirements, including that:

- a majority of the board of directors consist of independent directors (however, pursuant to the Polestar Articles and Shareholder Acknowledgment Agreement, for the three years following the Business Combination Closing, the Board must be comprised of a majority of independent directors);
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities;
- the nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- there be an annual performance evaluation of the compensation and nominating and governance committees.

Other than as specified above, Polestar may in the future elect to avail itself of these exemptions. As a result, its shareholders will not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq’s corporate governance requirements.

***Polestar may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses.***

As discussed above, Polestar is a foreign private issuer, and therefore will not be required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act and may take advantage of certain exemptions to Nasdaq's corporate governance rules. The determination of foreign private issuer status is made annually on the last business day of an issuer's most recently completed second fiscal quarter, and, accordingly, the next determination will be made with respect to Polestar on June 30, 2025. In the future, Polestar would lose its foreign private issuer status if (i) more than 50% of its outstanding voting securities are owned by U.S. residents and (ii) a majority of its directors or executive officers are U.S. citizens or residents, or it fails to meet additional requirements necessary to avoid loss of foreign private issuer status. If Polestar loses its foreign private issuer status, it will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. Polestar would also have to mandatorily comply with U.S. federal proxy requirements, and its officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. In addition, it would lose its ability to rely upon exemptions from certain corporate governance requirements under the listing rules of Nasdaq. As a U.S. listed public company that is not a foreign private issuer, Polestar would incur significant additional legal, accounting and other expenses that it will not incur as a foreign private issuer.

If Polestar no longer qualifies as a foreign private issuer, it may be eligible to take advantage of exemptions from Nasdaq's corporate governance standards if it continues to qualify as a "controlled company." Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company is a "controlled company." Without

giving effect to Class C Shares, any issuance of Earn Out Shares and assuming no conversion of the Class C ADSs, PSD Investment Limited, Snita and affiliates of Geely together beneficially hold approximately 85% of the outstanding voting power of Shares. Mr. Li Shufu controls PSD Investment Limited and directly or indirectly owns approximately 91% of equity interests in Geely, which owns approximately 78.7% of equity interests in Volvo Cars. Therefore, Mr. Li Shufu, as a controlling equity interest holder in Geely and PSD Investment Limited, beneficially holds approximately 85% of the outstanding voting power of Shares.

***Polestar has identified material weaknesses in its internal control over financial reporting. If Polestar fails to develop and maintain an effective system of internal control over financial reporting, it may be unable to accurately report its financial results or prevent fraud.***

As a U.S. public company, Polestar is subject to the internal control over financial reporting requirements established pursuant to the Sarbanes-Oxley Act. Section 404 of the Sarbanes-Oxley Act requires Polestar to document and test its internal controls over financial reporting and requires its management to certify the effectiveness of its internal controls. In addition, its independent registered public accounting firm must attest to and report on the effectiveness of Polestar's internal control over financial reporting.

In the course of preparing Polestar's financial statements as of and for the years ended December 31, 2024 and 2023, Polestar and its independent registered public accounting firm identified material weaknesses in Polestar's internal control over financial reporting. As defined in standards established by the PCAOB, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of Polestar's annual or interim financial statements will not be prevented or detected on a timely basis. In connection with the audit of Polestar's financial statements as of the year ended December 31, 2024, management concluded that there were material weaknesses in internal control over financial reporting as of December 31, 2024 related to the following COSO components: (i) control environment, (ii) control activities, and (iii) information and communication. For more information on these material weaknesses, see Item 15 "Controls and Procedures". Polestar may also identify other material weaknesses in the future.

All internal control systems, no matter how well designed, have inherent limitations including the possibility of human error and the circumvention or overriding of controls. Further, because of changes in conditions, the effectiveness of internal controls may vary over time. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Polestar cannot be certain that measures it is taking will successfully remediate the material weaknesses or that other material weaknesses will not be discovered in the future. If Polestar's efforts are not successful or other material weaknesses or control deficiencies occur in the future, Polestar may be unable to report its financial results accurately on a timely basis or help prevent fraud, which could cause its reported financial results to be materially misstated and result in the loss of investor confidence or delisting and cause the market price of Polestar's ADSs to decline. In addition, it could in turn limit Polestar's access to capital markets, harm its results of operations and lead to a decline in the trading price of Polestar's securities. Additionally, ineffective internal control over financial reporting could expose it to increased risk of fraud or misuse of corporate assets and subject it to potential delisting from the stock exchange on which Polestar lists, regulatory investigations and civil or criminal sanctions.

Pursuant to the report of management on its internal control over financial reporting required under the Sarbanes-Oxley Act, Polestar's management has concluded that its internal control over financial reporting is not effective for 2024. It also may conclude in future years that it is not effective. Moreover, even if Polestar's management concludes that its internal control over financial reporting is effective, its independent registered public accounting firm, after conducting such public accounting firm's own independent testing, may issue a report that is qualified if it is not satisfied with Polestar's internal controls or the level at which its controls are documented, designed, operated or reviewed, or if such public accounting firm interprets the relevant requirements differently from Polestar. In addition, as a public company Polestar's reporting obligations may place a significant strain on its management, operational and financial resources and systems for the foreseeable future. Polestar may be unable to timely complete its evaluation testing and any required remediation.

In addition, if Polestar fails to maintain the adequacy of its internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, it may not be able to conclude on an ongoing basis that it has effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. Generally, if Polestar fails to achieve and maintain an effective internal control environment, it could suffer material misstatements in its financial statements and fail to meet its reporting obligations, which would likely cause investors to lose confidence in its reported financial information. This could in turn limit Polestar's access to capital markets, and harm its results of operations. Additionally, ineffective internal control over financial reporting could expose Polestar to increased risk of fraud or misuse of corporate assets and subject it to potential delisting from the stock exchange on which it lists, regulatory investigations and civil or criminal sanctions.

***Polestar's dual-class voting structure may limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of the Company securities or ADSs may view as beneficial.***

Polestar's authorized and issued ordinary shares are divided into Class A Shares, Class B Shares and Class C Shares. Each Class A Share and Class C Share is entitled to one vote, while each Class B Share is entitled to 10 votes. Only the Class A ADSs, which represent an underlying Class A Share, and Class C-1 ADS, which represent an underlying Class C Share, are listed and traded on Nasdaq, and Polestar intends to maintain the dual-class voting structure.

Snita and PSD Investment Limited have historically held all of the outstanding Class B Shares. In 2024, all of the Class B ADSs held by Snita and approximately 94% of the Class B ADSs held by PSD Investment Limited were converted into Class A ADSs. Despite these recent conversions, PSD Investment Limited continues to hold 49,892,575 Class B ADSs that carry a total of 498,925,750 votes. As a result, PSD Investment Limited controls approximately 49.9% of the total voting power of all the issued and outstanding Shares even though it only beneficially owns approximately 39.2% of outstanding Shares.

***The U.K. City Code on Takeovers and Mergers, or the Takeover Code, may apply to Polestar.***

The Takeover Code applies, among other things, to an offer for a public company whose registered office is in the U.K. (or the Channel Islands or the Isle of Man) and whose securities are not admitted to trading on a regulated market in the U.K. (or the Channel Islands or the Isle of Man) if the company is considered by the Panel on Takeovers and Mergers, or the Takeover Panel, to have its place of central management and control in the U.K. (or the Channel Islands or the Isle of Man). This is known as the "residency test." Under the Takeover Code, the Takeover Panel will determine whether Polestar's place of central management and control is in the U.K. by looking at various factors, including the structure of the Board, the functions of the directors of the Board and where they are resident.

If at the time of a takeover offer, the Takeover Panel determines that Polestar's place of central management and control is in the U.K., Polestar would be subject to a number of rules and restrictions, including, but not limited to, the following: (i) Polestar's ability to enter into deal protection arrangements with a bidder would be extremely limited; (ii) Polestar might not, without the approval of shareholders, be able to perform certain actions that could have the effect of frustrating an offer, such as issuing shares or carrying out acquisitions or disposals; and (iii) Polestar would be obliged to provide equality of information to all bona fide competing bidders.

A majority of the Board resides outside of the U.K., the Channel Islands and the Isle of Man. Accordingly, based upon Polestar's current Board and management structure and its intended plans for its directors and management, for the purposes of the Takeover Code, Polestar is considered to have its place of central management and control outside the U.K., the Channel Islands or the Isle of Man. The Takeover Code is not expected to apply to Polestar. It is possible that in the future circumstances, and in particular the Board composition, could change which may cause the Takeover Code to apply to Polestar.

***If securities or industry analysts do not publish research, publish inaccurate or unfavorable research or cease publishing research about Polestar, the ADS trading prices and trading volumes could decline significantly.***

The trading market for the ADSs will depend, in part, on the research and reports that securities or industry analysts publish about Polestar or its business. Polestar may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of Polestar, or if these securities or industry analysts are not widely respected within the general investment community, the demand for the ADSs could decrease, which might cause the ADSs' trading price and trading volume to decline significantly. In the event that Polestar obtains securities or industry analyst coverage, if one or more of the analysts who cover Polestar downgrades their assessment of Polestar or publish inaccurate or unfavorable research about Polestar's business, the market price and liquidity for the ADSs could be negatively impacted. Beginning in the third quarter of 2024, Polestar has been providing reduced disclosure for the first and third fiscal quarters. It will continue to publish half year and annual results consistent with its prior practice. Providing summary financial information may impact the coverage by industry analysts and the market price and liquidity for the ADSs could be negatively impacted.

In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to environmental, social and governance ("ESG") matters. Such ratings are used by some investors to inform their investment and voting decisions. Inaccurate or unfavorable ESG ratings could lead to negative investor sentiment towards Polestar, which could have a negative impact on the market price and demand for Polestar's securities, as well as Polestar's access to and cost of capital.

***You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because Polestar is incorporated under the laws of England and Wales and because Polestar conducts substantially all of its operations outside of the United States and a majority of Polestar's directors and executive officers reside outside of the United States.***

Polestar is a public limited company incorporated under the laws of England and Wales, and conducts a majority of its operations outside the United States through Polestar Performance AB (which is an indirect wholly-owned subsidiary of Polestar). Substantially all of Polestar's assets are located outside the United States. A majority of Polestar's officers and directors reside outside the United States and a substantial portion of the assets of those persons are located outside of the United States. As a result, it could be difficult or impossible for you to bring an action against Polestar or against these individuals outside of the United States in the event that you believe that your rights have been infringed upon under the applicable securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of England and Wales and of the jurisdictions in which Polestar primarily operates could render you unable to enforce a judgment against Polestar's assets or the assets of Polestar's directors and officers.

Polestar's management has been advised that there is currently no treaty between the United States and the United Kingdom providing for the reciprocal recognition and enforcement of judgments of United States courts by the courts of England and Wales. Further, it is unclear if extradition treaties now in effect between the United States and applicable jurisdictions would permit effective enforcement of criminal penalties of U.S. federal securities laws.

In addition, Polestar's corporate affairs are governed by the Polestar Articles, the Companies Act and the laws of England and Wales. The rights of Polestar's shareholders and the fiduciary duties of Polestar's directors under the laws of England and Wales may not be as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, England and Wales have a different body of securities laws than the United States. Some U.S. states, such as Delaware, may have more fully developed and judicially interpreted bodies of corporate law than England and Wales. In addition, companies organized under the laws of England and Wales may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Certain corporate governance practices in England and Wales, which is Polestar's home jurisdiction, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. To the extent Polestar chooses to follow home country practice with respect to corporate governance matters, its shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, Polestar's shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States.

***It is not expected that Polestar will pay dividends in the foreseeable future.***

It is expected that Polestar will retain most, if not all, of its available funds and any future earnings to fund the development and growth of its business. As a result, it is not expected that Polestar will pay any cash dividends in the foreseeable future.

The Board has complete discretion as to whether to distribute dividends. Even if the Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on the future results of operations and cash flow, capital requirements and surplus, the amount of distributions, if any, received by Polestar from subsidiaries, Polestar's financial condition, contractual restrictions and other factors deemed relevant by the Board. There is no guarantee that the ADSs will appreciate in value or that the trading price of the ADSs will not decline.

***Holders of ADSs have fewer rights than direct holders of the Company securities and must act through the Depositary to exercise their rights. The voting rights of holders of ADSs are limited by the terms of the Deposit Agreements, and such holders may not be able to exercise their right to vote their Company securities directly.***

Holders of ADSs do not have the same rights as Polestar shareholders who hold Company securities directly. Holders of the AD securities are only able to exercise the voting rights with respect to the underlying Company securities in accordance with the provisions of the Deposit Agreements. The holders and beneficial owners of the AD securities are parties to and bound by the terms of the Deposit Agreements for the AD securities they own. Under the Deposit Agreements, ADS holders must vote by giving voting instructions to the Depositary. If Polestar asks for instructions of ADS holders, then upon receipt of such voting instructions, the Depositary will try to vote the underlying Company securities in accordance with these instructions. ADS holders are not able to directly exercise their right to vote with respect to the underlying Company securities unless they present their ADSs for cancellation and withdraw the underlying Company securities prior to the applicable record date for the meeting. When a meeting is convened, an ADS holder may not receive sufficient advance notice to withdraw the underlying Company securities his or her AD securities allow such holder to vote with respect to any specific matter. Polestar has agreed to give the Depositary prior notice of meetings of holders of shares and warrants. Nevertheless, Polestar cannot assure you that holders of AD securities will receive the voting materials in time to ensure that holders of AD securities can instruct the Depositary to vote the underlying shares. In addition, the Depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out holders' of AD securities voting instructions. This means that a holder of AD securities may not be able to exercise the right to vote and may have no legal remedy if the underlying Company securities underlying his or her of AD securities are not voted as such holder requested. Please see the section entitled "Description of American Depositary Shares" in Exhibit 2.11 (Description of Securities) of this Report.

***The Depositary for the AD securities will give Polestar a discretionary proxy to vote the Company securities underlying the AD securities if the holders of such AD securities do not give timely voting instructions to the Depositary, except in limited circumstances, which could adversely affect the interests of holders of the ADSs.***

Under the Deposit Agreements for the AD securities, if any holders of AD securities do not vote their AD securities, the Depositary will give Polestar a discretionary proxy to vote the Company securities underlying such AD securities at shareholders' meetings except under limited circumstances.

The effect of this discretionary proxy is that if any such holder of the AD securities does not provide timely and valid voting instructions, such holder cannot prevent the Company securities underlying such AD securities from being voted, except under the circumstances described above. This may make it more difficult for holders of AD securities to influence the management of Polestar.

***The Polestar Articles and the Deposit Agreements provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act and the Exchange Act and that certain claims may only be instituted in the courts of England and Wales, which could limit the ability of securityholders of Polestar to choose a favorable judicial forum for disputes with Polestar or Polestar's directors, officers or employees.***

The Polestar Articles provide that unless Polestar consents in writing to the selection of an alternative forum, the courts of England and Wales will, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of Polestar; (ii) any action, including any action commenced by a member of Polestar in its own name or on behalf of Polestar, asserting a claim of breach of any fiduciary or other duty owed by any director, officer or other employee of Polestar (including but not limited to duties arising under the Companies Act); (iii) any action arising out of or in connection with the Polestar Articles or otherwise in any way relating to the constitution or conduct of Polestar; or (iv) any action asserting a claim against Polestar governed by the internal affairs doctrine (as such concept is recognized under the laws of the United States of America). The Deposit Agreements also provide for exclusive forum in state and federal courts in the City of New York. This forum selection provision in the Polestar Articles will not apply to actions or suits brought to enforce any liability or duty created by the Securities Act, Exchange Act or any claim for which the federal district courts of the United States of America are, as a matter of the laws of the United States of America, the sole and exclusive forum for determination of such a claim. The Polestar Articles provide that the federal district courts in the United States will be the exclusive forum for claims against Polestar under the Securities Act and the Exchange Act.

These choice of forum provisions may increase a securityholder’s cost and limit the securityholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with Polestar or Polestar’s directors, officers or other employees, which may discourage lawsuits against Polestar and Polestar’s directors, officers and other employees. Polestar’s shareholders will not be deemed to have waived Polestar’s compliance with the U.S. federal securities laws and the rules and regulations thereunder as a result of Polestar’s exclusive forum provision. Any person or entity purchasing or otherwise acquiring any of the Company securities or other securities, whether by transfer, sale, operation of law or otherwise, will be deemed to have notice of and have irrevocably agreed and consented to these provisions. There is uncertainty as to whether a court would enforce such provisions. The Securities Act provides that state courts and federal courts will have concurrent jurisdiction over claims under the Securities Act, and the enforceability of

similar choice of forum provisions in other companies’ charter documents has been challenged in legal proceedings. It is possible that a court could find this type of provision to be inapplicable or unenforceable, and if a court were to find this provision in the Polestar Articles to be inapplicable or unenforceable in an action, Polestar may incur additional costs associated with resolving the dispute in other jurisdictions, which could have adverse effect on Polestar’s business and financial performance.

***An ADS holder’s right to pursue claims against the Depositary is limited by the terms of the Deposit Agreements.***

Under the Deposit Agreements, any action or proceeding against or involving the Depositary arising out of or based upon the Deposit Agreements or the transactions contemplated thereby or by virtue of owning the ADS may only be instituted in state and federal courts in the City of New York, and a holder of the ADS will have irrevocably waived any objection which such holder may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding. However, there is uncertainty as to whether a court would enforce this exclusive jurisdiction provision. Furthermore, investors cannot waive compliance with the U.S. federal securities laws and rules and regulations promulgated thereunder. Also, Polestar may amend or terminate the Deposit Agreement without the consent of any holder of ADSs. If a holder continues to hold its ADSs after an amendment to the Deposit Agreement, such holder agrees to be bound by the applicable Deposit Agreement as so amended.

***ADS holders may not be entitled to a jury trial with respect to claims arising under the Deposit Agreements, which could result in less favorable results to the plaintiff(s) in any such action.***

The Deposit Agreements governing the ADSs provide that owners and holders of ADSs irrevocably waive the right to a trial by jury in any legal proceeding arising out of or relating to the Deposit Agreements or the ADSs, including claims under U.S. federal securities laws, against Polestar or the Depositary to the fullest extent permitted by applicable law. If this jury trial waiver provision is prohibited by applicable law, an action could nevertheless proceed under the terms of the Deposit Agreements with a jury trial. Although Polestar is not aware of a specific federal decision that addresses the enforceability of a jury trial waiver in the context of U.S. federal securities laws, it is Polestar’s understanding that jury trial waivers are generally enforceable. Moreover, insofar as the Deposit Agreements are governed by the laws of the State of New York, New York laws similarly recognize the validity of jury trial waivers in appropriate circumstances. In determining whether to enforce a jury trial waiver provision, New York courts and federal courts will consider whether the visibility of the jury trial waiver provision within the agreement is sufficiently prominent such that a party has knowingly waived any right to trial by jury. Polestar believes that this is the case with respect to the Deposit Agreements and the ADSs.

In addition, New York courts will not enforce a jury trial waiver provision in order to bar a viable setoff or counterclaim of fraud or one which is based upon a creditor’s negligence in failing to liquidate collateral upon a guarantor’s demand, or in the case of an intentional tort claim (as opposed to a contract dispute). No condition, stipulation or provision of the Deposit Agreements or ADS serves as a waiver by any holder or beneficial owner of ADSs or by Polestar or the Depositary of compliance with any provision of U.S. federal securities laws and the rules and regulations promulgated thereunder.

If any owner or holder of ADSs brings a claim against Polestar or the Depositary in connection with matters arising under the Deposit Agreements or the ADSs, including claims under U.S. federal securities laws, such owner or holder may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against Polestar or the Depositary. If a lawsuit is brought against Polestar or the Depositary under the Deposit Agreements, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different results than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims and the venue of the hearing.

***The Depositary for the ADSs is entitled to charge holders fees for various services, including annual service fees.***

The Depositary for the ADSs is entitled to charge holders fees for various services, including for the issuance of the ADSs upon deposit of Company securities (other than in the case of ADSs issued pursuant to the Business Combination), cancellation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share distributions, distributions of securities other than ADSs and annual service fees. For more information, please see Item 12 “Description of Securities Other Than Equity Securities.” In the case of ADSs issued by the Depositary into the DTC the fees will be charged by the DTC participant to the account of the applicable beneficial owner in accordance with the procedures and practices of the DTC participant as in effect at the time. The Depositary for the ADSs will not be responsible for any United Kingdom stamp duty or SDRT arising upon the issuance or transfer of ADSs but will require the person who deposits shares or warrants to pay the applicable United Kingdom stamp duty or SDRT. For more information, please see “—Risks Related to Tax—Transfers of ADSs or the underlying Company securities may be subject to stamp duty or stamp duty reserve tax in the U.K., which would increase the cost of dealing in the Company’s securities.”

***The ADS holders may not receive dividends or other distributions of the Company securities and the holders thereof may not receive any value for them, if it is illegal or impractical to make them available to such holders.***

Under the terms of the Deposit Agreements, the Depositary of the ADSs will agree to distribute to holders of the ADSs the cash dividends or other distributions it or the custodian receives on the applicable deposited securities underlying the ADSs, after deducting its fees, taxes and expenses. For more information, please see Item 12 “Description of Securities Other Than Equity Securities.” Holders of the ADSs will receive these distributions in proportion to the number of ADSs they hold. However, the Depositary is not responsible for making such distributions if it decides that such distributions are unlawful or impractical. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but such securities are not properly registered or distributed under an applicable exemption from registration. The Depositary may also determine that it is not practicable to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the Depositary may determine not to distribute such property. Polestar has no obligation to register under U.S. securities laws securities received through such distributions or to take any other action to permit the distribution of ADSs. This means that holders of the ADSs may not receive distributions Polestar makes on its securities or any value

for them if it is illegal or impractical for Polestar to make them available to such holders. These restrictions may cause a material decline in the value of the ADSs.

***Holders of ADSs may be subject to limitations on transfer of their ADSs.***

ADSs are transferable on the books of the Depositary. However, the Depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties and for emergencies, and on weekends and public holidays. This may occur for a number of reasons, including in connection with corporate events such as a rights offering, during which time the Depositary needs to maintain an exact number of ADSs on its books for a specified period. The Depositary may refuse to deliver, transfer or register transfers of ADSs generally when Polestar’s share register or the books of the Depositary are closed, or at any time if Polestar or the Depositary thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the Deposit Agreement, or for any other reason.

**ITEM 4. INFORMATION ON THE COMPANY**

**A. History and Development of the Company**

The legal name of the Company is “Polestar Automotive Holding UK PLC.” The Company was incorporated under the laws of England and Wales as a company limited by shares on September 15, 2021 and was re-registered as a public limited company under the laws of England and Wales on May 5, 2022 in connection with the Business Combination. The Company’s registered office in England is The Pavilions, Bridgewater Road, Bristol, England, BS13 8AE. The address of the principal executive office of the Company is Assar Gabrielssons Väg 9, 405 31 Gothenburg, Sweden, and the telephone number of the Company is +1 551 284 9479.

On September 27, 2021, GGI, Former Parent, Polestar Singapore, Polestar Sweden, the Company and Merger Sub entered into a Business Combination Agreement. The Business Combination was consummated on June 23, 2022. At the Business Combination Closing, the Company completed the Pre-Closing Reorganization, pursuant to which, among other things, Polestar Singapore, Polestar Sweden and their respective subsidiaries became wholly owned subsidiaries of the Company.

The Company is subject to certain of the informational filing requirements of the Exchange Act. Since the Company is a “foreign private issuer,” it is exempt from the rules and regulations under the Exchange Act prescribing the furnishing and content of proxy statements, and the officers, directors and principal shareholders of the Company are exempt from the reporting and “short-swing” profit recovery provisions contained in Section 16 of the Exchange Act with respect to their purchase and sale of Shares. In addition, the Company is not required to file reports and financial statements with the SEC as frequently or as promptly as U.S. public companies whose securities are registered under the Exchange Act. However, the Company is required to file with the SEC an Annual Report on Form 20-F containing financial statements audited by an independent accounting firm. The SEC also maintains a website at <http://www.sec.gov> that contains reports and other information that the Company files with or furnishes electronically to the SEC.

The website address of the Company is <https://www.polestar.com/us/>. The information contained on the website does not form a part of, and is not incorporated by reference into, this Report.

Polestar’s capital expenditures for the years ended December 31, 2024, 2023 and 2022 amounted to \$540.8 million, \$555.3 million, and \$416.5 million, respectively. These capital expenditures primarily consisted of purchases of unique tooling for production facilities, the development and purchase of certain intellectual property rights and tooling and equipment used at Polestar’s research and development center in the United Kingdom at the Mira Technology Park in Coventry. Polestar expects its capital expenditures to increase in the near term as it continues to invest in the acquisition of intellectual property as well unique tooling and equipment. Polestar anticipates that its capital expenditures in 2025 will be financed from the issuance of equity or debt instruments, various short-term credit facilities, including working capital facilities, term loans with related parties, sale leaseback arrangements, and extended trade credit with related parties.

**B. Business Overview**

**Summary**

Polestar is determined to improve society by accelerating the shift to sustainable mobility.

Polestar is a pure play, premium electric performance car brand headquartered in Sweden, designing products engineered to excite consumers and drive change. Polestar believes that it defines market-leading standards in design, innovation and sustainability. Polestar was established as a premium electric car brand by Volvo Cars and Geely in 2017. Polestar benefits from the technological, engineering and manufacturing capabilities of these established global car manufacturers. Polestar has a capital-efficient, asset-light business model.

Polestar 1, an electric performance hybrid GT, was launched to establish Polestar in the premium luxury electric vehicle market in 2017. Production of the Polestar 1 ceased at the end of 2021, making Polestar a dedicated electric vehicle manufacturer. Polestar 2, an electric performance fastback and Polestar’s first fully electric, high-volume car was launched in 2019. Polestar 2 has four variants with a combination of long- and standard range batteries. Polestar 3, an electric performance SUV, was launched in 2022. Polestar 3 features two motor variants: a rear motor configuration and a dual-motor configuration with a power bias towards the rear. Polestar 4, a sporty SUV coupe, was launched in 2023 with dual- and single-motor variants available, with the single-motor featuring rear-wheel drive.

Polestar’s cars have received major acclaim, winning multiple globally recognized awards across design, innovation and sustainability. Highlights for Polestar 1 include Insider car of the year and GQ’s Best Hybrid Sports Car awards. Polestar 2 alone has won over 50 awards, including various Car of the Year awards, the Golden Steering Wheel, Red Dot’s Best of the Best Product Design and a 2021 Innovation by Design award from Fast Company. And the SUV for the electric age, Polestar 3, has already been acclaimed Car WOW’s Car of the Year and ESUV of the Year for 2023. Polestar 4 has won the Production Car Design of the Year award for 2023.

Polestar has also received a total of five awards from the German Design Council, including the German Design Awards for the Polestar 5 concept car and the ABC award for the Polestar 6 electric roadster concept. Furthermore, the Polestar 6 has been voted the Concept Car of the Year in Car Design Review.

As of December 31, 2024, Polestar's cars are on the road in 27 markets across Europe, North America and Asia Pacific. Polestar plans to have a line-up of four performance EVs by the end of 2025. Following the launch of the Polestar 3, an electric performance SUV, in October 2022 when customers were able to begin placing orders, Polestar launched Polestar 4, a sporty SUV coupe in April 2023 initially in China only and started first customer deliveries in China in December 2023. An agreement has been reached between Polestar, Geely Holding and Renault Korea Co Ltd ("RK"), that will bring contract manufacturing of Polestar 4 vehicles to RK's Busan plant in South Korea and these cars will be destined for the European, North American and domestic South Korean markets. Polestar expects to start production of Polestar 4 vehicles in Busan, during the second half of 2025. Production of Polestar 5, a luxury 4 door GT, is planned to commence later in 2025. Polestar believes the premium luxury SUV vehicle segment is one of the fastest growing vehicle segments, and expects the electric-only vehicle portion of this segment to grow at a faster rate than the overall segment.

The following tables show Polestar's revenue by type and geographical region for the years ended December 31, 2024, 2023 and 2022:

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

	For the year ended December 31,		
	2024	2023	2022
Europe, the Middle East, and Africa	1,569,007	1,661,483	1,591,706
North America	296,911	517,289	599,931
Asia and Australia	168,343	189,313	249,181
<b>Total</b>	<b>\$ 2,034,261</b>	<b>\$ 2,368,085</b>	<b>\$ 2,440,818</b>

Polestar has set itself the important goal to create a truly climate neutral car by the end of 2030, which it refers to as the Polestar 0 project. The development of a truly climate neutral production car by the end of 2030 is a significant milestone on the path to Polestar's goal of becoming a climate neutral company by the end of 2040.

Polestar 2 vehicles are currently manufactured at a plant in Taizhou, China that is owned and operated by Volvo Cars. Polestar 3 vehicles are produced at Volvo Cars' Chengdu facility in China since February 2024 and at Volvo Cars' facility in Charleston, South Carolina, in the United States since August 2024. Polestar 4 cars are currently manufactured in Geely's Hangzhou Bay plant in China. Polestar also expects to start production of Polestar 4 vehicles in Busan, South Korea, during the second half of 2025.

Polestar's ability to leverage the manufacturing footprint of both Volvo Cars and Geely provides it with access to a substantial combined installed production capacity and gives Polestar's highly scalable business model immediate operating leverage. Polestar also plans to expand its production capacity by leveraging plants that are owned and operated by Volvo Cars in Europe.

Polestar is transforming its sales model to optimize it for strategic growth and performance. In markets other than the USA, Polestar has been transforming its commercial operations to complement its direct-to-customer model by establishing an active selling partner set-up since the beginning of 2024. The active selling partnerships are organized as a 'non-genuine agency model', giving selling partners autonomy and incentives to sell Polestar models. Originally, the direct-to-consumer operating model represented a contractual set-up with a service provider. This model was launched with few locations in markets other than the USA, to focus on brand consistency and customer experience. The key features of the model were deeper customer engagement and firsthand feedback from customers. Service providers displayed Polestar cars in their show rooms and offered test drives. Since early 2024, service providers are incentivized to actively sell Polestar cars at their locations by showing models, offering test drives and supporting customer to place orders online. This approach is expected to rapidly increase the sales efficiency in our network, it is intended that it will facilitate expansion of geographical coverage and customer reach in a capital-efficient manner. It is also expected to allow Polestar to target new stratum of customers such as small and medium-size enterprises, and it provides flexibility to adapt to diverse market conditions.

In addition to direct sales, Polestar intends to add wholesale channels in markets other than the USA. Polestar's plan is to establish a dual model that combines direct-to-customer and wholesale channels which is expected to support active selling of Polestar models. Through this dual model, Polestar is expected to achieve a broader market coverage while optimizing channel costs and mitigating inventory risks. By working with wholesalers, Polestar is expected to manage inventory and distribution more efficiently, while wholesalers can take ownership of the selling process by offering flexible pricing and management of inventory and distribution when they sell Polestar cars.

In the USA, we are operating a dealer-focused wholesale model. In this market, we are looking to further improve our digital capabilities, which are intended to enhance the journey for the customer to choose specifications of their future Polestar car and order it at a dealership.

Polestar offers Polestar Locations, which combine Polestar Spaces, Polestar Destinations, and Polestar Test Drive Centers, where customers can see, feel and test drive Polestar's vehicles prior to making an online purchase. In line with the shift to an active selling model, Polestar is opening up Sales Points, which comprise retail locations with physical facilities (such as showrooms), actively selling Polestar cars, and pre-space activations, which represent locations with an ongoing project to build a retail location where Polestar cars are already being sold. Polestar believes this combination of digital and physical retail presence delivers a seamless experience for its customers. Polestar's customer experience is further enhanced by its comprehensive service network that leverages the existing Volvo Cars service center network. As of December 31, 2024, there were 193 Polestar Spaces and 175 Sales Points in 27 markets where Polestar operates. In addition, Polestar leverages the Volvo Cars service center network to provide access to 1,170 customer service points worldwide (as of December 31, 2024) in support of its international operations.

Polestar's research and development expertise is a core competence and Polestar believes it represents a significant competitive advantage for Polestar. With personnel located in Coventry, United Kingdom and Gothenburg, Sweden, the European research and development team focuses on areas such as bonded aluminum architectures, high-performance electric motor and bi-directional compatible battery packs, in-car software development and advanced engineering and research. The Polestar research and development team also benefits, through a variety of agreements, from having access to the substantial engineering and design experience of teams at Volvo Cars and Geely. The strong expertise and ambition to develop and produce sustainable technology solutions and materials are also a key asset of Polestar's research and development function. All in all, Polestar's ability to create cars with a strong Polestar product design is also widely recognized as a key differentiator.

Polestar has drawn extensively on the industrial heritage, knowledge and market infrastructure of Volvo Cars. This combination of deep automotive expertise, paired with cutting-edge technologies and an agile, entrepreneurial culture, underpins Polestar's differentiation, potential for growth and success.

**Recent Developments**

On January 9, 2025, Polestar reported its global retail volumes for the fourth quarter and full year 2024; retail sales totaled 12,256 cars in Q4 2024, up 5.3% versus Q4 2023, taking total retail sales for the full year to 44,851 in 2024, down 15% versus 2023.

On January 16, 2025, Polestar published select results for Q3 2024.

On January 16, 2025, Polestar, under its new senior management, published its updated strategy and medium-term targets, indicating an acceleration of its shift to an active selling model, with new retail partners and more retail spaces, and with significant changes being made to improve operational, commercial and financial performance.

On January 20, 2025, Polestar confirmed its official entry into France planned for the summer of 2025 and appointed Stéphane Le Guevel Managing Director of Polestar France, effective February 2025.

On February 20, 2025, Polestar announced that Polestar 4 had been named Executive Car in UK Car of the Year Awards.

On February 26, 2025, Polestar announced that Polestar 4 had won the Car of the Year and Design Car of the Year in South Korea.

On February 28, 2025, Polestar announced that the company had secured a 12-month term facility of up to USD 450 million and had renewed the EUR 480 million Green Trade Finance Facility.

On April 10, 2025, Polestar announced that Polestar had signed an agreement to terminate the business of the Joint Venture and transfer the PRC distribution rights and certain assets from the JV to Polestar. Also, on April 10, 2025, Polestar reported that its global retail volumes for Q1 2025 amounted to an estimated 12,304 cars, up 76% versus Q1 2024.

**Polestar's Strategy**

The global car industry is undergoing a fundamental transformation transitioning from cars run on an internal combustion engine to electrical vehicles. Polestar believes it is optimally positioned to be at the forefront of this change, with a strong and established market presence and a rapidly expanding model portfolio, including two SUVs, which target one of the fastest growing sectors in the global car market. Industry growth is driven by growing consumer awareness of environmental impact, technological improvement and shifting consumer preference. Increasingly rigorous environmental regulation and expanded charging infrastructure will also drive adoption of electric vehicles.

At the beginning of 2025, Polestar updated its business strategy and medium-term targets. The Company is entering the next chapter on its journey to accelerate the change towards a sustainable electric future by making the performance cars of tomorrow. In 2024, the Company transitioned from selling one model, Polestar 2, to now selling three models, Polestar 2, 3, and 4, and Polestar 5 is expected to be available in the second half of 2025. The Company is present in 27 markets (a 28th market is expected to be launched in the second half of 2025, in France) and is accelerating its shift to an active selling model in order to drive sales volumes. At the same time, Polestar is rightsizing the organization and is focused on financial discipline.

Polestar has already been implementing and intends to enact further measures to deliver on its strategy and business plan:

- *New senior management* (Chief Executive Officer and Chief Financial Officer) were appointed in October 2024 to lead Polestar in the next chapter of its journey. The executive team who include further members of senior management focus on growth and financial discipline.
- Polestar is accelerating the *transition to an active sales model* and is expanding its retail presence to accelerate growth. Polestar expects to increase retail spaces by 75% in Europe and North America by 2026, and to enter a new market, France, in 2025.
- Polestar is *optimizing manufacturing footprint* to minimize the tariffs impact. Polestar has been deploying an asset-light contract manufacturing approach to produce its cars, leveraging partnerships with Volvo Cars and Geely Group. This diversity of manufacturing locations (in the USA, China, South Korea from the second half of 2025, and Europe in the

future) allows Polestar to flex its manufacturing arrangements and optimize distribution in order to minimize impacts from tariffs.

- Polestar is working with internal teams to *reduce product cost* through enhancement of technical efficiencies, especially in product designs, as well as through ongoing negotiations with suppliers.
- Polestar is fully focused on *enhancing operating efficiency and maintaining cost discipline* to reduce product cost and operating expenses. Reduction of operating expenses is expected to be driven by operational efficiency enhancement measures and organizational restructuring. These cost cuts are expected in the areas of group headcount and marketing expenses. During 2024, Polestar's workforce was reduced by over 400 employees. Marketing expenses are expected to decline given that in 2025 Polestar anticipates to launch only one new model, Polestar 5, compared with launches and related ramp-up activity for two models in 2023-2024. Polestar intends to leverage its digital tools and solutions to increase effectiveness of its customer engagement. Sales efficiency is also expected to improve with diversification of sales via the agent model.
- Polestar intends to focus on *control of capital expenditure*. Given synergies with Geely Group, Polestar expects to achieve better capex efficiency through platform sharing; further leveraging the partnership with Geely Group, Polestar may benefit from further synergies. Further capex efficiency is expected to be derived from harmonizing the platform for future models in order to reduce development costs.
- Polestar also expects to benefit from *inventory unwind* that will help to reduce working capital requirements in the near term.
- Polestar now has a *broadier product portfolio* compared to 2024 product mix. Polestar is actively selling three models - Polestar 2, Polestar 3, and Polestar 4 - having launched Polestar 3 and Polestar 4 in 2023. Polestar anticipates the selling of Polestar 5 (a Luxury Sport GT 4-Door) to commence in the second half of 2025. The new models - Polestar 3 (a luxury Aero SUV) and Polestar 4 (a premium coupé/sport SUV) - are higher-margin products compared with Polestar 2 (a fastback) and it is expected that a growing share of Polestar 3 and Polestar 4 vehicles in the product mix will be one of the main drivers of accelerated margin improvement.
- *Increased build options and packs*. Polestar expects to monetize its luxury model line-up, by offering customers more flexibility and greater customization options.
- *More focused approach to market presence*. In Europe, Polestar intends to focus sales efforts and investments into markets that have the greatest potential for profitable growth. In the USA, Polestar is enhancing the dealer-focused wholesale model by incorporating a genuine digital buying capability.
- *R&D efficiency*. Polestar continuously reviews its research and development activities to ensure they operate efficiently and prioritize cost-effective product development.

### Polestar's Strengths

Polestar believes it benefits from a number of competitive advantages:

*Distinct 'Pure, Progressive, Performance' brand values with leading design, innovation and sustainability core pillars.*

Polestar believes that its emphasis on distinct Scandinavian avant-garde design with high-tech minimalism, proprietary technology and innovative partnerships and environmentally sustainable products engages and attracts customers who share its ethos and design aesthetic. Polestar's brand, with its iconic attributes of Pure, Progressive, Performance is reflected in its products which have received multiple global awards since the launch of Polestar 1 in 2017. Polestar also believes its proprietary electric vehicle technology provides it with a substantial competitive advantage. Research and development, a core competence, is focused on areas such as lightweight chassis architectures and manufacturing, electric propulsion and motors and bi-directional battery packs that Polestar believes will significantly enhance the competitiveness of its vehicles, alongside smart partnerships with leading providers of autonomous driving and infotainment technologies. Sustainability remains a core principle for Polestar and the Company continues to work to reduce its impact on the environment in every aspect of its business, with a particular focus on the manufacturing of its cars. Polestar is actively targeting climate neutral manufacturing processes and materials and uses tools such as Life Cycle Analysis to help it both ascertain the impact of its vehicles and to identify opportunities to make them more sustainable. Polestar transparently shares this information with its customers so they can make an informed decision when buying a Polestar car and can track Polestar's progress.

*Rapidly expanding exclusive vehicle portfolio, targeting fastest growing, higher-margin segments.*

Polestar expects significant growth in the premium luxury electric vehicle segment and believes its ability to leverage a global manufacturing footprint and expanding product portfolio, coupled with a scalable and asset-light business model means it is well positioned to capitalize on this growing market.

*Polestar is one of two pure play global premium electric vehicle companies already in mass production.*

Currently, Polestar and Tesla are the only global pure play premium electric vehicle manufacturers in mass production. New entrants would have to develop significant core competencies to match Polestar's proprietary technology as well as the access to vehicle design and manufacturing capabilities and sales and service infrastructure that Polestar receives from Volvo Cars and Geely. Polestar believes these advantages constitute a significant barrier to entry. With over 170,000 Polestar 2 sold across 27 global markets since production commenced in 2019 through December 31, 2024, Polestar believes it has established a global reach. In 2024, Polestar started to benefit from global production and global distribution of two of its new SUVs, Polestar 4 and Polestar 3, production of which started in November 2023 and February 2024, respectively. Adding to this line-up, Polestar expects to start the production of Polestar 5 in 2025, expanding its portfolio of products to four vehicles.

*Capital efficient, asset-light business model, with access to established global state-of-the-art manufacturing facilities.*



Polestar has a scalable, asset-light business model that leverages the experience and manufacturing resources of Volvo Cars and Geely. Polestar has access to their technology, manufacturing facilities, logistical infrastructure and information technology systems. Polestar believes this access provides the flexibility to scale production more quickly with demand, using an already operational ecosystem, and has enabled Polestar to rapidly launch its brand globally. Polestar believes this asset-light model requires significantly less capital to produce vehicles and revenue compared to traditional manufacturers or other electric vehicle companies. Two examples of this strategy being implemented are the now established manufacturing in the USA and the planned introduction of manufacturing in South Korea. Polestar 3 production in Chengdu China, is complemented with production in South Carolina, USA, which began during summer 2024. Polestar 4 production in Hangzhou Bay, China, will be complemented by production in Busan, South Korea, through Geely's joint venture Renault Korea Co Ltd ("RK"), which is expected to commence during the second half of 2025.

#### *Bespoke regional market strategy.*

Polestar is transitioning its sales and distribution model from a model focused exclusively on a direct-to-customer experience, which initially reduced multiple traditional inefficiencies coupled with a differentiated distribution, to an active selling partner set-up, known as a 'non-genuine agency model', while in time adding wholesale capabilities to eventually implement a dual model approach. This approach enables rapid retail network expansion and customer reach in a capital-efficient manner. It allows Polestar to target customers in an efficient way with small and medium-size enterprises being the focus partners, and it provides the flexibility to adapt to diverse market conditions. Using the Polestar mobile application (the "*Polestar App*") or other digital connections, clients can discover Polestar's products, configure and personalize them, choose a financing option and purchase online, creating a seamless experience. Complementing this digital experience, customers can see, feel and test drive Polestar's vehicles, at one of the Polestar Spaces prior to making an online purchase. Polestar believes this combination of digital and physical retail presence serves to deliver a seamless experience for its customers. Polestar's customers benefit from a comprehensive service network which leverages the existing Volvo Cars service center network. In Europe, Polestar follows a direct-to-consumer model and, in select markets, an importer model, for sales and distribution. European customers have access to 90 Polestar spaces and approximately 650,000 charging points through Plugsurfing. Polestar is shifting select European markets to an importer model to focus resources on the most profitable markets, and applying a non-genuine agency operating model in key markets. In North America, Polestar is transitioning to a wholesale model, with high control of customer experience through retailer vetting. North American customers have access to over 30 Polestar Spaces, managed by independent authorized retailers, and service points as well as CCS Charging with approximately 8,000 charging points in USA and Canada. In China, prior to April 2025, Polestar operated through its JV with Xingji Meizu, giving customers access to around 70 Polestar Spaces and over 100 service points. In April 2025, Polestar signed an agreement to terminate the business of the Joint Venture and transfer the PRC distribution rights and certain assets from the JV to Polestar, so as to allow Polestar to resume direct sales, customer service and distribution activities in the Chinese market.

### **Polestar's Vehicles**

#### ***Polestar 1***

Polestar 1 is Polestar's halo car, a car intended to establish Polestar's brand in the premium luxury electric vehicle market. Polestar 1 was manufactured at Polestar's facility in Chengdu, China. First revealed in October 2017, commercial production commenced in 2019. Polestar 1 features a highly advanced and technically innovative powertrain, combined with composite materials and leading-edge technology mechanical components.

The hybrid powertrain features two electric motors on the rear axle – one for each wheel – mated to a front-mounted petrol engine which features turbo- and supercharging. A third electric motor is integrated between the crankshaft and gearbox for extra electric torque for the front wheels.

The body of Polestar 1 is made from carbon fiber reinforced polymer ("CFRP") which lowers the vehicle's weight as well as its center of gravity. The CFRP body also allowed the car's designers to create truly emotive and sharp styling cues that cannot be stamped into traditional metal body panels. Under the surface, the CFRP body features a carbon fiber "dragonfly" between the front seats and the rear of the vehicle, further reinforcing the car's chassis.

Driving dynamics are key to the Polestar experience and Polestar's engineers spent years developing the "Polestar feeling" with Polestar 1. Crucial to this was the co-development of leading-edge technology mechanical components – like the manually adjustable Öhlins Dual Flow Valve dampers with double wishbone design and 6-piston Akebono brake calipers.

Polestar 1 went into production at Polestar's Chengdu, China facility in 2019. The facility was the first Leadership in Energy and Environmental Design, or LEED, Gold accredited automotive manufacturing facility in China. With a planned three-year production run and a limited build capacity of up to 500 units per year, production of the car ceased in 2021.

#### ***Polestar 2***

Polestar 2 is an electric performance fastback and Polestar's first fully electric, high volume model. Polestar 2 is manufactured at the Taizhou, China facility, which is owned and operated by Volvo Cars after having been acquired the plant from Geely in December 2021. First revealed in 2019, production commenced in 2020.

Polestar 2 model range includes four variants – Long range dual motor with Performance pack (350 kW (476 hp)/740 Nm), Long range dual motor (310 kW (421 hp)/740 Nm), Long range single motor (220 kW (299 hp)/490Nm) and Standard range single motor (200 kW (272 hp)/490 Nm) – combined with six optional packages – Pilot, Plus, Climate, Pro, Nappa upgrade and Performance – to provide consumers with the perfect Polestar 2 for their needs. Pilot, Plus, Climate and Nappa packs encompass driver convenience and comfort features, while the Performance pack adds further dynamic and visual appeal with Öhlins Dual Flow Valve dampers, 4-piston Brembo brakes, forged alloy wheels and, naturally, Polestar's signature gold detailing inside and out. Polestar believes this modular approach simplifies both the purchase and manufacturing process while enhancing the customer experience. Polestar 2 model year 2024 introduced a new high-tech front end that reflects the design language premiered by Polestar 3, substantial performance increases with all-new electric motors, even more powerful batteries, sustainability improvements and, for the first time in a Polestar, rear-wheel

drive. The model year 2026 of Polestar 2 introduces an upgraded processor chip, Qualcomm Snapdragon, improving the performance of the car's infotainment system and a new top-tier audio system option from Bowers & Wilkins.

Since Polestar 2 deliveries began in 2020, Polestar has improved the range, efficiency and performance of Polestar 2 and its cradle-to-gate carbon footprint has been continuously reduced. The result is a total CO<sub>2</sub>e saving of 12%, or 3 tons, since the vehicles initial launch. Low-carbon aluminum in wheels and the battery tray, a switch to renewable electricity in the factory, and improved battery chemistry, are some of the contributing factors.

Polestar 2 was the first car in the world to feature an infotainment system powered by Google's Android Automotive OS, with Google built-in. Developed in collaboration with Google, the Android system integrates the car infotainment system with Google Assistant, Google Maps and the Google Play Store. The user interface is bespoke to Polestar 2 and developed in-house. With an open developer portal that features an Android Automotive OS emulator, Polestar also provides app developers the ability to develop apps for use in the car (for example a parking app from Easy Park, that can be downloaded directly to the car to simplify payment of parking fees) in shorter time than is generally required to develop apps for unique operating systems used by traditional car producers.

The Polestar 2 has been designed and produced in accordance with Polestar's emphasis on design led sustainability. It was in connection with the launch of Polestar 2 in 2020 that Polestar released its first Life Cycle Assessment report, with full methodology and transparency, and including a call to the industry at large for a uniformly open and transparent way of disclosing the carbon footprint of electric vehicles. In early 2021, Polestar took this transparency a step further by integrating a Product Sustainability Declaration into Polestar Spaces and on its website. The Product Sustainability Declaration discloses the cradle-to-gate ton greenhouse gas emissions and traced materials, which helps customers assess the sustainability performance of Polestar's cars. See Item 4.B "*Information on the Company—Business Overview—Design, Innovation and Sustainability—Sustainability.*" Information contained on the Company's website is not incorporated by reference into this Report, and you should not consider information contained on the Company's website to be part of this Report.

### **Polestar 3**

Polestar launched the Polestar 3 on October 12, 2022. Polestar 3 is a luxurious electric performance SUV with seating for five and design direction previewed by Polestar Precept concept car. It is an aerodynamically-optimized SUV using multiple design features to smooth airflow and reduce drag. The two seating rows in Polestar 3 stretch out between the long wheelbase offering luxurious and spacious legroom for the rear passengers even when the tallest driver is sitting in the front seat. Polestar believes that the Polestar 3 defines the SUV for the electric era by combining the high seating position favored by customers with a highly efficient aerodynamic silhouette and sports-car handling.

Materials used inside Polestar 3 have been selected for their sustainability credentials, while raising premium aesthetics and luxury tactility. These include bio-attributed MicroTech, animal welfare-certified leather rated with the highest global standard by the animal protection index, certified chrome free, and fully traceable wool upholstery.

Polestar 3 comes with a total cradle-to-gate carbon footprint of 24.7 tCO<sub>2</sub>e at launch. This is lower than that of the significantly smaller Polestar 2 when it was launched in 2020 (26.1 tCO<sub>2</sub>e), proving that even for large SUVs action can be taken to reduce their climate impact.

Material production and refining contributes 68% of its cradle-to-gate carbon footprint of which aluminum represents 24%, iron and steel 17% and battery module production 24%. The approach to meeting the ambitious sustainability targets for Polestar 3 took learnings from the carbon footprint reductions of Polestar 2. Consequently, 81% of Polestar 3's total aluminum mass production, the Li-ion battery cell module production as well as anode and cathode material production use 100% renewable electricity. By doing this, 8.5 tCO<sub>2</sub>e per car have been eliminated.

Polestar 3 is the first car from Polestar to feature centralized computing with the NVIDIA DRIVE core computer, running software from Volvo Cars. Serving as the AI brain, NVIDIA's high-performance automotive platform processes data from the car's multiple sensors and cameras to enable advanced driver-assistance safety features and driver monitoring. The infotainment system is powered by a next-generation Snapdragon Cockpit Platform from Qualcomm Technologies, Inc. As a central component of the Snapdragon Digital Chassis – a comprehensive set of open and scalable cloud-connected automotive platforms – the Snapdragon Cockpit Platform is utilized to provide immersive in-vehicle experiences with its high-performance capabilities to deliver high-definition displays, premium quality surround sound and seamless connectivity throughout the vehicle.

As standard, Polestar 3 features a total of five radar modules, five external cameras and twelve external ultrasonic sensors to support numerous advanced safety features. The SmartZone below the front aero wing collects several of the forward-facing sensors, a heated radar module and camera, and now becomes a signature of Polestar design. Inside, two closed-loop driver monitoring cameras bring leading eye tracking technology from Smart Eye to a Polestar for the first time, geared towards safer driving. The cameras monitor the driver's eyes and can trigger warning messages, sounds and even an emergency stop function when detecting a distracted, drowsy or disconnected driver.

For the North American market, the Polestar 3 has a US MSRP of \$67,500 to \$93,400, depending on vehicle configuration. It has two motor variants: a rear motor configuration and a dual-motor configuration with a power bias towards the rear. Long range Single motor produces a total of 220 kW (299 hp), 490 Nm and a leading range of up to 350 miles (EPA). The Long-range Dual motor car produces a total of 360 kW and 840 Nm of torque. With the optional Performance Pack, total output is 380 kW and 910 Nm. Adjustable one-pedal drive is included, as well as an electric Torque Vectoring Dual Clutch function on the rear axle for dual-motor vehicles – an evolution of what was first developed for Polestar 1. A decoupling function is also available for the rear electric motor, allowing the dual-motor car to run only on the front electric motor to save energy under certain circumstances.

### **Polestar 4**

Polestar 4 is a new breed of SUV coupé that transforms the aerodynamics of a coupé and the space of an SUV. Design cues first seen on Polestar's concept cars are brought to production in the fastest Polestar production car to date. Polestar 4 is positioned between Polestar 2 and Polestar 3 in terms of size and price.

Production and first deliveries in China commenced at the end of 2023, followed by Europe in 2024. Polestar 4 continues to be produced in China, now also for markets in the EMEA and APAC regions. Production is expected to expand and be centralized in Busan, South Korea starting from the second half of 2025, benefiting from a JV partnership between Renault and Geely.

As a design-driven brand, the design of Polestar 4 sees the continuation of key elements first shown by the Polestar Precept concept car, coming to life. This includes eliminating the rear window which enables a new kind of immersive rear occupant experience, and the separation of the dual blade front lights with unique Polestar light signature – complemented by the Polestar emblem with millimeter-precision lighting from below.

Built on the premium Sustainable Experience Architecture (SEA) developed by Geely Holding, Polestar 4 is a D-segment SUV coupé with a large body and long, 2,999 mm wheelbase. Polestar 4 has a length of 4,840 mm, a width of 2,139 mm and a height of 1,534 mm. The resulting generous interior proportions are especially evident in the rear, where occupants are cocooned in an intimate environment, with electrically reclining seats. Adjustable ambient lighting that adds an extra dimension to the interior, inspired by the solar system, allows the occupants to customize the driving environment.

Thanks to the elimination of the rear window, the standard full-length glass roof stretches beyond the rear occupants' heads, creating a truly unique interior ambience.

The rear-view mirror is replaced by a high-definition screen that shows a real-time feed from a roof-mounted rear camera – enabling a far wider field of view than what can be experienced in most modern cars.

In late 2023, Polestar revealed that Polestar 4 carries the lowest carbon footprint of all its cars at launch. Polestar 4 is produced in Geely Holdings' SEA factory in Hangzhou Bay, China, which combines green electricity that carries the I-REC hydro power certificate, with photovoltaic electricity from the roof of the plant. A higher use of low-carbon aluminum from smelters using hydropower electricity helps reduce the climate impact further.

The Polestar 4 Long range Single motor version has a cradle-to-gate carbon footprint of 19.9 tCO<sub>2</sub>e, while the Long range Dual motor has one of 21.4 tCO<sub>2</sub>e. Aluminum represents 24% of the carbon footprint, while steel and iron constitute 20%, and battery modules account for the highest share of the carbon footprint of materials production and refining at 36%.

A mono-material approach, first presented in the Polestar electric roadster concept in 2022, is applied to interior materials, where all layers of certain components are produced from the same base material. This allows them to be recycled more effectively and efficiently by eliminating the need for incompatible materials to be separated before recycling.

New interior materials include a tailored knit textile which consists of 100% recycled PET, along with bio-attributed MicroTech vinyl, and traced leather from Bridge of Weir – where the raw hides are by-products of the food industry and come from Scottish farms that are independently rated by the Animal Protection Index as being of the highest global standard.

The tailored knit upholstery is a new technique for the automotive industry. First shown in the Precept concept car, the textile is made from 100% recycled polyester. The material and the design have been created by Polestar designers together with the Swedish School of Textiles (Borås Textilhögskolan) and further developed with suppliers. It is made to fit, producing minimal off cuts and reduced overall waste.

Inlay carpets in the interior are made using recycled PET and floor carpets are made using ECONYL®, which includes reclaimed fishing nets. Specific door trim panels are made from NFPP (natural fiber polypropylene) which results in up to 50% less virgin plastic and a weight saving of up to 40%. MicroTech, first introduced in Polestar 3, is a bio-attributed vinyl that replaces crude oil with pine oil in its construction and features a recycled textile backing.

Polestar 4 is the fastest production car the brand has developed to date. The 0-100 km/h sprint can be completed in just 3.8 seconds and maximum power output is 400 kW (544 hp). Motors are of a permanent magnet, synchronous design. Driving dynamics are true to the Polestar brand – sharp steering and handling responses result in a thrilling and nimble driving experience for all occupants.

Both dual- and single-motor variants are available, with the single-motor featuring rear-wheel drive. Despite the high output and performance, control and confidence are always key factors to produce a responsible, everyday-enjoyable EV experience. Semi-active suspension features in the dual-motor version for an additional layer of adjustment between comfort and performance dynamics.

A 100 kWh battery is fitted to both long-range versions. The Long range Dual motor features 400 kW (536 hp), 686 Nm and a range of up to 590 km WLTP. A disconnect clutch allows the car to disengage the front electric motor when not needed, to maximize range and efficiency.

The Long range Single motor version features a 200 kW (268 hp) and 343 Nm motor at the rear, and a range of up to 620 km WLTP.

For the North American market, the Polestar 4 has a US MSRP of \$54,900 to \$80,000, depending on vehicle configuration. It offers driving dynamics and minimalist style to a larger market segment.

### ***Polestar 5***

Polestar currently plans to launch the Polestar 5 in 2025. Polestar 5 will be a luxurious 4 door grand tourer that most closely follows inspiration from the Precept which was announced in October 2020 at the Shanghai Motor Show. With an indicative MSRP starting at \$125,000 for the North American market, the vehicle will introduce new in-house aluminum body and chassis and powertrain architectures.

Polestar expects that Polestar 5 will be manufactured at a new state-of-the-art plant in China, built and operated by Geely. The plant will meet a high standard of sustainability, aiming for LEED Gold accreditation.

The design of the Polestar 5's interior is defined by sustainability and offered an opportunity to work with new materials and processes. Similarly, the design seeks to capitalize on the evolution of the Human Machine Interface ("HMI") based on Polestar 4 interactions and Google Android Automotive to deliver an enhanced customer experience.

Sustainable new interior materials balance modern high-tech luxury with reduced environmental impact. These sustainable materials include recycled PET bottles, reclaimed fishing nets and recycled cork vinyl. A flax-based composite developed by external partner Bcomp Ltd is featured in many interior and some exterior parts. Polestar's ambition is to bring much of this sustainability into production.

The next generation infotainment system HMI, powered by Android, builds on Polestar's close collaboration with Google. An enlarged, portrait-oriented 15-inch center touch screen complements a 12.5-inch driver display, and the two are linked by an illuminated blade that encompasses the entire interior.

The sculpted form of the Polestar 5 will set the tone for future Polestar vehicles. The vehicle's proportions define its presence with restrained surfacing and a focus on aerodynamic efficiency.

The front grille is replaced by the Polestar SmartZone, representing a shift from breathing to seeing. An area which once channeled air to radiators and the internal combustion engine now houses technology for safety sensors and driver assistance functions. The Dual blade LED headlight signature evolves with separated elements, taking on a dynamic and brand-defining interpretation.

At the rear, the wide light-blade spans the entire width of the car, extending into vertical aero-wings – another aerodynamic feature and a nod to light weight design.

#### ***Polestar 6***

Polestar 6 is a two-seater roadster, based on the same bonded-aluminium performance platform as Polestar 5. Polestar made the first 500 production cars available as the exclusive, numbered Polestar 6 LA Concept edition. With an indicative price starting at \$200,000 for the North American market, all 500 build slots of Polestar 6 LA Concept edition were reserved online within a week of the production announcement.

#### ***Polestar 7***

Polestar 7 will be a premium C-segment SUV, bringing the Polestar ethos in design and performance DNA to one of the fastest-growing and most attractive segments in the automotive industry. Polestar 7 will be based on a Geely group architecture and is planned to be manufactured in Europe.

#### ***Polestar 0 project***

In April 2021, Polestar announced its important goal to create a truly climate neutral car by 2030 a significant and necessary step to reach its goal of becoming a climate neutral company by 2040.

As the first planned phase of the Polestar 0 project is coming to an end, the project partners and Polestar are proud to announce that, across the companies' combined initiatives, important low carbon solutions have been identified. The joint efforts show potential to produce an equivalent of Polestar 2 with a CO2e footprint that could be 10 tonnes lower today than when the project started in 2020, where the largest contributions to the total potential are within aluminum and steel material manufacturing.

The cradle-to-gate carbon footprint of the 2020 launch edition Polestar 2 long range dual motor variant would go from about 26 tonnes to 16 tonnes of CO2e by fully incorporating the solutions identified within the partnerships. Aluminum and steel are key materials for decarbonization as they represent around 45% of the total GHG emissions in the LCA of Polestar 2.

### **Design, Innovation and Sustainability**

#### ***Design***

Design is at the core of Polestar. Polestar is a Scandinavian brand with pure, minimalist design. Polestar's design is progressive and defines the avant-garde of the electric and sustainable age. Polestar celebrates technology in its creations and innovation is its driving force. Performance is not only a capability of Polestar's products but the mindset of Polestar's whole company. Polestar's vehicles have been widely recognized for their outstanding design and performance credentials and Polestar 1 and Polestar 2 have each received numerous awards, including, among others, High-performance Luxury GT Coupe of the Year and Luxury High-Performance Electric Vehicle of the Year for Polestar Land Car of the Year titles in Norway, Switzerland, Germany (Luxury), China (Green Car), Germany's Golden Steering wheel as well as the Edie Sustainability Leader award for Polestar 2. Polestar 4 has won several awards for its design, including the prestigious Car Design of the Year award by Car Design News.

Polestar believes that its designs reflect the central tenants of Scandinavian design, with a focus on luxury minimalism and an emphasis on responsible material choices and such as the use of recycled and naturally grown materials.

#### ***Innovation***

Polestar's research and development strategy is to focus its own resources on the development of key electric vehicle technologies while accessing the benefit of investments in other technology from within the larger Geely ecosystem, including Volvo Cars and with external partners. Polestar also accesses and utilizes battery labs, wind tunnels, VR simulations and testing, proving grounds both in the UK and in Sweden.

Polestar's research and development teams are located in the United Kingdom, Sweden and China. Polestar's headquarters and research and development team is located in Gothenburg and is focused on a wide variety of areas, including electrical propulsion, sustainability, lightweight material designs, software, and more. In the United Kingdom, Polestar's research and development team is located in the Mira Technology Park in Coventry. This location benefits from good access to engineering talent, proving grounds, wind tunnels and workshops. Polestar's engineering focus in the United Kingdom is chassis and dynamics, aluminum bonding and architecture and sports car design. Located in Shanghai, Polestar's China-based research and development team focuses on the development of bespoke features for the Chinese market.

## Sustainability

Polestar has a philosophy to design towards zero, actively using Scandinavian minimalist design to engage customers and minimize Polestar's environmental impact. Polestar seeks to achieve its clear sustainability goals by establishing concrete targets focusing on four pillars of its sustainability approach:

- **Climate Neutrality:** Although Polestar believes that electric mobility is critical to the transformation to greater sustainability, EVs still have a substantial climate footprint. From material extraction to manufacturing and usage, each stage in the lifecycle generates greenhouse gas emissions. Therefore, just like any other company that puts products on the market, Polestar strives to reduce its emissions. At the same time, the shift to a climate-neutral society is an integral part of its business and strategy. Climate change is a material topic for Polestar, both from an impact and financial perspective, considering both its positive and negative impacts. This is understood as an opportunity for the company to help the world decarbonize and as a financial and economic risk if the world fails to follow the trajectory necessary to stay within 1.5 degrees Celsius.  
Polestar aims to achieve climate neutrality by 2040, reducing per-vehicle-sold GHG emissions by at least 90% compared to the 2020 base year, with residual emissions neutralized through carbon removals of the highest quality and environmental integrity. This includes GHG emissions from the supply chain, manufacturing, and energy use during the car's lifecycle, as well as GHG emissions stemming from its own activities, such as energy usage in offices and spaces it operates, business travel, events, and digital operations. From an industry perspective, two key goals must be achieved to fulfill the promise of electric vehicles and attain climate neutrality: vehicles must be charged with electricity from fossil-free sources, and supply chains must be decarbonized. Accomplishing this task is both complex and demanding.
- **Circularity:** At Polestar, circularity is a key solution for meeting mobility demands while minimizing resource impact. The company's focus on Circularity also encompasses its efforts on pollution (i.e., emissions other than greenhouse gases) and biodiversity. Circular design is integral to Polestar's decarbonization strategy, aiming to increase the share of circular (recycled and bio-based) materials. Polestar has identified two main levers of impact: increasing the share of circular materials and extending vehicle lifetime. Achieving its circularity ambitions will require rethinking the way the company designs, manufactures, sells, and manages vehicles throughout their entire lifetime and customer journey. In terms of circularity, Polestar strives to minimize waste, increase recyclability, utilize more circular materials, and limit the use of, and eventually phase out, harmful chemicals. Raw material consumption is at the root of all environmental problems, meaning that the actions Polestar is taking on circularity have the potential to positively impact everything from biodiversity and climate change to water use and pollution from microplastics and chemicals.
- **Transparency:** Transparency, including supply chain transparency, is an important internal governance tool and a catalyst for driving sustainability transformation. Manufacturing a car involves diverse materials, each with unique challenges and risks. These complexities, along with long supply chains, necessitate robust strategies to manage and mitigate these risks. To be able to trace and map materials is needed to drive change and implement our strategy. A prerequisite for transparency is access to information and data, and the lack of accessible information in general is a core barrier across all our key focus areas. Polestar's work is complicated by the fact that transparency in the automotive industry has historically been low. To some extent, this situation is a result of the complex nature of its work. A car consists of more than 30,000 components, assembled from raw materials sourced globally. Our focus is on addressing previously unsolved challenges and safeguarding traceability and transparency within global supply chains. These challenges are not unique to Polestar, as progressive companies in various industries such as fashion and electronics are also confronting similar obstacles. The most critical area of transparency is finding ways to collaborate and build trust between parties. Polestar's strategy on transparency involves initiatives within materials traceability, supply chain visibility, and consumer transparency.
- **Inclusion:** Polestar's operations impact people worldwide, influencing individuals and communities along its entire value chain, from mines around the globe to the cityscape of Gothenburg. Through its actions and operations, the company disseminates and reinforces values and sentiments. Polestar considers itself a responsible citizen of society and aims to make a positive contribution to the communities in which it operates, regardless of their location. However, the company also recognizes that its operations can sometimes have a negative impact. In a world where human rights are frequently breached and where local and global injustice is increasing, Polestar aspires to be a counter-force through its actions. It advocates for human rights, diversity, and prosperity for all, viewing these as the foundation for long-term business success. Polestar's ambition is to become the world's most diverse and inclusive EV company, reducing the gender gap, ensuring responsible supplier management to prevent human rights abuses, and providing all customers with a positive and equitable experience. Inclusion is both a focus area and an approach implemented throughout the company and its value chain. It serves as a valuable tool, enabling Polestar to uphold high ethical standards and make a positive impact on the world. The company's human rights strategy includes initiatives within supply chain and manufacturing, an inclusive workplace, and an inclusive customer experience.

## Sales and Distribution

Polestar is transitioning its retail sales and distribution model focused on a direct-to-customer experience, which initially reduced multiple traditional inefficiencies coupled with a differentiated distribution, to an active selling partner set-up, known as a 'non-genuine agency model', while in time adding wholesale capabilities to eventually implement a dual model approach. This approach enables rapid retail network expansion and customer reach in a capital-efficient manner, it allows to target customers in an efficient way with small and medium-size enterprises being the focus partners, and it provides the flexibility to adapt to diverse market conditions.

Polestar uses a digital first, direct to consumer approach that enables its customers to browse Polestar's products, configure their preferred vehicle and, where permitted, place their order online. Currently, customers in North America place orders for Polestar's vehicles through trusted retailers. In addition, Polestar has established physical retail locations referred to as Polestar Spaces. Polestar Spaces range from smaller Polestar showrooms located in urban areas to larger Polestar showrooms located in peri-urban areas.

Polestar Spaces allow Polestar’s customers to see, feel and test drive Polestar’s vehicles. In addition, Polestar has also established handover centers that provide a convenient option for customers to take delivery of Polestar vehicles, although customers may also choose home delivery in certain markets. As of December 31, 2024, there were 193 Polestar Spaces. In addition, as Polestar continues with its international expansion, it uses third party importers to give it access to lower volume markets, rapidly and with lower investment.

Polestar enters into agreements with independent investors to establish Polestar Spaces. These investors do not carry any inventory of cars for sale, but rather hold demonstration vehicles and provide potential customers with an opportunity to see, feel and test drive Polestar vehicles. With the shift to an active selling model now being accelerated by Polestar, the Sales specialist can also sell (or help customer to choose and buy) the car on behalf of Polestar. These investors may, but do not necessarily, have a prior relationship with Volvo Cars. In North America, however, federal or state law may prohibit automobile manufacturers from acting as licensed dealers or to act in the capacity of a dealer, or otherwise restrict a manufacturer’s ability to deliver or service vehicles. Accordingly, all of Polestar’s sales in North America are conducted through trusted representatives. These representatives are not necessarily associated with Volvo Cars or the Volvo Cars dealer network in North America. Polestar uses different set-ups, which range from an active selling model, wholesale, hybrid wholesale, dual or importer model) for different countries to comply with local legislation.

Polestar vehicles are also sold directly to various fleet customers (e.g. national and global corporate key accounts, national and international leasing companies, and rental companies). At the end of 2024, Polestar had active global corporate key account agreements with 134 international customers, and 5 major European leasing companies. This was in addition to several thousand national corporate key account and national leasing company agreements.

Polestar aims to deliver leading aftermarket services to its customers by leveraging Volvo Cars’ global service and repair network. Polestar is cooperating with Volvo Cars to develop their service center network, including the introduction of digital service booking, fault tracing, diagnostics and software download (Over-the-Air and in workshop). Polestar also utilizes the Volvo Cars service center network to supply its customers with a spare parts infrastructure. Polestar currently leverages the Volvo Cars service center network to provide access to 1,170 customer service points worldwide (as of December 31, 2024) in support of Polestar’s international operations. Polestar does not have a direct contractual relationship with the operators of its service points. Rather, Polestar relies on operators within the Volvo Cars network who sign, enter into, or amend, existing service contracts with Volvo Cars to add the service of Polestar vehicles to the scope of their dealer agreement.

Polestar’s principal operating entity is Polestar Performance AB. Polestar Performance AB is responsible for and is engaged in the product strategy and development as well as marketing and distribution of Polestar vehicles. Polestar Performance AB manages sales globally in conjunction with the local Polestar sales units. Sales on the Chinese domestic market were managed by Polestar Times Technology (Nanjing) Co. Ltd, a joint venture established in 2023 between Polestar Automotive (Singapore) Distribution Pte Ltd and Xingji Meizu, but following the termination of this joint venture in April 2025 Polestar will resume sales, customer service and distribution activities in the Chinese market. The vehicles sold globally by Polestar Performance AB are manufactured in China but production is expected to also take place in the United States and South Korea. Polestar may be subject to foreign exchange risk with respect to cash transfers within the group, including restrictions on cross border payments imposed by the Chinese government. See Item 3.D “*Risk Factors—Risks Related to Polestar’s Business and Industry—Polestar faces risks associated with international operations, including tariffs and unfavorable regulatory, political, tax and labor conditions, which could materially and adversely affects its business, financial condition, results of operations and prospects*” and “*—Polestar relies heavily on manufacturing facilities and suppliers, including single-source suppliers, based in China and its growth strategy will depend on growing its business in China. This subjects Polestar to economic, operational, regulatory and legal risk specific to China.*”

#### *Joint venture with Hubei Xingji Meizu Group Co., Ltd*

In June 2023, Polestar entered into the Joint Venture to develop Xingji Meizu's existing technology platform and intelligent vehicle software, with the Joint Venture also acting as the sole authorized sales and service entity for Polestar vehicles in the PRC. Polestar transferred certain commercial assets as well as a number of its PRC-based staff to the Joint Venture.

In April 2025, after a change in market focus and strategy, Polestar and Xingji Meizu signed an agreement to terminate the business of the Joint Venture and to transfer the PRC distribution rights back to Polestar. The termination agreement also covers the transfer of certain digital and other assets from the Joint Venture to Polestar so as to allow Polestar to resume sales, customer service and distribution activities in the Chinese market.

### **Manufacturing**

Polestar has the benefit of having access to the global manufacturing footprint of Volvo Cars and Geely with its substantial combined installed production capacity.

#### *Taizhou facility*

Polestar 2 is produced in the Taizhou facility. The facility opened in 2016. The plant is focused on the CMA platform, and also produces Volvo XC40. In October 2021, Geely and Volvo Cars agreed to transfer the Taizhou facility to Volvo Cars. The transfer was effectuated in December 2021 and did not affect production of the Polestar 2 at the facility. In connection with this transfer, the facility has been renamed from "Luqiao" to "Taizhou."

#### *Charleston facility*

Polestar 3 is manufactured in Volvo Cars’ Charleston, South Carolina, USA, facility. The facility opened in 2018, and produces Volvo Cars EX90, which share the SPA2 platform with Polestar 3. Production commenced in summer 2024 and is dedicated to the US and part of the European market.

#### *Volvo Cars’ Chengdu facility*

Polestar 3 is also manufactured in Volvo Cars’ Chengdu plant. The facility opened in 2013. The production of Polestar 3 started in early 2024.

#### ***Busan facility***

Polestar 4 is planned to be partly manufactured in Busan, South Korea, with vehicles produced at this facility expected to be for the European, US and domestic South Korean markets. The plant is owned by Renault Korea Co Ltd("RK"), which is 35% owned by Geely. Production is expected to start in the second half of 2025.

#### ***Hangzhou Bay***

Polestar 4 is currently manufactured at the Geely-owned Hangzhou Bay plant. The plant is used for several brands of the Geely group, as well as brands outside of the Geely group. The facility opened in 2022.

#### ***Chongqing facility***

Polestar 5 is expected to be produced in the Chongqing, China plant owned by Geely and currently operated by Polestar. Geely is planned to take over the operations of the plant in Q2 2025. Production for Polestar 5 is expected to start in the second half of 2025.

#### **Battery suppliers**

Polestar has a diversified strategy with respect to the supply of batteries, to reduce supply risk as well as to ensure better flexibility as battery technology continues to develop. Polestar’s primary sources of batteries is Contemporary Amperex Technology Co. Limited with whom Polestar has a long-term supply agreement and the ability to leverage group purchasing power. Polestar has also entered into an agreement with SK-On for the supply of battery cell modules for the forthcoming Polestar 5. Polestar continues to evaluate potential up and coming startups in this area.

#### **Related Party Agreements with Volvo Cars and Geely**

Polestar benefits from the technological, engineering and manufacturing capabilities of Volvo Cars and Geely. These relationships give it access to the developed technology, IT, logistic channels, manufacturing capacity and distribution networks established by Polestar’s founding partners, on a global basis. Accordingly, Polestar has entered into a number of contractual arrangements with Volvo Cars and Geely to obtain support and various services in connection with its business. Polestar’s agreements with its partners are made on an arms-length basis and it assesses any agreement with related parties on the same basis as an agreement with third parties with respect to the scope of the services offered, timing and fees. While Polestar derives substantial benefit from access to its partners’ resources and expertise, Polestar is free to seek technology, manufacturing and other services from third parties based solely on the needs of its business. Polestar’s material transactions with related parties are subject to approval by its Board of Directors or other relevant persons in conformity with its related party transactions policy. Polestar has also established a number of steering committees to monitor compliance and performance of its agreements related to development, manufacturing, or service contracts with related parties (the “*Steering Committees*”). Polestar believes the Steering Committees provides a means of ensuring the interests of Polestar are protected and if necessary, provides a means of escalating any concerns or disputes to senior management or the Board. For additional information in relation to materially significant related party transactions during the years ended December 31, 2024, 2023 and 2022, see *Note 27 - Related party transactions* in Polestar’s Consolidated Financial Statements included elsewhere herein. For a further description of Polestar’s contracts with related parties, see the section entitled Item 7.B “*Major Shareholders and Related Party Transactions—Related Party Transactions.*”

Polestar’s agreements with Volvo Cars cover research and development services, intellectual property licenses, purchasing, manufacturing engineering and logistics engineering and manufacturing with respect to the Polestar 1, Polestar 2 and Polestar 3. Polestar has also entered into a design services agreement with Volvo Cars with respect to Polestar 4 and Polestar 5 and entered into development agreements and licensing agreements with Geely with respect to Polestar 4 during 2021. In addition, Polestar has entered into agreements with Volvo Cars for the supply of parts as well as customer service and support agreements, agreements for the supply of general corporate services, IT support agreements and maintenance and operations agreements. In connection with its logistics, it has entered into agreements with Volvo Cars for logistics support services for Europe, North America, China and APAC, including logistics management, customs clearance and claims management, although it contracts directly with transporters as well. For additional information in relation to materially significant related party transactions, see the section entitled Item 7.B “*Major Shareholders and Related Party Transactions—Related Party Transactions.*”

#### ***Research and development services and intellectual property licenses***

Polestar has entered into a number of agreements and licensing agreements with Volvo Cars and/or Geely with respect to research and development services and licensing of intellectual property in connection with the development and manufacture of the Polestar 1, Polestar 2, Polestar 3, Polestar 4 and, Polestar 5. The fees payable by Polestar under the Polestar 2 and Polestar 3 agreements are based on Polestar’s volume share of Volvo Car Corporation’s actual development cost. The development cost is calculated based on actual cost and an arm’s length hourly rate. For the Polestar 3, Polestar the fee payable is a fixed price for the technology license and development services. Polestar has also entered into agreements providing for services and a license relating to certain technology such as for technology updates and upgrades and new features to be introduced in Polestar’s model year programs for the Polestar 2. During the life-time of the Polestar 2, there are several model years planned. These programs include additional technology content and features for the Polestar 2 that will be developed, assigned or licensed by Volvo Cars to Polestar. Volvo Cars also provides certain development services to Polestar under these agreements. Polestar also entered into licensing agreements and a development service agreement with Geely for the Polestar 4 between late 2021 and early 2022. In 2024, Polestar entered into additional development service agreements with Geely relating to the introduction of Polestar 4 production in South Korea. Finally, Polestar have entered into certain licensing and development service agreements with Zeekr and Geely relating to Polestar 5. For Polestar 4 and Polestar 5, the

license fee is calculated based on Polestar's net revenues and the service is a fixed amount calculated based on estimated hours and an arm's length hourly rate.

#### ***Purchasing Agreements***

Polestar has entered into several sourcing service agreements and maintenance agreements with Volvo Cars and Geely in connection with the different Polestar vehicle programs. The sourcing service agreements provide for sourcing of direct procurement of materials from third party suppliers as well as indirect procurement of services and other supplies. Services provided by Volvo Cars and Geely for such procurement are charged at an hourly rate established annually. Furthermore, direct costs incurred by Volvo Cars or Geely are reimbursed by Polestar.

#### ***Manufacturing engineering and logistics engineering***

Polestar has entered into manufacturing engineering service agreements with Volvo Cars and Geely in connection with the production of the Polestar branded vehicles. These agreements provide that Volvo Cars and Geely will provide industrial engineering services and manufacturing services with respect to the Polestar vehicle programs. Polestar has also entered into a logistical engineering service agreement with Volvo Cars, under which Volvo Cars will provide support in connection with the development and set-up of an inbound and outbound logistic process connected to the plants.

#### ***Manufacturing***

For the manufacturing of its models, Polestar has entered into contract manufacturing agreements with manufacturing facilities owned and operated by Volvo Cars and Geely. Polestar 2 is produced at the Taizhou plant, which is owned and operated by Volvo Cars. Polestar 3 is produced at Volvo Cars' facility in Chengdu, China and at Volvo Cars' Charleston, South Carolina facility. Polestar 4 is produced at Geely's Hangzhou Bay plant in China.

#### ***Other Agreements***

In addition, Polestar has entered into several agreements regarding outbound logistics according to which Volvo Cars support with supply chain related services for the supply of Polestar vehicles. Polestar has also entered into agreements regarding quality services. Polestar has also entered into commercial, administrative and product creation software license agreements that license IT applications and IT services connected to administration, commercial, research and development and purchasing for use by Polestar globally.

#### ***Charging Network***

Polestar believes that proprietary charging networks do not encourage customer adoption. Accordingly, Polestar intends to seek to build partnerships with open charging infrastructure providers. Polestar will use aggregators to help simplify the charging and payment experience for its customers, leveraging technology such as in car apps.

Polestar provides regional coverage and preferential pricing through regional strategic partnership with the largest charging network providers. Polestar provides its customers with access to an extended regional charging network using Plugsurfing aggregated CPO network in Europe. Polestar provides access to over 850,000 public charging points in Europe, including to Tesla Superchargers. In North America, customers have access to over 17,800 Tesla Superchargers with a NACS adaptor.

#### ***Competition***

Polestar faces competition from both traditional automotive manufacturers and an increasing number of new companies focused on electric and other alternative fuel vehicles. Polestar expects this competition to increase, particularly as the transportation sector continues to shift towards low-emission, zero-emission or carbon neutral solutions. In addition, numerous manufacturers offer hybrid vehicles, including plug-in versions, with which Polestar's vehicles also compete.

Polestar believes that the primary competitive factors on which it competes include, but are not limited to, its focus on design and sustainability, and its proprietary and co-developed technological innovations. Polestar has a start-up culture and a scalable asset-light business model that it believes generates significant competitive advantage. However, many of its current and potential competitors may have substantially greater financial, technical, manufacturing, marketing and other resources than Polestar or may have greater name recognition and longer operating histories than Polestar does (see also Item 3.D *"Risk Factors—Risks Related to the Polestar's Business and Industry—Polestar operates in an intensely competitive market, which is generally cyclical and volatile. Should Polestar not be able to compete effectively against its competitors then it is likely to lose market share, which could have a material and adverse effect on the business, financial condition, results of operations and prospects of Polestar."*). Polestar believes it can further differentiate itself from its competitors with its brand pillars of pure, progressive, performance alongside its established global presence and ability to leverage an established production ecosystem due to its relationships with its founding partners.

On a global basis, Polestar's principal premium competitors are Audi, BMW, Mercedes and Tesla. Porsche is one of Polestar's core competitor brands from a driving experience and performance perspective. As one of the world's most renowned makers of "driver's cars", Porsche represents a strategic benchmark for Polestar in an exclusive brand segment. Although previously a manufacturer of solely internal combustion engine cars, Porsche has launched the Taycan and, more recently, the Macan electric vehicles which bring the brand's renowned dynamic experience to electric vehicles. The recently launched electric Macan is considered a key competitor to Polestar 4. Porsche is also a benchmark brand for future Polestar vehicles in terms of size and segments. In terms of pure EV peers, Tesla Model 3 was often seen as a principal competitor to Polestar 2. Model X and Model Y have become more relevant with the launches of Polestar 3 and Polestar 4, respectively. Other competition within the electric vehicle segment of the market, includes other pure play electric vehicle producers, such as Nio, Xpeng, Rivian, and Lucid.

#### ***Intellectual Property***



Research and development, conducted with strategic partners such as Volvo Cars, are one of Polestar’s core competencies and Polestar’s developments in areas such as lightweight chassis architectures, drivetrains, electric motors, bi-directional compatible battery packs and charging technology significantly enhance the flexibility and utility of its vehicles. In addition, Polestar has created considerable intellectual property related to its design of both the interior and exterior of its vehicles, including various components such as wheel rims and lights. Accordingly, Polestar’s commercial success depends in part on its ability to protect and control its proprietary design, technology and other intellectual property assets. Polestar relies on a combination of intellectual property rights, such as patents, design and trademark registrations, to protect and preserve its proprietary technology and intellectual property assets. In addition, Polestar enters into employee, contractor, consultant and third-party non-disclosure and invention assignment agreements and other contractual arrangements to protect its proprietary technology and intellectual property assets.

As of December 31, 2024, Polestar owned 136 issued U.S. patents and 119, 75, and 236 issued patents in Europe, China and other jurisdictions (including European Patent Organisation (“EPO”) validation states and UK), respectively. Those patents are related to Polestar’s core proprietary technology. In addition, Polestar had 20 pending U.S. patent applications and 71, 29, and 37 pending patent applications in the EPO, China and other jurisdictions, respectively. In addition to patents covering Polestar’s core proprietary technology, Polestar had 19 pending U.S. design patent applications, plus 131, 339 and 126 issued design or industrial design patents in the U.S., EU (including the UK) and China, respectively, and 124 issued design or industrial design patents issued in other jurisdictions. Another 24 and 15 design applications were pending in the EU (EU filings, including UK filings) and China, respectively, and there were 2 pending design applications in other jurisdictions. As of December 31, 2024, Polestar owned 16 registered U.S. trademarks, 4 pending U.S. trademark applications, as well as 38 and 19 registered trademarks in the EU (incl UK) and China, respectively. Further, 4 and 33 trademark applications were pending in the EU (incl UK) and China, respectively.

Regardless of the coverage Polestar seeks under its existing patent applications, there is always a risk that alterations from Polestar’s products or processes may provide sufficient basis for a competitor to avoid infringement claims. In addition, the coverage claimed in a patent application can be significantly altered before a patent is issued and courts can reinterpret patent scope after issuance. Many jurisdictions, including the United States, permit third parties to challenge issued patents in administrative proceedings, which may result in further narrowing or even cancellation of patent claims. Polestar cannot provide any assurance that any patents will be issued from its pending or any future applications or that any current or future issued patents will adequately protect its intellectual property. For this and other risks related to Polestar’s proprietary technology, inventions and improvements, please see Item 3.D “*Risk Factors—Risks Related to Intellectual Property*.”

Progressive designs force Polestar to innovate and develop new technologies, technologies that in turn can improve customer experience or improve vehicle and sustainability performance. New technologies, not least connectivity and autonomous drive, will create additional intellectual property. Polestar also engages in competitive landscape analysis and forecasting measures, in an effort to identify future areas of interest that may allow it to more competitively engage in the future markets. As Polestar develops its technology, it will continue to build its intellectual property portfolio, including by pursuing patent and other intellectual property protection when Polestar believes it is possible, cost-effective, beneficial and consistent with its overall intellectual property protection strategy.

Polestar’s commercial success will also depend in part on not infringing, misappropriating or otherwise violating the intellectual or proprietary rights of third parties. The issuance of third-party patents could require Polestar to alter its development or commercial strategies, change its products or processes, obtain licenses to additional third-party patents or other intellectual property or cease certain activities. Polestar’s breach of any license agreements or failure to obtain a license to proprietary rights that it may require to develop or commercialize its future products or technologies may have an adverse impact on Polestar. See Item 3.D “*Risk Factors—Risks Related to Intellectual Property*” for additional information regarding these and other risks related to Polestar’s intellectual property portfolio and their potential effect on Polestar.

In addition to Polestar’s proprietary technology and intellectual property assets, it has also acquired, licensed or sub-licensed material portions of the intellectual property that is relevant to its products from Volvo Cars, Geely and Zhejiang Zeekr Automobile Research and Development Co., Ltd. For example, it has acquired intellectual property with respect to fully electrical platform technology, motor vehicle drive units with electric vehicle motors, motor assemblies for operating electric powertrains, and structures specifically designed to protect electric vehicle components, and intellectual property relating to infotainment and connectivity. Polestar has also entered into agreements providing for a license relating to certain technology and features to be introduced in its model year programs.

## Regulation

Polestar’s products are designed to comply with all applicable regulations in the markets where it operates. As of December 31, 2024, Polestar operates in 27 markets in Europe, the Middle-East, North America, China and Asia Pacific. Polestar’s expansion plans include further building its presence in fast growing markets in the Asia Pacific region as well as the Middle East. As Polestar expands its international presence, it will continue to take action to support that its vehicle design and sales comply with all regulations for each market it enters. Currently, the regulatory regimes material to Polestar’s business are those established by the United Nations Economic Commission for Europe, the European Union, the United States and China. These regulations are monitored by Polestar’s product certification team, supported by Volvo Cars and other external suppliers, to ensure that the internal design requirements reflect the applicable requirements for each product, market, and time frame.

Polestar believes that the following regulations are material to its business:

### UNECE

The World Forum for Harmonization of Vehicle Regulations of the United Nations Economic Commission for Europe (the “UNECE”) has been working towards international harmonization of the technical prescriptions for the construction and approval of wheeled vehicles since 1947. The UNECE has developed certain international rules and regulations in the area of safety, environment, range and energy consumption under the 1958 Agreement concerning the adoption of uniform technical prescriptions for wheeled vehicles, equipment and parts and the conditions for reciprocal recognition of those regulations. Regulations promulgated in accordance with the 1958 Agreement have been adopted in approximately 60 jurisdictions including the EU. The UNECE also adopted similar global

technical regulations under the 1998 Agreement of which the United States, the EU, China, and Japan are parties and 21 global technical regulations have been promulgated to date. Polestar’s vehicles meet the relevant requirements under the UNECE regulations.

#### EU

Manufacturers of passenger vehicles in the EU that wish to benefit from the Single Market are required to comply with EU Regulation 2018/858 (the Whole Vehicle Type Approval), which requires that vehicles that are put on the market within the EU must first be type-approved to ensure that they meet all relevant environmental, safety and security standards. A vehicle that has been type-approved in one EU member state can thereafter be sold and registered in all member states without further tests. Polestar’s vehicles are type approved and fulfill applicable underlying regulations and directives.

#### USA

Polestar is required to obtain permits and licenses under the United States laws, regulations, and standards. Violations of these laws, regulations or permits and licenses may result in substantial civil and criminal fines, penalties and possibly orders to cease the violating operations or to conduct or pay for corrective works. In some instances, violations may also result in the suspension or revocation of permits and licenses.

The United States is a self-certification market when it comes to safety compliance. Accordingly, Polestar is required to fully comply with relevant regulations for every vehicle that is put on the market, but no formal approval is granted by the NHTSA. The National Traffic and Motor Vehicle Safety Act of 1966 requires cars and equipment sold in the United States to fulfill safety standards that are continuously updated to meet new technologies and needs.

Polestar’s vehicles fulfill the applicable product requirements stipulated by the NHTSA and the EPA on a federal level, and similarly the CARB who is a major regulator on the state level.

#### China

The regulatory system in China applies type approval for Polestar’s vehicles under three regulatory bodies:

- Ministry of Industry and Information Technology (“MIIT”)—regulates the approval to manufacture vehicles;
- State Administration for Market Regulation (“SAMR”)—regulates vehicle safety; and
- Ministry of Ecology and Environment (“MEP”)—regulates range and energy efficiency.

The Chinese government has also enacted a number of macro policies that govern the automobile industry in China. In particular, the Provisions on the Administration of Investments into the Automobile Industry adopted by the National Development and Reform Commission on January 10, 2019, stated that, while the production of traditional gas fuel vehicles should be strictly controlled, the development of new energy vehicles should be promoted but the establishment of fully electric car manufacturing companies should also be subject to strict scrutiny and the establishment of low-level manufacturing companies should be avoided. Additionally, considering the current large volumes of new energy vehicles in China, MIIT is also starting to strictly control contract manufacturing of new energy vehicles in PRC. As of result of such control, MIIT has possibilities not to approve car model homologation for contract manufacturing, especially foreign related.

Further, in order to be able to operate in China, Polestar and its subsidiaries are subject to permission requirements from the following regulatory bodies:

- SAMR;
- MEP; and
- General Administration of Customs.

Polestar and its subsidiaries have received all requisite permissions to operate in China and have not been denied any permissions in the past. These permissions include the following:

- Business License;
- Pollutants Discharge Permit; and
- Customs Declaration Registration Certificate or Customs Declaration Enterprise Record Receipt.

See Item 3.D “*Risk Factors—Risks Related to Polestar’s Business and Industry—Polestar and its subsidiaries (i) may not receive or maintain permissions or approvals from the CAC or other relevant authorities to operate in China, (ii) may inadvertently conclude that such permissions or approvals are not required or (iii) may be required to obtain new permissions or approvals in the future due to changes in applicable laws, regulations, or interpretations related thereto*” for more information regarding risks associated with Polestar’s and its subsidiaries’ operations in China.

#### Focused regulatory areas

Some regulatory areas are rapidly changing within all the above-mentioned regulatory frameworks. The ones listed below are of key importance to Polestars products moving forward.

- Cyber security and privacy
- Electric vehicle safety
- Autonomous drive

In some of the relevant markets new requirements are enforced as guidelines and policies rather than regulations. Polestar’s ambition is always to meet relevant requirements for each product, market, and time frame.

## Cyber security and privacy

Cybersecurity and cybersecurity management systems are being regulated in many markets to enhance data security protection measures and to minimize the risks associated with cyber threats.

Data privacy and data protection laws in the markets where Polestar operates influence Polestar's abilities to collect and use personal information. For most markets, Polestar's connected vehicle services, as well as its sales and marketing activities, are subject to European laws, including the EU General Data Protection Regulation 2016/679 (GDPR), in addition to applicable national law in each market, which impose requirements on processing of personal information. Following general guidance from the European Data Protection Board, much of the data in the context of connected vehicles may be viewed as personal data and therefore subject to the EU GDPR. In the US, Polestar needs to comply with the California Consumer Privacy Act (CCPA) and similar state-level comprehensive privacy laws which enter into force starting from 2023 in e.g. Virginia, Colorado and other states.

Violations of data privacy and data protection laws may result in consequences such as substantial fines, damages, ceasing with the infringing activity and deletion of erroneously collected information.

In China, several pieces of legislation have been adopted in recent years, applicable in part or in full to Polestar's operations in China. These include the Data Security Law and the Personal Information Protection Law, which entered into force in 2021. Both laws impose requirements on data activities or personal information processing activities, including security reviews and specific requirements on activities on data regarding Chinese persons carried out outside of China. The Several Measures on the Automobile Data Security Management (for Trial Implementation) from the CAC, which entered into force in October 2021, imposes requirements on processing of personal information and important data during the process of designing, manufacturing, selling, maintaining, managing automobiles within the territory of China. It specifically requires the operators to store certain personal information and important data within the territory of China, or in case overseas transfers are necessary, to go through the data export security assessment organized by the CAC in accordance with such laws.

The Cybersecurity Review Measures from the CAC, which came into effect in February 2022, requires data processors in China who hold more than one million users' personal information and plan to list on a stock exchange in a foreign country to apply for a cybersecurity review. It also gives the CAC the power to initiate cybersecurity review in certain situations.

The Cross-border Data Transfer Security Measures (the "*Security Assessment Measures*") from the CAC, effective from September 2022, requires security assessment for data being exported. Data handlers must submit application materials to the CAC offices at the provincial level for the security assessment within a six-month "rectification period".

In addition to the legislative requirements to protect personal data, Polestar operations are subject to various regulations concerning cybersecurity in general. In Europe, the NIS 2 directive and corresponding national legislation require Polestar to maintain a cybersecurity management system ensuring that Polestar's data and digital assets are protected against cyber-attacks. This includes for example operational aspects such as Vulnerability and Network Protection Management, Security Incident Management as well as steering and reporting functions such as Cyber-Risk Management and Reporting to the Management and the Board.

SOX Standards toward the Security and Integrity of Financial and operational data apply to Polestars systems and operations. These regulations include Protection of relevant Systems and Data, detailed Incident Detection and Reaction mechanisms and plans as well as performant risk management including Reporting to Management and Board.

The Industry and Information Technology Field Data Security Administrative Measures (for Trial Implementation) promulgated by the Ministry of Industry and Information Technology of China, which became effective on January 1, 2023, regulate the data processing activities of certain industrial and technology businesses operating in the PRC. Data handlers that fall within this legislation are required to take certain steps to classify, appropriately process and protect the subject data, as well as to submit a catalog of important and core data to the local industrial regulatory department. As Polestar is not a registered manufacturer in the PRC it believes the legal obligations arising from this legislation will primarily sit with its contract manufacturing partners. However, Polestar may nonetheless be negatively impacted should its contract manufacturing partners not meet their obligations under this legislation.

## Electric vehicle safety

Upcoming Safety Regulations include requirements concerning driver drowsiness and distraction, intelligent speed assistance, reversing safely with the aid of cameras or sensors, data recording in case of an accident (black box), lane-keeping assistance, advanced emergency braking, and crash-test improved safety. Specifically for battery electric vehicles there are requirements for vehicle-mounted rechargeable electrical energy storage systems, operation safety and fault protection and protection against electric shock, on both component and vehicle level.

## AD/ADAS Regulations

Polestar equips its vehicles with certain advanced driver assistance features. Generally, laws pertaining to driver assistance features and self-driving vehicles are evolving globally and, in some cases, may create restrictions on advanced driver assistance or self-driving features that Polestar may develop.

## Sustainability and Environmental Regulations

Polestar operates in an industry that is subject to extensive sustainability-related regulations, which become more stringent over time. The laws and regulations to which Polestar is or may become subject govern, among other things, traceability, modern slavery and forced labor water use; air emissions; use of recycled materials; energy sources; the release, storage, handling, treatment, transportation and disposal of, and exposure to, hazardous materials; the protection of the environment, natural resources and endangered species; responsible mineral sourcing; due diligence transparency and the remediation of environmental contamination. Compliance with such laws and regulations at an international, regional, national, state, provincial and local level is and will be an important aspect of Polestar's ability to continue its operations.

Many countries have announced a requirement for the sale of zero-emission vehicles only within proscribed timeframes, some as early as 2035, and Polestar as an electric vehicle manufacturer is already in a position to comply with these requirements across its entire coming product portfolio as it expands.

#### ***Emissions Credits***

All manufacturers are required to comply with the applicable emission regulations in each jurisdiction in which they operate. Furthermore, since Polestar's electric vehicles have zero tailpipe emissions, it earns emission grams or credits that may be sold to and used by other manufacturers.

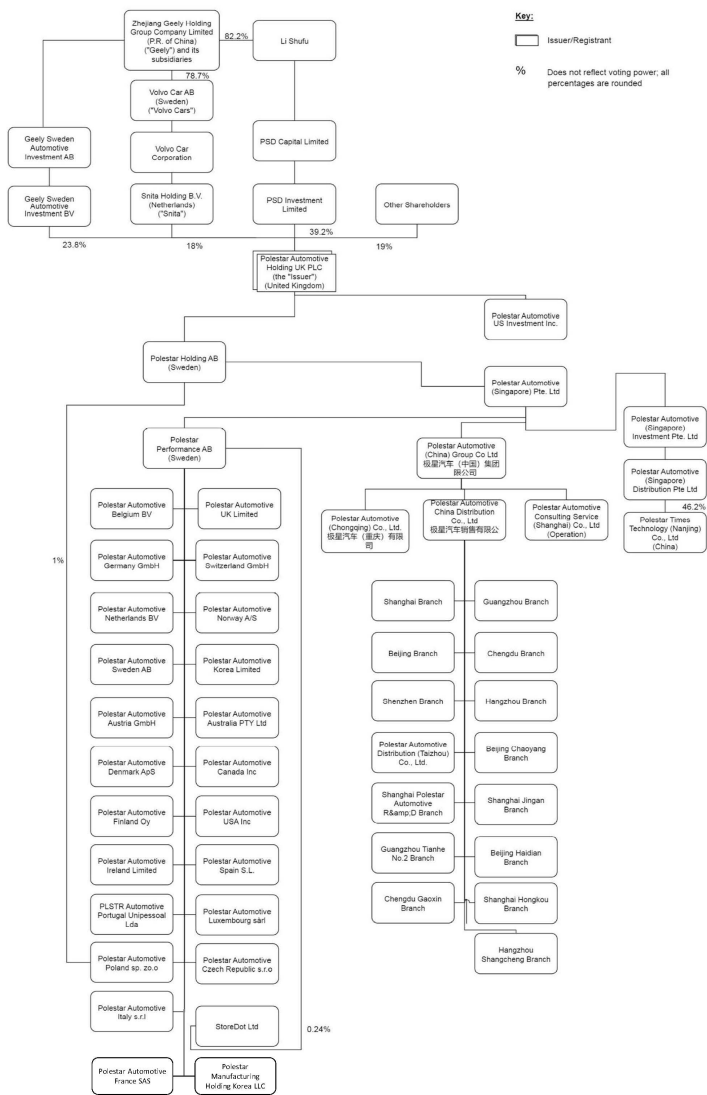
Polestar aims to follow the development and opportunities connected to emission regulations in all geographic regions in which it operates. The ability to earn excess emission grams or credits is dependent on each jurisdictions' regulations and the opportunity to get compensated by others depends on the demand from other manufacturers.

#### ***Recall activities***

If Polestar vehicles need to be recalled or updated due to quality issues or not fulfilling applicable legal requirements in a market, decisions will be taken according to delegation of authority within Polestar. Reporting to authorities according to local requirements applies.

#### **C. Organizational Structure**

The following diagram depicts the organizational structure of the Company as of the date of this Report



The significant subsidiaries of the Company as of the date of this Report are listed below.

Legal Name	Jurisdiction of Incorporation	Proportion of Ordinary Shares Held by the Company
Polestar Holding AB	Sweden	100%
Polestar Automotive (Singapore) Pte. Ltd.	Singapore	100%
Polestar Performance AB	Sweden	100%
Polestar Automotive Canada Inc.	Alberta, Canada	100%
Polestar Automotive USA Inc.	Delaware, USA	100%
Polestar Automotive US Investment Inc.	Delaware, USA	100%
Polestar Automotive Belgium BV	Belgium	100%
Polestar Automotive Germany GmbH	Germany	100%
Polestar Automotive Netherlands BV	Netherlands	100%
Polestar Automotive Sweden AB	Sweden	100%
Polestar Automotive Austria GmbH	Austria	100%
Polestar Automotive Denmark ApS	Denmark	100%
Polestar Automotive Finland Oy	Finland	100%
Polestar Automotive Switzerland GmbH	Switzerland	100%
Polestar Automotive Norway A/S	Norway	100%
Polestar Automotive Korea Limited	South Korea	100%
Polestar Automotive Australia PTY Ltd	Australia	100%
Polestar Automotive (Singapore) Distribution Pte. Ltd.	Singapore	100%
Polestar Automotive Ireland Limited	Republic Ireland	100%
PLSTR Automotive Portugal Unipessoal Lda	Portugal	100%
Polestar Automotive Poland sp. zo. o	Poland	100%
Polestar Automotive UK Limited	United Kingdom	100%
Polestar Automotive Spain S.L	Spain	100%
Polestar Automotive Luxembourg SARL	Luxembourg	100%
Polestar Automotive Czech Republic s.r.o	Czech Republic	100%
Polestar Automotive Italy s.r.l	Italy	100%
Polestar Automotive France SAS	France	100%
Polestar Manufacturing Holding Korea LLC	South Korea	100%
Polestar Automotive (China) Group Co., Ltd.	People's Republic of China	100%
Polestar Automotive China Distribution Co., Ltd.	People's Republic of China	100%
Polestar Automotive Consulting Service (Shanghai) Co., Ltd.	People's Republic of China	100%
Polestar Automotive Distribution (Taizhou) Co., Ltd.	People's Republic of China	100%
Polestar Automotive (Chongqing) Co., Ltd.	People's Republic of China	100%
Polestar Automotive (Singapore) Investment Pte Ltd	Singapore	100%

#### D. Property, Plants and Equipment

Polestar is headquartered in Gothenburg, Sweden. Polestar's research and development teams are primarily located in Sweden and the United Kingdom. In Sweden, Polestar's headquarters and research and development team are located in Gothenburg close to the facilities and competences at Volvo Cars and its surroundings. This research and development team is focused on collaboration with Volvo Cars in a wide variety of areas, including electrical propulsion, sustainability, lightweight material designs, software, and more. In the United Kingdom, Polestar's research and development team is located in Coventry. This location benefits from good access to engineering talent, proving grounds, wind tunnels and workshops. Polestar's engineering focus in the United Kingdom has been the development of Polestar 5 and overall chassis and driving dynamics.

Polestar uses a digital first, direct to consumer approach that enables its customers to browse Polestar's products, configure their preferred vehicle and, where permitted, place their order online. Alternatively, Polestar Spaces are where customers can see, feel and test drive Polestar's vehicles prior to making an online purchase. As of December 31, 2024, there were 193 Polestar Spaces. In addition, Polestar leverages the Volvo Cars service center network to provide access to 1,170 customer service points worldwide (as of December 31, 2024) in support of its international operations.

Polestar 2 is produced in the Taizhou facility. The facility opened in 2016. The plant is focused on the CMA platform, and also produces Volvo XC40. In October 2021, Geely and Volvo Cars agreed to transfer the Taizhou facility to Volvo Cars. The transfer was effectuated in December 2021 and did not affect production of the Polestar 2 at the facility. In connection with this transfer, the facility has been renamed from "Luqiao" to "Taizhou".

Polestar 3 is manufactured in Volvo Cars' Charleston, South Carolina, USA, facility. Production commenced in summer 2024 and is dedicated to the US and part of the European market. Polestar 3 is also manufactured in Volvo Cars' Chengdu, China plant. The facility opened in 2013. The production of Polestar 3 in China started in early 2024.

Polestar 4 is manufactured at the Geely-owned Hangzhou Bay plant. Polestar 4 is planned to be partly manufactured in Busan, South Korea, with vehicles produced at this facility expected to be for the US market. The plant is owned by Renault Korea Co Ltd (RK), which is 35% owned by Geely. Production is expected to start in the second half of 2025.

Polestar 5 is expected to be produced in the Chongqing, China plant owned by Geely and currently operated by Polestar. Geely is planned to take over the operations of the plant in Q2 2025. Production for Polestar 5 is expected to start in the second half of 2025.

Polestar has the benefit of being part of the larger global manufacturing footprint of Volvo Cars and Geely with access to a substantial combined installed production capacity. Polestar intends to expand its contract manufacturing presence to facilities in the U.S. and South Korea.

***Volvo Cars Chengdu facility***

Polestar 3 is manufactured in Volvo Cars' Chengdu plant. The facility opened in 2013. The production of Polestar 3 started in early 2024.

***Taizhou facility***

Polestar 2 is produced in the Taizhou facility. The facility opened in 2016. The plant is focused on the CMA platform, and also produces Volvo XC40. In October 2021, Geely and Volvo Cars agreed to transfer the Luqiao facility to Volvo Cars. The transfer was effectuated in December 2021 and did not affect production of the Polestar 2 at the facility.

***Charleston facility***

Polestar 3 is manufactured in Volvo Cars' Charleston, South Carolina, USA, facility. The facility opened in 2018, and produces Volvo Cars EX90, which share the SPA2 platform with Polestar 3. Production began in summer 2024 and is dedicated to the US and part of the European market.

***Busan facility***

Polestar 4 is planned to be manufactured in Busan, South Korea, with production destined to the European, US and domestic South Korean market. The plant is owned by Renault Korea Co Ltd ("RK"), which is 35% owned by Geely. Production is expected to start in the second half of 2025.

***Hangzhou Bay***

Polestar 4 is manufactured in Geely owned Hangzhou Bay plant, with production having started at the end of 2023 for the Chinese market and during the first half of 2024 for the European market. The plant is used for several brands of the Geely group, as well as brands outside of the Geely group. The facility opened in 2022.

***Chongqing facility***

Polestar 5 will be produced in the Chongqing, China plant owned by Geely and currently operated by Polestar. Geely is planned to take over the operations of the plant during Q2 2025. Production for Polestar 5 is expected to start in Q2 2025.

We believe that our facilities are adequate to meet our needs for the immediate future and that suitable additional space will be procured to accommodate any expansion of our operations, as needed.

**ITEM 4A. UNRESOLVED STAFF COMMENTS**

Not applicable.

**ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

*The following discussion includes information that Polestar's management believes is relevant to an assessment and understanding of Polestar's financial condition and results of operations.*

*On June 23, 2022, Polestar closed the merger with Gores Guggenheim, Inc. ("GGI") described elsewhere in this Report. Polestar Automotive Holding Limited, a Hong Kong incorporated company ("Former Parent") together with its consolidated subsidiaries constituted Polestar Group through June 23, 2022. On June 23, 2022, Former Parent completed its reverse recapitalization and Polestar Automotive Holding UK PLC ("Parent") became the new parent. Parent together with its consolidated subsidiaries constitutes Polestar Group from June 23, 2022. In this discussion, Former Parent and/or its subsidiaries and Parent and its subsidiaries are collectively referred to herein as "Polestar," "we," "our," or "us."*

*The following discussion should be read together with (i) the financial statements of Polestar Automotive Holding UK PLC as of December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 and the related notes thereto,*

included elsewhere in this Report. All financial numbers in this discussion are presented in thousands U.S. dollars unless otherwise noted.

Polestar's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in the sections titled "Risk Factors" (see Item 3.D) and "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this Report. Certain amounts may not foot due to rounding.

## **Polestar Automotive Holding UK PLC**

### **Key factors affecting performance**

Polestar's performance depends on numerous factors and trends. While these factors and trends provide opportunities for Polestar, they also pose risks and challenges as discussed in Item 3.D "Risk Factors" and below. Polestar's financial position and results of operations depend to a significant extent on the following key factors:

#### *Partnerships with Volvo Cars and Geely*

Polestar's relationship with its related parties, Volvo Cars and Geely, has provided it with a unique competitive advantage in its ability to rapidly scale commercialization activities while maintaining an asset-light balance sheet. This is achieved primarily through contract manufacturing and supply agreements with Volvo Cars and Geely. Polestar has utilized Volvo Cars' established research and development capabilities to accelerate technological advancements in automotive technology. Additionally, selling and administrative expenses have been positively impacted due to service agreements with Volvo Cars which allow Polestar to attain operational efficiencies in the areas of aftermarket services and maintenance and back-office functions (e.g., information technology, legal, accounting, finance, logistics, and human resources). Polestar's contract manufacturing and supply agreements with Volvo Cars and Geely are entered into on an arm's length basis.

Utilizing Volvo Cars' and Geely's facilities has allowed Polestar to continue efficient production of its vehicles. Having access to the global manufacturing footprint of Volvo Cars and Geely has and will continue to provide Polestar with flexibility to adjust and optimize its manufacturing plans in response to factors like particular market demand, relative production cost, changing shipping, logistics and tariff expenses, and the availability of market-specific tax credit schemes. However, Polestar's contract manufacturing model requires Polestar to accurately forecast the demand for its vehicles. If Polestar fails to do so, there may be overcapacity, which may negatively impact gross margins, or inadequate capacity, which may result in delays in shipments or revenues.

During the year ended December 31, 2024, Polestar entered into a second amendment to its credit facility with Volvo Cars which extended the maturity date of the credit facility to December 29, 2028. The original agreement allowed for \$800 million in borrowing capacity and was entered into on November 3, 2022 and amended for the first time on November 8, 2023. The first amendment provided for an additional \$200 million in borrowing capacity under the credit facility and extended the maturity date of the credit facility to June 30, 2027. As of December 31, 2023, Polestar had drawn on all \$1 billion in borrowing capacity and as of December 31, 2024, the total \$1 billion in principal remained outstanding. This loan has an optional equity conversion feature.

On November 8, 2023, Polestar entered into a new term loan facility with Geely, where Geely agreed to provide a term loan credit facility of \$250 million on substantially the same terms as the credit facility with Volvo Cars, including a maturity date of June 30, 2027. As of December 31, 2023, Polestar had drawn down on all \$250 million in borrowing capacity and as of December 31, 2024, all \$250 million in principal remained outstanding. This loan has an optional equity conversion feature.

On December 8, 2023, Polestar, Geely, and Volvo Cars entered into certain agreements which, when considered together, were 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 to Geely. Through these transactions, Polestar received cash of \$156.1 million in the form of a long-term loan which Polestar must repay. During the year ended December 31, 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. As of December 31, 2024, the carrying value of the PS3 Tooling and Equipment financing instrument is \$124,878.

Refer to Note 27 - Related party transactions in the Consolidated Financial Statements included elsewhere in this report for more information.

See "—Liquidity and Capital Resources" below for an additional discussion regarding banking relationships that have been assisted by letters of comfort from Volvo Cars and Geely.

#### *Premium electric vehicle portfolio*

Polestar continues to develop a premium all-electric vehicle portfolio to address the tastes and preferences of premium vehicle customers, one of the fastest growing segments of the global electric car market. Towards the end of 2023, Polestar launched the PS3 and PS4 and deliveries of PS5s are expected to start in 2025. Furthermore, Polestar has announced the development of the Polestar 7 which will be a premium compact SUV. Customers' acceptance and purchase of Polestar's new models are critical components of Polestar's future growth and financial performance. Changes in the mix of models sold by Polestar over time will impact the average revenue recognized for each vehicle sold.

#### *Innovative automotive technologies and design*

Polestar develops electric vehicles and technologies through design and sustainable choices. Polestar has a high-performance, innovation-driven research and development team with safety heritage rooted from Volvo Cars and in-house competencies at its dedicated research and development facility in Coventry, UK. Internal development programs such as the Polestar 5, Polestar 6 and PX2 electric powertrain have advanced Polestar's organic intellectual property. Further, Polestar continues to display ambition to create industry-leading technologies through partnerships with Volvo Cars, Geely, StoreDot, Nvidia, Luminar, and Zenseact, and Hans Pehrson among others. This combination of research and development resources allows Polestar flexibility in determining which



technologies to develop in-house versus which to outsource to partners. Polestar believes that continued investments such as these are critical to establishing market share, attracting new customers, and becoming a profitable global electric vehicle company. In the years ended December 31, 2024, 2023 and 2022, \$297.4 million, \$346.4 million, and \$306.0 million, respectively, were invested in new intellectual property. These investments have primarily impacted Polestar's results of operations through amortization expense which, in the years ended December 31, 2024, 2023 and 2022, was \$8.4 million, and \$79.5 million, \$97.2 million, respectively. The decrease seen when comparing 2024 to 2023 is primarily due to a change in the way Polestar amortizes IP used in the production of vehicles - as of the fourth quarter of 2023, intangible assets which were previously considered foundational were reassessed to be car line specific. Amortization of car line specific intangible assets is not amortized into research and development expenses but, rather, capitalized into inventories. Refer to *Note 15 - Intangible assets and goodwill* in the Consolidated Financial Statements included elsewhere in this report for more information.

#### *Changes to sale and distribution models and market expansion*

Historically Polestar has sold its vehicles through the following principal sales channels:

- *Direct-to-consumer model:* Potential customers can experience Polestar vehicles, engage with Polestar specialists and test drive Polestar vehicles (in certain cases) in Polestar Spaces. The customer then orders the vehicle directly from Polestar via its digital sales channels.
- *Direct-to-business model:* In the U.S. and Canada, Polestar operates a direct-to-business model through which vehicles are sold directly to a network of independent authorized dealers. Vehicles are sold to dealers at wholesale prices and Polestar provides a suggested retail price.
- *Fleet sales:* Vehicles are sold to fleet customers (e.g., rental car companies and corporate fleet managers). As an incentive for high-volume purchases, sales to fleet customers often include discounts in the form of annual rebates based on the number of vehicles ordered during the year.
- *Importer markets:* Polestar also sells vehicles to various importers in smaller markets around the globe where it does not have sales units (e.g., Hong Kong, New Zealand, the United Arab Emirates (UAE), Israel, Kuwait and Iceland).
- *Sales to associate:* In China, Polestar sold its vehicles to its equity method investment, Polestar Times Technology (Nanjing) Co., Ltd ("Polestar Times Technology"). Vehicles are sold to Polestar Times Technology at wholesale prices and Polestar Times Technology subsequently sold the vehicles to customers in China. In April 2025, Polestar signed an agreement to terminate the business Polestar Times Technology. See Item 4B *"Information on the Company - Business Overview - Sales and distributions"* for further details.

In 2024, as part of its plans to increase sales volumes, Polestar began to transition its direct-to-customer model to an active selling partner set-up, known as a 'non-genuine agency model', and, in time, is also planning to add wholesaler capabilities, with small and medium-size enterprises being the focus partners, to eventually implement a dual model approach. This approach is expected to enable rapid retail network expansion and customer reach in a capital-efficient manner. In the USA, Polestar is enhancing the dealer-focused wholesale model by incorporating a genuine digital buying capability.

Polestar's new market expansion is focused on France, with sales expected to start in 2025 and additional expansion, across Eastern Europe, Asia, and Latin America, is planned from 2026 onwards. Additionally, Polestar plans to expand its retail spaces from 70 to 130 in Europe and from 36 to 57 in North America.

#### *Earn-out rights and Class C Shares from the reverse recapitalization*

On June 23, 2022, Polestar consummated a capital reorganization via the merger with GGI, a special purpose acquisition company. Polestar subsequently began trading in the U.S. on Nasdaq on June 24, 2022 under the ticker symbol "PSNY." In addition to providing Polestar with access to new funding sources in the United States capital markets, the merger, including all related arrangements, raised net cash proceeds of \$1,418 million. Gross proceeds of \$638.2 million was assumed from GGI, \$250 million was sourced from a private placement in public equity ("PIPE"), and \$588.8 million was sourced from a preferential share subscription with Volvo Cars. Total transaction costs of \$98 million were incurred in connection with the merger, of which \$59.1 million had been recognized by GGI and deducted from the gross proceeds raised. The remaining \$38.9 million were costs attributable to the Former Parent.

As part of the merger, Polestar exchanged rights and obligations to the public and private warrant instruments of GGI, resulting in the issuance of similar instruments in the form of Class C-1 Shares and Class C-2 Shares, respectively. Polestar also issued certain rights to earn out shares to existing owners. These instruments are accounted for as derivative liabilities under IAS 32, *Financial Instruments: Presentation* ("IAS 32") and IFRS 9, *Financial Instruments* ("IFRS 9"), which are measured at fair value with subsequent changes in fair value recognized in profit or loss.

As of December 31, 2024 and 2023, the Class C Shares were valued at \$3.5 million and \$6.0 million, respectively, resulting in an unrealized gain from the fair-value change of \$2.5 million during the year ended December 31, 2024. As of December 31, 2024 and 2023, the earn-out rights were valued at \$28.8 million and \$155.4 million, respectively, resulting in an unrealized gain from the fair value change of \$126.6 million during the year ended December 31, 2024. The fair values of these derivative financial instruments are volatile and influenced by changes in Polestar's share price, resulting in impacts to Polestar's net income or loss that are not directly related to ongoing operations. Nevertheless, these derivative financial instruments have a notable impact on our overall financial performance each period. Refer to *Note 2 - Significant accounting policies and judgements* included elsewhere in this report for more information.

#### *Inflation*

Global economic conditions have caused rising inflationary pressures on prices of components, materials, labor, and equipment used in the production of Polestar vehicles. Historically, increases in battery prices due to the increased prices of lithium, cobalt, and nickel contributed to increased cost of goods sold. More currently, Polestar has started experiencing a decrease in raw material costs related to batteries. Overall increases in the cost of components, materials, labor, and equipment are expected to lead to higher costs of goods sold in the future. Additionally, the natural time lag created by the production, shipping, and selling of vehicles results in a delay in

price increases experienced by Polestar. In the past, increases in oil prices have also increased freight and distribution costs across all markets. It is uncertain whether these inflationary pressures will persist in the future.

*Tariffs and other regulation*

A significant portion of Polestar's vehicles sold in the year ended December 31, 2024 were manufactured in China. Both the United States and the European Union imposed tariffs against electric vehicles ("EVs") imported from China. These tariffs have increased the total cost of the vehicles that Polestar manufactures in China and imports into the European Union and the United States. Polestar is mitigating the financial risk posed by these tariffs by expanding production to manufacturing facilities outside of China. Production of PS3s in Charleston, South Carolina began in 2024, production of PS4s at Busan, South Korea is expected to begin in 2025 and the Polestar 7 is expected to be manufactured in Europe.

Subsequent to December 31, 2024, the US administration has announced a number of tariffs that impact imported vehicles and vehicle parts and components. Whilst the precise impact of these tariffs on the cost of Polestar's vehicles manufactured in the United States using imported components and those manufactured outside of the United States and imported for sale is not yet known, it is expected that costs will increase. If Polestar does not increase its prices to compensate for this increase in costs, its gross margin will be reduced. If Polestar does increase its prices, it may negatively impact market demand for Polestar's cars and therefore future sales volumes.

*Additional key factors impacting performance*

Polestar's continued growth depends on numerous factors and trends, including continued sales of the PS2 and the PS4 at anticipated volumes while production and sales of the PS3 ramp-up and the full production and delivery of the PS5 begins. Ramp-up of the PS3 includes increasing sales in the US and European markets, which is, in part, dependent on the successful ramp-up of production at the facility in Charleston, South Carolina operated by Volvo Cars. Polestar's regional mix of sales, including higher sales in the US market, and its overall product mix, is important to maintain its gross margins. Ramping-up Polestar's production at other facilities is also an important factor in the success of Polestar's future vehicle production and delivery. In addition to increasing vehicle volume, Polestar is focused on developing additional revenue streams, such as carbon credits sales, aftermarket revenue, component sales, and used car sales. Polestar's gross margins are dependent on Polestar's current pricing structure, which is subject to a variety of factors, including certain average selling price assumptions. If Polestar has higher than expected discounting or advertising and promotion costs, its future margins may suffer.

Polestar's gross margins are also dependent upon its ability to manage costs, including costs associated with raw materials and key components of production, and to implement cost savings initiatives. Polestar's future financial performance also requires Polestar to accurately forecast demand for its vehicles. Inaccurate demand forecasts may lead to Polestar offering deeper discounts or experiencing greater than expected sales volumes of discounted vehicles. As a result of inaccurate forecasts, Polestar could also experience higher than expected production, operating expense, advertising, sales and promotion costs or may be unable to effectively charge such costs to customers in a targeted manner. This could result in vehicles being sold with fewer options and trim levels, higher than expected sales volumes of lower-priced variants, and/or failure of Polestar to meet its gross margin and profitability expectations.

**A. Results of operations**

Polestar conducts its business as one operating segment with primary commercial operations in North America, Europe, Asia and various importer markets. While Europe and the North America represent Polestar's primary geographic markets, Polestar's presence is continuing to expand in Asia. Refer to *Note 1 - Overview and basis of preparation* in Polestar's Consolidated Financial Statements for more information on the basis of presentation and *Note 5 - Geographic information* for more information on segment reporting. The following paragraphs describe the key components of revenue, income, and expenses as presented in our Consolidated Statement of Loss and Comprehensive Loss.

**Key operational highlights**

The below table summarizes the key operational highlights as of and for the years ended December 31, 2024, 2023 and 2022.

Key metrics		For the year ended December 31,					
		2024		2023		2022	
Retail sales <sup>1</sup>		44,851		52,796		50,510	
including external vehicles with repurchase obligations		1,651		2,859		1,344	
including internal vehicles		2,927		1,958		1,630	
		For the year ended December 31,					
		2024		2023		2022	
Markets <sup>2</sup>		27		27		27	
Spaces <sup>3</sup>		193		192		158	
Sales Points <sup>4</sup>		175		153		99	
Service points <sup>5</sup>		1,170		1,149		1,116	

1 - Retail sales figures are sales to end customers. Retail Sales include new cars handed over via all sales channels and all sale types, including but not restricted to internal, fleet, retail, rental and leaseholders' channels across all markets irrespective of their market model and setup and may or may not generate directly revenue for Polestar.

- 2 - Represents the markets in which Polestar operates.  
3 - Represents Polestar Spaces, Polestar Destinations, and Polestar Test Drive Centers.  
4 - Represents Sales Points, including retail locations which are physical facilities (such as showrooms), actively selling Polestar cars, and pre-space activations, which represent locations with an ongoing project to build a retail location but that have started selling Polestar cars.  
5 - Represents Volvo Cars service centers to provide access to customer service points worldwide in support of Polestar's international expansion.

	For the year ended December 31,		
	2024	2023	2022
Restatement for new definition (Retail sales)			
Published as per previous definition <sup>1, 2</sup>	44,851	52,796	50,510
	44,458	54,626	51,491

1 - Represents the sum of total volume of vehicles delivered for (a) external sales of new vehicles without repurchase obligations, (b) external sales of vehicles with repurchase obligations, and (c) internal use vehicles for demonstration and commercial purposes or to be used by Polestar employees (vehicles are owned by Polestar and included in inventory). A vehicle is deemed delivered and included in the volume figure for each category once invoiced and registered to the external or internal counterparty, irrespective of revenue recognition. Revenue is recognized in scenarios (a) and (b) in accordance with IFRS 15, Revenue from Contracts with Customers ("IFRS 15"), and IFRS 16, Leases ("IFRS 16"), respectively. Revenue is not recognized in scenario (c).

2 - The figures in this row reflect actual sales volumes calculated using the former global volumes definition described in footnote 1 above and may, for certain periods, differ slightly to previously reported figures due to rounding.

## Revenue

Revenue is comprised of revenue from the sale of vehicles, revenue from the sale of vehicle accessories, revenue from the sale of software and performance engineered kits, revenue from sales of carbon credits, vehicle leasing revenue, and other revenue:

- Revenue from the sale of vehicles constitutes the primary source of revenue and was historically derived from sales of the PS2. During the year ended December 31, 2024, Polestar began generating revenues from sales of the PS3 and PS4. Polestar's main customers for electric vehicles consist of private individuals ("retail"), fleet customers, dealers and certain Polestar Spaces, importers, financial service providers, and Polestar Times Technology (in April 2025, Polestar signed an agreement to terminate the business Polestar Times Technology. See Item 4B *"Information on the Company - Business Overview - Sales and distributions"* for further details). Some of these vehicle sales are to our related parties Volvo Cars and Ziklo Bank AB (previously Volvofinans Bank AB). Sales of vehicles also includes revenue recognized for sales of accessories where Polestar either acts as principle or agent.
- Revenue from the sale of software and performance engineered kits is derived from intellectual property licensed to Volvo Cars related to software upgrades and enhancements for Volvo Cars' vehicles.
- Revenue from sales of carbon credits is derived from sales of regulatory credits to external companies or related parties.
- Vehicle leasing revenue is derived from Polestar's operating lease arrangements.
- Other revenue is derived from sales of automotive research and development services and intellectual property licensed to Volvo Cars enabling Volvo Cars to source and sell Polestar parts and accessories.

## Cost of sales

Cost of sales relates to inventory costs and other costs associated with 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 consists of contract manufacturing costs associated with the production of the PS2 and PS3 which is outsourced to Volvo Cars (production of the PS2 was previously outsourced to Geely) and the production of the PS4 which is outsourced to Geely. Inventory cost also includes 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 such as distribution costs and costs related to warranty provisions. Additionally, as of the fourth quarter of the year ended December 31, 2023, cost of sales includes the amortization of intellectual property previously used in the PS1 and currently used in the PS2; the intellectual property is capitalized into inventory and then released into Cost of sales when the inventory is sold. Cost of sales also includes the adjustments to net realizable value of inventories and any impairment of long-term assets directly related to vehicle production.

## Selling, general, and administrative expenses

Selling, general, and administrative expenses are comprised of personnel expenses for business development and marketing functions, advertising and marketing expenses, personnel-related expenses for corporate, executive, finance, and other administrative functions, expenses for professional services, including legal, audit, information technology, and accounting services, as well as expenses for facilities, general software costs and licenses, depreciation, amortization, and travel. Personnel-related expenses consist of salaries, benefits, social security contributions, severance payments, and incentive programs.

## Research and development expenses

Research and development expenses consist of personnel expenses for Polestar's internal engineering, research, and development functions, amortization of intangible assets related to intellectual property which will be used in future vehicle models, internal development programs related to future vehicle models, and expenses for direct materials and facilities used by research and development personnel. Until the fourth quarter of 2023, research and development expenses also included amortization of intellectual property that was considered foundational and previously used in the PS1, currently used in the PS2 and other model vehicles, and expected to be used in future vehicles. However, in the fourth quarter of 2023, there was a change in the way this intellectual property

was used and the related amortization began to be capitalized into inventory. The expense is released into Cost of sales when the inventory is sold. Polestar outsources certain development of intellectual property used in its electric vehicles to Volvo Cars and makes payments in accordance with development plans. Such costs are capitalized as intangible assets instead of being charged to research and development expense because they are paid for in connection with the receipt of intellectual property from Volvo Cars that is expected to provide future economic benefit to Polestar.

Polestar conducts various internal research and development programs focused on advancing new technologies and concepts relevant to the business, such as electric vehicle propulsion systems, infotainment and software systems, and the use of eco-friendly recycled materials in production. Costs associated with Polestar's internal research and development programs are expensed as incurred while they are in the research phase and not yet expected to contribute to future cash flows. Once Polestar's internal research and development programs reach the development phase and are determined to contribute to future cash flows, such costs are capitalized as intangible assets instead of being charged to research and development expenses.

#### Other operating income and expense

Other operating income consists of positive exchange rate differences on operating activities, income generated through the sale of carbon credits, and other income driven by non-revenue generating activities. Other operating expense primarily consists of negative exchange rate differences on operating activities, non-income tax expense, and other expenses due to activities which are not part of Polestar's ordinary course of operations.

#### Finance income and expense

Finance income consists of interest income on bank deposits and net foreign exchange rate gains on financial activities. Finance expense is comprised of interest expense associated with Polestar's short, medium, and long-term financing facilities, including amounts owed to related parties, net foreign exchange rate losses on financial activities, interest expenses associated with lease liabilities, and credit facility expenses.

#### Fair value change - Earn-out rights

Fair value change in earn-out rights consists of changes in fair value to the contingent right to receive earn-outs of Class A and B Shares that were issued to the Former Parent upon the completion of the Business Combination. The value of the Earn-out liability changes with the Polestar share price and other macroeconomic conditions, creating a fair value gain or loss.

#### Fair value change - Class C shares

Fair value change in Class C Shares consists of changes in fair value to the Class C-1 Shares and Class C-2 Shares that were issued to the Former Parent upon the completion of the Business Combination.

#### Share of losses in associates

Share of losses in associates consists of Polestar's proportionate share of its associates' net loss, limited to the carrying value of Polestar's investment in its associates.

#### Income tax benefit (expense)

Income tax benefit (expense) consist of current and deferred income tax benefit (expense). Current Income tax benefit (expense) primarily represent income taxes generated on the current year's taxable profit or loss in each foreign jurisdiction. Deferred Income tax benefit (expense) represent differences generated between book carrying amounts and the corresponding tax basis for assets or liabilities, multiplied by the applicable jurisdiction's income tax rate.

#### Comparison of the years ended December 31, 2024, 2023 and 2022

The following table summarizes Polestar's historic Consolidated Statement of Loss for the years ended December 31, 2024, 2023 and 2022. All figures presented in the table below are in thousands of U.S. dollars unless otherwise stated.

	For the year ended December 31,			2024 vs 2023 Variance		2023 vs 2022 Variance	
	2024	2023	2022	\$	%	\$	%
Revenue	2,034,261	2,368,085	2,440,818	(333,824)	(14)	(72,733)	(3)
Cost of sales	(2,910,428)	(2,778,222)	(2,339,696)	(132,206)	5	(438,526)	19
<b>Gross (loss) profit</b>	<b>(876,167)</b>	<b>(410,137)</b>	<b>101,122</b>	<b>(466,030)</b>	<b>114</b>	<b>(511,259)</b>	<b>(506)</b>
Selling, general and administrative expense	(890,703)	(944,177)	(840,151)	53,474	(6)	(104,026)	12
Research and development expense	(38,350)	(157,280)	(174,916)	118,930	(76)	17,636	(10)
Other operating income and expenses, net	(8,091)	42,080	(305)	(50,171)	119	42,385	(13,897)
Listing expense	—	—	(372,318)	—	n/a	372,318	n/a
<b>Operating loss</b>	<b>(1,813,311)</b>	<b>(1,469,514)</b>	<b>(1,286,568)</b>	<b>(343,797)</b>	<b>23</b>	<b>(182,946)</b>	<b>14</b>
Finance income	23,879	69,565	8,552	(45,686)	(66)	61,013	713
Finance expense	(393,785)	(213,242)	(108,402)	(180,543)	85	(104,840)	97

Fair value change - Earn-out rights	126,624	443,168	902,068	(316,544)	(71)	(458,900)	(51)
Fair value change - Class C Shares	2,500	22,000	35,090	(19,500)	(89)	(13,090)	(37)
Share of losses in associates	(4,970)	(43,304)	—	38,334	(89)	(43,304)	n/a
<b>Loss before income taxes</b>	<b>(2,059,063)</b>	<b>(1,191,327)</b>	<b>(449,260)</b>	<b>(867,736)</b>	<b>73</b>	<b>(742,067)</b>	<b>165</b>
Income tax benefit (expense)	9,166	9,452	(29,757)	(286)	(3)	39,209	(132)
<b>Net loss</b>	<b>(2,049,897)</b>	<b>(1,181,875)</b>	<b>(479,017)</b>	<b>(868,022)</b>	<b>73</b>	<b>(702,858)</b>	<b>147</b>

## Revenues

Polestar's net revenue for the year ended December 31, 2024 was \$2,034.3 million, a decrease of \$333.8 million, or 14% compared to \$2,368.1 million for the year ended December 31, 2023. Revenue from related parties for the year ended December 31, 2024 was \$276.3 million, an increase of \$137.6 million, or 99% compared to \$138.7 million for the year ended December 31, 2023. Polestar's Revenue for the year ended December 31, 2023 was \$2,368.1 million, a decrease of \$72.7 million, or 3% compared to \$2,440.8 million for the year ended December 31, 2022. Revenue from related parties for the year ended December 31, 2023 was \$138.7 million, an increase of \$5.7 million, or 4% compared to \$132.9 million for the year ended December 31, 2022.

The following table summarizes changes in the components of revenue and related changes between annual periods. All figures presented in the table below are in thousands of U.S. dollars unless otherwise stated.

	For the year ended December 31,			2024 vs 2023 Variance		2023 vs 2022 Variance	
	2024	2023	2022	\$	%	\$	%
<b>Revenues</b>							
Sales of vehicles	1,975,864	2,313,124	2,386,685	(337,260)	(15)	(73,561)	(3)
Sales of software and performance engineered kits	15,344	18,994	21,308	(3,650)	(19)	(2,314)	(11)
Sales of carbon credits	10,918	1,452	10,984	9,466	652	(9,532)	(87)
Vehicle leasing revenue	17,175	17,421	16,719	(246)	(1)	702	4
Other revenue	14,960	17,094	5,122	(2,134)	(12)	11,972	234
<b>Total</b>	<b>2,034,261</b>	<b>2,368,085</b>	<b>2,440,818</b>	<b>(333,824)</b>	<b>(14)</b>	<b>(72,733)</b>	<b>(3)</b>

Sales of vehicles for the year ended December 31, 2024 were \$1,975.9 million, a decrease of \$337.3 million, or 15% compared to \$2,313.1 million for the year ended December 31, 2023. The decrease was primarily driven by:

- A decrease in volumes resulting in a decrease of \$371.5 million, primarily due to lower global vehicle sales of PS2 and delays in sales ramp up of new car lines; and
- An increase in average selling prices, net of discounts, resulting in an increase of \$34.3 million, primarily due to the change in sales mix as Polestar transitioned from selling only the PS2 for almost all of 2023 to selling the PS2, PS3 and PS4 by the end of 2024.

Sales of vehicles for the year ended December 31, 2023 were \$2,313.1 million, a decrease of \$73.6 million, or 3% compared to \$2,386.7 million for the year ended December 31, 2022. The decrease was primarily driven by \$116.6 million in discounts to fleet customers, offset by an increase in fleet vehicle sales volumes and an increase in per unit price of the PS2 model year 2023 and 2024 vehicles.

Sales of software and performance engineered kits for the year ended December 31, 2024 were \$15.3 million, a decrease of \$3.7 million, or 19% compared to \$19.0 million for the year ended December 31, 2023. The decrease is primarily a result of Polestar's continued focus on developing and selling its own vehicles rather than its performance engineered kits for Volvo cars. Sales of software and performance engineered kits for the year ended December 31, 2023 were \$19.0 million, a decrease of \$2.3 million, or 11% compared to \$21.3 million for the year ended December 31, 2022. The decrease is a result of Polestar's continued emphasis on its own vehicles, coupled with a continued decline in Volvo Car's sales of Polestar's performance engineered kits.

Sales of carbon credits for the year ended December 31, 2024 were \$10.9 million, an increase of \$9.5 million, or 652% compared to \$1.5 million for the year ended December 31, 2023. This increase is driven by Polestar entering into and executing more contracts to sell its excess carbon credits as compared to the previous year. Sales of carbon credits for the year ended December 31, 2023 were \$1.5 million, a decrease of \$9.5 million, or 87% compared to \$11 million for the year ended December 31, 2022. This decrease is driven by Polestar executing fewer contracts to sell its excess carbon credits as compared to the previous year.

Vehicle leasing revenue for the year ended December 31, 2024 was \$17.2 million, a decrease of \$0.2 million, or 1% compared to \$17.4 million for the year ended December 31, 2023 reflecting a stable volume of vehicles sold with repurchase obligations. Vehicle leasing revenue for the year ended December 31, 2023 was \$17.4 million, an increase of \$0.7 million, or 4% compared to \$16.7 million for the year ended December 31, 2022. This increase is due to Polestar selling more vehicles with repurchase obligations.

Other revenue for the year ended December 31, 2024 was \$15.0 million, a decrease of \$2.1 million, or 12% compared to \$17.1 million for the year ended December 31, 2023. This decrease is the result of (1) a decrease in sales of Polestar's research and development services to Volvo Cars of \$5.0 million, offset partially by an increase of \$3.4 million in sales under Polestar's intellectual property license to Volvo Cars which grants Volvo Cars the rights to source and distribute parts and accessories for Polestar's vehicles to

customers in exchange for sales-based royalties to us. Other revenue for the year ended December 31, 2023 was \$17.1 million, an increase of \$12.0 million, or 234% compared to \$5.1 million for the year ended December 31, 2022. This increase is the result of (1) greater sales of Polestar's research and development services to Volvo Cars, (2) greater sales under Polestar's intellectual property license to Volvo Cars which grants Volvo Cars the rights to source and distribute parts and accessories for Polestar's vehicles to customers in exchange for sales-based royalties to us for \$8.5 million, and (3) a one-time sale of know-how to Lotus for \$4.6 million.

#### **Cost of sales**

Cost of sales for the year ended December 31, 2024 was \$2,910.4 million, an increase of \$132.2 million, or 5% compared to \$2,778.2 million for the year ended December 31, 2023. During the year ended December 31, 2024, Polestar recognized an increase in impairment charges of \$282.5 million as compared to the year ended December 31, 2023. This increase was partially offset by a decrease in write-downs of inventories to net realizable value of \$56.8 million, a decrease in inventory cost of \$71.5 million primarily related to lower sales volumes, and decreased warranty costs of \$24.6 million.

Cost of sales for the year ended December 31, 2023 was \$2,778.2 million, an increase of \$438.5 million, or 19% compared to \$2,339.7 million for the year ended December 31, 2022. This increase was primarily driven by CGU impairment of PS2 related PPE and Vehicles under operating leases of \$90.2 million, CGU impairment of PS2 related intangible assets of \$249.4 million, increased inventory impairment of \$146.6 million, and increased materials cost due to rising raw material costs of \$23.1 million. This activity is being partially offset by decreased warranty expenses of \$36.3 million, and positive impacts of foreign currency effects due to an improved SEK/CNY foreign exchange rate. For further information, see *Note 15 - Intangible assets and goodwill*, *Note 16 - Property, plant and equipment*.

#### **Gross (loss) profit**

Gross (loss) profit for the year ended December 31, 2024 was a gross loss of \$876.2 million, an increase in gross loss of \$466.0 million, or 114% compared to a gross loss of \$410.1 million for the year ended December 31, 2023 primarily due to the factors described above.

Gross (loss) profit for the year ended December 31, 2023 was a gross loss of \$410.1 million, a decrease in gross result of \$511.3 million, or 506% compared to a gross profit of \$101.1 million for the year ended December 31, 2022 primarily due to the factors described above.

#### **Selling, general and administrative expenses**

Selling, general and administrative expenses for the year ended December 31, 2024 were \$890.7 million, a decrease of \$53.5 million, or 6% compared to \$944.2 million for the year ended December 31, 2023. This decrease was primarily due to a decrease of \$78.6 million in advertising, sales, and promotion expenses. An additional decrease was attributed to lower lease expenses of \$10.6 million. These decreases were partially offset by an increase in costs associated with purchased services from related parties of \$23.2 million, higher employee compensation costs of \$5.6 million, and an increase in professional service related expense of \$8.1 million.

Selling, general and administrative expenses for the year ended December 31, 2023 were \$944.2 million, an increase of \$104.0 million, or 12% compared to \$840.2 million for the year ended December 31, 2022. This increase was primarily due to higher advertising, sales, and promotion expenses of \$67.9 million related to new video productions, marketing, and PR events for the PS3 and PS4 campaigns to expand Polestar's markets related to these vehicles. Additional increases were attributed to higher wages and salaries of \$41.9 million, associated with headcount need to meet the demands of Polestar's growing business.

#### **Research and development expenses**

Research and development expenses for the year ended December 31, 2024 were \$38.4 million, a decrease of \$118.9 million, or 76% compared to \$157.3 million for the year ended December 31, 2023. This change was primarily driven by a \$68.9 million decrease in amortization expense due to the change made in Q4 2023 to capitalize the amortization expense of intellectual property used in the development of the PS1 and PS2 into inventories, rather than to research and development expenses. The decrease was further impacted by a \$53.9 million increase in capitalization expense in 2024 compared to 2023, driven by a higher number of internal development projects being capitalized as intellectual property.

Research and development expenses for the year ended December 31, 2023 were \$157.3 million, a decrease of \$17.6 million, or 10% compared to \$174.9 million for the year ended December 31, 2022. This change was mainly driven by a decrease in the amortization costs of \$37.7 million due to internal development programs reaching development phase, therefore no longer being expensed. These decrease was partially offset by increased full time personnel cost of \$18.3 million and \$2.4 million in service purchased from related parties.

#### **Other operating income (expenses), net**

Other operating income (expenses), net for the year ended December 31, 2024 was an expense of \$8.1 million, a decrease of \$50.2 million, or 119% compared to an income of \$42.1 million for the year ended December 31, 2023. This decrease was primarily driven by higher negative foreign exchange effects on working capital of \$81.2 million and reduced income of \$15.1 million for related party sales of plant operation services. This loss is partially offset by the recognition of \$26.9 million in income and reduced expenses of \$18.7 million related to services provided to Polestar Times Technology.

Other operating income (expenses), net for the year ended December 31, 2023 were an income of \$42.1 million, an increase of \$42.4 million compared to an expense of \$0.3 million for the year ended December 31, 2022. This increase was primarily driven by positive foreign exchange effects on working capital of \$37.5 million, sales of plant operation services to a related party for \$25.2 million, and sales of carbon credits to a related party for \$5.6 million. These gains are partially offset by the costs of services provided to Polestar Technology for \$27.6 million.

**Finance income**

Finance income for the year ended December 31, 2024 was \$23.9 million, a decrease of \$45.7 million, or 66% compared to \$69.6 million for the year ended December 31, 2023. This decrease was primarily the result of a decreased net foreign exchange gain effect related to financial items of \$37.2 million and a decrease in interest income on bank deposits of \$11.2 million due to lower interest rates and reduced bank deposits. Finance income for the year ended December 31, 2023 was \$69.6 million, an increase of \$61.0 million, or 713% compared to \$8.6 million for the year ended December 31, 2022. This increase was primarily the result of a positive net foreign exchange effect related to financial items of \$37.2 million and increased interest income on bank deposits of \$24.6 million due to rising interest rates.

**Finance expense**

Finance expenses for the year ended December 31, 2024 was \$393.8 million, an increase of \$180.5 million, or 85% compared to \$213.2 million for the year ended December 31, 2023. This increase was primarily the result of an increase of \$127.4 million in the aggregated amount of interest expense on credit facilities and financing obligations and interest expense to related parties. The increase was also the result of an increase in net foreign exchange rate effects on financial activities of \$45.1 million. Finance expenses for the year ended December 31, 2023 was \$213.2 million, an increase of \$104.8 million, or 97% compared to \$108.4 million for the year ended December 31, 2022. This increase was primarily the result of an increase in interest expense on credit facilities and financing obligations and interest expense to related parties totaling \$129.4 million and a loss on modification of debt of \$7.6 million. These increases are partially offset by a decrease in foreign exchange losses on financial activities of \$30.9 million.

**Fair value change - Earn out rights**

As part of the capital reorganization via the merger with GGI on June 23, 2022, Polestar issued earn-out rights. The gain on fair value change - Earn-out rights for the year ended December 31, 2024 was \$126.6 million, a decrease of \$316.5 million or 71% compared to a gain of \$443.2 million for the year ended December 31, 2023. This decrease is primarily attributable to changes in Polestar's share price from \$2.26 as of December 31, 2023, compared to \$1.05 as of December 31, 2024. The gain on Fair value change - Earn-out rights for the year ended December 31, 2023 was \$443.2 million, a decrease of \$458.9 million or 51% compared to \$902.1 million for the year ended December 31, 2022. This decrease is primarily attributable to changes in Polestar's share price from \$5.31 as of December 31, 2022, compared to \$2.26 as of December 31, 2023.

**Fair value change - Class C Shares**

As part of the capital reorganization via the merger with GGI on June 23, 2022, Polestar exchanged rights and obligations to the public and private warrant instruments of GGI. The gain on the fair value change of these warrants (i.e, Class C Shares) for the year ended December 31, 2024 was \$2.5 million, a decrease of \$19.5 million or 89% compared to \$22.0 million for the year ended December 31, 2023. This change is primarily attributable to a change in the price of the Class C-1 Shares and the estimated value of the Class C-2 Shares by \$0.10, from \$0.24 for the year ended December 31, 2023, to \$0.14 for the year ended December 31, 2024. The gain on the fair value change of these warrants (i.e, Class C Shares) for the year ended December 31, 2023 was \$22.0 million, a decrease of \$13.1 million or 37% compared to \$35.1 million for the year ended December 31, 2022. This change is primarily attributable to a change in the price of the Class C-1 Shares and the estimated value of the Class C-2 Shares by \$0.88 or from \$1.12 for the year ended December 31, 2022, to \$0.24 for the year ended December 31, 2023.

**Share of losses in associate**

During the year ended December 31, 2024, Polestar invested an additional \$14.5 million in Polestar Times Technology. As agreed upon by Polestar, Xingji Meizu, Polestar Times Technology, and Nanjing Jiangning Economic and Technological Development Zone Industrial Equity Investment Partnership ("Nanjing Investor"), Polestar Times Technology received additional funding from the Nanjing Investor, thus reducing Polestar's ownership percentage of Polestar Times Technology's equity from 49% as of December 31, 2023 to 46.2% as of December 31, 2024. Share of losses in associate for the year ended December 31, 2024 was a loss of \$5.0 million, a decrease of \$38.3 million, or 89% compared to a loss of \$43.3 million for the year ended December 31, 2023. In both years, Polestar's carrying value of its investment in Polestar Times Technology was reduced to zero as a result of its share of Polestar Times Technology's losses.

**Income tax benefit (expense)**

Income tax benefit (expense) for the year ended December 31, 2024 was a benefit of \$9.2 million, a decrease of \$0.3 million, or 3% compared to a benefit of \$9.5 million for the year ended December 31, 2023. This decrease was primarily driven by an increase of the current income tax expense of \$21.9 million due to higher taxable income which was partially offset by a decrease in withholding tax expense on license transactions which was a benefit of \$2.2 million in the year ended December 31, 2024 compared to an expense of \$15.6 million in the year-ended December 31, 2023. Income tax benefit (expense) for the year ended December 31, 2023 was a benefit of \$9.5 million, an increase of \$39.2 million, or 132% compared to an expense of \$29.8 million for the year ended December 31, 2022. This was primarily driven by a decrease in deferred tax liabilities and an increase in deferred tax assets due to increased deductible temporary differences related to inventory and warranty, resulting in an increase in deferred tax benefit of \$46.4 million. The deferred tax benefit for the year ended December 31, 2023 was \$38.8 million. The current income tax decreased by \$7.4 million, resulting in current income tax expenses of \$13.7 million. The expenses of foreign taxes increased \$14.6 million due to an increase in withholding tax expense on transactions incurred in China, resulting in foreign tax expenses of \$15.6 million.

**B. Liquidity and capital resources**

Polestar continues to finance its operations primarily through various short-term credit facilities like working capital facilities, sale leaseback arrangements, and inventory finance facilities ("floorplan facilities"), as well as through long-term loans with credit

institutions and related parties and extended trade credit with related parties. Refer to *Note 25 - Liabilities to credit institutions* and *Note 27 - Related party transactions* in the accompanying Consolidated Financial Statements for further details on Polestar's borrowings. Polestar intends to continue developing its financing relationships with European and Chinese banking partners and Polestar's related parties, including upsizing current facilities where applicable, while also continuing to explore potential equity or debt offerings. The principal uses for liquidity and capital are funding operations, repayment of debt, market expansion, and investments in Polestar's future vehicles and automotive technologies.

Polestar anticipates it will continue to need to raise funding via these methods and / or via issuance of equity to meet its cash requirements and fulfill its obligations and investment plans. Refer to *Note 1 - Overview and basis of preparation* in the accompanying Consolidated Financial Statements for further details on management's going concern assessment, including its conclusion that material uncertainty related to the execution of management's liquidity and funding plan casts significant doubt upon Polestar's ability to continue as a going concern.

### Liquidity risk

Liquidity risk is the risk that Polestar is unable to meet its financial obligations on time. Polestar faces liquidity risk primarily in relation to its loans from financial institutions which are short-term and long-term in nature, generally with a credit term of less than 5 years. Polestar needs to have adequate cash and highly liquid assets on hand to mitigate this liquidity risk and also satisfy working capital needs. Polestar's short-term financing obligations relate to the repayment of its current liabilities to credit institutions whereas long-term financing obligations relate to the repayment of long-term related party loans and long-term loans from unrelated parties. Polestar's most cash intensive working capital needs relate to its settlement of related party trade payables related to the purchases of inventories, intangible assets, and items of PPE from Volvo Cars and Geely.

As of December 31, 2024 and 2023, Polestar had cash and cash equivalents of \$739.2 million and \$768.3 million, respectively. As of December 31, 2024 and 2023, the Group had restricted cash of \$31.0 million and \$1.8 million, respectively, which is presented as other non-current assets in the Consolidated Statement of Financial Position.

If Polestar's cash resources are insufficient to finance its future cash requirements, Polestar will need to finance future cash needs through a combination of public and/or private equity offerings, debt financings, or other means. To the extent Polestar raises additional capital through the sale of equity or convertible debt securities, the ownership interest of its shareholders may be diluted, and the terms of such securities may include liquidation or other preferences that adversely affect the rights of its existing shareholders. Debt financing, if available, may involve agreements that include covenants limiting or restricting Polestar's ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any financing arrangements may require the payment of higher interest or preferred dividends, which will impact cash retention. There can be no assurance Polestar will be able to obtain additional funds. If Polestar is unable to raise additional funds through equity, debt financings, or other means when needed, it may be required to delay, limit, reduce, or, in the worst case, discontinue the production and sale of its vehicles as well as research and development and commercialization efforts and may not be able to fund continuing operations, all of which could adversely impact Polestar's financial performance and position.

Polestar continues to generate negative operating and investing cash flows as a result of scaling up commercialization efforts globally, along with continuing capital expenditures for the PS2, PS3, PS4, PS5 and PS6. Managing the company's liquidity profile and funding needs remains one of management's key priorities.

Polestar has established a liquidity risk management framework for management of its short-term and long-term funding and liquidity requirements and prepares long-term planning in order to mitigate funding and re-financing risks. Polestar's liquidity management takes into account the maturities of financial assets and financial liabilities and estimates of cash flows from business operations. Certain key stakeholders engage in a weekly meeting to discuss Polestar's current and forecasted liquidity position to determine the Group's funding needs. Polestar prepares long-term planning to mitigate funding and re-financing risks. Depending on liquidity needs, Polestar will enter into financing and debt agreements and/or lending agreements. All draws on loans are evaluated against future liquidity needs and investment plans.

Additionally, Polestar holds adequate volumes of liquid assets such as cash, cash equivalents and accounts receivable, by maintaining credit facilities in addition to the cash inflows generated by its business operations, and through historical capital contributions from private equity investors. Polestar also benefits from its related party relationships and has been able to negotiate flexible payment terms for the repayment of related party trade payables, allowing additional liquidity to remain available for other working capital and financial needs. However, these flexible payment terms are not a contractual right and may be called upon in the future. Refer to *Note 27 - Related party transactions* in the accompanying Consolidated Financial Statements for additional information on these arrangements.

### Debt and equity financing

#### Equity

On June 23, 2022, the Former Parent consummated a reverse recapitalization in which Polestar Holding AB and its subsidiaries became wholly owned subsidiaries of Polestar. 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 Polestar. Convertible notes, different classes of common stock, public warrants, and private warrants were converted into various equity instruments of Polestar. For additional information, see *Note 18 - Reverse recapitalization*.

#### Debt

Polestar enters into various debt arrangements with European and Chinese banking partners, related parties, and other financial institutions in the form of short-term, medium-term, and long-term funding to meet Polestar's capital needs.

*Current and non-current liabilities to credit institutions*



During the periods presented in the accompanying Consolidated Financial Statements, Polestar utilized several short-term working capital loans, primarily originating from European and Chinese banking partners. These existing and developing relationships provide Polestar with a reliable source of short-term liquidity. All short-term working capital loans that have fallen due during the periods presented have been repaid on-time. Short-term working capital loans are primarily used for to manage inventory levels, accounts payable and accounts receivables whilst also maximizing sales volumes. Current liabilities to credit institutions are in the form of loans from banks, loans from related parties, floor plan facilities, and sale leaseback facilities.

On February 22, 2024, Polestar entered into its first non-current loan agreement with credit institutions. This was in the form of a syndicated multicurrency green term loan facility with 12 banks including Standard Chartered Bank acting as agent and security agent. The facility consists of two tranches: Facility A (EUR denominated at €340.0 million with an interest rate at the relevant EURIBOR plus 2.85%) and Facility B (USD denominated at \$583.5 million, with an interest rate at the Chicago Mercantile Exchange Term SOFR plus 3.35%). Both facilities have a 36-month repayment period with repayment of all drawdowns due in full at the end of the period, including any unpaid interest and other fees. The facilities are secured by interest reserve accounts pledges with an aggregate of three months interest deposited upon a drawdown of available credit. As of December 31, 2024, the facility has been fully utilized.

As of December 31, 2024, the outstanding principal balance, expiring in February 2025, related to Polestar's Euro denominated uncommitted secured green trade facility with Standard Chartered Bank, Nordea Bank ABP, Citibank Europe PLC and ING Belgium SA/NV entered into on February 28, 2022 and subsequently amended on February 27, 2023, is \$375.5 million. All outstanding principal is 100% secured by the new vehicle inventory financed via this facility in accordance with First-ranking English law charge.

Polestar's non-current syndicated loan is subject to covenant requirements, including but not limited to a minimum annual revenue of \$5,359.9 million for 2024, minimum quarterly cash levels of €400.0 million, and maximum quarterly financial indebtedness of \$5,500.0 million. Standard Chartered Bank and the syndicated lenders agreed to waive and amend the revenue covenant and waive the debt ratio covenant prior to the year ended December 31, 2024, signing a waiver on January 6, 2025. The waiver amended the covenant of consolidated revenue for the group for the year ended December 31, 2024 adjusting the amount from \$5,359.9 million to \$1,400.0 million as well as waiving the testing of the debt ratio for the fourth quarter of 2024 and the first quarter of 2025. As a result of these changes, Polestar was not in default related to the syndicated loan as of December 31, 2024.

Polestar's Euro denominated uncommitted secured green trade finance facility is subject to certain covenant requirements and shares the same minimum quarterly cash covenant as the syndicated loan. As of December 31, 2024, Polestar was not in breach of its cash covenant.

As of December 31, 2024, total outstanding liabilities to credit institutions was \$3,439.6 million of which \$927.2 million was related to long-term liabilities to credit institutions and \$1,132.0 million of short-term working capital loans are secured by our related party Geely. Refer to *Note 25 - Liabilities to credit institutions* for information on Polestar's working capital loans outstanding as of December 31, 2024.

#### *Related party financing*

On August 21, 2024, Polestar entered into the second amendment of its \$800.0 million eighteen-month term credit facility with Volvo Cars dated November 3, 2022. This second amendment also amended the terms of the \$200.0 million additional borrowing capacity provided via the first amendment on November 8, 2023. Per the second amendment all \$1,000.0 million borrowed is due on December 29, 2028. As of December 31, 2024, the facility was fully drawn with an outstanding principal balance of \$1,000.0 million.

As of December 31, 2024, the \$250 million term facility Polestar entered into with Geely was fully drawn with an outstanding principal balance of \$250 million.

Related to both the Volvo facility and Geely facility described above, the rate of interest on each loan made under the credit facilities is the SOFR rate plus 4.97% per annum. Under this agreement, if Polestar announces an offering of shares of any class in the share capital, with a proposed capital raising of at least \$350.0 million, and no fewer than five institutional investors participating in the offering, then both Geely and Volvo Cars have the right to convert the principal amount of any outstanding loans into equity.

As of December 31, 2024, principal of \$124.9 million is outstanding under the asset transfer arrangement between Polestar and Geely which 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.

Polestar maintains a floor plan facility with its related party Volvo Cars which is presented separately in interest bearing current liabilities - related parties within the Consolidated Statement of Financial Position. The aggregated amount outstanding as of December 31, 2024 to related parties amounted to \$55.0 million.

#### *Floor plan 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. The facilities are partially secured by the underlying assets on a market-by-market basis. As of December 31, 2024, the aggregate amount outstanding under these arrangements to unrelated credit institutions was \$89.5 million.

#### *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 lease back period, Polestar is obligated to re-purchase the vehicles. Due to this repurchase obligation, these transactions are accounted for as financial liabilities. As such, consideration received for these transactions was recorded as a financing transaction. As of December 31, 2024, \$8.2 million of this financing obligation was outstanding.

#### **Cash flows**

All figures presented in the table below are in thousands of U.S. dollars unless otherwise stated.

	For the year ended December 31,		
	2024	2023	2022
Cash used for operating activities	(991,209)	(1,893,841)	(1,080,951)
Cash used for investing activities	(412,562)	(417,619)	(709,044)
Cash provided by financing activities	1,424,192	2,104,361	2,074,161

#### Cash used for operating activities

Cash used for operating activities for the year ended December 31, 2024 was \$991.2 million, a decrease of \$902.6 million compared to \$1,893.8 million for the year ended December 31, 2023. The decrease in cash used for operating activities is a result of:

- An increase in net loss of \$868.0 million - refer to Item 5.B "*Operating and financial review and prospects - results of operations - comparison of the years ended December 31, 2024, 2023 and 2022*" for further details.
- An increase in the net positive value of reconciling items of \$647.6 million primarily due to an increase in the adjustment for impairment expense of \$282.5 million in 2024 when compared to 2023 and a decrease in the adjustment for gain related to the change in fair value of Earn-out rights of \$316.5 million in 2024 when compared to 2023.
- A net positive change in operating assets and liabilities of \$252.8 million in 2024 compared to a net negative change of \$926.7 million in 2023 primarily due to: (i) net increase in amounts payable, mainly to Volvo Cars and Geely, in 2024 compared to net decreases in amounts payable, mainly to Volvo Cars and Geely, in 2023; and (ii) lower inventory build-up in 2024 as compared to 2023.

Cash used for operating activities for the year ended December 31, 2023 was \$1,893.8 million, an increase of \$812.9 million compared to \$1,081.0 million for the year ended December 31, 2022. The change is primarily attributable to net loss adjusted for non-cash expenses as well as negative changes in working capital during the year ended December 31, 2023. Negative changes in working capital which led to operating cash outflows in 2023 are largely attributable to increased Inventories, payments of Trade payables - primarily payments of related party trade payables to Volvo Cars, and higher interest payments related to Liabilities to credit institutions and overdue trade payables with Volvo Cars. These operating cash outflows were partially offset by operating cash inflows resulting from the collection of Trade receivables.

In 2023, cash outflows related to the change in Inventories were \$358.4 million, materially as an effect of a build-up in inventory. This is an increase of \$172.0 million in cash outflow as compared to a cash outflow of \$186.4 million for the year ended December 31, 2022.

Compared to 2022 cash used for changes in Trade payables, accrued expenses, and other liabilities for the year ended December 31, 2023 was a cash outflow of \$488.8 million, an increase of \$510.1 million compared to a cash inflow of \$21.3 million for the year ended December 31, 2022. This was primarily the result of payments of related party trade payables to Volvo Cars of \$595.0 million.

Cash used to pay interest for the year ended December 31, 2023 was \$220.1 million, an increase of \$152.0 million compared to \$68.1 million for the year ended December 31, 2022. The change is primarily due to \$147.4 million and \$9.1 million in interest paid to credit institutions related to working capital loans and interest paid to Volvo Cars on past due payables, respectively.

Cash used for changes in Trade receivables, prepaid expenses, and other assets for the year ended December 31, 2023 was a cash outflow of \$156.9 million, a decrease of \$57.3 million compared to a cash outflow of \$214.2 million for the year ended December 31, 2022. The change is primarily due to a decrease of \$114.7 million in Trade receivables as a result of greater cash collections from both third and related parties, offset by an increase in related party trade receivables and accrued income from Volvo Cars of \$43.5 million.

#### Cash used for investing activities

Cash used for investing activities for the year ended December 31, 2024 was a cash outflow of \$412.6 million, a decrease of \$5.1 million compared to a cash outflow of \$417.6 million for the year ended December 31, 2023. The change was primarily the result of:

- A \$226.5 million decrease in cash investments in intangible assets in 2024 as compared to 2023; partially offset by,
- A \$153.6 million decrease in cash received from the sale of asset groupings in 2024 as compared to 2023;
- A \$34.3 million cash investment made in Polestar Times Technology in 2024 with no equivalent in 2023;
- A \$21.3 million cash investment made in restricted deposits (presented in other non-current assets), with no equivalent in 2023; and
- A \$10.5 million increase in cash investments in property, plant, and equipment in 2024 as compared to 2023.

Cash used for investing activities for the year ended December 31, 2023 was \$417.6 million, a decrease of \$291.4 million compared to \$709.0 million for the year ended December 31, 2022. The change was primarily the result of less settlements with Volvo Cars and Geely for current and prior period investments in intellectual property related to the Polestar 2, Polestar 3, and Polestar 4. Additionally, in 2023, Polestar received proceeds from the disposal of assets classified as held for sale amounting to \$153.6 million. This decrease in investing cash outflows was partially offset by a cash settlement of \$137.4 million related to Property, plant, and equipment purchased mostly in the current year.

#### Cash provided by financing activities

Cash provided by financing activities for the year ended December 31, 2024 was \$1,424.2 million, a decrease of \$680.2 million compared to \$2,104.4 million for the year ended December 31, 2023. The change was primarily the result of:

- A decrease of \$443.3 million in proceeds from long-term borrowings;
- An increase in repayment of borrowings of \$336.9 million;
- Partially offset by an increase of \$137.4 million in proceeds from short-term borrowings.

Cash provided by financing activities was \$2,104.4 million for the year ended December 31, 2023 and \$2,074.2 million for the year ended December 31, 2022. Liquidity provided through financing was the result of 15 short-term working capital loans and two long-term related party loans. Polestar's borrowings provided \$4,681.2 million in gross cash proceeds during the period, of which \$1,478.9 million was sourced from 14 short-term working capital facilities with Chinese and European banking partners, \$1,500.4 million was sourced from a short-term green trade revolving credit facility with a syndicate of European banks, \$1,381.7 million was sourced from long-term related party loans with Geely and Volvo Cars, and \$295.0 million was sourced from multiple short-term low-value floorplan and sale-leaseback facilities, including a small credit facility with Volvo Cars. These gross cash proceeds were partially offset by principal repayments of \$2,553.0 million during the period, of which \$1,004.8 million was used to settle eight short-term working capital facilities with Chinese and European banking partners, \$1,354.1 million was used to settle amounts due on the green trade revolving credit facility, and \$194.1 million was used to settle amounts due on the low-value floorplan and sale-leaseback facilities, including the credit facility with Volvo Cars.

#### Contractual obligations and commitments

Polestar is party to contractual obligations to make payments to third parties in the form of short-term and long-term credit facilities, sale leaseback arrangements, and various other leasing arrangements. Polestar has also entered into capital commitments to purchase property, plant and equipment and intellectual property. Refer to *Note 12 - Leases*, *Note 25 - Liabilities to credit institutions*, *Note 27 - Related party transactions* and *Note 29 - Commitments and contingencies* in the accompanying Consolidated Financial Statements for more detail on contractual obligations and commitments.

The following table summarizes Polestar's estimated future cash expenditures related to contractual obligations and commitments as of December 31, 2024. All figures presented in the table below are in thousands of U.S. dollars unless otherwise stated.

	Payments due by period			
	Total	Less than 1 year	Between 1-5 years	After 5 years
<b>Contractual obligations and commitments</b>				
Capital commitments <sup>1</sup>	134,197	134,197	—	—
Minimum purchase commitments <sup>2</sup>	487,647	196,728	232,784	58,135
Credit facilities, including sale leasebacks and floor plans <sup>3</sup>	3,448,709	2,512,395	936,314	—
Other liabilities, including floor plans - related parties <sup>4</sup>	1,949,517	185,140	1,736,958	27,419
Lease obligations including related parties <sup>5</sup>	163,995	35,129	90,004	38,862
<b>Total</b>	<b>\$ 6,184,065</b>	<b>\$ 3,063,589</b>	<b>\$ 2,996,060</b>	<b>\$ 124,416</b>

1 - Capital commitments relate to Polestar's investment in PPE and intangible assets for the production of Polestar 3, Polestar 4 and upcoming models, Polestar 5 and Polestar 6. Additionally, the remaining capital injections Polestar has agreed to provide Polestar Times Technology are included herein.

2 - Minimum purchase commitments relate to contracts with certain suppliers including a non-cancellable commitment, an agreed minimum purchase volume, or an agreed minimum sales volume. In the event of a shortfall in purchases, a shortfall in sales, or Polestar's decision to terminate such contracts, these suppliers are entitled to compensation from Polestar. These amounts reflect Polestar's minimum payment obligation under these contracts. Refer to Note 27 - Related party transactions in the accompanying Consolidated Financial Statements for further details on Polestar's minimum sales volume commitment.

3 - Refer to Note 25 - Liabilities to credit institutions in the accompanying Consolidated Financial Statements for further details on Polestar's credit facilities including sale leasebacks and floor plans.

4 - Refer to Note 27 - Related party transactions in the accompanying Consolidated Financial Statements for further details.

5 - Refer to Note 12 - Leases in the accompanying Consolidated Financial Statements for further details.

#### Non-GAAP Financial Measures

Polestar uses both generally accepted accounting principles ("GAAP," i.e., IFRS) and non-GAAP (i.e., non-IFRS) financial measures to evaluate operating performance and for other strategic and financial decision-making purposes. Polestar believes non-GAAP financial measures are helpful to investors as they provide useful perspective on underlying business trends and assist in period-on-period comparisons. These measures also improve the ability of management and investors to assess and compare the financial performance and position of Polestar with those of other companies.

These non-GAAP measures are presented for supplemental information purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. The measures are not presented under a comprehensive set of accounting rules and, therefore, should only be read in conjunction with financial information reported under GAAP when assessing Polestar's operating performance.

The measures may not be the same as similarly titled measures used by other companies due to possible differences in calculation methods and items or events being adjusted. A reconciliation between non-GAAP financial measures and the most comparable GAAP performance measures is provided below.

Non-GAAP financial measures include Adjusted EBITDA and Free Cash Flow.

##### Adjusted EBITDA

Adjusted EBITDA is calculated as net loss, adjusted to exclude:

- Listing expense;
- Fair value change - Earn-out rights;
- Fair value change - Class C Shares;
- Finance expense;
- Finance income;
- Income tax benefit (expense);
- Depreciation and amortization<sup>1</sup>;
- Impairment of property, plant and equipment, vehicles under operating leases, and intangibles assets;
- Restructuring costs<sup>2</sup>;
- Gains / losses on disposals of investments<sup>3</sup>; and
- Unusual other operating income and expenses that are considered rare or discrete events and are infrequent in nature.

<sup>1</sup> - Depreciation and amortization includes (1) depreciation and amortization capitalized into the carrying value of inventory sold (i.e., part of inventory costs) and (2) depreciation and amortization expense.

<sup>2</sup> - Restructuring costs include expenses associated with programs that were planned and controlled by management, and materially changed either (1) the scope of a business undertaken by the Group or (2) the manner in which business is conducted.

<sup>3</sup> - Disposals of investments include disposals, by sales or otherwise, of: (1) debt or equity financial instruments issued by another entity that are held as investments, (2) intangible assets, (3) property, plant, and equipment, and (4) groups of assets and liabilities representing disposal groups that were transferred together as part of individual transactions.

This measure is reviewed by management and management considers it to be a relevant measure for understanding the underlying operating results and trends of the core business prior to the impact of any adjusting items.

Prior to December 2024, Adjusted EBITDA was calculated as net loss, adjusted for listing expense, fair value change - Earn-out rights, fair value change - Class C Shares, interest income, interest expense, income tax benefit (expense), depreciation and amortization, and the impairment of property, plant and equipment, vehicles under operating leases, and intangibles assets.

The calculation was refined during December 2024 to change interest income and interest expense to finance income and finance expense, respectively, in order to exclude the effects of all items associated with financing activities of the Group instead of only interest related items. Additionally, exclusions for restructuring costs, disposals of investments, and unusual other operating income and expenses that are considered rare or discrete events and are infrequent in nature were added to the calculation to further refine management's view of earnings from core operations. The definition of depreciation and amortization was also changed to include depreciation and amortization capitalized into the carrying value of inventory sold (i.e., part of inventory costs) to account for the Group's change in the pattern of consumption of the future economic benefits embodied in internally developed and acquired intellectual property for the Polestar 2 from the straight-line method to units of production method in the fourth quarter of the year ended December 31, 2023. This method is also applicable to internally developed and acquired intellectual property for the Polestar 4 which entered production in the fourth quarter of the year ended December 31, 2023 and the Polestar 3 which entered production in the first quarter of the year ended December 31, 2024. The change to the definition of depreciation and amortization clarifies that the impact of all depreciation and amortization, irrespective of methodology and expense nature, is excluded from net loss for this measure. These changes provide a clearer view of earnings from core operations from management's perspective and improve comparability of earnings from core operations across reporting periods. Accordingly, Adjusted EBITDA for the years ended December 31, 2022 and 2023 is recast for the new calculation.

*Free Cash Flow*

Free Cash Flow is calculated as cash used for operating activities, adjusted to exclude cash flows to acquire property, plant and equipment and intangible assets. This measure is reviewed by management and management considers it to be a relevant measure for assessing cash generated by operating activities that is available to repay debts and spend on other strategic initiatives.

*Adjusted Operating Loss and Adjusted Net Loss*

Prior to December 2024, Polestar presented the non-GAAP measures Adjusted Operating Loss and Adjusted Net Loss. Adjusted Operating Loss was defined as Operating loss, adjusted to exclude listing expense. Adjusted Net loss was calculated as net loss, adjusted to exclude Listing expense, Fair value change - Earn-out rights, Fair value change - Class C Shares.

During the year ended December 31, 2024, management determined that both Adjusted Operating Loss and Adjusted Net Loss were Non-GAAP measures which no longer needed to be evaluated as they were no longer viewed as relevant measures for understanding the underlying performance of Polestar's core business operations or ongoing performance. Adjusted EBITDA was, and continues to be, the most relevant metric providing an understanding of Polestar's core business operations and ongoing performance prior to the impact of any adjusting items.

**Reconciliation of GAAP and Non-GAAP Results**

All figures presented in the tables below are in thousands of U.S. dollars unless otherwise stated.

*Adjusted EBITDA*

	For the year ended December 31,		
	2024	2023	2022
Net loss	(2,049,897)	(1,181,875)	(479,017)

Listing expense	—	—	372,318
Fair value change - Class C Shares	(2,500)	(22,000)	(35,090)
Fair value change - Earn-out rights	(126,624)	(443,168)	(902,068)
Finance expense	393,785	213,242	108,402
Finance income	(23,879)	(69,565)	(8,552)
Income tax benefit (expense)	(9,166)	(9,452)	29,757
Depreciation and amortization	113,849	135,360	155,535
Impairment of property plant and equipment, vehicles under operating leases, and intangible assets	622,092	339,568	—
Gains / losses on disposals of investments	4,622	(5,442)	11,036
Unusual other operating income and expense <sup>1</sup>	(2,345)	25,676	—
<b>Adjusted EBITDA</b>	<b>\$ (1,080,063)</b>	<b>\$ (1,017,656)</b>	<b>\$ (747,679)</b>

<sup>1</sup> - In 2024 relates to the reduction in litigation provision, net of insurance. In 2023 relates to litigation expense, net of insurance.

#### Free Cash Flow

	For the year ended December 31,		
	2024	2023	2022
Net cash used for operating activities	(991,209)	(1,893,841)	(1,080,951)
Additions to property, plant and equipment	(147,894)	(137,400)	(32,269)
Additions to intangible assets	(209,101)	(435,584)	(674,275)
<b>Free cash flow</b>	<b>\$ (1,348,204)</b>	<b>\$ (2,466,825)</b>	<b>\$ (1,787,495)</b>

#### C. Research and Development, Patents and Licenses, etc.

Full details of our research and development activities and expenditures are given under the description of the “Research and development expenses” in “Results of operations” within this “Operating and Financial Review and Prospects” section as well as under “Innovation” within “Business Overview - Design, Innovation and Sustainability - Innovation” in Item 4.B .

#### D. Trend information

Other than what is disclosed elsewhere in this Report, Polestar is not aware of any trends, uncertainties, demands, commitments, or events for the year ended December 31, 2024, that would reasonably be likely to have a material and adverse effect on revenues, income, profitability, liquidity, or capital resources or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

Please refer to “Key factors affecting operations” within this “Operating and Financial Review and Prospects” section for a discussion of known trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material effect on revenues, income, profitability, liquidity, or capital resources that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

#### E. Critical accounting estimates

Not applicable - Polestar prepares its Consolidated Financial Statements in accordance with the IFRS issued by the International Accounting Standards Board (“IASB”).

### ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

#### A. Directors and Executive Officers

The directors and executive officers of Polestar are as follows:

Name	Age	Title
Prof. Dr.he Winfried Vahland	68	Director (Chairman)
Michael Lohscheller	56	Chief Executive Officer and Director
Jean-François Mady	54	Chief Financial Officer
Jonas Engström	49	Chief Operating Officer
Karen C. Francis	62	Director
Francesca Gamboni	59	Director
Christine Gorjanc	68	Director
Donghui (Daniel) Li	54	Director
Dr. Karl-Thomas Neumann	64	Director

David Richter	57	Director
Prof. Xiaojie (Laura) Shen	63	Director
Zhe (David) Wei	54	Director

#### Executive Officers

**Michael Lohscheller** joined Polestar as its Chief Executive Officer in October 2024, at which time he also became a member of the Board. Prior to joining Polestar, Mr. Lohscheller was the President and CEO of Nikola Corporation from March 2022 to August 2023 and Global CEO of Vinfast during 2021. Prior to that Mr. Lohscheller held various executive roles at Stellantis from September 2012 to August 2021, including as CEO of Opel Automobile from June 2017 to August 2021. He worked with Volkswagen from 2004 to 2012 and at DaimlerChrysler from 2001 to 2004. Mr. Lohscheller brings over 20 years of senior level experience in the global automotive industry to Polestar. Mr. Lohscheller holds an MA in Marketing Management from Brunel University of London in the United Kingdom and a BA in Business Administration from Osnabrück University of Applied Sciences in Germany.

The Company believes that Mr. Lohscheller is qualified to serve on the Board based on his significant executive experience in the automotive industry.

**Jean-Francois Mady** joined Polestar as its Chief Financial Officer in October 2024 from Stellantis, where he served as Senior Vice President of Global Accounting Operations, Shared Services & Finance Transformation from 2021. Prior to joining Polestar, Mr. Mady held various positions in Stellantis and PSA Peugeot Citroën from 1999 to 2021, including as Vice President, Deputy Group Accounting Director from 2019 to 2021 and Senior Vice President and Chief Financial Officer, PSA Finance from 2012 to 2015. Mr. Mady also served in China/Asia as Vice President of Financial Services China/Asia and India/Pacific (PSA Finance) from 2016 to 2019, Senior Vice President of ASEAN Automotive Strategy from 2015 to 2016 and General Manager and Vice President of DongFeng Peugeot Citroen Auto Finance Co. (PSA Finance) from 2010 to 2012. Mr. Mady brings over 20 years of experience in global senior management roles from automotive finance and financial services sectors to Polestar. Mr. Mady holds a Master in Management from NEOMA (Reims) Business School, France, an MBA in Strategy and International Affairs from the University of Ottawa, Canada, and an EMBA from New York University, USA, HEC Paris, France and the London School of Economics in the United Kingdom.

**Jonas Engström** joined Polestar as its Head of Product and Program in December 2021 from Volvo Cars, where he served as Vice President of Strategy & Business Ownership from April 2020. In July 2023 Mr. Engström was promoted to Head of Operations in Polestar and in December 2024 Mr. Engström was appointed to the role of Chief Operating Officer. Prior to joining Polestar, Mr. Engström held various positions in Volvo Cars, including as Head of Product Strategy & Vehicle Line Management in Asia Pacific from 2014 to 2016. Mr. Engström brings more than 20 years of experience from the automotive industry to Polestar. Mr. Engström holds a Master of Science in International Business from the School of Economics & Commercial Law, University of Gothenburg, Sweden.

#### Non-Employee Directors

**Prof. Dr.hc Winfried Vahland** has served on the Board since January 2024. Prof. Dr.hc Winfried Vahland has 40 years of broad and international experience in the automotive industry, beginning his career at Adam Opel AG in 1984 and spending 25 years holding various executive positions within the Volkswagen Group from 1990, with his most recent position serving as CEO of Škoda from 2010 to 2015. Prof. Dr.hc Vahland served on the Volvo Cars Board from 2019 to 2024, and currently serves as Honorary Chairman of the Supervisory Board of EuroCar AG., as well as a Member of the Supervisory Board of Proton Holdings Berhad and Vibracoustic SE. He also served as Chairman of the supervisory board of Eldor Corporation S.p.A from 2016 to 2023. Prof. Dr.hc. Vahland holds a Master's Degree in Mechanical Engineering and Business Administration from Technical University THD Darmstadt, Germany, and a Master's of Business Administration from GMI Engineering & Management Institute, Michigan, United States. He was deemed an honorary doctor in Mechanical Engineering by the Dalian University of Technology in China, and in Economics by the University of Economics in Prague, Czech Republic.

The Company believes that Prof. Dr.hc Vahland is qualified to serve on the Board based on his significant experience in the automotive industry.

**Karen C. Francis** has served on the Board since June 2022. Ms. Francis has served as the Chair of the board of directors of Vontier Corporation (NYSE: VNT) ("Vontier"), a spinoff from Fortive Corporation focused on mobility and transportation businesses, since its spin-off in 2020. She also serves as a member of the Nominating & Governance Committee for Vontier. Ms. Francis has also served as director of TuSimple Holdings Inc. (NASDAQ: TSP) from December 2020 to November 2022, where she also served on the Audit and Compensation Committees. Additionally, since July 2021, Ms. Francis serves as Senior Advisor to TPG Capital and is an independent director for private equity and venture capital funded companies in Silicon Valley, including Nauto since April 2016. Furthermore, Ms. Francis has also served as Chair of the board of directors of Cellink Corporation since October 2021. Recently, from March 2021 to November 2021, Ms. Francis served on the Board and as Audit Chair of Reinvent Technology Partners Y (NASDAQ: RTPYU), which merged with Aurora Innovation, Inc. From December 2016 to November 2019, Ms. Francis also served on the board of directors of Telenav, Inc. (NASDAQ: TNAV), where she served as lead independent director, chair of the Compensation Committee and a member of the Nominating and Governance Committee of Telenav, Inc. Prior to joining Telenav, Inc., Ms. Francis served as a director of The Hanover Insurance Group, Inc. (NYSE: THG) from May 2014 to May 2017 and AutoNation, Inc. (NYSE: AN) from February 2016 to April 2018. Ms. Francis served as Chief Executive Officer of AcademixDirect, Inc., a technology innovator in education, from 2009 to 2014 and as its Executive Chairman from 2009 to 2017. From 2004 to 2007, Ms. Francis was Chairman and Chief Executive Officer of Publicis & Hal Riney, based in San Francisco and part of the Publicis global advertising and marketing network. From 2001 to 2002, she served as Vice President of Ford Motor Company, where she was responsible for the corporate venture capital group, as well as global e-business strategies, customer relationship management and worldwide export operations. From 1996 to 2000, Ms. Francis held several positions with General Motors, including serving as General Manager of the Oldsmobile Division.

The Company believes that Ms. Francis is qualified to serve on the Board based on her significant experience in the automotive sector, her knowledge in corporate governance and her track record of successfully building companies and businesses across multiple industries.

**Francesca Gamboni** has served on the Board since October 2024. Ms. Gamboni is a supply chain management expert with close to 30 years experience in this area. Ms. Gamboni has served as Chief Supply Chain Officer of Volvo Cars since October 2023 and is a member of Volvo Cars Executive Management Team since May 2024. She has held senior and executive supply chain management positions within and outside of the automotive and mobility industry. Most recently, she served as Chief Supply Chain Officer of Accell Group, an e-bike market leader, from February 2022 to August 2023. Prior to this, she served as SVP Global Supply Chain of Stellantis from June 2016 to January 2022. Her experience in the automotive industry also includes Renault where she served as Vice President Supply Chain from June 2010 to August 2013, and prior to this, as General Manager Logistics from November 2007 to June 2010. Other key positions held by Ms Gamboni include her role as Nordic Operations Director of L'Oréal from September 2013 to May 2016, and Supply Chain Manager of Alcan from February 2003 to November 2007. She also has experience as member of the supervisory board in the logistics industry with GefCo, from June 2016 to December 2019, and the automotive industry with Opel, from December 2019 to January 2022. Ms Gamboni holds a Master of Science in Industrial Technology Engineering from Politecnico di Milano.

The Company believes that Francesca Gamboni is qualified to serve on the Board based on her significant experience in the supply chain management of the automotive industry.

**Christine Gorjanc** has served on the Board since October 2024. Ms. Gorjanc is an experienced Chief Financial Officer from the high growth technology sector and has served on several public and private company boards. Ms. Gorjanc is an NACD certified corporate director, and serves on the board of directors and Audit Committee of Juniper Networks since 2019 and was appointed Lead Independent Director in 2023, and on the board of Forward Air since June 2024 where she serves as the Audit Committee Chair. Recently, Christine Gorjanc also served on the boards of Invitae from 2015 to August 2024 and Shapeways Holdings from April 2023 to July 2024, where she served as Audit Committee chair of both. Christine Gorjanc served as the Chief Financial Officer of Arlo Technologies, Inc., an intelligent cloud infrastructure and mobile app platform company, from August 2018 to June 2020. Prior to her role with Arlo, she assumed the role of Chief Financial Officer of NETGEAR, Inc. in January 2008, where she previously served as the Chief Accounting Officer from December 2006 to January 2008 and Vice President, Finance from November 2005 to December 2006. Prior to joining NETGEAR, she served in a number of roles including Vice President, Controller, Treasurer, and Assistant Secretary of Aspect Communications Corporation from September 1996 through November 2005. Christine Gorjanc served as Manager of Tax for Tandem Computers, Inc. from October 1988 through September 1996. Prior to 1996, she served in management positions at Xidex Corporation and spent eight years in public accounting. Ms. Gorjanc holds a Bachelor of Business Administration in Accounting from the University of Texas at El Paso and a Master's degree in Taxation from Golden Gate University.

The Company believes the Christine Gorjanc is qualified to serve on the Board based on her significant experience as a public company CFO and other executive financial roles in high tech and growth industries as well as experience in operations, supply chain and information technology. She also has a lot of public company governance experience as a member of the board of directors and audit committees of other public companies.

**Donghui (Daniel) Li** has served on the Board since June 2022 and joined the Former Parent Board in May 2020. Mr. Li serves as the Chief Executive Officer of Geely since November 2020. Mr. Li joined Geely in April 2011 as Vice President and Chief Financial Officer and has served as a director of Geely since November 2011. From May 2011 to April 2014, he served as Executive Director of Geely Automobile Holdings Co., Ltd. (HK.0175) and from June 2016 to November 2020, he served as Executive Vice President and Chief Financial Officer of Geely. In April 2012, Mr. Li was appointed as a director of Volvo Cars. In July 2016, he was appointed the position of Executive Director and Vice Chairman of Geely Automobile Holdings Co., Ltd. (HK.0175). Mr. Li has also served as a chairman of Group Lotus and a director of Proton Holdings since September 2017. Mr. Li has been the Chairman of the Board of Lotus Technology since November 2021. Lotus Technology was listed on Nasdaq in February 2024 (Nasdaq: LOT). Mr. Li also serves on the Board of Zeekr Intelligent Technology Holding Limited since March 2021. Zeekr Intelligent Technology Holding Limited, listed on NYSE in March 2021 (NYSE:ZK). From September 2018 to March 2021, Mr. Li has served as chairman of Saxo Bank and he continues to serve as a director of Saxo Bank after March 2021. Mr. Li also serves as chairman of LEVC Global since April 2021. In July 2023, he was also appointed as Geely's nominated shareholder representative Non-executive Director of Aston Martin Lagonda Global Holdings plc. Mr. Li holds an MBA degree from the Indiana University Kelley School of Business and graduated from the Beijing Institute of Machinery with a Master's degree in management engineering (with a focus on financial management). He also holds a Bachelor's degree in philosophy from China Renmin University.

The Company believes that Mr. Li is qualified to serve on the Board based on his significant executive experience in the automotive sector and his experience in operational management in China.

**Dr. Karl-Thomas Neumann** has served on the Board since June 2022. Dr. Neumann joined the Former Parent Board in February 2022. Dr. Neumann is the Chief Executive Officer and Founder of KTN Investment and Consulting since March 2018. He also serves as a director of indie Semiconductor, Inc. ([NASDAQ:INDI](#)) since June 2021 and as a director of South Korea based Hyundai-Mobis since March 2019, and as a member of the Advisory Board of SK-On since February 2024. From April 2018 to June 2019, Dr. Neumann held a management position at Canoo Inc. (NASDAQ:GOEV), an electric vehicles company, where his responsibilities included technology and marketing. From March 2013 to March 2018, he was Executive Vice President & President Europe for General Motors Company, where he was also a member of the GM Executive Committee. Dr. Neumann was previously with Volkswagen AG, where he was Chief Executive Officer and Vice President of Volkswagen Group China in Beijing from September 2010 to August 2012. Prior to this position, he held a number of management positions at Volkswagen, beginning in 1999 as Head of Research and Director of Electronics Strategy. From 2004 to 2009, Dr. Neumann was a member of the Executive Board at German automotive supplier Continental AG, responsible for the Automotive Systems Division. From August 2008 to September 2009, he was Chairman of the Executive Board of Continental AG. In December 2009, Dr. Neumann returned to Volkswagen AG and took over company-wide responsibility for electric propulsion. Dr. Neumann began his professional career at the Fraunhofer Institute as a research engineer before moving to Motorola Semiconductor, where he worked as an engineer and strategy director responsible for the

automobile industry. Dr. Neumann holds a Ph.D. in Microelectronics from the University of Duisburg, as well as a diploma in Electrical Engineering from the University of Dortmund.

The Company believes that Dr. Neumann is qualified to serve on the Board based on his significant executive experience in the automotive sector.

**David Richter** David Richter has served on the Board since June 2022 and joined the Former Parent Board in May 2020. Mr. Richter has wide experience at high-growth technology companies, including leading business development, corporate development, legal, finance and product teams. Mr. Richter has been the Vice President of Business and Corporate Development at DoorDash, Inc. (NYSE: DASH) since July 2021. He has also represented DoorDash on the Board of Flink SE from January 2023 to September 2024 and Yassir EURL since February 2022. Prior to joining DoorDash, Inc, he worked at Lime from October 2018 to July 2020. He also held the position of Vice President, Global Head of Business and Corporate Development, at Uber Technologies, Inc. (“Uber”) (NYSE: UBER) from June 2017 through May 2018, leading the business development, corporate development and experiential marketing teams. Mr. Richter first joined Uber in January 2014 as Vice President, Strategic Initiatives. While at Uber, Mr. Richter was also a member of the Executive Leadership Team reporting to the Chief Executive Officer. Mr. Richter holds a J.D. from Yale Law School and a B.A. from Cornell University.

The Company believes that Mr. Richter is qualified to serve on the Board based on his significant experience in the fast-moving shared mobility industry and as a business development and start-up executive.

**Prof. Xiaojie (Laura) Shen** has served on the Board since October 2024. Prof. Shen has 30 years of experience in the automotive sector in China with demonstrated track-record in sales performance, operational efficiencies and strategic implementation. She currently serves as Chair of the China Alumni Chapter of University of New York at Buffalo and consultant of the Dean of School of Management, and as a consultant for China Auto Dealers Chamber of Commerce. Prof. Shen joined Volkswagen Group (China) as Vice President in 2007 where she held various executive positions, including as Managing Director and Director for Volkswagen Group Import from March 2021 to June 2023, Head of Sales & Service Operations of Volkswagen Brand China from October 2014 to May 2016, Managing Director of Volkswagen Import China from October 2009 to June 2012. She also served as Chair of Volkswagen Virtual Turntable (Beijing) Internet Information Service Co. Ltd from March 2022 to June 2023. Prior to Volkswagen, Laura Shen served as Assistant President of Jiangling Motors from 1995 to 2002, and Head of Sales of BMW Brilliance from 2002 to 2007. Laura Shen holds an MBA from State University of New York at Buffalo, and a Postgraduate Diploma in ELT from Nanyang Technological University of Singapore.

The Company believes that Laura Shen is qualified to serve on the Board based on her significant experience in the automotive industry.

**Zhe (David) Wei** has served on the Board since June 2022. Mr. Wei has over 20 years of experience in both investment and operational management in China. Prior to launching Vision Knight Capital, a private equity investment fund, in 2011, Mr. Wei served from 2007 to 2011 as an executive director and the Chief Executive Officer of Alibaba.com Limited, a leading worldwide wholesale e-commerce company wholly owned by the Alibaba Group (NYSE: BABA). Mr. Wei was the president, from 2002 to 2006, and chief financial officer, from 2000 to 2002, of B&Q (China) Co., Ltd., a subsidiary of Kingfisher PLC, a leading home improvement retailer in Europe and Asia. From 2003 to 2006, Mr. Wei was also the chief representative for Kingfisher’s China sourcing office, Kingfisher Asia Limited. Prior to joining B&Q and Kingfisher, Mr. Wei served as the head of investment banking at Orient Securities Company Limited from 1998 to 2000 and as corporate finance manager at Coopers & Lybrand (now part of PricewaterhouseCoopers) from 1995 to 1998. Mr. Wei was appointed as an independent non-executive director of PCCW Ltd. (HKSE: 0008) (“PCCW”) in November 2011 and was re-designated as a non-executive director of PCCW in May 2012. Mr. Wei has also served as a director of Zall Smart Commerce Group Ltd. (HKSE: 02098) since April 2016 and as a director at JNBY Design Limited (HKSE: 03306) since June 2013. Mr. Wei was a director of Informa PLC (LON: INF) from June 2018 to May 2019, a director of Zhong Ao Home Group Limited (HKSE: 01538) from April 2015 to June 2020, an independent director of Leju Holdings Limited (NYSE: LEJU) from April 2014 to March 2021, an independent director of OneSmart International Education Group Limited (NYSE: ONE) from March 2018 to April 2021, and as a director of several private companies. Mr. Wei holds a Bachelor’s degree in international business management from Shanghai International Studies University and has completed a corporate finance program at the London Business School.

The Company believes that Mr. Wei is qualified to serve on the Board based on his significant experience in investment and operational management in China.

**Board Diversity**

**Board Diversity Matrix (As of December 31, 2024)**

Country of Principal Executive Offices	Sweden				
Foreign Private Issuer	Yes				
Disclosure Prohibited under Home Country Law	No				
Total Number of Directors	10				
	Female	Male		Non-Binary	Did Not Disclose Gender
Part I: Gender Identity					
Directors	4	6		0	0
Part II: Demographic Background					



Underrepresented Individual in Home Country Jurisdiction			0		
LGBTQ+			0		
Did Not Disclose Demographic Background			1		

## B. Executive Officer and Director Compensation

### Compensation of Polestar's Key Management and Directors

The aggregate amount of compensation, including cash, equity awards and other benefits the Company's chief executive officer (Thomas Ingenlath, Polestar's Chief Executive Officer until September 30, 2024, Michael Lohscheller, Polestar's Deputy Chief Executive Officer from September 1, 2024 until September 30, 2024 and Chief Executive Officer from October 1, 2024) received from Polestar for the year ended December 31, 2024 was approximately 19,499,000 SEK (or TUSD 1,779). The aggregate amount of compensation, including cash, equity awards and other benefits the Company's executive officers (Thomas Ingenlath, Polestar's Chief Executive Officer until September 30, 2024, Michael Lohscheller, Polestar's Deputy Chief Executive Officer from September 1, 2024 until September 30, 2024 and Chief Executive Officer from October 1, 2024; Johan Malmqvist Polestar's Chief Financial Officer until January 9, 2024, Per Ansgar, Polestar's Chief Financial Officer, until October 20, 2024, Jean-François Mady, Polestar's Chief Financial Officer from October 21, 2024 and Jonas Engström, Polestar's Chief Operating Officer from December 1, 2024) received from Polestar for the year ended December 31, 2024 was approximately SEK 36,839,000 SEK (or TUSD 3,362). The compensation paid to Polestar's executive officers in fiscal year 2024 consisted of base salary, short-term variable pay, equity awards and the value of pension benefits and other employee benefits.

### Incentive Programs

#### *Polestar Bonus Program*

All employees of Polestar, including each of the Company's executive officers, participate in the Polestar Bonus Program, a short-term cash incentive program, for which key performance indicators ("KPIs") and the pay-outs are approved by the Board annually. Under the Polestar Bonus Program, employees are eligible to receive an annual cash bonus based on generally applicable and market-specific KPIs. At the end of the applicable performance period, the Board determines the achievement of the relevant performance metrics.

For fiscal year 2024, the Polestar Bonus Program was based on the following four KPIs: (i) net income (30%); (ii) cash flow (30%); (iii) cost management (30%) and (iv) customer experience (10%). After the conclusion of the fiscal year 2024 performance period on December 31, 2024, the Board determined that, due to the company's financial situation, there would be no bonus payout this year, despite meeting some of the targets.

Performance Targets							
Metric	Weighting	Threshold	On target	Maximum	Actual	% Vesting	% Of max bonus opportunity
Net income	30%	75%	100%	200%	—%	—%	—%
Cash flow	30%	75%	100%	200%	—%	—%	—%
Cost management	30%	75%	100%	200%	200%	60%	—%
Customer experience	10%	75%	100%	200%	90%	9%	—%
Total						69%	34.5%

	Financial measures (% of bonus achieved, max 100%)	Non-financial measures (% of bonus achieved, max 100%)	Total vesting percentage (%, max 100%)	Vesting amount as % of salary	Bonus amount (SEK)
Thomas Ingenlath	60%	9%	—%	—%	—%
Michael Lohscheller	60%	9%	37.5%	37.5%	1,845,000kr

\*Mr Lohscheller had in accordance with his offer letter for the role as CEO a guaranteed bonus payment corresponding to 75% target achievement during 2024.

### Employee Agreements

During the last financial year, Messrs. Ingenlath (former Chief Executive Officer), Lohscheller, Malmqvist (former Chief Financial Officer), Ansgar (former Chief Financial Officer), Mady and Engström were each party to an employment agreement with Polestar. Messrs. Lohscheller, Mady and Engström remains employed by Polestar to date, whilst Messrs. Ingenlath, Malmqvist and Ansgar have left the Company. Pursuant to the employment agreements with Messrs. Ingenlath, Lohscheller, Malmqvist, Ansgar, Mady and Engström, each such executive was eligible to receive an annual base salary and vacation pay and to participate in Polestar's cash incentive programs (as described above). In addition, each executive is (or was, when employed) eligible to participate in Polestar's company car scheme, with a portion of the cost borne by the executive, and to participate in collectively and contractually agreed pension and insurance benefit schemes and in accordance with Swedish law. Each of Messrs. Ingenlath, Lohscheller, Malmqvist, Ansgar, Mady and Engström are (or were, when employed) entitled to health care insurance at the expense of Polestar. Messrs. Lohscheller and Mady were also entitled to housing benefits during 2024.

Messrs. Ingenlath, Lohscheller, Malmqvist, Ansgar, Mady and Engström were each subject to restrictive covenants under their employment agreements relating to assignment of intellectual property and confidentiality. In addition, Messrs. Ingenlath, Lohscheller Malmqvist, Ansgar, Mady and Engström were subject to restrictive covenants relating to non-competition, non-solicitation of customers and non-solicitation and non-hire of employees during the term of their employment. In the event Messrs. Ingenlath, Lohscheller Malmqvist, Ansgar, Mady or Engström breaches any restrictive covenant under their respective employment agreements (past or present), they may owe liquidated damages to Polestar in respect of each such breach in an amount equal to six times their average monthly gross salary.

Mr. Lohscheller's employment may be terminated by Polestar subject to 12 months' notice and be terminated by the executive subject to six months' notice. In the event of termination of employment by Polestar, Mr. Lohscheller is entitled to severance pay equal to 12 times monthly base salary, payable in installments.

Mr. Mady's employment may be terminated by Polestar subject to 12 months' notice and be terminated by the executive subject to 12 months' notice. In the event of termination of employment by Polestar, Mr. Mady is entitled to severance pay equal to 6 times monthly base salary, payable in installments.

Mr. Engström's employment may be terminated by Polestar subject to 6 months' notice and be terminated by the executive subject to 6 months' notice. In the event of termination of employment by Polestar, Mr. Engström is entitled to severance pay equal to 12 times monthly base salary, payable in installments.

#### ***Health and Welfare and Retirement Benefits***

Throughout the last financial year, Messrs. Ingenlath, Lohscheller, Malmqvist, Ansgar, Mady and Engström were entitled to certain health and welfare insurances pursuant to the Swedish collective bargaining agreement Teknikavtalet between Teknikarbetsgivarna and Unionen, Sveriges Ingenjörer and Ledarna, including disability and life insurances. They were also entitled to receive Executive Management Health Care Insurance, and travel insurance.

The ITP Pension Plan is an occupational pension plan for private sector salaried employees and is based on a collective bargaining agreement between the Confederation of Swedish Enterprise and the Council for Negotiation and Cooperation. The ITP Pension Plan is divided into two parts: ITP 1 (applicable to employees born 1979 and later), which is a defined contribution plan and ITP 2 (applicable to employees born before 1979), which is primarily a defined benefit plan. Furthermore, it is also possible for employees born in 1978 or earlier that are earning at least 10 Swedish income base amounts to agree with the employer to instead apply the ITP 1 pension plan.

Messrs. Lohscheller, Malmqvist and Mady were covered by the defined contribution pension plan (ITP 1) as per the Swedish collectively agreed "Avtal om ITP och TGL," and the VFF pension (Volvo Företagspension), a defined contribution pension scheme.

Messrs. Ingenlath, Ansgar and Engström were covered by the defined benefit pension plan (ITP 2) as per the Swedish collectively agreed "Avtal om ITP och TGL" and the Volvo Management Pension (VMP), a supplementary pension plan.

The defined benefit pension plan (i.e. the ITP 2 pension plan) through the Swedish ITP collective bargaining agreement is a final salary-based plan, and is funded through regular insurance payments. This plan is secured with the mutual insurance company Alecta, and the portion secured through such insurance refers to a defined benefit plan that comprises several employers and is reported according to a pronouncement by the Swedish Financial Reporting Board, UFR 10. Polestar's share of the total saving premiums for the ITP pension plan in Alecta, as of December 31, 2024, amounted to 0.3390 per cent and Polestar's share of the total number of active policy holders amounted to 0.07897 per cent. The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations calculated in accordance with Alecta's actuarial methods and assumptions, which do not conform to IAS 19, *Employee Benefits* ("IAS 19"). The collective funding ratio is normally allowed to vary between 125 and 175 per cent. At year-end 2024, the consolidation level amounts to 163 per cent.

#### ***Compensation of Non-Employee Directors***

Polestar has established a compensation program for its non-employee directors.

The Company is party to letter agreements with the non-employee directors, pursuant to which non-employee directors are eligible to receive (i) an annual fee of \$200,000 (or \$500,000 if the director serves as the chair of the Board), (ii) an additional annual fee of \$10,000 if the director serves on the Nominating and Governance Committee or Compensation Committee (of \$20,000 for the chairs of these committees), or \$15,000 if the director serves on the Audit Committee (or \$30,000 for the chair of the Audit Committee), and (iii) a Polestar car, subject to certain conditions. Pursuant to the letter agreements, 50% of the net annual fee (but not including any additional annual fee described above) for each non-employee directors is used to purchase the maximum number of Class A ADSs as may be purchased in the market at the prevailing rate. The Company is also expected to agree to reimburse each non-employee director for reasonable and properly documented expenses they incur in connection with their service as a non-employee director.

During the year ended December 31, 2024, the aggregate amount of Polestar's non-employee directors' compensation paid to or earned by such directors for service on the Board of the Company was approximately \$2,353,000 in the form of a cash retainer for the performance of duties as a director. Polestar also reimbursed its non-employee directors for reasonable out-of-pocket expenses incurred in connection with the performance of their duties as directors, including, without limitation, travel expenses in connection with their attendance in-person at board of directors and committee meetings.

#### ***Equity Plan***

On June 23, 2022, the Company adopted the Polestar Automotive Holding UK PLC 2022 Omnibus Incentive Plan, pursuant to which employees of the Company and the Company's affiliates performing services for the Company, including the Company's executive officers, are eligible to receive awards. The Equity Plan provides for the grant of stock options (in the form of either non-qualified stock options ("NSOs") or incentive stock options ("ISOs")), stock appreciation rights ("SARs"), restricted stock, RSUs, performance awards, other stock-based awards, cash awards and substitute awards intended to align the interests of participants with those of the

Company's shareholders. The Annex to the Equity Plan permits grants of awards that may be settled in cash or shares to employees, consultants and non-employee directors of the Company and the Company's affiliates. The following description of the Equity Plan is qualified in its entirety by reference to the Equity Plan, a copy of which is filed as an exhibit to the registration statement on form S-8 filed with the SEC on August 29, 2022.

#### *Securities Offered*

Subject to adjustment in the event of certain transactions or changes of capitalization in accordance with the Equity Plan, a total of 10,000,000 shares of Class A ADSs (or Class A Shares, as the context may require) were initially reserved for issuance pursuant to awards under the Equity Plan when adopted in 2022. The total number of shares reserved for issuance under the Equity Plan is subject to increase on January 1 of each calendar year during the term of the Equity Plan, by the lesser of (i) 0.5% of the total number of Shares outstanding on each December 31 immediately prior to the date of increase or (ii) such number of Shares determined by the Board. No more than 10,000,000 Class A ADSs under the Equity Plan may be issued pursuant to ISOs (subject to the overall limit of shares that may be used in the Equity Plan). Class A ADSs subject to an award that expires or is tendered in payment of an option, delivered or withheld to satisfy any tax withholding obligations, covered by a stock-settled SAR or other award that were not issued upon settlement, or shares subject to an award that expires or is canceled, forfeited, or terminated without issuance of the full number of shares to which such award related (only to the extent of such cancellation, forfeiture or termination) will again be available for issuance or delivery pursuant to other awards under the Equity Plan. Any award settled in cash shall not be counted toward the maximum number of shares reserved for issuance under the Equity Plan.

#### *Administration*

The Equity Plan is administered by a committee of the Board that has been authorized to administer the Equity Plan, except if no such committee is authorized by the Board, the Board will administer the Equity Plan (as applicable, the "Committee"). The Committee has broad discretion (subject to the terms and conditions of the Equity Plan) to administer the Equity Plan, including the power to determine the eligible individuals to whom awards will be granted, the number and type of awards to be granted and the terms and conditions of awards. The Committee may also accelerate the vesting or exercise of any award and make all other determinations and to take all other actions necessary or advisable for the administration of the Equity Plan.

#### *Eligibility*

Employees of the Company and its affiliates are eligible to receive awards under the Equity Plan. Consultants and non-employee directors of the Company and its affiliates may receive awards granted under the Annex.

#### *Types of Awards*

**Options.** The Company may grant options to the Company's employees and employees of its affiliates, except that ISOs may only be granted to persons who are Company's employees or employees of one of Company's parents or subsidiaries, in accordance with Section 422 of the Code. Except as otherwise permitted by applicable law in the case of eligible employees located outside the United States, the exercise price of an option cannot be less than 100% of the fair market value of a Class A ADS on the date on which the option is granted and the option must not be exercisable for longer than ten years following the date of grant. However, in the case of an incentive option granted to an individual who owns (or is deemed to own) more than 10% of the total combined voting power of all classes of Company's equity securities or of the Company's parents or subsidiaries, the exercise price of the option must be at least 110% of the fair market value of a Class A ADS on the date of grant and the option must not be exercisable more than five years from the date of grant.

**SARs.** A SAR is the right to receive an amount (payable in Class A ADSs) equal to the excess of the fair market value of one Class A ADS on the date of exercise over the grant price of the SAR. Except as otherwise permitted by applicable law in the case of eligible employees located outside the United States, the grant price of a SAR cannot be less than 100% of the fair market value of a Class A ADS on the date on which the SAR is granted. The term of a SAR may not exceed ten years. SARs may be granted in connection with, or independent of, other awards. The Committee has the discretion to determine other terms and conditions of an SAR award.

**Restricted Stock Awards.** A restricted stock award is a grant of Class A ADSs subject to the restrictions on transferability and risk of forfeiture imposed by the Committee. Unless otherwise determined by the Committee and specified in the applicable award agreement, the holder of a restricted stock award has rights as a shareholder, including the right to vote the Class A ADSs subject to the restricted stock award or to receive dividends on the Class A ADSs subject to the restricted stock award during the restriction period. The Committee has the discretion to determine the terms and conditions that the participant will be entitled to dividends payable on the shares of restricted stock.

**Restricted Stock Units.** A RSU is a right to receive Class A ADSs at the end of a specified period equal to the fair market value of one Class A ADS on the date of vesting. RSUs may be subject to the restrictions, including a risk of forfeiture, imposed by the Committee, and holders of RSUs are not entitled to rights as shareholders unless and until shares are delivered in settlement of such RSUs. The Committee may determine that a grant of RSUs will provide a participant a right to receive dividend equivalents, which entitles the participant to receive the equivalent value (in Class A ADSs) of dividends paid on the underlying Class A ADSs. Dividend equivalents may be paid currently or credited to an account, settled in shares, and may be subject to the same restrictions as the RSUs with respect to which the dividend equivalents are granted.

**Performance Awards.** A performance award is an award that vests and/or becomes exercisable or distributable subject to the achievement of certain performance goals during a specified performance period, as established by the Committee. Performance awards may be granted alone or in addition to other awards under the Equity Plan, and will be settled in Class A ADSs.

**Other Share-Based Awards.** Other share-based awards are awards denominated and payable in, valued in whole or in part by reference to, or otherwise based on or related to, the value of Class A ADSs.

**Cash Awards.** Under the Annex to the Equity Plan, cash awards may be granted on a free-standing basis or as an element of, a supplement to, or in lieu of any other award. SARs, RSUs and performance awards that may be settled in cash may be granted under the Annex to the Equity Plan.

*Substitute Awards.* Awards may be granted under the Equity Plan in substitution for similar awards held for individuals who become participants as a result of a merger, consolidation or acquisition of another entity by or with the Company or one of its affiliates.

*Certain Transactions*

If any change is made to the Company's capitalization, such as a stock split, stock combination, stock dividend, exchange of stock or other recapitalization, merger or otherwise, which results in an increase or decrease in the number of outstanding Class A ADSs, appropriate adjustments will be made by the Committee in the shares subject to an award under the Equity Plan. The Committee will also have the discretion to make certain adjustments to awards in the event of a change in control (which includes a "scheme of arrangement" under the Companies Act 2006 enacted under the laws of England and Wales or under any other substantially equivalent local legislation), such as the assumption or substitution of outstanding awards, the purchase of any outstanding awards in cash based on the applicable change in control price, the ability for participants to exercise any outstanding stock options, SARs or other stock-based awards upon the change in control (and if not exercised such awards will be terminated), and the acceleration of vesting or exercisability of any outstanding awards.

*Clawback*

All awards granted under the Equity Plan are subject to reduction, cancellation or recoupment under any written clawback policy that the Company may adopt and that the Company determines should apply to awards under the Equity Plan.

*Plan Amendment and Termination*

The Board or the Committee may amend or terminate any award, award agreement or the Equity Plan at any time, provided that the rights of a participant granted an award prior to such amendment or termination may not be impaired without such participant's consent. In addition, shareholder approval will be required for any amendment to the extent necessary to comply with applicable law or exchange listing standards. The Committee will not have the authority, without the approval of shareholders, to amend any outstanding option or share appreciation right to reduce its exercise price per share. The Equity Plan will remain in effect for a period of ten years (unless earlier terminated by the Board).

**Employee Stock Purchase Plan**

The Company adopted the Polestar Automotive Holding UK PLC 2022 Employee Stock Purchase Plan. The following is a summary of the material features of the Employee Stock Purchase Plan. This summary is qualified in its entirety by reference to the complete text of the Employee Stock Purchase Plan, a copy of which is filed as an exhibit to the registration statement on form S-8 filed with the SEC on August 29, 2022.

*Purpose of the Employee Stock Purchase Plan*

The purpose of the Employee Stock Purchase Plan is to provide the Company's employees and employees of the Company's participating subsidiaries with the opportunity to purchase Class A ADSs (or Class A Shares, as the context may require) through post-tax deductions (or contributions) from payroll during successive offering periods, and, under the Non-Section 423 Component (as described below), to be eligible to receive additional benefits in the form of "matching shares" which are awarded following a specified retention period, for no further payment by the participant. The Company believes that the Employee Stock Purchase Plan enhances such employees' sense of participation in the Company's performance, aligns their interests with those of the Company's shareholders, and is a necessary and powerful incentive and retention tool that benefits the Company's shareholders.

The Employee Stock Purchase Plan includes a "Section 423 Component" and a "Non-Section 423 Component." Offerings under the Section 423 Component are intended to meet the requirements under Section 423(b) of the Code. In connection with offerings under the Non-Section 423 Component, purchase options may be granted to eligible employees that need not satisfy the requirements for purchase options granted pursuant to an "employee stock purchase plan" that are set forth under Section 423 of the Code.

*Eligibility and Administration*

The Employee Stock Purchase Plan is administered by a committee of the Board that has been authorized to administer the Employee Stock Purchase Plan, except if no such committee is authorized by the Board, the Board will administer the Employee Stock Purchase Plan. Such committee, as the administrator of the Employee Stock Purchase Plan, administers and has authority to interpret the terms of the Employee Stock Purchase Plan and determine eligibility of participants. The administrator may designate certain of the Company's subsidiaries as participating "designated subsidiaries" in the Employee Stock Purchase Plan and may change these designations from time to time. The Company's employees and employees of the Company's participating designated subsidiaries are eligible to participate in the Employee Stock Purchase Plan if they meet the eligibility requirements under the Employee Stock Purchase Plan established from time to time by the administrator. However, for the Section 423 Component, an employee may not be granted rights to purchase shares under the Employee Stock Purchase Plan if such employee, immediately after the grant, would own (directly or through attribution) shares possessing 5% or more of the total combined voting power or value of all classes of the Company's outstanding stock and stock of any of the Company's subsidiaries.

Eligible employees become participants in the Employee Stock Purchase Plan by enrolling and authorizing deductions (or contributions) from payroll prior to the first day of the applicable offering period. Non-employee directors and consultants are not eligible to participate in the Employee Stock Purchase Plan. Employees who choose not to participate, are not eligible to participate at the start of an offering period but who become eligible thereafter, may enroll in any subsequent offering period.

*Shares Available for Awards*

A total of 2,000,000 Class A ADSs were initially reserved for issuance under the Employee Stock Purchase Plan when adopted in 2022, which reserve amount will be increased on the first day of each fiscal year during the term of the Employee Stock Purchase Plan following the fiscal year in which the effective date of the Employee Stock Purchase Plan occurs by the least of (i) 0.1% of the total number of Shares outstanding on the last day of the immediately preceding fiscal year, (ii) a lesser amount determined by the Board or (iii) 2,000,000. The number of shares subject to the Employee Stock Purchase Plan may be adjusted for changes in the Company's

capitalization and certain corporate transactions, as described below under the heading “—*Adjustments*.” The Company cannot precisely predict its share usage under the Employee Stock Purchase Plan as it will depend on a range of factors including the level of the Company’s employee participation, the contribution rates of participants, the trading price of ClassA ADSs and the Company’s future hiring activity.

*Participating in an Offering Under the Section 423 Component*

*Offering Periods and Purchase Periods.* ClassA ADSs are offered to eligible employees under the Employee Stock Purchase Plan during offering periods. Offering periods under the Employee Stock Purchase Plan commence when determined by the administrator. The length of an offering period under the Employee Stock Purchase Plan is determined by the administrator and may be up to 27 months long. Employee payroll deductions (or contributions) are used to purchase Class A ADSs on the exercise date of an offering period. The exercise date for each offering period is the final trading day in the offering period. The administrator may, in its discretion, modify the terms of future offering periods.

*Enrollment and Contributions.* The Employee Stock Purchase Plan permits participants to purchase ClassA ADSs through payroll deductions (or contributions) of at least 1% of their eligible compensation, but not more than 5% of their eligible compensation as of each payroll date during an offering period (in each case, except as may otherwise be determined by the administrator). The administrator will establish the maximum number of shares that may be purchased by a participant during any offering period. In addition, except as described below under “—*Matching Shares*,” no participant is permitted to accrue the right to purchase stock at a rate in excess of \$25,000 worth of shares during any calendar year.

*Purchase Rights.* On the first trading day of each offering period, each participant is automatically granted an option to purchase ClassA ADSs. The option expires on the last trading day of the applicable offering period and is exercised at that time to the extent of the payroll deductions (or contributions) accumulated during the offering period. Any remaining balance is carried forward to the next offering period unless the participant has elected to withdraw from the Employee Stock Purchase Plan, as described below, or has ceased to be an eligible employee. In the case of the portion of the Employee Stock Purchase Plan intended to qualify under the provisions of Section 423 of the Code, in no event will a participant be permitted to purchase more than 25,000 shares during each offering period (subject to certain adjustments).

*Purchase Price.* The purchase price of the ClassA ADSs under the Employee Stock Purchase Plan, in the absence of a contrary designation by the administrator, is 85% of the lower of the fair market value of ClassA ADSs on the first trading day of the offering period or on the final trading day of the offering period. The fair market value per ClassA ADS under the Employee Stock Purchase Plan generally is the closing sales price of ClassA ADSs on the date for which fair market value is being determined, or if there is no closing sales price for ClassA ADSs on the date in question, the closing sales price for ClassA ADSs on the last preceding date for which such quotation exists.

*Withdrawal and Termination of Employment.* Participants may voluntarily end their participation in the Employee Stock Purchase Plan at any time during an offering period prior to the end of the offering period by delivering written notice to the Company, and can elect to either (i) be paid their accrued payroll deductions (or contributions) that have not yet been used to purchase ClassA ADSs or (ii) exercise their option at the end of the applicable offering period, and then be paid any remaining accrued payroll deductions (or contributions). Participation in the Employee Stock Purchase Plan ends automatically upon a participant’s termination of employment and any remaining accrued payroll deductions in the participant’s account will be paid to such participant following such termination.

*Participating in an Offering Under the Non-Section 423 Component*

The Company has adopted a “Share Matching Plan” which will be operated within the Non-Section 423 Component of the Employee Stock Purchase Plan, as outlined below.

*Offering Periods and Purchase Periods.* ClassA ADSs will be offered to eligible employees under the Share Matching Plan during offering periods. Offering periods under the Share Matching Plan will commence when determined by the administrator. The length of an offering period for the Share Matching Plan will be determined by the administrator, with the Company’s intent being to maintain successive twelve-month offering periods under the Share Matching Plan. It is anticipated that employee payroll deductions (or contributions) will be used to purchase Class A ADSs on a purchase date occurring in each calendar month during an offering period. The administrator may, in its discretion, modify the terms of future offering period and/or purchase periods.

*Enrollment and Contributions.* The Share Matching Plan will permit participants to purchase ClassA ADSs through deductions (or contributions) from payroll of no more than 5% of their eligible compensation as of each payroll date during an offering period (unless otherwise determined by the administrator). The administrator will establish the maximum number of shares that may be purchased by a participant during any offering period.

*Purchase Rights.* A participant’s payroll deductions (or contributions) will be used to purchase ClassA ADSs on their behalf on the relevant purchase date. Any remaining balance will be carried forward to the next purchase date unless the participant has elected to withdraw from the Share Matching Plan, as described below, or has ceased to be an eligible employee.

*Purchase Price.* The purchase price of the ClassA ADSs for the Share Matching Plan, in the absence of a contrary designation by the administrator, will be equal to the fair market value of ClassA ADSs on the relevant purchase date. The fair market value per ClassA ADS under the Employee Stock Purchase Plan, including the Share Matching Plan, generally is the closing sales price of ClassA ADSs on the date for which fair market value is being determined, or if there is no closing sales price for ClassA ADSs on such date, the closing sales price for ClassA ADSs on the last preceding date for which such quotation exists.

*Matching Shares.* The administrator may, in its discretion, offer matching shares denominated in ClassA ADSs to all participants under the Share Matching Plan, in an amount equal to up to 100% of the number of ClassA ADSs purchased on behalf of a participant during the applicable offering period. To receive matching shares, the participant must (i) retain the ClassA ADSs purchased during the applicable offering period under the Share Matching Plan until the date which is twelve months following the end of such offering period, and (ii) remain an eligible employee on such date.

*Withdrawal from Share Matching Plan; Termination of Employment.* Participants may voluntarily end their participation in the Share Matching Plan at any time during the applicable offering period by delivering written notice to the Company. In the event a participant elects to withdraw from the Share Matching Plan, then generally any accrued payroll deductions or contributions that have not yet been used to purchase Class A ADSs under the Share Matching Plan will be applied in the purchase of Class A ADSs on the next applicable purchase date, following which the participant will be paid any remaining accrued payroll deductions or contributions. If a participant withdraws from the Share Matching Plan, rights to matching shares may be retained in respect of the Class A ADSs purchased during the applicable offering period, but will be forfeited if such purchased Class A ADSs are sold less than twelve months following the end of that offering period. Matching shares that have not yet been delivered will generally be forfeited upon a participant's termination of employment. Subject to the immediately preceding sentence, upon termination of employment, a participant will no longer be eligible to participate in the Share Matching Plan, and any remaining accrued payroll deductions or contributions in the participant's account will be paid to such participant as soon as practicable following such termination.

*Adjustments*

In the event of certain transactions or events affecting the Class A ADSs, such as any stock split, reverse stock split, stock dividend, combination or reclassification of the Class A ADSs, or any other increase or decrease in the number of Class A ADSs effected without receipt of consideration by the Company, the administrator will make equitable adjustments to the Employee Stock Purchase Plan and the Share Matching Plan and outstanding rights under the Employee Stock Purchase Plan and the Share Matching Plan.

*Corporate Events - the Section 423 Component (Employee Stock Purchase Plan)*

In addition, in the event of a proposed sale of all or substantially all of the Company's assets, a merger with or into another corporation, or other transaction as set forth by the administrator in an offering document, each outstanding option will be assumed or an equivalent option will be substituted by the successor corporation or a parent or subsidiary of the successor corporation. If the successor corporation or a parent or subsidiary of the successor corporation refuses to assume or substitute outstanding options, any offering periods then in progress will be shortened with a new exercise date prior to the proposed sale or merger. The administrator will notify each participant in writing at least ten business days prior to such new exercise date that the exercise date has been changed and the participant's option will be automatically exercised on such new exercise date. Further, in the event of a proposed dissolution or liquidation, any offering periods then in progress will be shortened with a new exercise date prior to the proposed dissolution or liquidation, and the administrator will notify each participant in writing in a similar manner as described above.

*Corporate Events - the Non-Section 423 Component (Share Matching Plan)*

In the event of a proposed sale of all or substantially all of the Company's assets, a merger with or into another corporation, or other transaction as set forth in the rules of the Share Matching Plan, then unless the applicable successor corporation or a parent or subsidiary of the applicable successor corporation agrees to assume or substitute outstanding rights under the Share Matching Plan, or except as otherwise permitted under the Share Matching Plan, (i) any offering periods then in progress will generally be shortened and will end prior to the proposed sale or other transaction, with the administrator to notify each participant of the final purchase date for that offering period, and (ii) rights to matching shares will be deemed fully vested, and matching shares which have not previously been delivered will be delivered to participants, in each case, on or as soon as reasonably practicable following the closing of the applicable transaction. Further, in the event of a proposed dissolution or liquidation, a similar treatment of matching shares will generally apply.

*Transferability*

A participant may not transfer rights granted under the Employee Stock Purchase Plan or the Share Matching Plan other than by will or the laws of descent and distribution, and such rights are generally exercisable only by the participant.

*Plan Amendment and Termination*

The Board may amend, suspend or terminate the Employee Stock Purchase Plan (including the Share Matching Plan) at any time and from time to time. However, shareholder approval must be obtained for any amendment that increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the Employee Stock Purchase Plan, changes the designation or class of employees who are eligible to participate in the Employee Stock Purchase Plan or changes the Employee Stock Purchase Plan in any way that would cause the Section 423 Component of the Employee Stock Purchase Plan to no longer be an "employee stock purchase plan" under Section 423(b) of the Code.

The administrator may provide special terms, establish supplements to, or amendments, restatements or alternative versions of the Employee Stock Purchase Plan, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of relevant jurisdictions.

*Material U.S. Federal Income Tax Consequences*

The U.S. federal income tax consequences of the Employee Stock Purchase Plan under current income tax law are summarized in the following discussion, which deals with the general tax principles applicable to the Employee Stock Purchase Plan and is intended for general information only. Other federal taxes and foreign, state and local income taxes are not discussed, and may vary depending on individual circumstances and from locality to locality.

The Section 423 Component of the Employee Stock Purchase Plan, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of Section 423 of the Code. Under the applicable Code provisions, no income will be taxable to a participant until the sale or other disposition of the shares purchased under the Employee Stock Purchase Plan. This means that an eligible employee will not recognize taxable income on the date the employee is granted an option under the Employee Stock Purchase Plan. In addition, the employee will not recognize taxable income upon the purchase of shares. Upon such sale or disposition of shares, the participant generally will be subject to tax in an amount that depends upon the length of time such shares are held by the participant prior to selling or disposing of them. If the shares are sold or disposed of more than two years from the date of grant and more than one year from the date of purchase, or if the participant dies while holding the shares, the participant (or the participant's estate) will recognize ordinary income measured as the lesser of (1) the excess of the fair market value of the shares at the time of such

sale or disposition (or death) over the purchase price or (2) the excess of the fair market value of the shares at the time the option was granted over the purchase price. Any additional gain will be treated as long-term capital gain. If the shares are held for the holding periods described above but are sold for a price that is less than the purchase price, there is no ordinary income and the participating employee has a long-term capital loss for the difference between the sale price and the purchase price.

If the shares are sold or otherwise disposed of before the expiration of the holding periods described above, or in the event a U.S. participant receives matching Class A ADSs as described above under “—*Participating in an Offering Under the Non-Section 423 Component*,” the participant will recognize ordinary income generally measured as the excess of the fair market value of the shares on the date the shares are purchased over the purchase price (which purchase price shall be zero in the case of matching shares delivered under the Share Matching Plan) and the Company will be entitled to a tax deduction for compensation expense in the amount of ordinary income recognized by the employee. Any additional gain or loss on such sale or disposition will be long-term or short-term capital gain or loss, depending on how long the shares were held following the date they were purchased by the participant prior to disposing of them. If the shares are sold or otherwise disposed of before the expiration of the holding periods described above but are sold for a price that is less than the purchase price, the participant will recognize ordinary income equal to the excess of the fair market value of the shares on the date of purchase over the purchase price (and the Company will be entitled to a corresponding deduction), but the participant generally will be able to report a capital loss equal to the difference between the sales price of the shares and the fair market value of the shares on the date of purchase. A U.S. participant will not recognize income upon purchase of Class A ADSs under the Share Matching Plan where the purchase price of the Class A ADSs is equal to the fair market value of Class A ADSs on the relevant purchase date.

THE DISCUSSION ABOVE IS INTENDED ONLY AS A SUMMARY AND DOES NOT PURPORT TO BE A COMPLETE DISCUSSION OF ALL POTENTIAL TAX EFFECTS RELEVANT TO RECIPIENTS OF AWARDS UNDER THE EMPLOYEE STOCK PURCHASE PLAN AND THE SHARE MATCHING PLAN. AMONG OTHER ITEMS THIS DISCUSSION DOES NOT ADDRESS ARE TAX CONSEQUENCES UNDER THE LAWS OF ANY STATE, LOCALITY OR FOREIGN JURISDICTION, OR ANY TAX TREATIES OR CONVENTIONS BETWEEN THE UNITED STATES AND FOREIGN JURISDICTIONS. THIS DISCUSSION IS BASED UPON CURRENT LAW AND INTERPRETATIONAL AUTHORITIES WHICH ARE SUBJECT TO CHANGE AT ANY TIME.

### C. Board Practices

The Board is divided into three classes of directors, designated as “Class I,” “Class II” and “Class III.” The term of office of directors serving in Class I, consisting, per the year ended December 31, 2024, of Michael Lohscheller, Daniel Li and David Richter, will expire at the Company’s 2026 annual general meeting. The term of office of directors serving in Class II, consisting, per the year ended December 31, 2024, of Christine Gorjanc, Karl-Thomas Neumann and Winfried Vahland will expire at the Company’s 2027 annual general meeting. The term of office of directors serving in Class III, consisting, per the year ended December 31, 2024, of Karen Francis, Francesca Gamboni, Laura Shen and David Wei, will expire at the Company’s 2025 annual general meeting. Directors will be elected to serve for a term of three years to succeed the directors of the class whose terms expire at such annual general meeting.

### Director Independence

For the year ended December 31, 2024, Winfried Vahland, Karen Francis, Christine Gorjanc, Karl-Thomas Neumann, David Richter, Laura Shen and David Wei qualified as independent, as defined under the listing rules of Nasdaq. Prior to leaving the Board in October 2024, Carla De Geyseler also qualified as independent.

### Election of Directors

The holders of the Company securities will have the right to elect the Board at a general meeting of shareholders by a simple majority of the votes validly cast. Subject to the requirements of the Polestar Articles, the Board may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the then-existing Board but the total number of directors shall not exceed fifteen. The Board will also have power at any time to appoint any person who is willing to act as a director, either to fill a vacancy or as an addition to the then-existing Board but the total number of directors shall not exceed fifteen.

### Service Contracts of Directors

There are no service contracts between the Company and any of its current non-employee directors providing for benefits upon termination of their service. For a discussion of compensation, including post-termination benefits, of employee directors, see Item 6.B and the section titled “—*Executive Officer and Director Compensation*. ”

### Board Committees

The Board has three standing committees: an audit committee, a compensation committee and a nominating and governance committee. The members of each committee will serve until their successors are elected and qualified, unless they are earlier removed or resign. Each committee reports to the Board as it deems appropriate and as the Board may request. The composition, duties and responsibilities of the standing committees are set forth below. In the future, the Board may establish other committees, as it deems appropriate, to assist it with its responsibilities.

#### *Audit Committee*

The Company has established an audit committee that consists of Christine Gorjanc, David Richter, Laura Shen and David Wei, with Christine Gorjanc serving as the chair of the audit committee. All of the audit committee members are independent directors, in accordance with Nasdaq and the SEC requirements.

The audit committee, among other matters, oversees (i) the Company’s financial reporting, auditing and internal control activities; (ii) the integrity and audits of the Company’s financial statements; (iii) the Company’s compliance with legal and regulatory

requirements; (iv) the qualifications and independence of Polestar's independent auditors; (v) the performance of the Company's internal audit function and independent auditors; and (vi) the Company's overall risk exposure and management.

Duties of the audit committee include, among others, the following:

- annually reviewing and assessing the adequacy of the audit committee charter and reviewing the performance of the audit committee;
- being responsible for recommending the appointment, retention and termination of the Company's independent auditors and determining the compensation of the Company's independent auditors;
- reviewing the plans and results of the audit engagement with the independent auditors;
- evaluating the qualifications, performance and independence of the Company's independent auditors;
- having the authority to approve in advance all audit and non-audit services by the Company's independent auditors, the scope and terms thereof and the fees therefor; reviewing the adequacy of the Company's internal accounting controls;
- ensuring the Company maintains a robust risk management function, including in respect of IT and cybersecurity risk management; and
- meeting at least quarterly with the Company's Chief Financial Officer and the Company's independent auditors.

The audit committee has the power to investigate any matter brought to its attention within the scope of its duties and to retain counsel for this purpose where appropriate. Each of the audit committee members meet the financial literacy requirements of Nasdaq listing standards, and Christine Gorjanc qualifies as an "audit committee financial expert," as defined in the rules of the SEC. The designation does not impose on the audit committee financial expert any duties, obligations or liabilities that are greater than those generally imposed on members of the Company's audit committee and the Board.

The audit committee operates under a written charter, which satisfies the applicable rules of the SEC and the listing standards of Nasdaq, and which is available on the Company's website. All audit services to be provided to the Company and all permissible non-audit services, other than de minimis non-audit services, to be provided to Polestar by the Company's independent registered public accounting firm are to be approved in advance by the audit committee. Information contained on the Company's website is not incorporated by reference into this Report, and you should not consider information contained on the Company's website to be part of this Report.

#### ***Compensation Committee***

The Company's compensation committee consists of Karen Francis, Daniel Li, and Karl-Thomas Neumann, with Karen Francis serving as the chair of the compensation committee.

The compensation committee has the sole authority to retain, and terminate, any compensation consultant to assist in the evaluation of employee compensation and to approve the consultant's fees and the other terms and conditions of the consultant's retention. The compensation committee's duties include, among other matters:

- at the request of the Board, reviewing and making recommendations to the Board relating to management succession planning;
- administering, reviewing and making recommendations to the Board regarding the Company's compensation plans;
- reviewing and approving the Company's corporate goals and objectives with respect to compensation for executive officers and evaluating each executive officer's performance in light of such goals and objectives to set his or her annual compensation, including salary, bonus and equity and non-equity incentive compensation, subject to approval by the Board; and
- providing oversight of management's decisions regarding the performance, evaluation and compensation of other officers.

The compensation committee operates under a written charter, which satisfies the applicable rules of the SEC and Nasdaq listing standards, and is available on the Company's website. Information contained on the Company's website is not incorporated by reference into this Report, and you should not consider information contained on the Company's website to be part of this Report.

#### ***Nominating and Governance Committee***

The Company's nominating and governance committee consists of Karen Francis, Daniel Li, Karl-Thomas Neumann, and David Richter, with Daniel Li serving as the chair of the nominating and governance committee. The nominating and governance committee's duties include, among other matters:

- selecting and recommending to the Board nominees for election by the shareholders or appointment by the Board;
- annually reviewing with the Board the composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity of the Board members;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the Board;
- developing and recommending to the Board a set of corporate governance guidelines applicable to the Company and periodically reviewing such guidelines and recommending changes to the Board for approval as necessary;
- overseeing the annual self-evaluation of the Board;



- and overseeing the Company's sustainability strategy

The nominating and governance committee operates under a written charter, which satisfies the applicable rules of the SEC and the Nasdaq listing standards and is available on the Company's website. Information contained on the Company's website is not incorporated by reference into this Report, and you should not consider information contained on the Company's website to be part of this Report.

#### **Code of Conduct**

The Board has adopted a code of conduct that establishes the standards of ethical conduct applicable to all of the Company's directors, officers, employees, and, as applicable, consultants and contractors. Key compliance areas for Polestar include anti-corruption, data privacy, human rights, environmental compliance, and socioeconomic compliance including competition law, labor law and trade sanctions. The code of conduct addresses, among other things, competition, intellectual property, conflicts of interest, compliance with applicable governmental laws, rules and regulations, company assets, confidentiality requirements and the process for reporting violations of the code of conduct. Polestar encourages a speak-up culture where employees and other stakeholders can ask questions and raise concerns without fear of retaliation. Suspected breach of laws or regulations, or any conduct that is not consistent with Polestar's code of conduct, corporate policies or directives can be reported through Polestar's whistleblowing system SpeakUp with a guaranteed full anonymity.

Any waiver of the code of conduct with respect to any director or executive officer will be promptly disclosed and posted on the Company's website. Amendments to the code will be promptly disclosed and posted on the Company's website. The code of conduct is available on Polestar's website. Information contained on the Company's website is not incorporated by reference into this Report, and you should not consider information contained on the Company's website to be part of this Report.

#### **Foreign Private Issuer**

As a foreign private issuer, the Company is subject to different U.S. securities laws than domestic U.S. issuers. As long as the Company continues to qualify as a foreign private issuer under the Exchange Act, the Company is exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.

In addition, the Company is not required to file annual reports and financial statements with the SEC as promptly as U.S. domestic companies whose securities are registered under the Exchange Act, and is not required to comply with Regulation FD, which restricts the selective disclosure of material information.

Further, the Company is exempt from certain corporate governance requirements of Nasdaq by virtue of being a foreign private issuer. Although the foreign private issuer status exempts the Company from most of Nasdaq's corporate governance requirements, the Company has decided to voluntarily comply with these requirements, except for the requirement to have a compensation committee and a nominating and governance committee consisting entirely of independent directors.

Furthermore, Nasdaq rules also generally require each listed company to obtain shareholder approval prior to the issuance of securities in certain circumstances in connection with the acquisition of the stock or assets of another company, equity-based compensation of officers, directors, employees or consultants, change of control and certain transactions other than a public offering. As a foreign private issuer, the Company is exempt from these requirements and may, if not required by the laws of England and Wales, elect not to obtain shareholders' approval prior to any further issuance of its Class A ADSs or prior to adopting or materially revising equity compensation plans or share incentive plans.

Subject to requirements under the Polestar Articles and Shareholder Acknowledgment Agreement that the Board be comprised of a majority of independent directors for the three years following the Business Combination Closing, the Company may in the future elect to avail itself of these exemptions or to follow home country practices with regard to other matters. As a result, its shareholders will not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq's corporate governance requirements.

#### **Controlled Company**

By virtue of being a controlled company under Nasdaq listing rules, the Company may elect not to comply with certain Nasdaq corporate governance requirements, including that:

- a majority of the board of directors consist of independent directors;
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- there be an annual performance evaluation of the compensation and nominating and governance committees.

Other than as specified above, the Company may in the future elect to avail itself of these exemptions. As a result, its shareholders will not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq’s corporate governance requirements.

**D. Employees**

As of December 31, 2024, the Company had more than 2,547 employees. The Company’s employees are mainly located in Sweden, China, the UK and the USA.

The Company follows local national requirements for collective bargaining agreements where such requirements exist. Currently, the Company has instituted collective bargaining agreements with employees in Sweden, Finland, the Netherlands and Austria. Sweden is the only country where the Company is actively engaged with employee union representatives. The Company believes relations with these union representatives are good and its engagement with these union representatives is constructive.

**E. Share Ownership**

Ownership of the Company’s shares by its directors and executive officers is set forth below in Item 7.A of this Report.

**F. Disclosure of a registrant’s action to recover erroneously awarded compensation.**

There was no erroneously awarded compensation that was required to be recovered pursuant to Polestar’s Compensation Clawback Policy during the fiscal year ended December 31, 2024. Our Compensation Clawback Policy is included as Exhibit 97.1 to this Annual Report.

**ITEM 7. MAJOR SHAREHOLDERS AND RELATED TRANSACTIONS**

**A. Major Shareholders**

The following table sets forth information regarding the beneficial ownership of the Company in the form of American depositary shares by:

- each beneficial owner of more than 5% of the outstanding Shares;
- each executive officer or a director of the Company; and
- all of the Company’s executive officers and directors as a group.

Unless otherwise indicated, the Company believes that all persons named in the table have sole voting and investment power with respect to all shares beneficially owned by them. Except as otherwise noted herein, the number and percentage of Shares beneficially owned is determined in accordance with Rule 13d-3 of the Exchange Act, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any Shares as to which the holder has sole or shared voting power or investment power and also any Shares which the holder has the right to acquire within 60 days of the date of this Report through the exercise of any option, warrant or any other right.

Each outstanding Class A Share is entitled to one vote on all matters submitted to a vote of shareholders. Each Class B Share is entitled to 10 votes on all matters submitted to a vote of shareholders. Each Class C Share is entitled to one vote on all matters submitted to a vote of shareholders. Volvo Cars Preference Subscription Shares, Deferred Shares and GBP Redeemable Preferred Shares (each as defined below) carry no voting rights and do not entitle their holders to receive notice of, to attend, to speak or to vote at any general meeting of the Company. Holders of Shares have no cumulative voting rights. None of the Company’s shareholders are entitled to vote at any general meeting or at any separate class meeting in respect of any share unless all calls or other sums payable in respect of that share have been paid.

The beneficial ownership of the Shares is based on 2,110,354,572 Shares issued and outstanding as of December 31, 2024. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, Shares subject to options or other rights (as set forth above) held by that person that are currently exercisable, or will become exercisable within 60 days thereafter, are deemed outstanding, while such Shares are not deemed outstanding for purposes of computing percentage ownership of any other person. The beneficial ownership percentage set forth below does not take into account (i) Earn Out Shares that might be issued and (ii) Class A Shares in the form of Class A ADSs that will vest pursuant to the Equity Plan and Employee Stock Purchase Plan.

Unless otherwise noted, the business address of each beneficial owner is Assar Gabrielssons Väg 9, 405 31 Gothenburg, Sweden.

Name of Beneficial Owner	Number of Shares	Approximate Percentage of Outstanding Shares
<i>Executive Officers and Directors:</i>		
Michael Lohscheller	0 <sup>(1)</sup>	—
Jean-François Mady	0 <sup>(2)</sup>	—
Jonas Engström	677 <sup>(3)</sup>	*
Prof. Dr.hc Winfried Vahland	38,346	*
Karen C. Francis	54,635 <sup>(4)</sup>	*
Francesca Gamboni	—	—
Christine Gorjanc	—	—

Donghui (Daniel) Li	68,000	*
Dr. Karl-Thoman Neumann	57,330	*
David Richter.	174,955	*
Prof. Xiaojie (Laura) Shen	—	—
All directors and executive officers as a group (eleven individuals)	494,843	
Five Percent or More Holders:		
Li Shufu <sup>(3)(6)</sup>	1,725,733,592	81.8%

\*Less than one percent.  
(1) Mr. Lohscheller does not currently own any shares. However, Mr. Lohscheller has been granted 812,111 Performance Share Units as part of the Long Term Incentive 4 (2025-2028) program which have not yet vested.  
(2) Mr. Mady does not currently own any shares. However, Mr. Mady has been granted 321,101 Performance Share Units as part of the Long Term Incentive 4 (2025-2028) program which have not yet vested.  
(3) Number of shares owned by Mr. Engström. Additionally, Mr. Engström also has been granted 348,213 Restricted Stock Units and Performance Stock Units as part of Polestar's Long Term Incentive Programs which have not yet vested, as well as 91,799 Restricted Stock Units as part of the One-Time Share-Based Retention Program, which also have not yet vested.  
(4) Includes Class A ADSs that Ms. Francis has purchased in connection with the March 2022 Sponsor Investment.  
(5) Includes 778,121,162 Class A ADSs and 49,892,575 Class B ADSs for which PSD Investment Limited is the record holder. It also includes 380,322,995 Class A ADSs for which Snita is the record holder, 2,884,716 Class A ADSs for which Northpole GLY 1 LP is the record holder, 11,667,519 Class A ADSs for which GLY New Mobility 1 LP is the record holder, and 502,156,334 Class A ADSs for which Geely Sweden Automotive Investment B.V. is the record holder. Li Shufu controls PSD Investment Limited and directly or indirectly owns approximately 91.9% of equity interests in Geely, which owns approximately 78.7% of equity interests in Volvo Cars and approximately 86% of GLY Capital Management Partners (Cayman) Limited. GLY Capital Management Partners (Cayman) Limited controls Northpole GLY GPI, GLY New Mobility GPI and Northpole GLY GPI, the general partners of Northpole GLY 1 LP, GLY New Mobility 1 LP and Northpole GLY 2 LP, respectively. Consequently, since voting and dispositive decisions with respect to such securities are ultimately made by Li Shufu, he is deemed to have beneficial ownership over 1,725,733,592 Class A ADSs, assuming the conversion of all Class B ADSs into Class A ADSs. Li Shufu disclaims beneficial ownership of these securities except to the extent of any pecuniary interest therein. The business address of Li Shufu is No. 1760 Jangling Road, Binjiang District, Hangzhou, Zhejiang, China; the business address of Snita is Stationsorg 2, 4153 RD Beesd, Netherlands.  
(6) Volvo Cars distributed 62.7% of Volvo Cars' shareholding in Polestar. Volvo Cars' shareholding in Polestar is approximately 18% of Polestar's total outstanding shares, with 380,322,995 Class A ADSs. PSD Investment Limited continues to have an ownership stake of approximately 39.2%, with 778,121,162 Class A ADSs and 49,892,575 Class B ADSs. Geely Sweden Automotive Investment B.V., an affiliate of Geely, now holds an ownership stake of approximately 23.8%, with 502,156,334 Class A ADSs.  
Holders

As of December 31, 2024, Polestar had approximately 52 shareholders of record for its Class A ADSs, one shareholder of record for its Class B ADSs and three shareholders of record for its Class C ADSs. The actual number of shareholders is greater than this number of record holders and includes shareholders who are beneficial owners but whose shares are held in street names by brokers and other nominees. This number of holders of record also does not include shareholders whose shares may be held in trust or by other entities.

**B. Related Party Transactions**

The agreement descriptions set forth below do not purport to be complete and are qualified in their entirety by the terms and conditions of the agreements filed as exhibits to this Report.

**Business Combination Related Agreements**

*PIPE Subscription Agreements*

On September 27, 2021, GGI and the Company entered into the Initial PIPE Subscription Agreements with the Initial PIPE Investors, pursuant to which the Initial PIPE Investors purchased an aggregate of 7,425,742 Class A Shares in the form of Class A ADSs for a purchase price of \$9.09 per share in a private placement, for an aggregate amount of USD 67,500,000. As a result of the December PIPE Subscription Agreements and the March 2022 PIPE Subscription Agreements, Polestar sold an aggregate of 25,423,445 Class A ADSs for an aggregate amount of USD 238,826,000 to the Initial PIPE Investors, December PIPE Investors and March 2022 PIPE Investors. The December PIPE Subscription Agreements and the March 2022 PIPE Subscription Agreements are substantially similar to the Initial PIPE Subscription Agreements, except with regard to purchase price.

As a result of the December PIPE Assignment and the March 2022 PIPE Assignments, the aggregate investment amount and number of Class A ADSs purchased pursuant to the Subscription Agreements remained unchanged.

Pursuant to the PIPE Subscription Agreements, the Company agreed to file with the SEC (at the Company's sole cost and expense), within 30 calendar days after the date of the Business Combination Closing, the resale registration statement registering the resale of the PIPE Shares (the "*Resale Registration Statement*"), and to use its commercially reasonable efforts to have the Resale Registration Statement declared effective as soon as practicable after the filing thereof.

*Sponsor Subscription Agreement*

On September 27, 2021, GGI and the Company entered into the Sponsor Subscription Agreement with the GGI Sponsor, pursuant to which, the GGI Sponsor purchased 9,075,908 Class A Shares in the form of Class A ADSs for a purchase price of \$9.09 per share on the Business Combination Closing Date, for an aggregate investment of USD 82,500,000. Pursuant to the Sponsor Subscription Agreement, the GGI Sponsor had the right to assign its commitment to purchase the Class A ADSs under the Sponsor Subscription Agreement in advance of the Business Combination Closing. As a result of the assignments pursuant to the December Sponsor Subscription Agreement and the March 2022 Sponsor Subscription Agreement, and following the purchase by an affiliate of Sponsor of 891,209 Class A ADSs for a purchase price of \$9.09 per Class A ADS on the Business Combination Closing Date, for an aggregate investment of USD 8,101,000 GGI Sponsor ultimately assigned its commitment under the Sponsor Subscription Agreement to other parties. The Sponsor Subscription Agreement is substantially similar to the Initial PIPE Subscription Agreements, except that the GGI

Sponsor had the right to assign its commitment to acquire the Class A ADSs to be purchased under the Sponsor Subscription Agreement in advance of the Business Combination Closing.

#### *Volvo Cars PIPE Subscription Agreement*

On September 27, 2021, GGI and the Company entered into the Volvo Cars PIPE Subscription Agreement with Snita, a corporation organized under the laws of Netherlands and a wholly owned indirect subsidiary of Volvo Cars, pursuant to which Snita purchased 10,000,000 Class A Shares in the form of Class A ADSs for a purchase price of \$10.00 per share on the Business Combination Closing Date. Pursuant to the Volvo Cars PIPE Subscription Agreement, Snita had the right to assign its commitment to purchase the Class A ADSs under the Volvo Cars PIPE Subscription Agreement in advance of the Business Combination Closing. As a result of the assignments pursuant to the December Volvo Cars PIPE Subscription Agreement and the March Volvo Cars PIPE Subscription Agreement, Volvo Cars via its subsidiary Snita ultimately purchased 1,117,390 Class A ADSs for a purchase price of \$10 per Class A ADS on the Business Combination Closing Date, for an aggregate investment of USD 11,174,000. The Volvo Cars PIPE Subscription Agreement is substantially similar to the Initial PIPE Subscription Agreements, except with regards to purchase price.

#### *Volvo Cars Preference Subscription Agreement*

On September 27, 2021, the Company entered into the Volvo Cars Preference Subscription Agreement with Snita. Pursuant to the Volvo Cars Preference Subscription Agreement, Snita purchased Volvo Cars Preference Subscription Shares for an aggregate subscription price of \$10.00 per share, for an aggregate investment amount equal to the Volvo Cars Preference Amount. The proceeds of such subscription will be used to satisfy certain accounts payable that are or will be due and payable by certain subsidiaries of Former Parent to Volvo Cars. The Volvo Cars Preference Subscription Shares converted into Class A ADSs at the Business Combination Closing, in accordance with, and subject to, the terms of the Volvo Cars Preference Subscription Shares.

#### *Registration Rights Agreement*

On September 27, 2021, the Company, Former Parent, the Former Parent Shareholders, the GGI Sponsor and the independent directors of GGI entered into a Registration Rights Agreement, which was amended by the Registration Rights Agreement Amendment No. 1 to provide for certain administrative changes to reflect the Amendment No. 1 to the Business Combination Agreement and the December PIPE Subscription Agreements and further amended by the Registration Rights Agreement Amendment No. 2 to provide for certain administrative changes to reflect the Amendment No. 2 to the Business Combination Agreement and the March 2022 PIPE Subscription Agreements, which provides customary demand and piggyback registration rights. On December 17, 2021, the parties to the Registration Rights Agreement entered into the Registration Rights Agreement Amendment to provide for certain administrative changes to reflect the Amendment No. 1 to the Business Combination Agreement and the December PIPE Subscription Agreements. On March 24, 2022, the parties to the Registration Rights Agreement entered into the Registration Rights Agreement Amendment No. 2 to provide for certain administrative changes to reflect the Amendment No. 2 to the Business Combination Agreement and the March 2022 PIPE Subscription Agreements. Pursuant to the Registration Rights Agreement, the Company filed the Shelf Registration Statement. On April 26, 2023, the parties to the Registration Rights Agreement entered into the Registration Rights Agreement Amendment No. 3 to provide for any Conversion Shares issuable upon conversion of part or all of any loans outstanding under the Snita Term Loan Facility to fall within the definition of Registrable Security.

The foregoing summary of the Registration Rights Agreement is not complete and is qualified in its entirety by the terms and conditions of the Registration Rights Agreement, a copy of which is filed as an exhibit to this Report.

#### *Class C Warrant Amendment*

GGI and Computershare entered into the Class C Warrant Amendment, which is included as an exhibit to this Report. The Class C Warrant Amendment amended the SPAC Warrant Agreement. Pursuant to the Class C Warrant Amendment, (i) each GGI Public Warrant was automatically cancelled and extinguished and converted into the right to receive one Class C-1 ADS representing one Class C-1 Share representing the right to acquire one Class A ADS (or one Class A Share if at the time of exercise the Company no longer uses the ADR Facility) at an exercise price of \$11.50 per Class C-1 ADS, subject to adjustment, terms and limitations as described in the Polestar Articles, (ii) each GGI Private Placement Warrant was automatically cancelled and extinguished and converted into the right to receive one Class C-2 ADS representing one Class C-2 Share representing the right to acquire one Class A ADS (or one Class A Share if at the time of exercise the Company no longer uses the ADR Facility) at an exercise price of \$11.50 per Class C-2 ADS, subject to adjustment, terms and limitations described in the Polestar Articles and (iii) the SPAC Warrant Agreement was terminated, in the case of each of clauses (i), (ii) and (iii) above, subject to the terms and conditions set forth therein.

#### *Shareholder Acknowledgment*

On September 27, 2021, Former Parent, the Former Parent Shareholders, Volvo Car Corporation and the Company entered into the Shareholders Acknowledgement Agreement, which is included as an exhibit to this Report. Pursuant to the Shareholders Acknowledgement Agreement, the Former Parent and the Former Parent Shareholders undertook that (i) at the Business Combination Closing, the initial Board was to include nine directors, a majority of whom would be independent directors, (ii) for a period of three years following the Business Combination Closing, Former Parent and the Former Parent Shareholders will not vote in favor of the removal any independent directors of the Company unless at least two independent directors vote in favor of such removal, (iii) for a period of three years following the Business Combination Closing, Former Parent and the Former Parent Shareholders will not require the Company to convene a general meeting for the purpose of removing an independent director and (iv) for three years following the Business Combination Closing, Former Parent and the Former Parent Shareholders will not to vote in favor of any amendment to the Polestar Articles relating to the composition of the Board or the appointment or removal of Company directors. The GGI Sponsor has third party beneficiary rights to enforce the aforementioned undertakings.

### **Company Relationships and Related Party Transactions**

#### *Agreements with Volvo Cars and Geely*

The Snita Term Loan Facility provides a credit facility of up to USD 1 billion with a term ending on December 29, 2028. The facility is denominated in U.S. dollars and is available for general corporate purposes. The interest rate applicable to borrowings under the

facility is Term SOFR (as described in the facility and subject to a zero floor) plus 4.97%. The interest period of the facility is 6 months and default interest is calculated as an additional 1% on the overdue amount. The facility is required to be repaid on the final termination date, subject to Snita exercising an option to convert all or part of the loan into shares of the Company in connection with a QEO at the QEO Conversion Price (such shares, the “Conversion Shares”). A “QEO” refers to an offer of shares (or depositary receipts or other securities representing shares) of any class in the share capital of the Company, where the proposed capital raising is in an amount equal to at least USD 350,000,000 (or such other amount as the Borrower and Agent may agree from time to time), and in which no fewer than five (or such other number as the Borrower and Agent may agree from time to time) institutional investors participate in the offering. The “QEO Conversion Price” refers to the price per share at which the relevant shares are offered for sale pursuant to the QEO, converted into U.S. dollars (if the offering price is not in U.S. dollars) at the Prevailing Rate (as defined in the facility). The Company may not re-borrow any part of the Snita Term Loan Facility which has been repaid. The Company’s obligations under the facility are not guaranteed or secured. The facility contains customary negative covenants, including, but not limited to, restrictions on the Company’s ability to make certain acquisitions, loans and guarantees. The facility also contains certain affirmative covenants, including, but not limited to, certain information undertakings and access to senior management. The facility contains certain customary representations and warranties, subject to certain customary materiality, best knowledge and other qualifications. The facility provides that, upon the occurrence of certain events of default, the Company’s obligations thereunder may be accelerated. Such events of default include payment defaults to Snita thereunder, material inaccuracies of representations and warranties, covenant defaults, cross-acceleration with respect to our other indebtedness, corporate arrangement, winding-up, liquidation or similar proceedings, creditors’ process affecting assets over a certain minimum amount, and other customary events of default. The facility is governed by English law.

The Geely Term Loan Facility provides a credit facility of up to USD 250,000,000 with a term ending on June 20, 2027. The facility is denominated in U.S. dollars and is available for general corporate purposes. The interest rate applicable to borrowings under the facility is Term SOFR (as described in the facility and subject to a zero floor) plus 4.97%. The interest period of the facility is 6 months and default interest is calculated as an additional 1% on the overdue amount. The facility is required to be repaid on the final termination date, subject to Geely Sweden Automotive Investment AB exercising an option to convert all or part of the loan into shares of the Company in connection with a QEO at the QEO Conversion Price (such shares, the “Conversion Shares”). A “QEO” refers to an offer of shares (or depositary receipts or other securities representing shares) of any class in the share capital of the Company, where the proposed capital raising is in an amount equal to at least USD 350,000,000 (or such other amount as the Borrower and Agent may agree from time to time), and in which no fewer than five (or such other number as the Borrower and Agent may agree from time to time) institutional investors participate in the offering. The “QEO Conversion Price” refers to the price per share at which the relevant shares are offered for sale pursuant to the QEO, converted into U.S. dollars (if the offering price is not in U.S. dollars) at the Prevailing Rate (as defined in the facility). The Company may not re-borrow any part of the Geely Term Loan Facility which has been repaid. The Company’s obligations under the facility are not guaranteed or secured. The facility contains customary negative covenants, including, but not limited to, restrictions on the Company’s ability to make certain acquisitions, loans and guarantees. The facility also contains certain affirmative covenants, including, but not limited to, certain information undertakings and access to senior management. The facility contains certain customary representations and warranties, subject to certain customary materiality, best knowledge and other qualifications. The facility provides that, upon the occurrence of certain events of default, the Company’s obligations thereunder may be accelerated. Such events of default include payment defaults to Geely Sweden Automotive Investment AB thereunder, material inaccuracies of representations and warranties, covenant defaults, cross-acceleration with respect to our other indebtedness, corporate arrangement, winding-up, liquidation or similar proceedings, creditors’ process affecting assets over a certain minimum amount, and other customary events of default. The facility is governed by English law.

The *Framework Assignment and License Agreement* among Volvo Car Corporation and Polestar Performance AB, dated October 31, 2018 and the *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 are agreements governing the assignment of and license to technology for use in the Polestar 1 and Polestar 2. These agreements provide that Polestar Performance AB will pay Volvo Car Corporation a fee based on specified percentages of Volvo Car Corporation’s costs plus an arm’s length mark-up. The Car Model Assignment and License Agreement remains in force during the validity of the license period of the license granted under the contract. The Framework Assignment and License Agreement remains in effect until six months after all Car Model Assignment and License Agreements entered into between the parties have expired or been terminated. Further, the Car Model Assignment and License Agreement may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has certain termination and cancellation rights under the agreements. Pursuant to the Side Letter, dated as of October 31, 2018, between Volvo Car Corporation, Polestar Performance AB and Polestar New Energy Vehicle Co. Ltd., the Car Model Assignment and License Agreement described here and the Car Model Assignment and License Agreement in the paragraph below are meant to constitute the same agreement. On December 23, 2020, Volvo Car Corporation and Polestar Performance AB entered into a Settlement Agreement relating to a dispute that arose pursuant to the Car Model Assignment and License Agreement. The Settlement Agreement provided that Volvo Car Corporation would compensate Polestar Performance AB for costs and losses associated with delayed deliveries of certain components and the delivery of defective components resulting in a recall of Polestar vehicles. Volvo Car Corporation agreed to settle these claims under the Car Model and License Agreement.

Pursuant to the Side Letter, the termination of one Car Model Assignment and License Agreement gives Volvo Car Corporation the right to immediately terminate the other Car Model Assignment and License Agreement.

*PHEV IP Sub-License Agreement*, dated as of September 4, 2018, between Volvo Car Corporation and Polestar Performance AB is a sub-license agreement relating to certain technology used in Polestar vehicles. The agreement provides that Polestar Performance AB will pay Volvo Cars a per vehicle fee determined in accordance with the agreement and paid on a monthly basis. The agreement may terminate within 90 days of written notice for breach or immediately upon the insolvency of the other party.

*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 is a sublicense agreement relating to certain technology used in Polestar vehicles. The agreement provides that Polestar Performance AB will pay Volvo Cars a per vehicle fee

determined in accordance with the agreement and paid on a monthly basis. In addition, if an “Event of Default” (as defined in the agreement) occurs, the non-defaulting party may terminate the agreement with immediate effect.

*Change Management Agreement*, dated as of June 12, 2020, between Volvo Car Corporation and Polestar Performance AB is an agreement regulating certain updates and upgrades made to certain technology in the Polestar 1. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a fee based on 100% of Volvo Car Corporation’s actual development cost, as calculated on a time and material basis applying an arm’s length mark-up. The hourly rates charged under the agreement are reviewed and updated annually. The agreement remains in effect during the validity of the license period of the license granted under the agreement unless terminated upon 12 months’ written notice. In addition, the agreement may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Further, Polestar Performance AB also has certain termination and cancellation rights under the agreement.

*The Service Agreement*, dated as of November 13, 2020, between Volvo Car Corporation and Polestar New Energy Vehicle Co., Ltd. also governs procurement services needed for Polestar vehicles at the Chengdu plant and its terms largely mirror the previously described agreement, but with Volvo Car Corporation acting as the service provider under the contract.

*Component Supply Agreement*, dated as of 2018, between Polestar New Energy Vehicle Co., Ltd. and Zhejiang Haoqing Automobile Manufacturing Co., Ltd. Chengdu Branch is a supply agreement governing Zhejiang Haoqing Automobile Manufacturing Co., Ltd. Chengdu Branch’s purchase of components from Polestar New Energy Vehicle Co., Ltd. The agreement provides that Zhejiang Haoqing Automobile Manufacturing Co., Ltd. Chengdu Branch must compensate Polestar New Energy Vehicle Co., Ltd. in the aggregate for all components that Polestar New Energy Vehicle Co., Ltd. supplies during a calendar year. Such compensation is calculated using an arm’s length pricing principle. The agreement automatically extends on January 1 of each year unless terminated. The agreement, in whole or in part, may be terminated immediately upon the insolvency of the other party, and either party may terminate for convenience upon 12 months’ written notice.

*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. is an agreement governing the manufacturing and distribution of Polestar products. The agreement provides that Zhejiang Haoqing Automobile Manufacturing Co., Ltd. Chengdu Branch will supply certain goods to Polestar Automotive China Distribution Co., Ltd., which Polestar Automotive China Distribution Co., Ltd. will then distribute either itself or through an authorized dealer. Polestar Automotive China Distribution Co., Ltd. will compensate Zhejiang Haoqing Automobile Manufacturing Co., Ltd. Chengdu Branch for the full cost of the contract products. The agreement may be terminated only in two years’ intervals by giving two months’ notice with effect as per December 31 of any subsequent second year. Unless a termination notice is given, the agreement continues in effect for an additional two years. Further each party may immediately terminate the agreement for “good cause” as described in and pursuant to the agreement.

*License, License Assignment and Service Agreement*, dated as of February 15, 2021, between Volvo Car Corporation and Polestar Performance AB is a license assignment and service agreement under which Volvo Car Corporation provides development services to Polestar Performance AB. The agreement relates to certain technology to be developed, assigned or licensed by Volvo Car Corporation to Polestar Performance AB for use in future model year programs of the Polestar 2. The monthly fee paid under the agreement is based on estimated development costs using the cost plus method and the actual hours required for the services billed at an hourly rate. The hourly rates are determined by Volvo Car Corporation on an annual basis. The agreement remains in effect during the performance of the services and the validity of the license period of the license granted under the agreement. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has additional service cancellation and termination rights under the agreement. In the event of certain breaches by Volvo Car Corporation, Polestar Performance AB is also entitled to terminate the agreement with 120 days’ written notice. While Polestar Performance AB may cancel the delivery of “Polestar Times Technology” or “PS Unique Volvo Technology” (each as defined in the agreement) for convenience upon 30 days’ written notice, both parties are limited in their ability to cancel the delivery of “Volvo Technology” (as defined in the agreement).

*License and License Assignment Agreement*, dated as of February 15, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd. is a license agreement under which Volvo Car Corporation will provide certain development services for Polestar Automotive China Distribution Co. Ltd. relating to the development of technology to be used in future model year programs of the Polestar 2. The terms of the agreement largely mirror those of the License, License Assignment and Service Agreement described in the above paragraph.

*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. is an agreement governing the manufacturing of the Polestar 2 at the manufacturing plant in Luqiao. Under the agreement, Asia Euro Automobile Manufacturing (Taizhou) Co., Ltd. manufactures and assembles the vehicle up to close-to-final status, and First Automobile Branch of Zhejiang Haoqing Automobile Manufacturing Co., Ltd. then completes and sells the completed product to Polestar Automotive China Distribution (Taizhou) Co., Ltd. (who replaced Polestar New Energy Vehicle Co., Ltd. pursuant to the novation agreement). The products are priced based on their full cost of production, including Polestar Automotive China Distribution (Taizhou) Co., Ltd.’s pro rata portion of the common cost of the plant, plus a mark-up that is reviewed and adjusted according to certain benchmarks. The prices for vehicles produced in the plant are determined annually based on reserved volumes and the estimated cost for producing the vehicles, as determined by First Automobile Branch of Zhejiang Haoqing Automobile Manufacturing Co., Ltd., and are subject to review and amendment on a monthly basis. The agreement terminates seven years after becoming effective, and either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. If Polestar Automotive China Distribution (Taizhou) Co., Ltd. discontinues having vehicles produced at the Luqiao plant under the agreement prior to its termination, Polestar Automotive China Distribution (Taizhou) Co., Ltd. must pay certain exit costs.

*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. is an agreement governing the manufacturing of completed Polestar 2 vehicles at the Luqiao plant by Asia Euro Automobile Manufacturing (Taizhou) Co. Ltd. and sold to Polestar Performance AB. The terms of the agreement largely mirror those of the Car Model Manufacturing Agreement described in the paragraph above.

*License, License Assignment and Service Agreement*, dated as of June 30, 2019, between Volvo Car Corporation and Polestar Performance AB, as supplemented by the *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 Agreement and Service Agreement*, dated as of December 19, 2019, between Volvo Car Corporation and Polestar Performance AB is a license assignment and service agreement relating to certain development services and technology. The agreement remains in effect during the performance of the services and the validity of the license period of the license granted under the agreement. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. In the event of certain breaches by Volvo Car Corporation, Polestar Performance AB is also entitled to terminate the agreement with 120 days' written notice. While Polestar Performance AB may cancel the delivery of "Polestar Times Technology" or "PS Unique Volvo Technology" (each as defined in the agreement) for convenience upon 30 days' written notice, both parties are limited in their ability to cancel the delivery of "Volvo Technology" (as defined in the agreement).

*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 is a license agreement relating to certain technology associated with the Polestar 3 in China. The agreement remains in effect during the validity of the license period of the license granted under the agreement. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. In the event of certain breaches by Volvo Car Corporation, Polestar is also entitled to terminate the agreement with 120 days' written notice. While Polestar may cancel the delivery of "PS Unique Volvo Technology" (as defined in the agreement) for convenience upon 30 days' written notice, both parties are limited in their ability to cancel the delivery of "Volvo Technology" (as defined in the agreement).

*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., provides that the intention of these parties is for each of the main agreements described in the four previous paragraphs to actually constitute one agreement. In light of the foregoing, the side letter provides that it is the parties' intention to share the total amount payable to the Volvo entities under the four agreements fairly between the Polestar entities as described in the side letter.

*Service Agreement*, dated as of August 31, 2020, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co. Ltd. is a service agreement governing certain indirect procurement services provided by Volvo Cars Technology (Shanghai) Co., Ltd. to Polestar Automotive China Distribution Co. Ltd. relating to the production of the Polestar 3 at the Chengdu plant. The agreement provides that Polestar Automotive China Distribution Co. Ltd. will pay Volvo Cars Technology (Shanghai) Co., Ltd. a monthly service charge based on the actual hours required for the services to be performed. The hourly rates are calculated using the full cost incurred plus an arm's length mark-up and are determined annually by Volvo Cars Technology (Shanghai) Co., Ltd. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co. Ltd. also has additional service cancellation and termination rights under the agreement.

*Service Agreement*, dated as of September 1, 2020, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd. is a service agreement governing certain indirect procurement services provided by Volvo Car Corporation to Polestar Automotive China Distribution Co. Ltd. relating to the production of the Polestar 3 at Volvo Car Corporation's Chengdu plant. The agreement provides that Polestar Automotive China Distribution Co. Ltd. will pay Volvo Car Corporation a monthly service charge based on the actual hours required for the services to be performed. The hourly rates are calculated using the full cost incurred plus an arm's length mark-up and are determined annually by Volvo Car Corporation. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co. Ltd. also has additional service cancellation and termination rights under the agreement.

*License Agreement*, dated as of December 23, 2020, between Polestar Performance AB and Volvo Car Corporation is a license agreement relating to certain intellectual property developed by Polestar Performance AB. The agreement remains in effect during the validity of the license period of the license granted under the agreement, which is until model year 2024. Either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party.

*Performance Software Agreement*, dated as of January 1, 2020, between Polestar Performance AB and Volvo Car Corporation is an agreement relating to the design, development and supply of performance enhancing software by Polestar Performance AB for Volvo Car Corporation to distribute in their infrastructure for software download. The agreement remains in effect until either party terminates the agreement. Either party may terminate the agreement for convenience by giving notice to the other party at least six months before the start of the next model year, which is week seventeen, day one of each year. If the agreement is terminated for convenience, the agreement will remain in force until the start of the next model year. Either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party.

*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. is an agreement that establishes Polestar Automotive China Distribution Co., Ltd.'s binding commitment to pay for investments made by Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. relating to the production of the Polestar 3 at Volvo Car Corporation's Chengdu plant. The agreement also sets forth the parties' intention to enter into another agreement governing the actual production of Polestar vehicles at the Chengdu plant. The agreement remains in force until the parties sign the next production agreement for the Polestar vehicles. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Prior to a certain point

specified in the agreement, Polestar Automotive China Distribution Co., Ltd. may terminate the agreement for convenience upon 60 days' written notice, and Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. may terminate in the event of an unremedied material breach.

*Service Agreement*, dated as of February 2021, between Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. and Polestar Automotive China Distribution Co. Ltd. is a service agreement under which Polestar Automotive China Distribution Co. Ltd. purchases Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd.'s IT services to support the production of the Polestar 3 in the Chengdu plant. The agreement provides that Polestar Automotive China Distribution Co. Ltd. will pay Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. a monthly service charge based on the actual hours required to perform the services. The hourly rates take into account the full cost incurred plus an arm's length mark-up, and such hourly rates are determined by Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. annually. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co. Ltd. also has additional service cancellation and termination rights under the agreement. The *Service Agreement*, dated as of April 28, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd. largely mirrors the previously described agreement but with Volvo Car Corporation acting as the service provider.

*Financial Undertaking Agreement—Investments for Vehicle Assembly*, dated as of March 17, 2021, between Volvo Car Corporation and Polestar Performance AB is an agreement relating to the planned production of Polestar 3 vehicles in Volvo Cars' South Carolina, USA plant. The agreement imposes a binding commitment on Polestar Performance AB to fund certain investments, relating to common equipment, for example, necessary to manufacture and assemble Polestar 3 vehicles at the South Carolina plant and confirms both parties' intention to enter into a more robust agreement governing production no later than one year before such production's planned start. The agreement provides that the general principle to be applied to the pricing of such vehicle production will be one of actual cost plus a mark-up. The agreement terminates when the more detailed production agreement is signed. In addition, either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has the right to terminate the agreement for convenience upon 60 days' written notice. The *Financial Undertaking Agreement—Investments for Vehicle Assembly*, dated as of March 23, 2021, between Volvo Car Corporation and Polestar Performance AB largely mirrors the previously described agreement but instead imposes investment commitments on Polestar Performance AB relating to Polestar 3 unique equipment (rather than common equipment that is used in the production of both Volvo's and Polestar's vehicles).

*Service Agreement*, dated as of November 27, 2020, between Volvo Car Corporation and Polestar Performance AB is a service agreement under which Volvo Car Corporation will provide complete design services (i.e., from the concept phase until the start of production) for a new Polestar vehicle. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a monthly service charge based on the actual hours required to perform the services. The hourly rates take into account the full cost incurred plus an arm's length mark-up, and such hourly rates are determined by Volvo Car Corporation annually. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has additional service cancellation and termination rights under the agreement.

*Service Agreement*, dated as of January 18, 2021, between Ningbo Geely Automobile Research & Development Co., Ltd. and Polestar Performance AB is a service agreement under which Ningbo Geely Automobile Research & Development Co., Ltd. provides research and development services to Polestar Performance AB for the concept phase of the development of a new Polestar vehicle. The agreement provides that Polestar Performance AB will pay Ningbo Geely Automobile Research & Development Co., Ltd. a fixed price service charge, for which Polestar Performance AB has paid two out of the three total installments. This fixed price is based on an estimate of the hours and resources required to perform the services. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has additional service cancellation and termination rights under the agreement.

*Service Agreement*, dated as of September 4, 2020, between Volvo Car Corporation and Polestar Performance AB is a service agreement under which Volvo Car Corporation provides Polestar Performance AB with technical support to dealers or workshops who are repairing, maintaining and/or servicing Polestar vehicles. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a monthly service charge taking into account a base price (the full cost of the forecasted number of hours multiplied by the hourly rate) and an excess case price (the cost per case over and above the capacity of the number of forecasted hours covered by the base price charge). The hourly rates used to calculate the service charge are calculated using the full cost incurred plus an arm's length markup, and the hourly rates are determined by Volvo Car Corporation on an annual basis. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 6 months' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has an immediate termination right with respect to certain breaches by Volvo Cars.

*Service Agreement*, dated as of September 4, 2020, between Polestar Performance AB and Volvo Bil i Göteborg AB is a service agreement under which Volvo Bil i Göteborg AB personnel provides support in operating Polestar Performance AB's Damage Repair European Centre and repairing Polestar 1 vehicles. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a service charge taking into account an hourly work rate (which varies depending on the type of activity performed) and the amount of time worked. The hourly rates and material cost used to calculate the service charges are determined by Volvo Bil i Göteborg AB on an annual basis. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has additional service cancellation and termination rights under the agreement.

*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 is a license agreement under which Volvo Car Corporation will develop and license to Polestar Performance AB a digital platform to be used for making vehicle repair and maintenance information available for independent operators (the "*GOLD Platform*"). The license fee is



determined by Volvo Car Corporation on an annual basis and is based on the activities performed when Volvo Car Corporation develops project results. The license fee should equal 50% of the actual development cost, which take into account the full cost incurred plus an arm's length mark-up. The agreement remains in force during the validity of the license period granted to Polestar Performance AB thereunder. Neither party may unilaterally terminate the agreement for convenience, however, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has immediate termination rights with respect to certain not insignificant breaches by Volvo Car Corporation.

*Service Agreement*, dated as of December 6, 2020, between Volvo Car Corporation and Polestar Performance AB is a service agreement under which Volvo Car Corporation provides Polestar Performance AB with various operation and maintenance services related to the GOLD Platform. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a monthly service charge based on Polestar Performance AB's share of actual hours required for the services to be performed by Volvo Car Corporation. The hourly rates used to calculate the service charge are calculated using the full cost incurred plus an arm's length markup, and the hourly rates are determined by Volvo Car Corporation on an annual basis. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has certain service cancellation rights and has an immediate termination right with respect to certain breaches by Volvo Car Corporation.

*Service Agreement*, dated as of March 24, 2020, between Volvo Car Corporation and Polestar Performance AB is a service agreement under which Volvo Car Corporation provides Polestar Performance AB with outbound logistics services via the use of Volvo Car Corporation's existing vehicle distribution network. The agreement is one of six agreements that the parties have agreed to enter into relating to such outbound logistics services. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a monthly service charge taking into account the estimated hours and other costs for the services to be performed. The service charges are updated each new calendar year based on changes in required resources, costs and forecasted volumes. The hourly rates used to calculate the service charges are calculated using the full cost incurred plus an arm's length markup, and the hourly rates are determined by Volvo Car Corporation on an annual basis. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 12 months' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has an immediate termination right with respect to certain breaches by Volvo Car Corporation.

*Service Agreement*, dated as of January 19, 2020, between Volvo Car UK Limited and Polestar Performance AB is a service agreement under which Volvo Car UK Limited provides Polestar Performance AB with certain services pertaining to customs clearance and duty declarations relating to the import of Polestar vehicles into the United Kingdom. The agreement provides that Polestar Performance AB will pay Volvo Car UK Limited a monthly service charge based on the actual cost for external resources and actual hours worked by Volvo Car UK Limited's staff required for the services to be carried out. The hourly rates used to calculate the service charge are calculated using the full cost incurred plus an arm's length markup, and the hourly rates are determined by Volvo Car UK Limited on an annual basis. Polestar Performance AB is also responsible for the cost for the services provided by the customs broker. The agreement remains in effect until terminated by at least one party in accordance with the agreement. Either party may terminate the agreement for convenience upon 90 days' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has an immediate termination right with respect to certain breaches by Volvo Car UK Limited.

*European CO2 Emission Credit Payment Agreement*, dated as of November 27, 2020, between Volvo Car Corporation and Polestar Performance AB is an agreement under which Volvo Car Corporation agreed to pay Polestar Performance AB an amount equal to approximately 33% of the carbon credits attributable to Volvo Cars under an Open Pool Commercial Agreement, dated as of October 29, 2020, between Volvo Car Corporation and Ford Werke GmbH. The payment reflects the proportion of carbon credits attributable to Volvo Cars under the Open Pool Commercial Agreement that are, in turn, attributable to Polestar vehicles and is based on the number of Polestar vehicles registered during the period, the average specific emission and the specific emissions target for those vehicles.

*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 is a supply and license agreement under which Volvo Car Distribution (Shanghai) Co., Ltd distributes the aftermarket parts and accessories of Polestar Automotive China Distribution Co., Ltd in China. Under this agreement, Polestar Automotive China Distribution Co., Ltd also grants Volvo Car Distribution (Shanghai) Co., Ltd certain licensing rights with respect to Polestar Automotive China Distribution Co., Ltd's intellectual property in China. The agreement provides that Volvo Car Distribution (Shanghai) Co., Ltd will pay a monthly license fee to Polestar Automotive China Distribution Co., Ltd, and this license fee will be set at a rate that enables Volvo Car Distribution (Shanghai) Co., Ltd to receive an arm's length compensation for its services. If the "Parts Profit" is less than the "Distribution Profit" (each as defined in the agreement), Polestar Automotive China Distribution Co., Ltd must pay Volvo Car Distribution (Shanghai) Co., Ltd for the shortfall. The license fee is determined in accordance with the provisions of the agreement and is subject to adjustment. The agreement remains in effect until terminated by either party. Either party may terminate the agreement for convenience with 18 months' written notice to the other. Further, the agreement may terminate within 30 days of written notice for a material breach or immediately upon the insolvency of the other party.

*Service Agreement*, effective as of July 1, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution, Ltd. is a service agreement under which Volvo Car Corporation provides maintenance and procurement services related to the Polestar 2 at the Luqiao plant. The agreement provides that Polestar Automotive China Distribution, Ltd. will pay Volvo Car Corporation a monthly service charge based on the actual hours worked charged at an hourly rate. This hourly rate takes into account the full cost incurred plus a mark-up, and it is determined annually by Volvo Car Corporation. The agreement remains in effect until the services are completed. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate the agreement within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution, Ltd. may cancel the services performed under the agreement upon 30 days' written notice and has additional immediate termination rights with respect to certain breaches by Volvo Car Corporation as described in the agreement.

*Service Agreement*, dated as of December 7, 2021, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd., is a service agreement under which Volvo Cars Technology (Shanghai) Co., Ltd. provides procurement and management services to Polestar Automotive China Distribution Co., Ltd. related to the Polestar 2 at the Luqiao plant. The agreement provides that Polestar Automotive China Distribution Co., Ltd. will pay Volvo Cars Technology (Shanghai) Co., Ltd. a monthly service charge based on the actual hours worked charged at an hourly rate. This hourly rate takes into account the full cost incurred plus a mark-up, and it is determined annually by Volvo Cars Technology (Shanghai) Co., Ltd. The agreement remains in effect until the services are completed. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate the agreement within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co., Ltd. may cancel the services performed under the agreement upon 30 days' written notice and has additional immediate termination rights with respect to certain breaches by Volvo Cars Technology (Shanghai) Co., Ltd. as described in the agreement.

*Service Agreement*, dated as of June 23, 2021, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd. is a service agreement under which Volvo Car Corporation provides commercial purchasing and end-of-production services, amongst other things, to Polestar New Energy Vehicle Co. Ltd. The agreement provides that Polestar New Energy Vehicle Co. Ltd. will pay Volvo Car Corporation a monthly service charge based on the actual hours worked charged at an hourly rate. This hourly rate takes into account the full cost incurred plus a mark-up, and it is determined annually by Volvo Car Corporation. The agreement remains in effect until the services are completed. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate the agreement within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar New Energy Vehicle Co. Ltd. may cancel the services performed under the agreement upon 30 days' written notice and has additional immediate termination rights with respect to certain breaches by Volvo Car Corporation as described in the agreement. The *Service Agreement*, dated as of December 7, 2021, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd. largely mirrors the *Service Agreement*, dated as of June 23, 2021, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd. but with Volvo Cars Technology (Shanghai) Co., Ltd. acting as the service provider under the agreement.

*Service Agreement*, dated as of June 23, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution, Ltd., and the *Service Agreement*, dated as of December 7, 2021, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd. are agreements governing the procurement of services and the sustainability evaluation for Polestar branded vehicles. For providing such services, the Volvo entities are paid a monthly service charge based on the actual hours worked charged at an hourly rate. These agreements remain in full force and effect until the services are completed. The agreements may be terminated by either party within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy. Additionally, Polestar is entitled to cancel the services performed by Volvo Cars for convenience upon 30 days written notice to Volvo Cars, and both parties to each agreement are entitled to terminate such agreement for convenience upon 60 days' written notice to the other party.

*Service Agreement*, dated as of December 28, 2021, between Ningbo Geely Automobile Research & Development Co., Ltd and Polestar Performance AB is an agreement governing the outsourcing of development services for Polestar vehicles. The agreement remains in full force and effect until the services are completed. Polestar Performance AB pays Ningbo Geely Automobile Research & Development Co., Ltd a fixed service charge for the services provided. The agreement may be terminated by either party within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy. Additionally, Polestar Performance AB is entitled to cancel the services performed by Ningbo Geely Automobile Research & Development Co., Ltd for convenience upon 30 days' written notice to Ningbo Geely Automobile Research & Development Co., Ltd.

*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. is an agreement relating to Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd.'s provision to Polestar Automotive China Distribution Co., Ltd. of manufacturing services. The parties also commit to making certain investments under the agreement. The agreement remains in full force until the agreed fees are paid and may be terminated by either party within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy.

*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. is an agreement governing the purchase and sale of Polestar Unique vendor tooling from Geely for Polestar. Polestar Automotive China Distribution Co., Ltd. pays Ningbo Geely Automobile Research & Development Co., Ltd. for each unique vendor tooling as the actual costs occur. This agreement remains in force and effect until Polestar Automotive China Distribution Co., Ltd. has paid the full price for the purchase of the vendor tooling. The agreement may be terminated within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy.

*Technology License Agreement*, dated as of March 4, 2022, between Zhejiang Zeekr Automobile Research and Development Co., Ltd. and Polestar Performance AB, and the *Technology License Agreement*, effective as of March 4, 2022, between Zhejiang Liankong Technologies Co., Ltd and Polestar Automotive Distribution China Co., Ltd. are agreements governing the license of technology for Polestar branded vehicles. These agreements remain in force and effect during the validity of the licensed intellectual property included in the license granted under the agreement. The agreements may be terminated within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy.

*Technology License Agreement*, dated as of December 10, 2021, between Zhejiang Zeekr Automobile Research and Development Co., Ltd and Polestar Automotive China Distribution Co., Ltd. is an agreement governing the license of technology for Polestar branded vehicles. Polestar Automotive China Distribution Co., Ltd pays Zhejiang Zeekr Automobile Research and Development Co., Ltd a licensing fee under the agreement. This agreement remains in force and effect during the validity of the licensed intellectual property included in the license granted under the agreement. The agreement may be terminated within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy.

*Technology License Agreement*, dated as of December 30, 2021, between Zhejiang Zeekr Automobile Research and Development Co., Ltd and Polestar Performance AB is an agreement governing the license of technology for Polestar branded vehicles. Polestar Automotive China Distribution Co., Ltd pays Zhejiang Zeekr Automobile Research and Development Co., Ltd a licensing fee under the agreement. This agreement remains in force and effect during the validity of the licensed intellectual property included in the license granted under the agreement. The agreement may be terminated within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy.

*Parts Supply and License Agreement Polestar Aftermarket Parts and Accessories (ROW)*, dated as of January 1, 2020, between Polestar Performance AB and Volvo Car Corporation, is a supply and license agreement under which Volvo Car Corporation distributes the aftermarket parts and accessories of Polestar Performance AB throughout the world, besides in China. Under this agreement, Polestar Performance AB also grants Volvo Car Corporation certain licensing rights with respect to Polestar Performance AB's intellectual property. The agreement provides that Volvo Car Corporation will pay a monthly license fee to Polestar Performance AB, and this license fee will be set at a rate that enables Volvo Car Corporation to receive an arm's length compensation for its services. If the "Parts Profit" for a month is less than the "Distribution Profit" (each as defined in the agreement), Polestar Performance AB must pay Volvo Car Corporation for the shortfall. The agreement remains in effect until terminated by either party. Either party may terminate the agreement for convenience with 18 months' written notice to the other. Further, either party may terminate the agreement within 30 days of written notice for a material breach or immediately upon the insolvency of the other party.

*New, Used and Demonstrator Funding Agreement*, dated June 14, 2021, by and among Volvo Car Financial Services UK Limited, a joint venture between Volvo Car Corporation and Santander Consumer (UK) plc, and Polestar Automotive UK Limited, is an agreement under which Volvo Car Financial Services UK Limited has agreed to make a standing offer to sell Floorplan Vehicles to Polestar Automotive UK Limited, and Polestar has agreed to purchase such Floorplan Vehicles. Under the agreement, Polestar may display Floorplan Vehicles for sale via the internet or in its premises or those premises operated by third party entities approved by and acting for or on behalf of Polestar for the purpose of marketing and in return, Polestar has agreed to pay certain charges to Volvo. The agreement may be terminated by either party at any time with written notice to the other party.

*Service Agreement*, effective as of January 28, 2022, by and between Volvo Cars USA LLC and Polestar Automotive USA Inc. is an agreement governing the outbound logistics through the utilization of Volvo Cars USA LLC's existing vehicle distribution process. Under the agreement, Polestar pays Volvo for the estimated hours of work performed and other costs incurred by Volvo Cars. The agreement remains in full force and effect until the services are completed and may be terminated by either party within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy.

*Finance Cooperation Agreement*, dated as of May 28, 2021, by and between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited. Under this agreement, Volvo Car Financial Services UK Limited (i) provides financing to Polestar Automotive UK Limited to enable Polestar Automotive UK Limited to purchase Polestar vehicles, (ii) markets and sells retail finance arrangements to customers in accordance with the terms of the agreement and (iii) agrees to develop and operate a technical infrastructure to be used to market and sell such financial arrangements. Should Polestar Automotive UK Limited be interested in additional financing services not included in the "Services" (as defined in the agreement), it promises to use its best endeavors to engage Volvo Car Financial Services UK Limited as their financial partner for such services. The agreement continues in effect until the third anniversary of when the Services commenced. After such initial term, the agreement automatically continues in effect for subsequent terms of 36 months unless one of the parties provides a written termination notice to the other at least six months prior to the expiration of the original term or any subsequent 36 month extension term. In addition, Polestar Automotive UK Limited and Volvo Car Financial Services UK Limited each have certain termination rights as described in the agreement. Further, if certain severe market disruptions occur, Volvo Car Financial Services UK Limited has the right to unilaterally revise any of the commercial terms of the agreement. Volvo Car Financial Services UK Limited also has the right to revise the commercial terms of the agreement once every 12 months should a "Trigger Event" (as defined in the agreement) occur.

*Corporate Guarantee and Indemnity Relating to Polestar Automotive UK Limited*, dated as of June 14, 2021, between Polestar Performance AB and Volvo Car Financial Services UK Limited. Under this deed, Polestar Performance AB (i) guarantees to Volvo Car Financial Services UK Limited timely performance by Polestar Automotive UK Limited of all of the "Guaranteed Obligations" (as defined in the agreement), (ii) promises to immediately pay any amount due should Polestar Automotive UK Limited not pay any Guaranteed Obligation and (iii) promises to indemnify Volvo Car Financial Services UK Limited in certain circumstances. There is no limit on the amount recoverable by Volvo Car Financial Services UK Limited from Polestar Performance AB under the deed, and the deed is a continuing guarantee. Polestar Performance AB can terminate the deed at any time by giving at least three months' written notice specifying the termination date to Volvo Car Financial Services UK Limited, though Polestar Performance AB has certain continuing liabilities under the deed.

*Finance Cooperation Agreement*, dated as of June 1, 2021, between Polestar Automotive China Distribution Co., Ltd and Genius Auto Finance Co., Ltd. is an agreement under which Genius Auto Finance Co., Ltd. provides finance services to Polestar Automotive China Distribution Co., Ltd., including retail finance to end customers in order to assist them with buying vehicles from Polestar, among other things. Genius Auto Finance Co., Ltd. helps to make retail finance credit available to end customers, offers competitive rates and terms for such customers and provides Polestar a service fee as compensation for the services Polestar provides to them, such as explaining the retail finance to customers, assisting with collecting application documents from customers and reviewing such documents. The Finance Cooperation Agreement continues for an initial term of three years, after which it continues unless terminated by either party with at least six months' prior written notice.

The *Framework Agreement on Import and Export of Polestar Vehicles* between Volvo Car Corporation and Polestar Performance AB, dated June 21, 2022, establishes the framework for import of Polestar vehicles into the United States by Volvo Cars. The Volvo Cars entity will purchase Polestar vehicles from Polestar and resell those vehicles to the Polestar distributor. In calculating the sales price of Polestar vehicles to Volvo Cars, the Volvo Cars purchase price will include the amount of duties refunded to the Volvo Cars under the US duty drawback regulations. This Agreement will continue until claims for duty drawback have been made on all eligible Polestar vehicles.

The *Research and Development Frame Agreement*, dated as of July 5, 2022, between Polestar Performance AB and China Euro Vehicle Technology AB governs China Euro Vehicle Technology AB's provision to Polestar Performance AB of facilities, skills, material and human resources for conducting activities of research and development in connection with automotive goods such as passenger cars, auto components and parts and service parts. Fees paid under the agreement are in part based on actual development and disbursement costs and take into account the full costs incurred plus an arm's length mark-up. The agreement is in effect for two years, unless terminated for convenience by either party with six months' prior written notice or for good cause or default.

The *Service Agreement*, dated as of July 4, 2022, between Zhongjia Automobile Manufacturing (Chengdu) CO., Ltd. and Polestar Automotive China Distribution Co. Ltd. governs Zhongjia Automobile Manufacturing (Chengdu) CO., Ltd.'s provision of certain services related to manufacturing engineering support for running change program upgrades of the Polestar 2 vehicle. Service charges are based on actual hours required for the service to be performed, and the hourly rates are determined on an annual basis. The agreement is in effect until the end of production of the Polestar 2 car (until the services are completed) and may be terminated by either party with immediate effect in the event of a material breach. Polestar Automotive China Distribution Co. Ltd. may terminate the agreement for certain types of breach with immediate effect and also may terminate the agreement for convenience with 30 days' prior written notice to Zhongjia Automobile Manufacturing (Chengdu) CO., Ltd. Either party is also entitled to terminate the agreement for convenience with 60 days' prior written notice to the other party.

*Service Agreement*, executed as of September 27, 2022, between Volvo Car Corporation and Polestar Performance AB is a service agreement under which Volvo Car Corporation provides to and manages on behalf of Polestar Performance AB various cloud infrastructure and connected services. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a service charge based on the development, operations and maintenance costs and determined using the cost plus method. Polestar Performance AB also reimburses Volvo Car Corporation for all costs Volvo Car Corporation incurs in order to provide unique development services for Polestar. The agreement is effective retroactively from January 1, 2018 and remains in effect until terminated in accordance with the agreement. The agreement may be terminated by either party upon a material breach that has not been remedied within 30 days of written notice from the other party to remedy such breach or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy. Polestar Performance AB is also entitled to terminate the agreement with immediate effect under certain circumstances as specified in the agreement. Further, either party may terminate the agreement for convenience upon providing 18 months written notice to the other party.

*Amendment Agreement no 1*, dated February 3, 2023 to *Prototype Supply Agreement*, effective as of July 1, 2022, among Asia Europe New Energy Vehicle Manufacturing (Chongqing) Co., Ltd., a subsidiary of Geely, Polestar Performance AB and Polestar Automotive (Chongqing) Co., Ltd. is an agreement governing Polestar Performance AB's purchase of "Prototypes" (as defined in the agreement), which Polestar Performance AB uses for research and development activities, from Asia Europe New Energy Vehicle Manufacturing (Chongqing) Co., Ltd. The price for the "Prototypes" is determined based on arm's length terms applying the cost plus method. Polestar Performance AB also compensates Asia Europe New Energy Vehicle Manufacturing (Chongqing) Co., Ltd. for the financing it assumed related to the direct materials purchased for the "Prototype" build. The agreement remains in effect until terminated in accordance with the terms of the agreement. The agreement may be terminated by either party with immediate effect in the event of a material breach that has not been remedied within a certain amount of time after receiving written notice from the other party to remedy such breach or if the other party becomes insolvent or is contemplating or enters bankruptcy.

*Framework Service Agreement*, dated as of December 23, 2022, between Polestar Performance AB and Volvo Car Corporation, is a framework service agreement under which Volvo Car Corporation's aftermarket organization provides Polestar Performance AB with services supporting Polestar's aftermarket deliveries to car customers and Polestar workshops who are repairing, maintaining and/or servicing Polestar vehicles. The services provided are called off by Polestar according to an agreed call off process. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a service charge for the services called off, taking into account the actual hours required for the services to be performed, plus a fee for the use of the VOICE system supporting automated translation and publication. The hourly rates used to calculate the service charge are calculated using the full cost incurred plus an arm's length markup, and the hourly rates are determined by Volvo Car Corporation on an annual basis. The agreement remains in effect until December 31, 2023, where after it need to be extended. Either party may terminate the agreement for convenience, or cancel a called off service, upon 6 months' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. The parties can agree on shorter cancellation notice on individual call offs/services.

*Amendment Agreement No. 1*, dated December 13, 2022, 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. is a license assignment and service agreement under which Volvo Car Corporation provides development services to Polestar Automotive China Distribution Co. Ltd. The agreement relates to certain technology to be developed, assigned or licensed by Volvo Car Corporation to Polestar Automotive China Distribution Co. Ltd. for use in future model year programs of the Polestar 2. The Amendment Agreement is adding an additional model year program. The monthly fee paid under the agreement is based on estimated development costs using the cost plus method and the actual hours required for the services billed at an hourly rate. The hourly rates are determined by Volvo Car Corporation on an annual basis. The agreement remains in effect during the performance of the services and the validity of the license period of the license granted under the agreement. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co. Ltd. also has additional service cancellation and termination rights under the agreement. In the event of certain breaches by Volvo Car Corporation, Polestar Automotive China Distribution Co. Ltd. is also entitled to terminate the agreement with 120 days' written notice. While Polestar Automotive China Distribution Co. Ltd. may cancel the delivery of "Polestar Times Technology" or "PS Unique Volvo Technology" (each as defined in the agreement) for convenience upon 30 days' written notice, both parties are limited in their ability to cancel the delivery of "Volvo Technology" (as defined in the agreement). The *Amendment Agreement No. 1*, dated September 22, 2022, between Volvo Car Corporation and Polestar Performance AB largely mirrors the previously described Amendment Agreement No. 1, relating to the License and License Assignment Agreement, dated April 2021, but with Polestar Performance AB acting as the relevant Polestar party.

*Change Management Agreement*, dated as of December 31, 2022, between Volvo Car Corporation and Polestar Performance AB is an agreement regulating certain updates and upgrades made to certain technology in the Polestar 2. The agreement provides that Polestar

Performance AB will pay Volvo Car Corporation a fee based on Polestar’s volume share of Volvo Car Corporation’s actual development cost, as calculated on a time and material basis applying an arm’s length mark-up. The hourly rates charged under the agreement are reviewed and updated annually. The agreement remains in effect during the validity of the license period of the license granted under the agreement unless terminated upon 12 months’ written notice. In addition, the agreement may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Further, Polestar Performance AB also has certain termination and cancellation rights under the agreement.

*Service Agreement*, effective as of January 1, 2021, between Polestar Automotive (Chongqing) Co. Ltd., as seller, and Asia Europe New Energy Vehicle (Chongqing) Co., Ltd, as buyer, for launch services for the preparation of manufacturing of Polestar branded vehicle in Chongqing. The agreement is valid until start of production. The price for the services is based on applying the arm's length principle using hourly rates (cost-plus method). The agreement may be terminated by either party with immediate effect in the event of a material breach that has not been remedied within a certain amount of time after receiving written notice from the other party to remedy such breach or if the other party becomes insolvent or is contemplating or enters bankruptcy.

*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. is a service agreement under which Wuxi InfiMotion Propulsion Technology Co., Ltd and InfiMotion Technology Europe AB develops and assigns certain technology as well as tooling. The agreement remains in effect until terminated in accordance with the terms of the agreement or service completed. The agreement may be terminated by either party with 30 days written notice in the event of a material breach that has not been remedied within a certain amount of time or if the other party becomes insolvent or is contemplating or enters bankruptcy.

*Termination Agreement*, dated as of March 20, 2023, between Polestar Performance AB, Polestar Automotive China Distribution Co., Ltd., and Wuxi InfiMotion Propulsion Technology Co., Ltd., is a termination agreement cancelling and settling of remaining cost related to a development project.

*Asset Transfer Agreement*, effective as of December 26, 2023, between Polestar Automotive China Distribution Co., Ltd, the seller, and Chengdu Jisu New Energy Vehicle Co., Ltd., a subsidiary of Geely, the purchaser, governs the sale of Polestar unique tooling and equipment and Polestar unique vendor tooling (the ‘Transferred Assets’ as defined in the agreement, for production of Polestar 3 in Volvo Car Corporation's plant in Chengdu, China. The ownership and title of the Transferred Assets will be transferred from Polestar Automotive China Distribution Co., Ltd to Chengdu Jisu New Energy Vehicle Co., Ltd upon full payment by Polestar to third party vendors. The agreement remains in effect until fully performed or until terminated in accordance with the terms of the agreement. The agreement may be terminated by either party with immediate effect in the event of a material breach that has not been remedied within a certain amount of time after receiving written notice from the other party to remedy such breach or if the other party becomes insolvent or is contemplating or enters bankruptcy.

*Technology License Agreement*, dated as of September 28, 2023, between Zhejiang Liankong Technologies Co., Ltd and Polestar Performance AB, governs the license of certain technology for Polestar branded vehicles. These agreements remain in force and effect during the validity of the licensed intellectual property included in the license granted under the agreement. The agreements may be terminated within 30 days of written notice for breach that is unable to be remedied, or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy.

*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., as seller, Zhejiang Geely Property Investment Holding Co. Ltd., as buyer, and Polestar New Energy Vehicle Co., Ltd., as target, governs the sale of all of the issued and outstanding shares of Polestar New Energy Vehicle Co., Ltd. for two installment payments by the buyer, with closing to occur after the completion of customary closing conditions.

*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 is an agreement governing the manufacturing of Polestar 4 at the manufacturing plant in Hangzhou Bay. Under the agreement, Ltd. Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory manufactures and assembles the vehicle and sells the completed product to Polestar Automotive China Distribution Co., Ltd. The vehicles produced in the plant are priced based on their full cost of production, including Polestar Automotive China Distribution Co., Ltd.'s pro rata portion of the common cost of the plant, plus a mark-up. The prices for the vehicles are determined annually based on reserved volumes and the estimated cost for producing the vehicles, as determined by Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd, and are subject to review and amendment on a monthly basis. The agreement terminates seven years after becoming effective, and either party may terminate immediately due to breach which has not been remedied within forty-five (45) days from written notice or insolvency by the other party. Polestar Automotive China Distribution Co., Ltd also has the right to terminate in case certain other project related agreements are terminated due to a material breach or any insolvency or bankruptcy event of either Party or its Affiliates. If Polestar Automotive China Distribution Co., Ltd. discontinues having vehicles produced at the plant under the agreement prior to its termination, Polestar Automotive China Distribution Co., Ltd. must pay certain exit costs.

*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 is an agreement governing the manufacturing of Polestar 4 at the manufacturing plant in Hangzhou Bay. Under the agreement, Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory manufactures and assembles the vehicle and sells the completed product to Polestar Automotive China Distribution Co., Ltd. The vehicles produced in the plant are priced based on their full cost of production, including Polestar Performance AB's pro rata portion of the common cost of the plant, plus a mark-up. The prices for the vehicles are determined annually based on reserved volumes and the estimated cost for producing the vehicles, as determined by Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd, and are subject to review and amendment on a monthly basis. The agreement terminates seven years after becoming effective, and either party may terminate immediately due to breach which has not been remedied within 45 days from written notice or insolvency by the other party. Polestar Automotive China Distribution Co., Ltd also has the right to terminate in case certain other project related agreements are terminated due to a material breach or any insolvency or bankruptcy event of either Party or its Affiliates. If Polestar

Performance AB discontinues having vehicles produced at the plant under the agreement prior to its termination, Polestar Performance AB must pay certain exit costs.

*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, governs Polestar Performance AB's, Polestar Automotive (China) Distribution Co., Ltd's and Polestar Automotive (China) Distribution Co., Ltd R&D Branch's purchase of "Prototypes" (as defined in the agreement), which Polestar Performance AB and Polestar Automotive China Co., Ltd and its R&D Branch use for research and development activities, from Asia Europe New Energy Vehicle Manufacturing (Chongqing) Co., Ltd. The price for the "Prototypes" is determined based on arm's length terms applying the cost plus method. The agreement remains in effect until terminated in accordance with the terms of the agreement. The agreement may be terminated by either party with immediate effect in the event of a material breach that has not been remedied within a certain amount of time after receiving written notice from the other party to remedy such breach, or if the other party becomes insolvent or is contemplating or enters bankruptcy.

*Service Agreement*, dated as of November 29, 2023, between Zhejiang ZEEKR Automobile Research & Development Co., Ltd and Polestar Performance AB, is a service agreement in relation to research and development services for the Polestar 5 provided by Zhejiang ZEEKR Automobile Research & Development Co., Ltd to Polestar Performance AB. The agreement remains in effect, unless terminated in accordance with agreement, during the performance of the services. Either party may terminate with immediate effect in the event of material breach which has not been remedied within 30 days from written notice or immediately upon the insolvency of the other party. Polestar Performance AB also has the right to cancel the services performed for convenience upon 60 days' written notice.

*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. is an amendment to the *Service Agreement*, *Vehicle Development Agreement*, dated December 28, 2021, between Polestar Performance AB and Ningbo Geely Automobile Research & Development Co. Ltd. related to certain change to the development scope. This agreement has further been amended on July 16, 2024.

*Asset Purchase Agreement*, dated as of November 28, 2023, between Polestar Automotive China Distribution Co., Ltd. and Polestar Times Technology (Zhongshan) Co., Ltd, regards the sale of certain tangible and intangible assets. The price of the assets is based on an external valuation.

*Supplementary Asset Purchase Agreement*, dated as of November 28, 2023, between Polestar Automotive China Distribution Co., Ltd. and Polestar Times Technology (Zhongshan) Co., Ltd, regards the sale of certain tangible and intangible assets in addition to the main APA. The price of the assets is based on an external valuation.

*Brand License Agreement*, dated as of November 14, 2023, between Polestar Performance AB and Polestar Times Technology (Nanjing) Co., Ltd, governs the license of the Polestar brand within the People's Republic of China. The agreement may be terminated within 60 days of written notice for breach that is unable to be remedied, or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy.

*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., is an agreement governing the sale and purchase of Polestar 4 within the People's Republic of China. The vehicles are priced based on their full cost of production, including Polestar Automotive China Distribution Co., Ltd.'s pro rata portion of the common cost of the plant, plus a mark-up. The prices for the vehicles are subject to review and amendment on a monthly basis. The agreement terminates by mutual written agreement by all parties but no later than the execution of the Distribution Agreement.

*Transitional Service Agreement*, dated as of December 14, 2023, between Polestar Automotive China Distribution Co., Ltd, and Polestar Times Technology (Nanjing) Co., Ltd, is a service agreement under which Polestar Automotive China Distribution Co., Ltd. provide certain transitional services (including but not limited to sales, brand and marketing, PR, digital, customer experiences, finance, legal, logistic and quality, etc.). The agreement remains in effect until terminated in accordance with the terms of the agreement or service completed or when the agreement is replaced with specific Operational Service Agreement. The agreement may be terminated by either party with 30 days written notice in the event of a material breach that has not been remedied within a certain amount of time, or if the other party becomes insolvent or is contemplating or enters bankruptcy.

*Spare Part Supply Agreement*, effective date as of June 26, 2024, between Polestar Performance AB and Lynk & Co Automobile Sales Co., Ltd., is a supply agreement under which Lynk & Co Automobile Sales Co., Ltd. supply spare parts to Volvo Car Distribution (Shanghai) Co., Ltd. for further global distribution and sale of spare parts by Volvo Cars. The price of the spare parts is based on production cost and/or acquisition price from sub-tier suppliers plus an arm's length markup. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. In conjunction with the Spare Part Supply Agreement, Polestar Performance AB, Volvo Car Distribution (Shanghai) Co., Ltd and Lynk & Co Automobile Sales Co., Ltd has entered into Commitment Letter, dated July 26, 2024, where Volvo Car Distribution (Shanghai) Co., Ltd, commits to certain terms in the Spare Part Supply Temporary Agreement entered into between Polestar Performance AB and Lynk & Co Automobile Sales Co., Ltd., based on Volvo Car Distribution (Shanghai) Co., Ltd purchasing the spare parts and will handle the global distribution for Polestar Performance AB.

*VP, TT and PP Vehicle Supply Agreement (China)*, dated February 1, 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 is a supply agreement under which Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory manufactures and sells pre-series vehicles to Polestar Automotive China Distribution Co., Ltd. The vehicle price is based on actual production cost plus an arm's length markup. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co., Ltd has the right to termination for convenience within 60 days of written notice.

*TT and PP Vehicle Supply Agreement (Export)*, dated as of February 19, 2024, 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 is a supply agreement under which Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory manufactures and sells pre-series vehicles to Polestar Performance AB. The vehicle price is based on actual production cost plus an arm's length markup. Either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB has the right to terminate for convenience within 60 days of written notice.

*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, is a supply agreement under which Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory manufactures and sells pre-series vehicles to Polestar Automotive China Distribution Co., Ltd. The vehicle price is based on actual production cost plus an arm's length markup. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co., Ltd. has the right to terminate for convenience within 60 days of written notice.

*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. is regarding the sale of certain prototypes. The price of the prototypes is based on production cost plus an arm's length markup. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party and the right to terminate for convenience within 60 days of written notice.

*Prototype Sale Agreement*, effective as of May 1, 2022, between Polestar Automotive China Distribution Co., Ltd and Wuhan Lotus Cars Co., Ltd. is regarding the sale of certain prototypes. The price of the prototype s is based on production cost plus an arm's length markup. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party and the right to terminate for convenience within 60 days of written notice.

*Tooling and Equipment Sale and Purchase Agreement*, dated September 11, 2023, between Polestar Automotive China Distribution Co. Ltd. and Wuhan Lotus Cars Co., Ltd. regards the sale of certain tooling and equipment. The price of the tooling and equipment is based on production cost plus an arm's length markup. Either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party and in case the transfer of the associated know-how of the Tooling entered into between Polestar Performance AB and the Wuhan Lotus Cars Co. Ltd. dated September 25, 2023, is terminated .

*Know How Transfer Agreement*, dated as of September 25, 2023, between Polestar Performance AB and Wuhan Lotus Cars Co., Ltd. regards the sale of certain know-how. The price of the know-how is based on development cost plus an arm's length markup. Either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party and in case the Know How Transfer Agreement regarding the transfer of the associated know-how of the tooling entered into between Polestar Performance AB and Wuhan Lotus Cars Co. Ltd. dated as of September 11, 2023, is terminated.

*Framework Agreement*, dated as of November 9, 2023, between Polestar Performance AB, Geely Auto Group Co., LTD and Renault Korea Motors Co. Ltd, is a framework agreement governing the project of localization and manufacturing of Polestar 4 at the manufacturing plant in Busan Korea. The Framework Agreement sets the framework for inter alia the localization, production and supply of Polestar Vehicles in the Plant, as well as the financial arrangements agreed between the Parties. The cooperation will be further detailed in different agreements for the different functions and phases of the Project. The Agreement becomes effective on the date of signature and remains in full effect until the first anniversary after the End of Production, unless mutually terminated by the Parties. Either party may terminate immediately due to breach which has not been remedied within sixty (60) days from written notice or insolvency by the other party. The Framework also regulates the principles for cross-termination if any of the project agreements needs to be terminated due to material breach by any of the Parties.

*Outsourcing Framework Agreement*, dated as of January 11, 2024, between Polestar Performance AB and Volvo Car Corporation is an agreement governing the Polestar 3 project and the overall responsibility and co-ordinating role for Volvo Car Corporation for the complete Polestar 3 vehicle and related deliveries made by Volvo Car Corporation and its affiliates including some core collaboration principles.

*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 is an agreement governing the manufacturing of Polestar 3 at the manufacturing plant in Chengdu. Under the agreement, Zhejiang Haoqing Automobile Manufacturing Co. Ltd. Chengdu Branch Zhejiang Haoqing and Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd Ltd. manufacture and assemble the vehicle and sell the completed product to Polestar Automotive China Distribution Co., Ltd. The vehicles produced in the plant are priced based on their full cost of production, including Polestar Automotive China Distribution (Taizhou) Co., Ltd.'s pro rata portion of the common cost of the plant, plus a mark-up that is reviewed and adjusted according to certain benchmarks. The prices for the vehicles are determined annually based on reserved volumes and the estimated cost for producing the vehicles, as determined by Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd. and are subject to review and amendment on a monthly basis. The agreement terminates seven years after becoming effective, and either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. If Polestar Automotive China Distribution (Taizhou) Co., Ltd. discontinues having vehicles produced at the Chengdu plant under the agreement prior to its termination, Polestar Automotive China Distribution (Taizhou) Co., Ltd. must pay certain exit costs.

*Manufacturing Agreement*, dated as of January 8, 2024, between Polestar Performance AB and Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd. is an agreement governing the manufacturing of Polestar 3 at the manufacturing plant in Chengdu. Under the agreement, Zhejiang Haoqing Automobile Manufacturing Co. Ltd. Chengdu Branch Zhejiang Haoqing and Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd Ltd. manufacture and assemble the vehicle and sell the completed product to Polestar Performance AB. The vehicles produced in the plant are priced based on their full cost of production, including Polestar Performance AB's pro rata portion of the common cost of the plant, plus a mark-up that is reviewed and adjusted according to certain benchmarks. The prices for the vehicles are determined annually based on reserved volumes and the estimated cost for producing the vehicles, as determined by Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd. and are subject to review and amendment on a monthly basis. The agreement terminates seven years after becoming effective, and either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. If Polestar Performance AB discontinues having vehicles produced at the Chengdu plant under the agreement prior to its termination, Polestar Performance AB must pay certain exit costs.



*Launch Vehicle Supply Agreement*, effective as of May 17, 2023, between Volvo Car Corporation and Polestar Performance AB is a supply agreement under which Volvo Car Corporation manufactures and sells pre-series vehicles to Polestar Performance AB. The vehicle price is based on actual production cost plus an arm's length markup. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB has the right to terminate for convenience within 60 days written notice.

*Payment Agreement*, dated March 29, 2023, between Volvo Car Corporation and Polestar Performance AB is an agreement in relation to the sharing of compensation for GHG emission credits jointly generated by Polestar and Volvo Cars and traded to a third party.

*Amendment Agreement No 1*, dated as of March 22, 2023, of *Service Agreement*, dated as of July 7, 2022, between Volvo Car Corporation and Polestar Automotive China Distribution Co. Ltd. is a service agreement under which Volvo Car Corporation provides manufacturing engineering services related to future model year programs of the Polestar 2. The monthly service charge is based on actual hours required for the service to be performed. The hourly rate is determined by Volvo Car Corporation on an annual basis. The agreement remains in effect during the performance of the services. Either party may terminate within 30 days written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co., Ltd has the right to terminate for convenience within 30 days written notice and Volvo Car Corporation has the right to terminate for convenience within 60 days written notice.

*Amendment Agreement No 1*, dated as of March 22, 2023, of *Service Agreement*, dated as of November 22, 2022, between Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. and Polestar Automotive China Distribution Co. Ltd. is a service agreement under which Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd. provides manufacturing engineering services related to future model year programs of the Polestar 2. The monthly service charge is based on actual hours required for the service to be performed. The hourly rate is determined by Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd. on an annual basis. The agreement remains in effect during the performance of the services. Either party may terminate within 30 days written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co., Ltd has the right to terminate for convenience within 30 days written notice and Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd. has the right to terminate for convenience within 60 days written notice.

*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 is a license assignment and service agreement under which Volvo Car Corporation provides development services to Polestar Automotive China Distribution Co. Ltd. The agreement relates to certain technology to be developed, assigned or licensed by Volvo Car Corporation to Polestar Automotive China Distribution Co. Ltd. for use in future model year programs of the Polestar 2. The Amendment Agreement is adding additional model year programs. The monthly fee paid under the agreement is based on estimated development costs using the cost plus method and the actual hours required for the services billed at an hourly rate. The hourly rates are determined by Volvo Car Corporation on an annual basis. The agreement remains in effect during the performance of the services and the validity of the license period of the license granted under the agreement. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has additional service cancellation and termination rights under the agreement. In the event of certain breaches by Volvo Car Corporation, Polestar Performance AB is also entitled to terminate the agreement with 120 days' written notice. While Polestar Performance AB may cancel the delivery of "Polestar Times Technology" or "PS Unique Volvo Technology" (each as defined in the agreement) for convenience upon 30 days' written notice, both parties are limited in their ability to cancel the delivery of "Volvo Technology" (as defined in the agreement).

*Launch Vehicle Supply Agreement*, dated as of May 5, 2023, between Volvo Car Technology (Shanghai) Co., Ltd and Polestar Automotive China Distribution is a supply agreement under which Volvo Car Technology (Shanghai) Co., Ltd sells launch vehicles to Polestar Automotive China Distribution for use in commercial launch activities. The vehicle price is based on actual production cost plus an arm's length markup. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution has the right to terminate for convenience within 60 days written notice.

*User Right Agreement*, effective March 3, 2024, between Polestar Automotive China Distribution Co., Ltd, Chengdu Jisu New Energy Vehicle Co., Ltd., a subsidiary of Geely, the owner, and Zhongjia Automobile Manufacturing (Chengdu), Co., Ltd., the user, governs the right to use Polestar unique tooling and equipment and Polestar unique vendor tooling for production of Polestar 3 in Volvo Car Corporation's plant in Chengdu, China. The right to use the tooling will be granted to the user and for which compensation will be paid by the user to the owner as defined in the agreement. The agreement remains in effect until fully performed or until terminated in accordance with the terms of the agreement. The agreement may be terminated by either party with immediate effect in the event of a material breach that has not been remedied within a certain amount of time after receiving written notice from the other party to remedy such breach or if the other party becomes insolvent or is contemplating or enters bankruptcy.

*Restated Framework Assignment and License Agreement*, dated as of June 1, 2023, between Volvo Car Corporation and Polestar Automotive China Distribution Co., Ltd. and *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, is an agreement related to the license to technology related to Polestar branded vehicles. The license fee paid under the agreements are in part based on actual development costs and take into account the full cost incurred plus an arm's length mark-up. The fee also takes into account the value of "Existing Know-How and Technology" (as defined in the Car Model Assignment and License Agreement). The hourly rates charged under the agreements are reviewed and updated annually by the parties. The Framework Assignment and License Agreement remains in effect until six months after all Car Model Assignment and License Agreements entered into between the parties have expired or been terminated. Further, the Framework Assignment and License Agreement may terminate within 60 days of written notice for breach of the Framework Assignment and License Agreement or of a Car Model Assignment and License Agreement or immediately upon the insolvency of either party. The Car Model Assignment and License Agreement remains in force during the validity of the license period of the license granted under the contract. Further, a Car Model Assignment and License Agreement may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar also has additional termination and cancellation rights under the Car Model Assignment and License Agreements. The termination of the



Framework Assignment and License Agreement terminates all of the Car Model Assignment and License Agreements, while the termination of one Car Model Assignment and License Agreement does not automatically affect the validity of the Framework Assignment and License Agreement or any other Car Model Assignment and License Agreement.

*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, is a service agreement in relation to manufacturing engineering, logistic engineering and direct material procurement services for the Polestar 3 provided by Volvo Car Corporation to Polestar Automotive China Distribution Co., Ltd. The agreement remains in effect during the performance of the services and the validity of the license period of the license granted. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co., Ltd also has the right to cancel the services performed by Volvo Car Corporation for convenience upon 90 days' written notice.

*Launch Vehicle Supply Agreement*, dated as of July 10, 2023, between Polestar Performance AB and Volvo Car Corporation is a supply agreement under which Volvo Car Corporation sells launch vehicles to Polestar Performance AB for use in commercial launch and testing activities. The vehicle price is based on actual production cost plus an arm's length markup. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB has the right to terminate for convenience within 60 days written notice.

*Service Agreement*, dated as of December 14, 2023, between Polestar Performance AB and Volvo Car Corporation, is a service agreement under which Polestar provides consultancy services within research and development to Volvo Car Corporation. The services fees paid to Polestar under the agreements are based on actual development costs and take into account the full cost incurred plus an arm's length mark-up. The agreement remains in effect until terminated in accordance with the terms of the agreement. The agreement may be terminated by either party with 30 days' written notice in the event of a material breach that has not been remedied within 30 days or if the other party becomes insolvent or bankrupt. Either party may also terminate the agreement for convenience upon 30 days' written notice.

*Payment Agreement*, dated July 6, 2023, between Volvo Car Corporation and Polestar Performance AB, is an agreement in relation to the sharing of compensation for CAFE emission credits jointly generated by Polestar and Volvo Cars and traded to a third party.

*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, is a license assignment and service agreement under which Volvo Car Corporation provides development services to Polestar Automotive China Distribution Co. Ltd. The agreement relates to certain technology to be developed, assigned or licensed by Volvo Car Corporation to Polestar Automotive China Distribution Co. Ltd. for use in future model year programs of the Polestar 2. The Amendment Agreement is adding an additional model year program. The monthly fee paid under the agreement is based on estimated development costs using the cost plus method and the actual hours required for the services billed at an hourly rate. The hourly rates are determined by Volvo Car Corporation on an annual basis. The agreement remains in effect during the performance of the services and the validity of the license period of the license granted under the agreement. Either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Automotive China Distribution Co. Ltd. also has additional service cancellation and termination rights under the agreement. In the event of certain breaches by Volvo Car Corporation, Polestar Automotive China Distribution Co. Ltd. is also entitled to terminate the agreement with 120 days' written notice. While Polestar Automotive China Distribution Co. Ltd. may cancel the delivery of "Polestar Times Technology" or "PS Unique Volvo Technology" (each as defined in the agreement) for convenience upon 30 days' written notice, both parties are limited in their ability to cancel the delivery of "Volvo Technology" (as defined in the agreement).

*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, is a framework service agreement under which Volvo Car Corporation's aftermarket organization provides Polestar Performance AB with services supporting Polestar's aftermarket deliveries to car customers and Polestar workshops who are repairing, maintaining and/or servicing Polestar vehicles. The services provided are called off by Polestar according to an agreed call off process. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a service charge for the services called off, taking into account the actual hours required for the services to be performed, plus a fee for the use of the VOICE system supporting automated translation and publication. The hourly rates used to calculate the service charge are calculated using the full cost incurred plus an arm's length markup, and the hourly rates are determined by Volvo Car Corporation on an annual basis. The Amendment Agreement No. 1 is an extension of the Framework Service Agreement with another two years, to now remain in effect until December 31, 2025, whereafter it needs to be prolonged. Either party may terminate the agreement for convenience, or cancel a called off service, upon 6 months' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. The parties can agree on shorter cancellation notice on individual call offs/services.

*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 is a service agreement under which Volvo Car Corporation provides Polestar Performance AB with various operation and maintenance services related to the GOLD Platform. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a monthly service charge based on Polestar Performance AB's share of actual hours required for the services to be performed by Volvo Car Corporation. The hourly rates used to calculate the service charge are calculated using the full cost incurred plus an arm's length markup, and the hourly rates are determined by Volvo Car Corporation on an annual basis. The Amendment Agreement No. 1 is to update the scope of services related to the GOLD platform, the Affiliate definition as well as the interest for late payment. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 60 days' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has certain service cancellation rights and has an immediate termination right with respect to certain breaches by Volvo Car Corporation.

*Service Agreement*, dated as of April 3, 2024, between Polestar Performance AB and Volvo Car Corporation, is a service agreement under which Volvo Car Corporation provides manufacturing engineering services related to future model year programs of the Polestar 2. The monthly service charge is based on actual hours required for the service to be performed. The hourly rate is determined

by Volvo Car Corporation on an annual basis. The agreement remains in effect during the performance of the services. Either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB has the right to termination for convenience within 30 days written notice and Volvo Car Corporation has the right to terminate for convenience within 60 days written notice.

*Partner Agreement*, dated June 4, 2024, between Polestar Automotive Sweden AB and Volvo Car Retail AB is a partner agreement under which Volvo Car Retail AB agrees to perform the operations outlined in the agreement and become one of Polestar Automotive Sweden AB's sales agents for Sweden. The agreement shall continue for an indefinite period and either party may terminate the agreement for convenience with at least 2 years' written notice. Further, either party may terminate with immediate effect in the event of a material breach which has not been remedied within 30 days from written notice. Polestar Automotive Sweden AB also has the right to terminate with immediate effect under certain circumstances as specified in the agreement.

*Service Agreement*, dated as of May 16, 2024, between Polestar Performance AB and Asia Euro Automobile Manufacturing (Taizhou) Co., Ltd. is a service agreement under which Asia Euro Automobile Manufacturing (Taizhou) Co., Ltd. provides manufacturing engineering services related to future model year programs of the Polestar 2. The monthly service charge is based on actual hours required for the service to be performed. The hourly rate is determined by Asia Euro Automobile Manufacturing (Taizhou) Co., Ltd. on an annual basis. The agreement remains in effect during the performance of the services. Either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB has the right to terminate for convenience within 30 days written notice and Asia Euro Automobile Manufacturing (Taizhou) Co., Ltd. has the right to terminate for convenience within 60 days written notice.

*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 is a service agreement under which Volvo Car Corporation provides to and manages on behalf of Polestar Performance AB various cloud infrastructure and connected services. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a service charge based on the development, operations and maintenance costs, which is determined using the cost plus method. Polestar Performance AB also reimburses Volvo Car Corporation for all costs Volvo Car Corporation incurs in order to provide unique development services for Polestar. The Amendment Agreement No.1 is to update the scope of the services by adding additional Polestar vehicle models to the scope, as well as updating the interest for late payment. The agreement is effective retroactively from January 1, 2018 and remains in effect until terminated in accordance with the agreement. The agreement may be terminated by either party upon a material breach that has not been remedied within 30 days of written notice from the other party to remedy such breach or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy. Polestar Performance AB is also entitled to terminate the agreement with immediate effect under certain circumstances as specified in the agreement. Further, either party may terminate the agreement for convenience upon providing 18 months' written notice to the other party.

*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 is a service agreement in relation to research and development services for the Polestar 5 provided by Zhejiang ZEEKR Automobile Research & Development Co., Ltd to Polestar Performance AB. The agreement remains in effect, unless terminated in accordance with the agreement during the performance of the services. Either party may terminate with immediate effect in the event of a material breach which has not been remedied within 30 days from written notice or immediately upon the insolvency of the other party. Polestar Performance AB also has the right to cancel the services performed for convenience upon 60 days' written notice.

*Variation Agreement*, dated June 14, 2021, between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited, is an amendment to the Finance Cooperation Agreement executed as a deed. Under the amendment is an Offer Letter, dated June 14, 2021, setting out the updated terms and increased financial limits of the Floorplan Vehicles as per the New, Used and Demonstrator Funding Agreement.

*Variation Letter*, dated December 5, 2023, between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited, is an amendment to the Finance Cooperation Agreement, executed as a deed, and setting out the updated terms and increased financial limits of the Floorplan Vehicles as per the New, Used and Demonstrator Funding Agreement.

*Variation Agreement*, dated May 20, 2024, between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited, is an amendment to the Finance Cooperation Agreement executed as a deed. Under the amendment is an Offer Letter, dated May 20, 2024, that together with the amendment is setting out the updated terms and increased financial limits of the Floorplan Vehicles as per the New, Used and Demonstrator Funding Agreement.

*Spare Parts Supply Agreement*, dated June 26, 2024, between Polestar Performance AB and Lynk & Co Automobile Sales Co., Ltd., is a supply agreement under which Lynk & Co Automobile Sales Co., Ltd. supplies spare parts to Volvo Car Distribution (Shanghai) Co., Ltd. for further global distribution and sale of spare parts by Volvo Cars. The price of the spare parts is based on production cost and/or acquisition price from sub-tier suppliers plus an arm's length markup. Buyer may terminate the agreement upon 12 months' notice. Either party may terminate due to a material breach that has been escalated and not remedied within 60 days. Further, either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party.

*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, is an agreement regulating certain updates and upgrades made to certain technology in Polestar 2. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a fee based on Polestar's volume share of Volvo Car Corporation's actual development cost, as calculated on a time and material basis applying an arm's length mark-up. The hourly rates charged under the agreement are reviewed and updated annually. The agreement remains in effect during the validity of the license period of the license granted under the agreement unless terminated upon 12 months' written notice. In addition, the agreement may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. Further, Polestar Performance AB also has certain termination and cancellation rights under the agreement.

*Service Agreement*, dated July 23, 2024, between Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. and Polestar Performance AB, is a service agreement for research and development services provided by Zhejiang Geely Automobile

Engineering Technology Development Co., Ltd. to Polestar Performance AB relating to the localization of the Polestar 4 vehicle for production in South Korea. The agreement remains in effect, unless terminated in accordance with agreement, until the services have been completed.

*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 is an agreement governing the outsourcing of development services for Polestar vehicles. The agreement remains in full force and effect until the services are completed. Polestar Performance AB pays Ningbo Geely Automobile Research & Development Co., Ltd a fixed service charge for the services provided. The agreement may be terminated by either party within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy. Additionally, Polestar Performance AB is entitled to cancel the services performed by Ningbo Geely Automobile Research & Development Co., Ltd for convenience upon 30 days' written notice to Ningbo Geely Automobile Research & Development Co., Ltd.

*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, is a service agreement under which Volvo Car Corporation provides Polestar Performance AB with outbound logistics services via the use of Volvo Car Corporation's existing vehicle distribution network. The agreement is one of six agreements that the parties have agreed to enter into relating to such outbound logistics services. The agreement provides that Polestar Performance AB will pay Volvo Car Corporation a monthly service charge taking into account the estimated hours and other costs for the services to be performed. The service charges are updated each new calendar year based on changes in required resources, costs and forecasted volumes. The hourly rates used to calculate the service charges are calculated using the full cost incurred plus an arm's length markup, and the hourly rates are determined by Volvo Car Corporation on an annual basis. The Amendment Agreement No.2 is to update the scope of services, adding additional Polestar vehicle models to the scope, update the Affiliate definition, interest for late payment, limitation of liability, governance and escalation principles as well as the services charges. The agreement remains in effect until the services are complete. Either party may terminate the agreement for convenience upon 12 months' written notice. Further, either party may terminate within 30 days of written notice for breach or immediately upon the insolvency of the other party. Polestar Performance AB also has an immediate termination right with respect to certain breaches by Volvo Car Corporation.

*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 is a license agreement under which Polestar Performance provides a license to Volvo Car Corporation relating to certain intellectual property developed by Polestar Performance AB. The Amendment Agreement No.1 is to update the term and the scope of the licensed intellectual property. The amendment is effective as of Volvo model year 2025 and remain in effect until terminated in accordance with the agreement.

*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. is an agreement governing the outbound logistics through the utilization of Volvo Cars USA LLC's existing vehicle distribution process. Under the agreement, Polestar pays Volvo for the estimated hours of work performed and other costs incurred by Volvo. The Amendment Agreement No.1 is to update the scope of the services, adding additional Polestar vehicle models to the scope, update the Affiliate definition, interest for late payment, limitation of liability, governance and escalation principles as well as the services charges. The agreement remains in full force and effect until the services are completed and may be terminated by either party within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy.

*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 is an agreement governing the manufacturing of the Polestar 3 at the manufacturing plant in Charleston USA. Under the agreement, Volvo Car US LLC manufactures and assembles the vehicle and sells the completed product to Polestar Performance AB or any of its affiliates. The vehicles produced in the plant are priced based on their full cost of production, including Polestar Performance AB's pro rata portion of the common cost of the plant, plus a mark-up that is reviewed and adjusted if not considered arm's length according to certain benchmarks. The prices for the vehicles are determined annually based on reserved volumes and the estimated cost for producing the vehicles, as determined by Volvo Cars US LLC and are subject to review and amendment on a monthly basis. The agreement terminates seven years after becoming effective, and either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. If Polestar Performance AB discontinues having vehicles produced at the Charleston plant under the agreement prior to its termination, Polestar Performance AB must pay certain exit costs.

*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 is an agreement governing the manufacturing of the Polestar 4 at the manufacturing plant in Hangzhou Bay. Under the agreement, Ltd. Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory manufactures and assembles the vehicle and sells the completed product to Polestar Automotive China Distribution Co., Ltd. The vehicles produced in the plant are priced based on their full cost of production, including Polestar Automotive China Distribution Co., Ltd.'s pro rata portion of the common cost of the plant, plus a mark-up. The prices for the vehicles are determined annually based on reserved volumes and the estimated cost for producing the vehicles, as determined by Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and are subject to review and amendment monthly. The agreement terminates seven years after becoming effective, and either party may terminate immediately due to breach which has not been remedied within forty-five (45) days from written notice or insolvency by the other party. Polestar Automotive China Distribution Co., Ltd also has the right to terminate in case of certain other project related agreements are terminated due to a material breach or any insolvency or bankruptcy event of either Party or its Affiliates. If Polestar Automotive China Distribution Co., Ltd. discontinues having vehicles produced at the plant under the agreement prior to its termination, Polestar Automotive China Distribution Co., Ltd. must pay certain exit costs.

*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 is an agreement governing the manufacturing of the Polestar 4 at the

manufacturing plant in Hangzhou Bay. Under the agreement, Ltd. Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory manufactures and assembles the vehicle and sells the completed product to Polestar Automotive China Distribution Co., Ltd. The vehicles produced in the plant are priced based on their full cost of production, including Polestar Performance AB's pro rata portion of the common cost of the plant, plus a mark-up. The prices for the vehicles are determined annually based on reserved volumes and the estimated cost for producing the vehicles, as determined by Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and are subject to review and amendment on a monthly basis. The agreement terminates seven years after becoming effective, and either party may terminate immediately due to breach which has not been remedied within 45 days from written notice or insolvency by the other party. Polestar Automotive China Distribution Co., Ltd also has the right to terminate in case of certain other project related agreements are terminated due to a material breach or any insolvency or bankruptcy event of either Party or its Affiliates. If Polestar Performance AB discontinues having vehicles produced at the plant under the agreement prior to its termination, Polestar Performance AB must pay certain exit costs.

*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 is an agreement governing the outsourcing of development services for Polestar vehicles. The agreement remains in full force and effect until the services are completed. Polestar Performance AB pays Ningbo Geely Automobile Research & Development Co., Ltd a fixed service charge for the services provided. The agreement may be terminated by either party within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy. Additionally, Polestar Performance AB is entitled to cancel the services performed by Ningbo Geely Automobile Research & Development Co., Ltd for convenience upon 30 days' written notice to Ningbo Geely Automobile Research & Development Co., Ltd.

*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 is an agreement governing the outsourcing of development services for Polestar vehicles. The agreement remains in full force and effect until the services are completed. Polestar Performance AB pays Ningbo Geely Automobile Research & Development Co., Ltd a fixed service charge for the services provided. The agreement may be terminated by either party within 30 days of written notice for breach that is unable to be remedied or immediately if the other party becomes insolvent or is contemplating or enters into bankruptcy. Additionally, Polestar Performance AB is entitled to cancel the services performed by Ningbo Geely Automobile Research & Development Co., Ltd for convenience upon 30 days' written notice to Ningbo Geely Automobile Research & Development Co., Ltd.

*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. The Amendment Agreement No.2 is to update the scope of the licensed intellectual property. The amendment is effective as December 24, 2024, and remain in effect until terminated in accordance with the agreement.

*Agreement*, dated January 15, 2025, between Volvo Personvagnar AB and Polestar Performance AB, is a payment agreement which regulates the terms for which Volvo Personvagnar AB and Polestar Performance AB will share the proceeds from selling GHG credits to a third party.

*Amendment No. 1*, dated February 10, 2025, to Manufacturing Agreement, dated as of September 6, 2024, between Polestar Performance AB and Volvo Car US LLC is an agreement governing the manufacturing of the Polestar 3 at the manufacturing plant in Charleston USA. Under the agreement, Volvo Car US LLC manufactures and assembles the vehicle and sells the completed product to Polestar Performance AB or any of its affiliates. The vehicles produced in the plant are priced based on their full cost of production, including Polestar Performance AB's pro rata portion of the common cost of the plant, plus a mark-up that is reviewed and adjusted if not considered arm's length according to certain benchmarks. The prices for the vehicles are determined annually based on reserved volumes and the estimated cost for producing the vehicles, as determined by Volvo Cars US LLC and are subject to review and amendment on a monthly basis. The agreement terminates seven years after becoming effective, and either party may terminate within 60 days of written notice for breach or immediately upon the insolvency of the other party. If Polestar Performance AB discontinues having vehicles produced at the Charleston plant under the agreement prior to its termination, Polestar Performance AB must pay certain exit costs.

*Service Agreement*, dated February 11, 2025, between Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. and Polestar Performance AB, is a service agreement in relation to a pre-study research and development service provided by Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. to Polestar Performance AB. The agreement remains in effect, unless terminated in accordance with agreement, during the performance of the services. Polestar Performance AB also has the right to cancel the services performed for convenience upon 30 days' written notice.

*User Right Agreement*, dated March 20, 2025, between Polestar Performance AB, the owner, and Volvo US LLC., the user, governs the right to use Polestar unique vendor tooling for production of Polestar 3 in Volvo Car Corporation's plant in Charleston, USA. The right to use the tooling will be granted to the user and for which compensation will be paid by the user to the owner as defined in the agreement. The agreement is effective as of March 20, 2025, and remains in effect until fully performed or until terminated in accordance with the terms of the agreement. The agreement may be terminated by either party with 24 months' notice or with immediate effect in the event of a material breach that has not been remedied within a certain amount of time after receiving written notice from the other party to remedy such breach or if the other party becomes insolvent or is contemplating or enters bankruptcy.

*User Right Agreement*, dated March 21, 2025, between Polestar Automotive USA Inc., the owner, and Volvo US LLC., the user, governs the right to use Polestar unique vendor tooling for production of Polestar 3 in Volvo Car Corporation's plant in Charleston, USA. The right to use the tooling will be granted to the user and for which compensation will be paid by the user to the owner as defined in the agreement. The agreement is effective as of March 21, 2025, and remains in effect until fully performed or until terminated in accordance with the terms of the agreement. The agreement may be terminated by either party with 12 months' notice or with immediate effect in the event of a material breach that has not been remedied within a certain amount of time after receiving written notice from the other party to remedy such breach or if the other party becomes insolvent or is contemplating or enters bankruptcy.

*User Right Agreement*, dated March 23, 2025, between Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and Polestar Automotive China Distribution Co Ltd that governs the right for Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd to use Polestar unique vendor tooling and inhouse equipment, owned by Polestar. for production of Polestar 4 in the plant in Hangzhou Bay. The agreement is effective as of March 23, 2025, and remains in effect until terminated in accordance with the terms of the agreement.

***Declarations of Intent by Snita and PSD Investment Limited***

On March 3, 2022, Snita and PSD Investment Limited each executed a Declaration of Intent. These Declarations of Intent are substantially identical and set forth the parties' intention to subscribe for their pro rata share of equity or equity linked securities issued by the Company in the event of any offering of such securities by the Company until March 31, 2024. The Declarations of Intent also provide that (i) Polestar will actively seek appropriate debt financing and engage in raising capital from the market and (ii) to the extent either Snita and/or PSD Investment Limited decide to make such investments, those investments will be made on market terms and conditions substantially identical to, or better than, those offered to third party investors and will be subject to all necessary corporate and/or regulatory approvals of Snita, Volvo Cars and/or PSD Investment Limited, as the case may be. The Declaration of Intent also states that any investment made by either Snita or PSD Investment Limited will not result in its direct and indirect aggregated beneficial interest in the issued and outstanding share capital of the Company or its share of votes in the Company exceeding 49.5%.

***Indemnification Under Articles of Incorporation; Indemnification Agreements***

To the extent permitted by the Companies Act and the Polestar Articles, the Company is empowered to indemnify its directors and officers, as well as members of Polestar Group's senior management against liabilities in connection with their service at Polestar. The Company has also entered into indemnification agreements with its directors and officers, as well as members of Polestar Group's senior management.

These agreements, among other things, require the Company to indemnify such directors, officers and members of Polestar Group's senior management for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director, officer or member of Polestar Group's senior management in any action or proceeding arising out of their services in the Polestar Group. The Company plans to maintain an insurance policy pursuant to which such persons will also be insured against liability for actions taken in their respective capacities.

The Company believes that the indemnification of directors, officers and members of Polestar Group's senior management is necessary to attract and retain qualified persons. Insofar as such indemnification for liabilities arising under the Securities Act may be permitted to such individuals or control persons in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

**C. Interests of Experts and Counsel.**

Not applicable.

**ITEM 8. FINANCIAL INFORMATION**

**A. Consolidated Statements and Other Financial Information**

**Consolidated Financial Statements**

The financial statements required by this item are included at Part III. Item 18. Financial Statements.

**Legal Proceedings**

From time to time, Polestar is subject to various legal proceedings that arise from the normal course of business activities. In addition, from time to time, third parties may assert claims of intellectual property infringement, misappropriation or other violation against Polestar in the form of letters and other forms of communication. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on its results of operations, prospects, cash flows, financial position and brand.

**Dividends and Distributions**

The Company has not paid any cash dividends on its capital stock to date and does not intend to pay cash dividends in the foreseeable future and expect to reinvest all undistributed earnings to expand our operations, which we believe would be of the most benefit to our shareholders. The declaration of dividends, if any, will be subject to the discretion of the Board, which may consider such factors as our results of operations, financial condition, capital needs and acquisition strategy, among others. Also see Exhibit 2.11 (Description of Securities).

**B. Significant Changes**

Except as disclosed elsewhere in this Report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this Report.

**ITEM 9. THE OFFER AND LISTING**

**A. Offer and Listing Details**

Class A ADSs and Class C-1 ADSs are listed on Nasdaq under the symbols “PSNY” and “PSNYW,” respectively. Holders of Class A ADSs and Class C-1 ADSs should obtain current market quotations for their securities.

Information regarding Class A ADSs is described in Item 12.D “*Description Of Securities Other Than Equity Securities—American Depositary Shares—ADSs*” and incorporated by reference herein.

Information regarding Class C-1 ADSs is described in Item 12.D “*Description Of Securities Other Than Equity Securities—American Depositary Shares—ADSs*” and incorporated by reference herein.

**B. Plan of Distribution**

Not applicable.

**C. Markets**

Class A ADSs and Class C-1 ADSs are listed on Nasdaq under the symbols “PSNY” and “PSNYW,” respectively.

**D. Selling Shareholders**

Not applicable.

**E. Dilution**

Not applicable.

**F. Expenses of the Issue**

Not applicable.

**ITEM 10. ADDITIONAL INFORMATION**

**A.Share Capital**

Not applicable.

**B. Memorandum and Articles of Association**

The information required by this section, including a summary of certain key provisions of the Polestar Articles, is set forth in Exhibit 2.11 (Description of Securities) filed as an exhibit to this Report and is incorporated herein by reference.

**C. Material Contracts**

***Material Contracts Relating to the Company’s Operations***

Information pertaining to certain of the Company’s material contracts is set forth in Item 3.D “*Risk Factors*,” Item 4 “*Information on the Company*,” Item 5 “*Operating and Financial Review and Prospects*,” and Item 7.B “*Major Shareholders and Related Party Transactions—Related Party Transactions*.”

***Material Contracts Relating to the Business Combination***

**Business Combination Agreement**

On September 27, 2021, GGI, Former Parent, Polestar Singapore, Polestar Sweden, the Company and Merger Sub, entered into a Business Combination Agreement, which is included as an exhibit to this Report. At the Business Combination Closing, the Company completed the Pre-Closing Reorganization, pursuant to which, among other things, Polestar Singapore, Polestar Sweden and their respective subsidiaries became wholly owned subsidiaries of the Company. See “*Explanatory Note*” in this Report for additional information regarding the Business Combination.

**Related Agreements**

***Director Agreements***

At listing, the Company entered into letter agreements with the non-employee directors, pursuant to which non-employee directors receives (i) an annual fee of \$200,000(or \$500,000 if the director serves as the chair of the Board), (ii) an additional annual fee of \$10,000 if the director serves on the Nominating and Governance Committee or Compensation Committee (of \$20,000 for the chairs of these committees), or \$15,000 if the director serves on the Audit Committee (or \$30,000 for the chair of the Audit Committee), and (iii) a Polestar car, subject to certain conditions. Pursuant to the letter agreements, 50% of the net annual fee (but not including any additional annual fee described above) for each non-employee directors is used to purchase the maximum number of Class A ADS as may be purchased in the market at the prevailing rate. The Company is also expected to agree to reimburse each non-employee director for reasonable and properly documented expenses they incur in connection with their service as a non-employee director.

***Indemnity of Directors***

See “—*Additional Information—Articles of Association—Polestar Articles and English Law Considerations—Indemnity of Directors*” in Item 10.B above.

At the Business Combination Closing, Polestar adopted the Equity Plan and the Employee Stock Purchase Plan (each, as defined and described below). See Item 7.B “*Major Shareholders and Related Party Transactions—Related Party Transactions*” for descriptions of material contracts.

For additional information on agreements related to the Business Combination, please see Item 7.B “*Major Shareholders and Related Party Transactions—Related Party Transactions—Business Combination Related Agreements*,” which is incorporated herein by reference.

#### **D. Exchange Controls**

There is no exchange control legislation or regulation in England or Wales except by way of such as freezing of funds of, and/or prohibition of new investments in, certain jurisdictions subject to international sanction.

#### **E. Taxation**

##### **Material U.S. Federal Income Tax Considerations**

This section describes the material U.S. federal income tax considerations to U.S. Holders (as defined below) of the ownership and disposition of ADSs. This discussion is based on the Internal Revenue Code of 1986, as amended (the “*Code*”), its legislative history, existing and proposed Treasury regulations promulgated under the Code (the “*Treasury Regulations*”), published guidance by the IRS and court decisions, all as of the date hereof, and does not take into account proposed changes in such tax laws. These laws are subject to change, possibly on a retroactive basis. This discussion is necessarily general and does not address all aspects of U.S. federal income taxation, including the effect of any U.S. federal alternative minimum tax, or U.S. federal estate and gift tax, or any state, local or non-U.S. tax laws to a holder of ADSs. This discussion also assumes the Company will not be a “controlled foreign corporation” as defined in the Code. The Company has not sought and does not intend to seek any rulings from the IRS regarding the ADSs. There is no assurance that the IRS will not take positions concerning certain tax consequences of the ownership and disposition of ADSs that are different from those discussed below, or that any such different positions would not be sustained by a court.

Further, this discussion applies only to ADSs held as capital assets for U.S. federal income tax purposes (generally, property held for investment) and does not discuss all aspects of U.S. federal income taxation that might be relevant to U.S. Holders in light of their particular circumstances or status, including the Medicare contribution tax on net investment income, or U.S. Holders who are subject to special rules, including:

- brokers or dealers;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- S-corporations;
- governments or agencies or instrumentalities thereof;
- a person subject to the base erosion and anti-abuse tax;
- mutual funds;
- pension funds;
- investors subject to the alternative minimum tax provisions of the Code;
- accrual method taxpayers that file applicable financial statements as described in Section 451(b) of the Code; investors subject to the U.S. “anti-inversion” rules;
- tax-exempt organizations (including private foundations), qualified retirement plans, individual retirement accounts or other tax deferred accounts;
- banks or other financial institutions, underwriters, insurance companies, real estate investment trusts or regulated investment companies;
- U.S. expatriates or former long-term residents of the United States;
- persons that own (directly, indirectly, or by attribution) 5% or more (by vote or value) of any class of ADS or of the Company in the aggregate;
- persons holding ADSs as part of a straddle, hedging or conversion transaction, constructive sale, or other arrangement involving more than one position;
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;
- persons who purchased Subscription Shares as part of the Subscription Investments or the Volvo Cars Preference Subscription Investment;
- the GGI Sponsor and the initial independent directors of GGI; or
- persons that received ADSs as compensation for services.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds ADSs, the tax treatment of a partner in such partnership will depend upon the status and activities of the partner and the activities of the partnership. Partners should consult their tax advisors regarding the U.S. federal income tax treatment of the ownership and disposition of ADSs.

ALL HOLDERS OF ADSs ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSIDERATIONS RELATING TO THE OWNERSHIP AND DISPOSITION OF ADSs, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE, AND LOCAL AND NON-U.S. TAX LAWS.

*U.S. Federal Income Tax Treatment of the Company*

A corporation generally is considered to be a tax resident for U.S. federal income tax purposes in the jurisdiction of its organization or incorporation. Accordingly, under the generally applicable U.S. federal income tax rules, the Company, which is incorporated under the laws of England and Wales, would be classified as a non-U.S. corporation (and, therefore, not a U.S. tax resident) for U.S. federal income tax purposes. Section 7874 of the Code provides an exception to this general rule (more fully discussed below), under which a non-U.S. incorporated entity may, in certain circumstances, be treated as a U.S. corporation for U.S. federal income tax purposes. These rules are complex, and there is limited guidance regarding their application.

Under Section 7874 of the Code, a corporation created or organized outside the United States (*i.e.*, a non-U.S. corporation) will nevertheless be treated as a U.S. corporation for U.S. federal income tax purposes (and, therefore, as a U.S. tax resident subject to U.S. federal income tax on its worldwide income) if each of the following three conditions are met: (i) the non-U.S. corporation, directly or indirectly, acquires substantially all of the properties held directly or indirectly by one or more U.S. corporations (including through the acquisition of all of the outstanding shares of a U.S. corporation); (ii) the non-U.S. corporation's "expanded affiliated group" does not have "substantial business activities" in the non-U.S. corporation's country of organization or incorporation and tax residence relative to the expanded affiliated group's worldwide activities (this test is referred to as the "substantial business activities test"); and (iii) after the acquisition, the percentage of the shares of the non-U.S. acquiring corporation held by former shareholders of the acquired U.S. corporation(s) by reason of holding shares in the U.S. acquired corporation(s) (taking into account the receipt of the non-U.S. corporation's shares in exchange for each U.S. corporation's shares) as determined for purposes of Section 7874 of the Code (the "*Section 7874 ownership percentage*") is at least 80% (by either vote or value) (this test is referred to as the "80% ownership test" and the three-prong test described in clauses (i)–(iii) above is referred to as the "*Section 7874(b) expatriation test*").

Further, Section 7874 of the Code can limit the ability of U.S. corporations and their U.S. affiliates acquired by "surrogate foreign corporations" to utilize certain U.S. tax attributes (including net operating losses and certain tax credits) to offset U.S. taxable income resulting from certain transactions. These limitations will potentially apply if the Section 7874(b) expatriation test would be satisfied if the 80% ownership test were applied by substituting "60%" for "80%," in which case the taxable income of the U.S. corporations (and any U.S. person considered to be related to the U.S. corporations pursuant to applicable rules) for any given year, within a period beginning on the first date the U.S. corporations' properties were acquired directly or indirectly by the non-U.S. acquiring corporation and ending 10 years after the last date the U.S. corporations' properties were acquired, will be no less than that person's "inversion gain" for that taxable year. A person's inversion gain includes gain from the transfer of shares or any other property (other than property held for sale to customers) and income from the license of any property that is either transferred or licensed as part of the acquisition or after the acquisition to a non-U.S. related person. In general, the effect of this provision is to deny the use of net operating losses, foreign tax credits or other tax attributes to offset the inversion gain. In addition, dividends paid by the Company would not qualify for "qualified dividend income" treatment. Further, there are additional requirements imposed on a U.S. corporation that has failed the substantial business activities test and met the 60% ownership test, including that such U.S. corporation must include, as base erosion payments that may be subject to a minimum tax, any amounts treated as reductions in gross income paid to a related non-U.S. person within the meaning of Section 59A of the Code.

Based upon the terms of the Business Combination and Pre-Closing Reorganization, the rules for determining share ownership under Section 7874 of the Code and the Treasury Regulations promulgated thereunder, and certain factual assumptions, we believe that the Section 7874 ownership percentage is not more than 60% after the Business Combination. Accordingly, we do not believe the Company should be treated as a U.S. corporation for U.S. federal income tax purposes and we do not believe the U.S. subsidiaries of the Company should be subject to the limitations and other rules described above under Section 7874 of the Code. However, the rules for determining ownership under Section 7874 of the Code are complex and unclear and there is no assurance the IRS will agree with our determination that the Section 7874 ownership percentage was less than 60% following the Business Combination.

If the IRS successfully asserts that the Company were to be treated as a U.S. corporation for U.S. federal income tax purposes, it could be subject to substantial liability for additional U.S. income taxes. However, if the Company were to be treated as a U.S. corporation for U.S. federal income tax purposes, dividend payments would generally constitute "qualified dividends" and be subject to tax at the rates accorded to long-term capital gains. Furthermore, if the IRS were to successfully assert that the 60% ownership test has been met, the ability of the U.S. subsidiaries of the Company to utilize certain U.S. tax attributes against income or gain recognized pursuant to certain transactions may be limited.

The remainder of this discussion assumes that the Company will not be treated as a U.S. corporation for U.S. federal income tax purposes, that dividends of the Company could be eligible to be treated as "qualified dividends" (if all other requirements are satisfied), and that the U.S. subsidiaries of the Company will not be subject to the limitations and other rules under Section 7874 of the Code.

*American Depositary Shares*

Each ADS represents the right to receive, and to exercise the beneficial ownership interests in, one Class A Share, one Class C-1 Share or Class C-2 Share (as applicable) on deposit with the Depositary and/or custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the Depositary or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations.

The remainder of this discussion assumes that, for U.S. federal income tax purposes, ownership of ADSs will be treated as ownership of the underlying Class A Shares or Class C Shares (as applicable).

*U.S. Holders*

For purposes of this discussion, a U.S. Holder means a beneficial owner of ADSs that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;



- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust; or (2) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The discussion below assumes that the representations contained in the deposit agreement and any related agreement will be complied with in accordance with their terms. Generally, a holder of an ADS should be treated for U.S. federal income tax purposes as holding the ordinary shares represented by the ADS. Accordingly, no gain or loss will be recognized upon an exchange of ADSs for ordinary shares. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying security. This discussion assumes a holder of ADS will be treated as holding ordinary shares for U.S. federal income tax purposes, and we urge holders to consult their tax advisors concerning the U.S. federal income tax consequences as a result of any actions taken by intermediaries in the chain of ownership between the holders of ADSs and us if, as a result of such actions, the holders of ADSs are not properly treated as beneficial owners of underlying ordinary shares.

#### *Consequences to Holders of Class A ADSs*

##### **a. Distributions on Class A ADSs**

Subject to the discussion below under “—*Passive Foreign Investment Company Rules*,” the gross amount of any distribution on Class A ADSs generally will be taxable to a U.S. Holder as dividend income on the date such distribution is actually or constructively received, but only to the extent that the distribution is paid out of the Company's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because the Company does not maintain, and it is not required to maintain, calculations of its earnings and profits under U.S. federal income tax principles, it is currently expected that any distributions generally will be reported to U.S. Holders as dividends. Any such dividends generally will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from other U.S. corporations, but they may nonetheless qualify for other dividend received deductions depending on the ownership by a U.S. Holder. Each U.S. Holder should consult its own tax advisor to determine whether a deduction under Section 245A of the Code, or other sections, is available based on its particular circumstances.

With respect to non-corporate U.S. Holders, dividends will be taxed at the lower applicable long-term capital gains rate if Class A ADSs are readily tradable on an established securities market in the United States (which they will be if the Class A ADSs are traded on the Nasdaq) and certain other requirements are met, including that the Company is not classified as a passive foreign investment company during the taxable year in which the dividend is paid or the preceding taxable year and certain holding period requirements are met, or the Company qualifies for the benefits of certain U.S. income tax treaties. There can be no assurance that Class A ADSs will be considered readily tradable on an established securities market in future years or that the Company qualifies for the benefits of such treaty. U.S. Holders should consult their own tax advisors regarding the potential availability of the lower rate for any dividends paid with respect to Class A ADSs.

##### **b. Sale, Exchange, Redemption or Other Taxable Disposition of Class A ADSs**

Subject to the discussion below under “—*Passive Foreign Investment Company Rules*,” a U.S. Holder generally will recognize gain or loss on any sale, exchange or other taxable disposition of Class A ADSs in an amount equal to the difference between (i) the amount realized on the disposition and (ii) such U.S. Holder's adjusted tax basis in such securities. Any gain or loss recognized by a U.S. Holder on a taxable disposition of Class A ADSs generally will be capital gain or loss and will be long-term capital gain or loss if such U.S. Holder's holding period in such Class A ADS exceeds one year at the time of the disposition. Preferential tax rates may apply to long-term capital gains of non-corporate U.S. Holders (including individuals). The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. Holder on the sale or exchange of Class A ADSs generally will be treated as U.S. source gain or loss for foreign tax credit purposes.

If the Company redeems Class A ADSs, the treatment of such redemption for U.S. federal income tax purposes will depend on whether the redemption qualifies as a sale of such Class A ADSs pursuant to Section 302 of the Code or whether the U.S. Holder will be treated as receiving a corporate distribution. Whether that redemption qualifies for sale treatment will depend largely on the total number of shares of the Company's stock treated as held by the U.S. Holder (including any stock constructively owned by the U.S. Holder as a result of, among other things, owning multiple classes of ADSs) relative to all of shares of the Company's stock both before and after the redemption. A redemption of stock generally will be treated as a sale of the stock (rather than as a corporate distribution) if the redemption is “substantially disproportionate” with respect to the U.S. Holder, results in a “complete termination” of the U.S. Holder's interest in the Company or is “not essentially equivalent to a dividend” with respect to the U.S. Holder. These tests are explained more fully below.

In determining whether any of the foregoing tests are satisfied, a U.S. Holder takes into account not only Class A ADSs actually owned by the U.S. Holder, but also shares of stock of the Company that are actually or constructively owned by such U.S. Holder. A U.S. Holder may constructively own, in addition to ADSs owned directly, ADSs owned by certain related individuals and entities in which the U.S. Holder has an interest or that have an interest in such U.S. Holder, as well as any ADSs the U.S. Holder has a right to acquire by exercise of an option. To meet the substantially disproportionate test, the percentage of the Company's outstanding voting stock actually and constructively owned by the U.S. Holder immediately following the redemption of such Class A ADSs must, among other requirements, be less than 80% of the percentage of the Company's outstanding voting ADSs actually and constructively owned by the U.S. Holder immediately before the redemption. There will be a complete termination of a U.S. Holder's interest if either all the ADSs actually and constructively owned by the U.S. Holder are redeemed or ADSs actually owned by the U.S. Holder are redeemed and the U.S. Holder is eligible to waive, and effectively waives in accordance with specific rules, the attribution of stock owned by certain family members and the U.S. Holder does not constructively own any other shares of stock of the Company. The

redemption of Class A ADSs will not be essentially equivalent to a dividend if the redemption from a U.S. Holder's results in a "meaningful reduction" of the U.S. Holder's proportionate interest in the Company. Whether the redemption will result in a meaningful reduction in a U.S. Holder's proportionate interest in the Company will depend on the particular facts and circumstances. However, the IRS has indicated in a published ruling that even a small reduction in the proportionate interest of a small minority stockholder in a publicly-held corporation who exercises no control over corporate affairs may constitute such a "meaningful reduction."

If the redemption qualifies as a sale of stock by the U.S. Holder under Section 302 of the Code, the U.S. Holder generally will be required to recognize gain or loss with the consequences described in the first paragraph under this heading.

If the redemption does not qualify as a sale of stock under Section 302 of the Code, then the U.S. Holder will be treated as receiving a distribution as described above in "*Distributions on Class A ADSs*."

#### *Consequences to Holders of Class C ADSs*

The U.S. federal income tax treatment of the Class C ADSs is uncertain because there is no authority addressing instruments with the terms like the Class C ADS. We intend to treat the Class C ADSs as stock of the Company for U.S. federal income tax purposes, however, it is possible that the Class C ADSs could be treated as warrants exercisable for stock of the Company. Regardless, holders of Class C ADSs are urged to consult their tax advisors regarding the U.S. federal income tax considerations relating to the ownership, conversion, or disposition of Class C ADSs.

#### **a. Class C ADSs Treated as Stock**

The following discussion assumes that the Class C ADSs are treated as stock for applicable U.S. federal income tax purposes.

##### i. Sale, Exchange, Redemption or Other Taxable Disposition of Class C ADSs

If the Class C ADSs are treated as stock for U.S. federal income tax purposes, then the consequences of a sale, exchange, redemption or other taxable disposition of a Class C ADSs are the same as described above under the heading "*Sale, Exchange, Redemption or Other Taxable Disposition of Class A ADSs*."

##### ii. Conversion of a Class C ADS

The treatment of a conversion of Class C ADSs to Class A ADSs is unclear. Subject to the discussion below under the heading "*Passive Foreign Investment Company Rules*" and the discussion of cashless conversion discussed below, a U.S. Holder may be treated as in part exchanging the converted Class C ADSs for Class A ADSs, and in part "exercising" such Class C ADSs. In this case, a U.S. Holder generally will not recognize gain or loss upon the conversion of a Class C ADS to a Class A ADS and would generally bifurcate its holding period in the Class A ADSs received upon conversion of the Class C ADSs, with a portion of the holding period of the Class A ADSs including the holding period of the Class C ADSs converted thereto, and a portion of the holding period of the Class A ADSs beginning on the date following the conversion. The ratio of such portions should be equal to the ratio of the fair market value of the converted Class C ADSs to the amount of the conversion price. A U.S. Holder's tax basis in a Class A ADS received upon conversion of a Class C ADS generally should be an amount equal to the sum of (i) the U.S. Holder's tax basis in the Class C ADS exchanged therefor and (ii) the conversion price. In the event that a Class C ADS is not converted to a Class A ADS prior to the applicable expiration date (a "conversion expiration"), a U.S. Holder may be able to recognize a capital loss equal to such U.S. Holder's tax basis in such Class C ADS.

Additionally, under the terms of the Class C ADSs, there are certain circumstances in which there may be a cashless conversion of the Class C ADSs. The tax consequences of such cashless conversion of a Class C ADS are not clear under current U.S. federal income tax law. A cashless conversion may be tax-deferred, either because the conversion is treated as a tax-free "recapitalization" for U.S. federal income tax purposes or because the conversion is not a realization event. In either tax-deferred situation, a U.S. Holder's basis in the Class A ADSs received would equal the U.S. Holder's basis in the Class C ADSs converted therefor. If the cashless conversion were treated as a recapitalization, the holding period of the Class A ADSs would include the holding period of the Class C ADSs converted therefor. If the cashless conversion were treated as not being a realization event, it is unclear whether a U.S. Holder's holding period for the Class A ADSs would be treated as commencing on the date of conversion of the Class C ADSs or the day following the date of conversion of the Class C ADSs. Further, under certain conditions, the Company has the right to redeem Class C ADSs for cash or for Class A ADSs. If the Class C ADSs are redeemed for Class A ADSs, the tax consequences of such redemption generally will be similar to those of a cashless conversion as discussed above.

Due to the uncertain nature of the U.S. federal income tax treatment of the Class C ADSs, there is no assurance that a conversion of Class C ADSs or redemption of Class C ADSs for Class A ADSs would be treated as described above, and it is possible the IRS or a court of law could take a position that such a conversion or redemption for Class A ADSs should be treated as part of a taxable exchange in which gain or loss would be recognized. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the tax consequences of a conversion of Class C ADSs or redemption of Class C ADSs for Class A ADSs.

#### **b. Class C ADS Treated as Warrants**

The following section assumes that the Class C ADSs are treated as warrants exercisable for Class A common stock, notwithstanding the Company's position that the Class C ADSs are treated as stock.

##### i. Sale, Exchange, Redemption or Other Taxable Disposition of Class C ADSs

If the Class C ADSs are treated as warrants for U.S. federal income tax purposes, then the consequences of a sale, exchange, redemption or other taxable disposition of a Class C ADSs are the same as described above under the heading "*Sale, Exchange, Redemption or Other Taxable Disposition of Class A ADSs*."

##### ii. Conversion of a Class C ADS

If Class C ADSs are treated as warrants exercisable for Class A ADSs for U.S. federal income tax purposes, subject to the discussion below under the heading “—*Passive Foreign Investment Company Rules*”, and except as discussed below with respect to a cashless conversion, a U.S. Holder generally will not recognize gain or loss upon the conversion of a Class C ADS to Class A ADSs. A U.S. Holder’s tax basis in Class A ADSs received upon conversion of Class C ADSs generally should be an amount equal to the sum of (i) the U.S. holder’s tax basis in the Class C ADSs exchanged therefor and (ii) the conversion price. The U.S. Holder’s holding period for Class A ADSs received upon conversion of Class C ADSs will begin on the date following the date of conversion (or possibly the date of conversion) of the Class C ADSs and will not include the period during which the U.S. Holder held the Class C ADSs. If a Class C ADS is not converted to a Class A ADS prior to the applicable expiration date (a “conversion expiration”), a U.S. Holder generally will recognize a capital loss equal to such U.S. Holder’s tax basis in the Class C ADS.

If the Class C ADSs are treated as warrants for U.S. federal income tax purposes, the tax consequences of a cashless conversion of a Class C ADS are not clear under current U.S. federal income tax law. If the cashless conversion is treated as tax-deferred, the consequences are as described in the section above titled “—*Class C ADSs Treated as Stock*.”

It is also possible that a cashless exercise of Class C ADS could be treated in part as a taxable exchange in which gain or loss would be recognized. In such event, a U.S. Holder would recognize gain or loss with respect to the portion of the exercised Class C ADSs treated as surrendered to pay the exercise price of the Class A ADSs (the “*surrendered Class C ADSs*”). The U.S. Holder would recognize capital gain or loss with respect to the surrendered Class C ADSs in an amount generally equal to the difference between (i) the fair market value of the Class C ADSs deemed surrendered and (ii) the U.S. Holder’s tax basis in the surrendered Class C ADSs. In this case, a U.S. Holder’s tax basis in the Class A ADSs received would equal the U.S. Holder’s tax basis in the Class C ADSs converted (meaning, the Class C ADSs disposed of by the U.S. Holder in the cashless conversion, other than the surrendered Class C ADSs) and the exercise price of such Class C ADSs. It is unclear whether a U.S. Holder’s holding period for the Class A ADSs would commence on the date of the conversion of the Class C ADSs or the day following the date of exercise of the Class C ADSs.

Further, under certain conditions, the Company has the right to redeem Class C ADSs for cash or for Class A ADSs, as discussed in the sections titled “—*Redemption of Class C Shares for Cash*,” and “—*Redemption of Class C Shares for Class A ADSs*,” respectively. If the Class C ADSs are redeemed for cash, the tax consequences generally will be as described in the section titled “—*Sale, Exchange, Redemption or Other Taxable Disposition of Class A ADSs*.”

If the Class C ADSs are redeemed for Class A ADSs, the tax consequences of such redemption generally will be similar to those of a cashless conversion as discussed above. Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise of warrants, there can be no assurance which, if any, of the alternative tax consequences and holding periods described above would be approved by the IRS or a court of law. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the tax consequences of the cashless conversion of Class C ADSs.

#### *Possible Constructive Distributions*

The terms of each Class C ADS provide for an adjustment to the number of Class A ADSs for which an Class C ADS may be exercised or converted, or to the exercise or conversion price of a Class C ADS in certain events, as discussed in Exhibit 2.11 (Description of Securities) of this Report. An adjustment which has the effect of preventing dilution generally is not taxable. A U.S. Holder of a Class C ADS would, however, be treated as receiving a constructive distribution from the Company if, for example, the adjustment increases such U.S. Holder’s proportionate interest in the Company’s assets or earnings and profits (e.g., through an increase in the number of the Class A ADSs that would be obtained upon exercise or conversion) as a result of a distribution of cash to the holders of Class A ADSs which is taxable to the U.S. Holders of such Class A ADSs as described under “—*Distributions on Class A ADSs*” above. Such constructive distributions would be subject to tax as described under that section in the same manner as if the U.S. holder received a cash distribution from the Company equal to the fair market value of such increased interest.

#### *Passive Foreign Investment Company Rules*

The treatment of U.S. Holders of the ADSs could be materially different from that described above if the Company is treated as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. A PFIC is any non-U.S. corporation with respect to which either: (i) 75% or more of the gross income for a taxable year constitutes passive income for purposes of the PFIC rules, or (ii) 50% or more of such non-U.S. corporation’s assets in any taxable year (generally based on the quarterly average of the value of its assets during such year) is attributable to assets, including cash, that produce passive income or are held for the production of passive income. Passive income generally includes dividends, interest, royalties and certain rents. The determination of whether a non-U.S. corporation is a PFIC is based upon the composition of such non-U.S. corporation’s income and assets (including, among others, its proportionate share of the income and assets of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock), and the nature of such non-U.S. corporation’s activities. A separate determination must be made after the close of each taxable year as to whether a non-U.S. corporation was a PFIC for that year. Once a non-U.S. corporation qualifies as a PFIC it is, with respect to a shareholder during the time it qualifies as a PFIC, and subject to certain exceptions, always treated as a PFIC with respect to such shareholder, regardless of whether it satisfied either of the qualification tests in subsequent years.

Based on the projected composition of the Company’s income and assets (including the income and assets of each subsidiary for which the Company owns, directly or indirectly, 25% or more (by value) of its stock), the Company does not believe it was classified as a PFIC for its most recent taxable year ended on December 31, 2024 and does not expect to be classified as a PFIC for its current taxable year or, to the best of its current estimates, for subsequent taxable years. However, the application of the PFIC rules is subject to uncertainty as the composition of the Company’s income and assets may change in the future and, therefore, no assurances can be provided that the Company will not be a PFIC for the current taxable year or in a future year.

If the Company is or becomes a PFIC during any year in which a U.S. Holder holds ADSs and such U.S. Holder does not make a mark-to-market election, as described below, the U.S. Holder will be subject to special tax rules with respect to (i) any gain realized on a sale or other disposition (including a pledge) of its ADSs, and (ii) any “excess distributions” it receives on its Class A ADSs (generally, any distributions in excess of 125% of the average of the annual distributions on Class A ADSs during the preceding three years or the U.S. Holder’s holding period, whichever is shorter). Generally, under this excess distribution regime:

- the gain or excess distribution will be allocated ratably over the period during which the U.S. Holder held its ADSs;
- the amount allocated to the current taxable year will be treated as ordinary income; and
- the amount allocated to prior taxable years will be subject to the highest tax rate in effect for that taxable year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

In lieu of being subject to the special tax rules discussed above with regard to its Class A ADSs, a U.S. Holder may make a mark-to-market election with respect to its ADSs and with respect to its Class C ADSs if treated as stock. A U.S. Holder may make a mark-to-market election if such shares are treated as “marketable stock.” A mark-to-market election is not available with respect to the Class C ADSs if they are treated as warrants. The ADSs generally will be treated as marketable stock if they are regularly traded on a national securities exchange that is registered with the SEC, including Nasdaq, or on a qualified non-U.S. exchange or other market (within the meaning of the applicable Treasury regulations). Although the ADSs are expected to be listed on Nasdaq, no assurance can be given that the ADSs will be “regularly traded” for purposes of the mark-to-market election. If any such mark-to-market election is made, the applicable ADSs will be treated as if they were sold at the end of each year. The Company currently does not intend to provide information necessary for U.S. Holders to make a “qualified electing fund” election which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

If the Company is classified as a PFIC for any taxable year, a U.S. Holder of ADSs will be required to file an annual report on IRS Form 8621. Failure to file IRS Form 8621 for each applicable taxable year may result in substantial penalties and result in the U.S. Holder’s taxable years being open to audit by the IRS until such Forms are properly filed.

U.S. Holders are urged to consult their tax advisors concerning the U.S. federal income tax consequences of holding ADSs in the event that the Company is considered a PFIC in any taxable year.

#### *Additional Reporting Requirements*

U.S. Holders who are individuals and certain entities will be required to report information with respect to such U.S. Holder’s investment in “specified foreign financial assets” on IRS Form 8938 (Statement of Specified Foreign Financial Assets), subject to certain exceptions (including an exception for ADSs held in accounts maintained at certain financial institutions). An interest in ADSs constitutes a specified foreign financial asset for these purposes. Persons who are required to report specified foreign financial assets and fail to do so may be subject to substantial penalties and the period of limitations on assessment and collection of U.S. federal income taxes will be extended in the event of a failure to comply. U.S. Holders are urged to consult their tax advisors regarding the foreign financial asset and other reporting obligations and their application to the ownership and disposition of ADSs.

#### *Information Reporting and Backup Withholding*

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding. Backup withholding generally will not apply, however, to a U.S. Holder if (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such U.S. Holder’s U.S. federal income tax liability and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for a refund with the IRS and furnishing any required information.

#### **Material United Kingdom Tax Considerations**

The following is intended as a general guide to current United Kingdom tax law and HMRC published practice applying as at the date of this Report (both of which are subject to change at any time, possibly with retrospective effect) relating to (i) the United Kingdom withholding tax implications of dividends paid by the Company in respect of Class A Shares and Class C-1 Shares and (ii) the United Kingdom stamp duty and SDRT implications of transfers of, and agreements to transfer, AD securities. It does not constitute legal or tax advice and does not purport to be an analysis of any other United Kingdom tax considerations relating to the acquisition, holding or disposing of AD securities or any other shares or securities that may be issued by the Company from time to time.

THESE PARAGRAPHS ARE A SUMMARY OF MATERIAL UNITED KINGDOM TAX CONSIDERATIONS AND ARE INTENDED AS A GENERAL GUIDE ONLY. IT IS RECOMMENDED THAT ALL HOLDERS OF AD SECURITIES OBTAIN ADVICE AS TO THE CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE AD SECURITIES IN THEIR OWN SPECIFIC CIRCUMSTANCES FROM THEIR OWN TAX ADVISORS.

#### ***Dividend Withholding Tax***

Dividends paid by the Company in respect of Class A Shares and Class C-1 Shares should not be subject to any withholding or deduction for or on account of United Kingdom income tax.

#### ***Stamp Duty and Stamp Duty Reserve Tax—Transfers of AD securities***

*The statement in this section assumes that the AD securities are held at all relevant times through the clearance service facilities of DTC and that all transfers of the AD securities take place in paperless form without the creation of any written instrument of transfer. This section does not consider the implications of transfers of, or agreements to transfer, any Company securities held in certificated form.*

No SDRT should be required to be paid on a paperless transfer of AD securities through the clearance service facilities of DTC, provided that DTC has not made an election under section 97A of the United Kingdom Finance Act 1986, and such AD securities are held through DTC at the time of any agreement for their transfer.

**F. Dividends and Paying Agents**

Not applicable.

**G. Statement by Experts**

Not applicable.

**H. Documents on Display**

We are subject to certain of the informational filing requirements of the Exchange Act. Since we are a “foreign private issuer,” we are exempt from the rules and regulations under the Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and “short-swing” profit recovery provisions contained in Section 16 of the Exchange Act, with respect to their purchase and sale of our shares. In addition, we are not required to file reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we are required to file with the SEC an Annual Report on Form 20-F containing financial statements audited by an independent accounting firm. We also may, but are not required to, furnish to the SEC, on Form 6-K, unaudited financial information after each of our first three fiscal quarters. The SEC also maintains a website at <http://www.sec.gov> that contains reports and other information that we file with or furnish electronically with the SEC. You may read and copy any report or document we file, including the exhibits, at the SEC’s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

**I. Subsidiary Information**

Not applicable.

**J. Annual Report to Security Holders**

The Company intends to furnish to the SEC with a Form 6-K its UK annual report along with the convening notice and proxy forms when such materials are distributed to its shareholders in advance of the Company's annual general meeting.

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Polestar is exposed to certain market risks in the ordinary course of business. These risks primarily consist of foreign exchange risk, interest rate risk, credit risk, and liquidity risk. Refer to *Note 3 - Financial risk management* in the accompanying Consolidated Financial Statements for detailed discussion of these risks and sensitivity analyses.

**ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

**A. Debt Securities.**

Not applicable.

**B. Warrants and Rights.**

Not applicable.

**C. Other Securities.**

Not applicable.

**D. American Depositary Shares.**

For a description the Company’s ADSs, see Exhibit 2.11 (Description of Securities) of this Report.

***Fees and Charges***

As an ADS holder, you will be required to pay the following fees under the terms of the applicable deposit agreement:

Service	Fees
<ul style="list-style-type: none"> <li>Other than the initial deposit in connection with the Business Combination, issuance of ADSs (e.g., an issuance of ADS upon a deposit of Class A Shares or Class C Shares, upon a change in the ADS(s)-to-Share ratio or conversion of Class C Shares/ Class C ADSs or for any other reason), excluding ADS issuances as a result of distributions of Class A Shares or Class C Shares</li> </ul>	Up to US\$0.05 per ADS issued
<ul style="list-style-type: none"> <li>Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property, upon a change in the ADS(s)-to-Share ratio, or for any other reason)</li> </ul>	Up to US\$0.05 per ADS cancelled
<ul style="list-style-type: none"> <li>Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)</li> </ul>	Up to US\$0.05 per ADS held
<ul style="list-style-type: none"> <li>Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs</li> </ul>	Up to US\$0.05 per ADS held
<ul style="list-style-type: none"> <li>Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off)</li> </ul>	Up to US\$0.05 per ADS held
<ul style="list-style-type: none"> <li>ADS Services</li> </ul>	Up to US\$0.05 per ADS held on the applicable record date(s) established by the Depositary
<ul style="list-style-type: none"> <li>Registration of ADS transfers (e.g., upon a registration of the transfer of registered ownership of ADSs, upon a transfer of ADSs into DTC and vice versa, or for any other reason)</li> </ul>	Up to US\$0.05 per ADS (or fraction thereof) transferred
<ul style="list-style-type: none"> <li>Conversion of ADSs of one series for ADSs of another series (e.g., upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, upon conversion of Class C ADSs into Class A ADSs, or upon conversion of Restricted ADSs (each as defined in the applicable deposit agreement) into freely transferable ADSs, and vice versa).</li> </ul>	Up to US\$0.05 per ADS (or fraction thereof) converted

As an ADS holder, you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges (including any applicable stamp duty or SDRT);
- the registration fees as may from time to time be in effect for the registration of Shares on the share register and applicable to transfers of Shares to or from the name of the custodian, the Depositary or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the fees, expenses, spreads, taxes and other charges of the Depositary and/or service providers (which may be a division, branch or affiliate of the Depositary) in the conversion of foreign currency;
- the reasonable and customary out-of-pocket expenses incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to Shares, ADSs and ADRs;
- the fees, charges, costs and expenses incurred by the Depositary, the custodian, or any nominee in connection with the ADR program; and
- the amounts payable to the Depositary by any party to the applicable deposit agreement pursuant to any ancillary agreement to the applicable deposit agreement in respect of the ADR program, the ADSs, and the ADRs.

ADS fees and charges for (i) the issuance of ADSs, and (ii) the cancellation of ADSs are charged to the person for whom the ADSs are issued (in the case of ADS issuances) and to the person for whom ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the Depositary into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from

distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series, the ADS conversion fee will be payable by the holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

In the event of refusal to pay the Depositary fees, the Depositary may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the Depositary fees from any distribution to be made to the ADS holder. Note that the fees and charges you may be required to pay may vary over time and may be changed by the Company and by the Depositary. You will receive prior notice of such changes.

***Fees and Other Payments Made by the Depositary to Us***

The Depositary may reimburse the Company for certain expenses incurred by the Company in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as the Company and the Depositary agree from time to time. The Depositary also has agreed to pay certain legal expenses on behalf of the Company.

**PART II****ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

Not applicable.

**ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

Not applicable.

**ITEM 15. CONTROLS AND PROCEDURES****Disclosure Controls and Procedures**

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, the "Exchange Act") as of December 31, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2024, due to the existence of material weaknesses in the Company's internal control over financial reporting described below.

**Remediation of Prior Year Material Weaknesses**

During fiscal year 2024, with the oversight of the Audit Committee of the Board of Directors, the Company continued to implement its remediation plans to address the material weaknesses disclosed in our Annual Report on Form 20-F as of December 31, 2023. The Company has hired additional individuals with the requisite internal control, accounting and finance knowledge and experience to assist with the enhancement and implementation of internal control procedures.

In 2024, the Company implemented effective monitoring controls. Management hired a new Head of Internal Controls and expanded the Internal Controls Team. This led to timely completion of process walkthroughs, more regular testing of controls and continuous evaluation of the testing results individually and in the aggregate. Executive management was closely involved in the process. This allowed the Company to communicate all relevant internal control deficiencies in a timely manner to those parties responsible for taking corrective action, remediating the previously identified material weakness related to monitoring.

The Company has also remediated the material weakness related to "the review and approval of salary changes within the human resource system" by implementing an automated approval workflow in the human resource system.

Despite the progress noted above, there were several matters that hindered the Company's ability to remediate other material weaknesses identified in the prior year: These included, but are not limited to, (i) revised financial statements for 2021 and 2022, delaying the filing of the 2023 Form 20-F until August 2024, (ii) workforce reduction in several departments, (iii) a new Chief Executive Officer and Chief Financial Officer joining the Company in Q4, and (iv) onboarding of the new hires.

While the remediation efforts during 2024 have improved our internal control over financial reporting and resulted in remediation of two of the material weaknesses identified as of December 31, 2023, remediation of the remaining material weaknesses as of December 31, 2024, will require further remediation activities.

**Management's Annual Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act). Management evaluated the effectiveness of its internal control over financial reporting as of December 31, 2024. In performing this evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control —Integrated Framework (2013). Based on this evaluation, management has concluded that its internal control over financial reporting was not effective as of December 31, 2024, due to the material weaknesses described below.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

The Company did not maintain controls to execute the criteria established in the COSO Framework for the following components of internal control: (i) control environment, (ii) control activities, and (iii) information and communication.

Each of the deficiencies identified below constitute material weaknesses, either individually or in the aggregate.

**Control Environment**

The Company did not design and implement an effective control environment based on the criteria established in the COSO Framework and identified the following material weakness:

The finance function does not have fully formalized processes throughout the organization nor a sufficient number of personnel within finance and operations with the appropriate accounting and SEC regulatory reporting expertise to perform appropriate and timely reviews of financial reporting matters, the financial statements and disclosures, key controls, and work performed by external advisors related to financial reporting and technical accounting.

This control environment material weakness contributed to the other material weaknesses identified below.

**Control Activities**



The Company did not design and implement effective control activities based on the criteria established in the COSO Framework. The associated deficiencies resulted in the following material weaknesses, relating to a lack of effectively designed and implemented controls over:

- (i) Segregating the function of recording and approving journal entries and the preparation and review of account reconciliations, and (ii) validating the completeness and accuracy of data used in the controls over reviewing journal entries.
- Recognition of vehicle revenue in accordance with IFRS 15 in regard to (i) fleet customers, private individuals, dealers' and importers' sales of vehicles' revenue streams over the completeness and accuracy of data used in the controls, and (ii) fleet customers and private individuals sales of vehicles' revenue streams over the precision of review in management review controls. Further, there were insufficient controls over the completeness and accuracy of data used in the calculations of deferred revenue associated with sales of vehicles. In addition, the Company's controls related to appropriately identifying and valuing the performance obligations to defer revenue related to sales of vehicles were not operating with the right precision.
- The existence, completeness, and valuation of inventory, including the net realizable value assessment.
- The completeness and accuracy of the data used in the existence, completeness and classification of current versus non-current liability to repurchase vehicles sold under its sales of vehicles with repurchase obligations arrangements.
- Consideration of multiple cash generating units and changes in certain macroeconomics, industry, and market conditions related to the impairment test of intangible assets. Further, there were insufficient review controls over the completeness and accuracy of the data used in the impairment test.
- The completeness and accuracy of accrued expenses and accounts payable as well as the precision in the review of certain accrued expenses.
- The completeness and accuracy of related party data used in the controls and the precision of review in management review controls over related party transactions.
- The completeness and accuracy of the input data of debt transactions and the precision of review of debt transactions.
- The application of technical accounting and the review of the accounting for complex and non-routine transactions.
- The review of the completeness and accuracy of salary expenses in Europe.
- The completeness and accuracy of time reporting to support the capitalization of internally developed intangibles and the precision of review in the controls over internally developed intangible assets.

#### *Information and Communication*

The Company did not design and implement effective information and communication controls based on the criteria established in the COSO Framework and identified the following material weakness:

Ineffective IT general controls were identified in the SOC 1 report obtained from an external service organization related to the systems used in warranty provisions and ineffective IT general controls related to systems used in fleet customers and private individuals sales of vehicles' revenue streams resulting in calculations that cannot be relied upon to support the proper functioning of internal controls related to those accounts.

As a result of the material weaknesses above, material errors arose that have been corrected in the financial statements. If we fail to adequately remediate these material weaknesses, they could result in additional material misstatements that may not be prevented or detected.

#### **Remediation Status & Plans**

Management performed the following remediation efforts during 2024 as it relates to aspects of the previously identified material weaknesses:

- appointed a new Chief Executive Officer and Chief Financial Officer in October 2024, to improve our accounting and SEC regulatory reporting expertise;
- designed and implemented internal controls to address the scoping, execution and reconciliation of physical inventory counts;
- IT general controls were deemed effective in the SOC 1 report obtained from an external service organization related to the systems used in (i) revenue streams dealers' and importers' sales of vehicles, and (ii) inventory.

Management is also undertaking ongoing remediation efforts related to the above identified material weaknesses including, (but not limited to):

- continuing to design, implement, document and test internal controls over financial reporting, to operate at a sufficient level of precision and frequency, evidencing the performance of the control;
- continuing to hire additional accounting and finance resources with appropriate technical accounting and reporting experience to execute timely key controls related to various financial reporting processes and allow proper segregation of duties;
- continuing to enhance existing policies and procedures and developing new policies and procedures to assist the finance organization in recording transactions appropriately;

- continuing to train accounting and finance resources on the requirements of the precision of the review and documentation of completeness and accuracy of the data used in the control with a focus on repurchase liability, accrued expenses, accounts payable, intangible assets, inventories, sales of vehicles, deferred revenue, journal entries, payroll, debt, internally developed intangible assets and related party transactions;
- developing existing systems, designing new controls and training control performers to address control deficiencies related to primarily sales of vehicles and inventories to address the completeness and accuracy of information used in downstream controls;
- strengthening the process to identify related parties to ensure complete and accurate disclosures; and collaborating with the external service provider organization to address IT general control deficiencies related to warranty provision in order to ensure the completeness and accuracy of information used in downstream warranty provision.

The Company is continuously and actively engaging in efforts towards remediating its existing material weaknesses. While we believe that these efforts will improve our internal control over financial reporting, the implementation of these measures is ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles. Due to this ongoing testing, we cannot provide assurance that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weaknesses we have identified or that we will avoid potential future material weaknesses. If the steps we take do not remediate the material weaknesses in a timely manner, we will be unable to maintain effective internal control over financial reporting. Accordingly, there may be a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis.

For more information on risks related to material weaknesses in Polestar's internal control over financial controls, see Item 3.D "Risk Factors".

#### *Limitations on Effectiveness of Disclosure Controls & Procedures and Internal Controls over Financial Reporting*

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, as specified above. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions, and cannot provide absolute assurance that its objectives will be met.

#### **Attestation Report of the Registered Public Accounting Firm**

The effectiveness of our internal control over financial reporting as of December 31, 2024, has been audited by Deloitte AB, an independent registered public accounting firm. Deloitte AB has issued an adverse opinion on the Company's effectiveness of our internal control over financial reporting as stated in their report which is included below.

#### **Report of Independent Registered Public Accounting Firm**

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

#### **Opinion on Internal Control over Financial Reporting**

We have audited the internal control over financial reporting of Polestar Automotive Holding UK PLC (the "Company") 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 (COSO). In our opinion, because of the effect of the material weaknesses identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated May 9, 2025, expressed an unqualified opinion on those financial statements and included an explanatory paragraph concerning matters that raise substantial doubt about the Company's ability to continue as a going concern.

#### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

#### **Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Material Weaknesses**

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following control deficiencies constitute material weaknesses, either individually or in the aggregate, and are included in management's assessment:

##### *Control Environment*

The Company did not design and implement an effective control environment based on the criteria established in the COSO Framework and identified the following material weakness:

The finance function does not have fully formalized processes nor throughout the organization sufficient number of personnel within finance and operations with the appropriate accounting and SEC regulatory reporting expertise to perform appropriate and timely reviews of financial reporting matters, the financial statements and disclosure, key controls, and work performed by external advisors related to financial reporting and technical accounting.

This control environment material weakness contributed to the other material weaknesses identified below.

##### *Control Activities*

The Company did not design and implement effective control activities based on the criteria established in the COSO Framework. The associated deficiencies resulted in the following material weaknesses, relating to a lack of effectively designed and implemented controls over:

- (i) Segregating the function of recording and approving journal entries and the preparation and review of account reconciliations, and (ii) validating the completeness and accuracy of data used in the controls over reviewing journal entries.
- Recognition of vehicle revenue in accordance with IFRS 15 in regard to (i) fleet customers', private individuals', dealers' and importers' sales of vehicles' revenue streams over the completeness and accuracy of data used in the controls, and (ii) fleet customers' and private individuals' sales of vehicles' revenue streams over the precision of review in management review controls. Further, there were insufficient controls over the completeness and accuracy of data used in the calculations of deferred revenue associated with sales of vehicles. In addition, the Company's controls related to appropriately identifying and valuing the performance obligations to defer revenue related to sales of vehicles were not operating with the right precision.
- The existence, completeness, and valuation of inventory, including the net realizable value assessment.
- The completeness and accuracy of the data used in the existence, completeness and classification of current versus non-current liability to repurchase vehicles sold under its sales of vehicles with repurchase obligations arrangements.
- Consideration of multiple cash generating units and changes in certain macroeconomics, industry, and market conditions related to the impairment test of intangible assets. Further, there were insufficient review controls over the completeness and accuracy of the data used in the impairment test.
- The completeness and accuracy of accrued expenses and accounts payable as well as the precision in the review of certain accrued expenses.
- The completeness and accuracy of related party data used in the controls and the precision of review in management review controls over related party transactions.
- The completeness and accuracy of the input data of debt transactions and the precision of review of debt transactions.
- The application of technical accounting and the review of the accounting for complex and non-routine transactions.
- The review of the completeness and accuracy of salary expenses in Europe.
- The completeness and accuracy of time reporting to support the capitalization of internally developed intangibles and the precision of review in the controls over internally developed intangible assets.

##### *Information and Communication*

The Company did not design and implement effective information and communication controls based on the criteria established in the COSO Framework and identified the following material weakness:

Ineffective IT general controls were identified in the SOC 1 report obtained from an external service organization related to the systems used in warranty provisions and ineffective IT general controls related to systems used in fleet customers' and private

individuals’ sales of vehicles’ revenue streams resulting in calculations that cannot be relied upon to support the proper functioning of internal controls related to those accounts.

These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended December 31, 2024, of the Company, and this report does not affect our report on such financial statements.

/s/ Deloitte AB  
Gothenburg, Sweden  
May 9, 2025

**Changes in Internal Control over Financial Reporting**

Except as noted above, there has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our most recent fiscal year that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 16. [Reserved]**

**Item 16A. Audit committee financial expert.**

The Board has determined that Christine Gorjanc is an “audit committee financial expert” as defined by SEC rules and has the requisite financial sophistication under the applicable rules and regulations of Nasdaq. Ms. Gorjanc is independent within the meaning of the listing rules of Nasdaq. Information related to members of Polestar’s audit committee is set forth under the Item 6C. *“Directors, Senior Management and Employees—Board Practices—Audit Committee.”*

**Item 16B. Code of Ethics**

The Board has adopted a code of conduct that establishes the standards of ethical conduct applicable to all of the Company’s directors, officers, employees, and, as applicable, consultants and contractors. The code addresses, among other things, competition and fair dealing, conflicts of interest, compliance with applicable governmental laws, rules and regulations, company assets, confidentiality requirements and the process for reporting violations of the code. Any waiver of the code with respect to any director or executive officer will be promptly disclosed and posted on the Company’s website. Amendments to the code will be promptly disclosed and posted on the Company’s website. The code is available on Polestar’s website at <https://legal.polestar.com/uk/ethics/>. Information contained on the Company’s website is not incorporated by reference into this Report, and you should not consider information contained on the Company’s website to be part of this Report.

**Item 16C. Principal Accountant Fees and Services**

Deloitte AB served as Polestar’s principal external auditor in 2024 and 2023. Deloitte AB’s offices are located at Rehnsgatan 11, SE-113 79 Stockholm, Sweden and its PCAOB ID is 1126. The following table shows the aggregate fees billed or to be billed by Deloitte AB for the services indicated during the years ended December 31, 2024 and 2023 (in thousands of U.S. dollars):

	For the year ended December 31,	
	2024	2023
Audit fees	15,746	15,720
Audit-related fees	200	268
Tax fees	—	3
All other fees	—	10
<b>Total</b>	<b>\$ 15,946</b>	<b>\$ 16,001</b>

“Audit fees” consists of the aggregate fees billed or to be billed for the audit of Polestar’s annual consolidated financial statements and the statutory financial statements of certain subsidiaries. This includes interim review services that Deloitte AB provides related to regulatory filings with the SEC and the provision of comfort letters in connection with funding transactions. This includes Sarbanes-Oxley Act readiness and internal control review services.

“Audit-related fees” are the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of Polestar’s financial statements and are not reported under Audit fees.

“Tax fees” are the aggregate fees billed for tax advisory and compliance services.

“All other fees” are the aggregate fees billed for other professional services that are not related to the above categories. This includes advisory services related to marketing and advertising.

The Audit Committee has adopted a pre-approval policy that provides guidelines for audit, audit-related and other non-audit services that may be provided to Polestar. All of the fees in the table above were approved in accordance with this policy. The policy (a) identifies the guiding principles that must be considered by the Audit Committee in approving services to ensure that Deloitte AB’s independence is not impaired; (b) describes the audit and audit-related services that may be provided and the non-audit services that are prohibited; and (c) sets forth pre-approval requirements for all permitted services. Under the policy, all services to be provided by Deloitte AB must be pre-approved by the Audit Committee. The Audit Committee has delegated authority to approve permitted

services up to certain fee thresholds to the Audit Committee's Chair. Such approval must be reported to the entire Audit Committee at the next scheduled Audit Committee meeting. Once the Audit Committee or its Chair has approved the overall fees for certain audit, audit-related or non-audit services to be provided by Deloitte AB, the Polestar Chief Financial Officer may then authorize specific fees of Deloitte AB up to certain capped amounts depending on the type of service.

**Item 16D. Exemptions from the Listing Standards for Audit Committees**

Not applicable.

**Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

Not applicable.

**Item 16F. Change in Registrant's Certifying Accountant**

Not applicable.

**Item 16G. Corporate Governance**

Polestar is exempt from certain corporate governance requirements of Nasdaq by virtue of being a foreign private issuer. Although the foreign private issuer status exempts Polestar from most of Nasdaq's corporate governance requirements, Polestar has decided to voluntarily comply with these requirements, except for the requirement to have a compensation committee and a nominating and governance committee consisting entirely of independent directors.

Furthermore, Nasdaq rules also generally require each listed company to obtain shareholder approval prior to the issuance of securities in certain circumstances in connection with the acquisition of the stock or assets of another company, equity based compensation of officers, directors, employees or consultants, change of control and certain transactions other than a public offering. As a foreign private issuer, Polestar is exempt from these requirements and may, if not required by the laws of England and Wales, elect not to obtain shareholders' approval prior to any further issuance of its Class A ADSs or prior to adopting or materially revising equity compensation plans or share incentive plans.

Subject to requirements under the Polestar Articles and Shareholder Acknowledgment Agreement that the Board be comprised of a majority of independent directors for the three years following the Business Combination Closing, Polestar may in the future elect to avail itself of foreign private issuer exemptions or to follow home country practices with regard to other matters. As a result, its shareholders will not have the same protections afforded to shareholders of companies that are subject to all of Nasdaq's corporate governance requirements.

Further, by virtue of being a controlled company under Nasdaq listing rules, Polestar may elect not to comply with certain Nasdaq corporate governance requirements, including that:

- a majority of the board of directors consist of independent directors (however, pursuant to the Polestar Articles and Shareholder Acknowledgment Agreement, for the three years following the Business Combination Closing, the Board must be comprised of a majority of independent directors);
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- there be an annual performance evaluation of the compensation and nominating and governance committees.

Due to Polestar's status as a foreign private issuer, its directors and senior management are not subject to short-swing profit and insider trading reporting obligations under Section 16 of the Exchange Act. They are, however, be subject to the obligations to report changes in share ownership under Section 13 of the Exchange Act and related SEC rules.

**Item 16H. Mine Safety Disclosure**

Not applicable.

**Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**Item 16J. Insider Trading Policies**

We have adopted insider trading policies and procedures (our "Insider Trading Policy") applicable to our officers, directors, employees and consultants and entities controlled by individuals subject to our Insider Trading Policy ("Covered Persons"), that we believe are reasonably designed to promote compliance with insider trading laws, rules and regulations and Nasdaq listing standards. Our Insider Trading Policy prevents our officers, directors, employees or consultants from trading in securities of the Company while in possession of material, nonpublic information. Subject to limited exceptions, all trading is also prohibited for directors, officers, and certain other employees or consultants designated from time to time by our General Counsel, during prescribed blackout periods. The foregoing summary of our insider trading policies and procedures does not purport to be complete and is qualified by reference to our Insider Trading Policy, a copy of which can be found as Exhibit 11.1 to this Annual Report on Form 20-F for the fiscal year ended December 31, 2024.

## Item 16K. Cybersecurity

### Cybersecurity Risk Management

Due to the increasing regulatory requirements and importance of cybersecurity to our business, we are continuously improving our risk management frameworks and process to align them with the Company's large enterprise risk management program to identify, assess, and mitigate risks throughout our business. Our dedicated Security Team employs a two-pronged approach to identify and assess cybersecurity risks by monitoring the overall threat landscape including by reviewing published reports from cybersecurity authoritative bodies, such as The European Union Agency for Cybersecurity (ENISA), and regularly reviewing Polestar's cybersecurity profile, which includes analyzing Polestar's specific cybersecurity risks and threats based on Polestar's business profile and strategy.

As a part of our overall enterprise risk management, Polestar management and the board of directors regularly engage in the cybersecurity risk management process which is scoped to include the company's daily operations, along with Volvo Cars' IT systems and any third-party service providers with access to sensitive and/or proprietary information. We then take that information and prioritize cybersecurity risks for mitigation. Additionally, we consider cybersecurity risks when assessing third-party vendors. We include security requirements in many of our contractual arrangements with third-party vendors. We also conduct periodic reviews of security compliance reports of certain of our critical vendors.

Our Security Team retains cybersecurity professionals and industry experts to provide general risk management support. Additionally, our Security Team has contracted a managed security service provider ("MSSP") to provide security monitoring ("SOC") on a 24/7/365 basis. The security solutions cover both enterprise (business) as well as our vehicle fleet. The SOC follows agreed upon procedures to monitor, address, and escalate cybersecurity incidents that may arise. To safeguard personal data or confidential or proprietary data that the SOC can access, we created information security policies and procedures based on a strategic security-policy, topical information security directives and operational guidelines for employees and third-party providers.

During the last fiscal year, we have not experienced any material cybersecurity incidents. We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We cannot assure that our cybersecurity risk management system and measures, including our policies, directives or operational guidelines, will be fully implemented, complied with, or effective in protecting our systems and information.

Given the current general high threat level of cyber security threats and challenges in the automotive marketplace and Polestar's reliance on its and Volvo Cars' IT systems and third-party vendors, Polestar faces risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, and financial condition. For a full discussion of cybersecurity risks, please see our Risk Factors in Item 3.D.

### Cybersecurity Governance

#### *Board Oversight*

At the board level, cybersecurity risk management has been delegated to the Audit Committee (the "Committee"), which oversees the Company's risk management function. The Chief Information Security Officer/Chief Security Officer ("CISO/CSO") reports to the Committee at least twice a year through the Company's enterprise risk management process to provide updates on the company's cybersecurity risks, cybersecurity risk management, cyber incident response and developments within the security areas.

#### *Management Role*

As of April 1, 2025, we have strengthened our security through the formation of a new unified security organization, where Information- and IT-security, Product Cyber Security and Corporate Security is now under one cohesive structure under the leadership of a newly appointed CISO/CSO. Through this change we will further strengthen our security by reducing silos, strengthening oversight, enhancing collaboration, gaining synergies and improving cost efficiency.

The CISO/CSO has the overall responsibility for the Company's security landscape, including cyber security risk management and overseeing the information security, product cyber security and corporate security teams. Our CISO/CSO is a thought leader within the security domains with experience from senior management positions covering both public and private sectors, small to large enterprises. Previous roles include CSO positions within the aviation industry, CISO positions within the energy sector as well as former position as CISO for an organization within the automotive industry.

As a part of their duties, members of management regularly work to address the cybersecurity risks that Polestar faces in its daily operation and actively work to prevent and remediate cybersecurity risks and incidents by remaining appraised of active cybersecurity risks identified by security teams. Additionally, the CISO/CSO informs members of management of active cyber security threats identified by third-party and governmental agencies. The CISO/CSO also annually meets with management regarding the evolution of the cybersecurity function.

The SOC and security teams escalate cybersecurity events to the CISO/CSO and members of senior management and the Committee according to the severity of the cybersecurity incident. For more serious incidents, the CISO/CSO will trigger the crisis management plan, which convenes the Crisis Management Team. The CISO/CSO will also inform the Enterprise Management Team to provide them with details about the cybersecurity incident and the plan to mitigate risks.

## PART III

### 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**

Exhibit No.	Description	Schedule Form	Incorporated by Reference	
			Exhibit	Filing Date
1.1	<a href="#">Articles of Association of Polesar Automotive Holding UK PLC, as currently in effect.</a>	8-K**	4.1, Exhibit A	June 27, 2022
2.1	<a href="#">ADS Deposit Agreement—Class A ADSs.</a>	F-6EF	(a)	August 26, 2022
2.2	<a href="#">Form of Class A American Depositary Receipt.</a>	F-4/A	4.2	May 23, 2022
2.3	<a href="#">ADS Deposit Agreement—Class C-1 ADSs.</a>	8-K**	4.1, Exhibit B	June 27, 2022
2.4	<a href="#">Form of Class C-1 American Depositary Receipt.</a>	F-4/A	4.4	May 23, 2022
2.5	<a href="#">ADS Deposit Agreement—Class C-2 ADSs.</a>	8-K**	4.1, Exhibit B	June 27, 2022
2.6	<a href="#">Form of Class C-2 American Depositary Receipt.</a>	F-4/A	4.6	May 23, 2022
2.7	<a href="#">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).</a>	F-4/A	4.9	May 23, 2022
2.8	<a href="#">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).</a>	F-4/A	4.10	May 23, 2022
2.9	<a href="#">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).</a>	F-4/A	4.11	May 23, 2022
2.10	<a href="#">Class C Warrant Amendment, dated June 23, 2022, by and between Gores Guggenheim, Inc., Computershare Inc. and Computershare Trust Company, N.A.</a>	8-K**	4.1	June 27, 2022
2.11*	<a href="#">Description of Securities.</a>			



4.1##	<a href="#">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).</a>	F-4/A	2.1	May 23, 2022
4.2##	<a href="#">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.</a>	8-K**	2.1	December 17, 2021
4.3##	<a href="#">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.</a>	8-K**	2.1	March 25, 2022
4.4	<a href="#">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.</a>	8-K**	2.1	April 21, 2022
4.5	<a href="#">Form of Subscription Agreement (incorporated by reference to Annex F to the proxy statement/prospectus used in connection with the Business Combination).</a>	F-4/A	10.1	May 23, 2022
4.6	<a href="#">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).</a>	F-4/A	10.4	May 23, 2022
4.7+	<a href="#">Form of Director &amp; Officer Indemnity Agreement.</a>	F-4/A	10.5	May 23, 2022
4.8+	<a href="#">Polestar Automotive Holding UK PLC 2022 Omnibus Incentive Plan.</a>	S-8	99.1	August 29, 2022
4.9+	<a href="#">Polestar Automotive Holding UK PLC 2022 Employee Stock Purchase Plan.</a>	S-8	99.2	August 29, 2022
4.10	<a href="#">Framework Assignment and License Agreement, dated as of October 31, 2018, between Volvo Car Corporation and Polestar Performance AB.</a>	F-4/A	10.8	May 23, 2022

4.11†	<a href="#"><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></a>	F-4/A	10.9	May 23, 2022
4.12†	<a href="#"><u>Settlement Agreement, dated as of December 23, 2020, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.10	May 23, 2022
4.13	<a href="#"><u>Framework Assignment and License Agreement, dated as of October 31, 2018, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd.</u></a>	F-4/A	10.11	May 23, 2022
4.14†	<a href="#"><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></a>	F-4/A	10.12	May 23, 2022
4.15†	<a href="#"><u>Settlement Agreement, dated as of December 23, 2020, between Volvo Car Corporation and Polestar New Energy Vehicle Co., Ltd.</u></a>	F-4/A	10.13	May 23, 2022
4.16†	<a href="#"><u>PHEV IP Sub-License Agreement, dated as of September 4, 2018, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.14	May 23, 2022
4.17†	<a href="#"><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></a>	F-4/A	10.15	May 23, 2022
4.18†	<a href="#"><u>Change Management Agreement, dated as of June 12, 2020, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.16	May 23, 2022
4.19†	<a href="#"><u>Service Agreement, dated as of November 13, 2020, between Volvo Car Corporation and Polestar New Energy Vehicle Co. Ltd.</u></a>	F-4/A	10.19	May 23, 2022

4.20†	<a href="#"><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></a>	F-4/A	10.26	May 23, 2022
4.21†	<a href="#"><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></a>	F-4/A	10.27	May 23, 2022
4.22†	<a href="#"><u>License, License Assignment and Service Agreement, dated as of February 15, 2021, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.28	May 23, 2022
4.23†	<a href="#"><u>License and License Assignment Agreement, dated as of February 15, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution Co., Ltd.</u></a>	F-4/A	10.29	May 23, 2022
4.24†	<a href="#"><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 &amp; Development Co., Ltd.</u></a>	F-4/A	10.30	May 23, 2022
4.25†	<a href="#"><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></a>	F-4/A	10.31	May 23, 2022
4.26†	<a href="#"><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 Automobile 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></a>	F-4/A	10.32	May 23, 2022

4.27†	<a href="#"><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></a>	F-4/A	10.33	May 23, 2022
4.28†	<a href="#"><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></a>	F-4/A	10.34	May 23, 2022
4.29†	<a href="#"><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></a>	F-4/A	10.35	May 23, 2022
4.30†	<a href="#"><u>Service Agreement, dated as of August 31, 2020, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd.</u></a>	F-4/A	10.37	May 23, 2022
4.31†	<a href="#"><u>Service Agreement, dated as of September 1, 2020, between Volvo Car Corporation and Polestar Automotive China Distribution Co., Ltd.</u></a>	F-4/A	10.38	May 23, 2022
4.32†	<a href="#"><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></a>	F-4/A	10.39	May 23, 2022
4.33†	<a href="#"><u>Service Agreement, dated as of February 2021, between Zhongjia Automobile Manufacturing (Chengdu) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd.</u></a>	F-4/A	10.40	May 23, 2022
4.34†	<a href="#"><u>Service Agreement, dated as of April 28, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution Co., Ltd.</u></a>	F-4/A	10.41	May 23, 2022
4.35†	<a href="#"><u>License Agreement, dated as of December 23, 2020, between Polestar Performance AB and Volvo Car Corporation.</u></a>	F-4/A	10.42	May 23, 2022
4.36†	<a href="#"><u>Performance Software Agreement, dated as of January 1, 2020, by and between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.43	May 23, 2022

4.37†	<a href="#"><u>Financial Undertaking Agreement—Investments for Vehicle Assembly, dated as of March 17, 2021, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.44	May 23, 2022
4.38†	<a href="#"><u>Financial Undertaking Agreement—Investments for Vehicle Assembly, dated as of March 23, 2021, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.45	May 23, 2022
4.39†	<a href="#"><u>Service Agreement, dated as of November 27, 2020, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.47	May 23, 2022
4.40†	<a href="#"><u>Service Agreement, dated as of January 18, 2021, between Ningbo Geely Automobile Research &amp; Development Co., Ltd. and Polestar Performance AB.</u></a>	F-4/A	10.48	May 23, 2022
4.41†	<a href="#"><u>Service Agreement, dated as of September 4, 2020, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.50	May 23, 2022
4.42†	<a href="#"><u>Service Agreement, dated as of September 4, 2020, between Polestar Performance AB and Volvo Bil i Göteborg AB.</u></a>	F-4/A	10.52	May 23, 2022
4.43†	<a href="#"><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></a>	F-4/A	10.53	May 23, 2022
4.44†	<a href="#"><u>Service Agreement, dated as of December 6, 2020, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.54	May 23, 2022
4.45†	<a href="#"><u>Service Agreement, dated as of March 24, 2020, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.55	May 23, 2022
4.46†	<a href="#"><u>Service Agreement, dated as of January 19, 2021, between Volvo Car UK Limited and Polestar Performance AB.</u></a>	F-4/A	10.56	May 23, 2022
4.47†	<a href="#"><u>European CO2 Emission Credits 2020 Payment Agreement, dated as of November 27, 2020, between Volvo Car Corporation and Polestar Performance AB.</u></a>	F-4/A	10.57	May 23, 2022
4.48†	<a href="#"><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></a>	F-4/A	10.58	May 23, 2022

4.49†	<a href="#">Service Agreement, dated as of June 23, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution, Ltd.</a>	F-4/A	10.59	May 23, 2022
4.50†	<a href="#">Service Agreement, dated as of December 7, 2021, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd.</a>	F-4/A	10.60	May 23, 2022
4.51†	<a href="#">Service Agreement, effective as of July 1, 2021, between Volvo Car Corporation and Polestar Automotive China Distribution, Ltd.</a>	F-4/A	10.61	May 23, 2022
4.52†	<a href="#">Service Agreement, dated as of December 7, 2021, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd.</a>	F-4/A	10.62	May 23, 2022
4.53†	<a href="#">Service Agreement, dated as of June 23, 2021, between Volvo Car Corporation and Polestar New Energy Vehicle Co., Ltd.</a>	F-4/A	10.63	May 23, 2022
4.54†	<a href="#">Service Agreement, dated as of December 7, 2021, between Volvo Cars Technology (Shanghai) Co., Ltd. and Polestar Automotive China Distribution Co., Ltd.</a>	F-4/A	10.64	May 23, 2022
4.55†	<a href="#">Technology License Agreement, dated as of December 30, 2021, between Zhejiang Zeekr Automobile Research and Development Co., Ltd. and Polestar Performance AB.</a>	F-4/A	10.65	May 23, 2022
4.56†	<a href="#">Service Agreement, dated as of December 28, 2021, between Ningbo Geely Automobile Research &amp; Development Co., Ltd. and Polestar Performance AB.</a>	F-4/A	10.66	May 23, 2022
4.57†	<a href="#">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.</a>	F-4/A	10.67	May 23, 2022
4.58†	<a href="#">Technology License Agreement, effective as of March 4, 2022, between Zhejiang Liankong Technologies Co., Ltd. and Polestar Automotive Distribution China Co., Ltd.</a>	F-4/A	10.68	May 23, 2022
4.59†	<a href="#">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.</a>	F-4/A	10.69	May 23, 2022
4.60†	<a href="#">Technology License Agreement, effective as of March 4, 2022, between Zhejiang Liankong Technologies Co., Ltd. and Polestar Performance AB.</a>	F-4/A	10.70	May 23, 2022
4.61	<a href="#">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).</a>	F-4/A	10.74	December 17, 2021

4.62†	<a href="#"><u>Parts Supply and License Agreement, effective as of January 1, 2020, by and between Polestar Performance AB and Volvo Car Corporation,</u></a>	F-4/A	10.76	May 23, 2022
4.63	<a href="#"><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></a>	F-4/A	10.77	May 23, 2022
4.64	<a href="#"><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></a>	F-4/A	10.78	May 23, 2022
4.65†	<a href="#"><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></a>	F-4/A	10.79	May 23, 2022
4.66†	<a href="#"><u>Service Agreement, effective as of January 28, 2022, by and between Volvo Cars USA LLC and Polestar Automotive USA Inc.,</u></a>	F-4/A	10.80	May 23, 2022
4.67†	<a href="#"><u>Finance Cooperation Agreement, dated May 28, 2021, by and between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited,</u></a>	F-4/A	10.81	May 23, 2022
4.68†	<a href="#"><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></a>	F-4/A	10.82	May 23, 2022
4.69	<a href="#"><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></a>	8-K**	10.2	March 25, 2022
4.70†	<a href="#"><u>Finance Cooperation Agreement, dated as of June 1, 2021, between Polestar Automotive China Distribution Co., Ltd and Genius Auto Finance Co., Ltd.,</u></a>	F-4/A	10.86	May 23, 2022
4.71†	<a href="#"><u>Framework Agreement on Import &amp; Export Polestar Vehicles, dated as of June 21, 2022, by and between Volvo Car Corporation and Polestar Performance AB,</u></a>	20-F	4.91	June 29, 2022
4.72†	<a href="#"><u>Sale &amp; Purchase Agreement, dated as of June 21, 2022, by and between Volvo Car USA LLC and Polestar Automotive USA Inc.,</u></a>	20-F	4.92	June 29, 2022

4.73†	<a href="#"><u>Importer Agreement, dated as of June 21, 2022, by and between Polestar Performance AB and Volvo Car USA LLC.</u></a>	20-F	4.93	June 29, 2022
4.74†	<a href="#"><u>Form of Letter of Appointment as Non-Executive Director of Polestar Automotive Holding UK PLC.</u></a>	20-F	4.94	June 29, 2022
4.75†	<a href="#"><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></a>	F-1/A	10.91	August 18, 2022
4.76†	<a href="#"><u>Service Agreement, dated as of July 4, 2022, between Zhongjia Automobile Manufacturing (Chengdu) and Polestar Automotive China Distribution Co. Ltd.</u></a>	F-1/A	10.92	August 18, 2022
4.77†	<a href="#"><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></a>	F-1/A	10.95	August 18, 2022
4.78†	<a href="#"><u>Service Agreement, executed as of September 27, 2022, between Volvo Car Corporation and Polestar Performance AB.</u></a>	20-F	4.93	April 14, 2023
4.79†	<a href="#"><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></a>	20-F	4.94	April 14, 2023
4.80†	<a href="#"><u>Framework Service Agreement, dated as of December 23, 2022, between Volvo Car Corporation and Polestar Performance AB.</u></a>	20-F	4.95	April 14, 2023
4.81†	<a href="#"><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></a>	20-F	4.96	April 14, 2023
4.82†	<a href="#"><u>Change Management Agreement, dated as of December 31, 2022, between Volvo Car Corporation and Polestar Performance AB.</u></a>	20-F	4.97	April 14, 2023
4.83†	<a href="#"><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></a>	20-F	4.98	April 14, 2023
4.84	<a href="#"><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></a>	6-K	10.1	November 3, 2022
4.85†	<a href="#"><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></a>	20-F	4.100	April 14, 2023



4.86†	<a href="#"><u>Amendment Agreement No. 1, dated September 22, 2022, between Volvo Car Corporation and Polestar Performance AB.</u></a>	20-F	4.101	April 14, 2023
4.87*†	<a href="#"><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></a>	20-F	4.103	August 14, 2023
4.88*†	<a href="#"><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></a>	20-F	4.104	August 14, 2023
4.89*†	<a href="#"><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></a>	20-F	4.105	August 14, 2023
4.90*†	<a href="#"><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></a>	20-F	4.106	August 14, 2023
4.91*†	<a href="#"><u>Technology License Agreement, dated as of September 28, 2023, between Zhejiang Liankong Technologies Co., Ltd. and Polestar Performance AB</u></a>	20-F	4.107	August 14, 2023
4.92*†	<a href="#"><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></a>	20-F	4.108	August 14, 2023
4.93*†	<a href="#"><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></a>	20-F	4.109	August 14, 2023
4.94*†	<a href="#"><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></a>	20-F	4.110	August 14, 2023
4.95*†	<a href="#"><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&amp;D Branch</u></a>	20-F	4.111	August 14, 2023
4.96*†	<a href="#"><u>Service Agreement, dated as of November 29, 2023, between Zhejiang ZEEKR Automobile Research &amp; Development Co., Ltd. and Polestar Performance AB</u></a>	20-F	4.112	August 14, 2023

4.97*†	<a href="#">Three Parties Agreement, dated as of November 30, 2023, between Polestar Performance AB, Ningbo Geely Automobile Research &amp; Development Co., Ltd and Polestar Times Technology (Zhongshan) Co., Ltd.</a>	20-F	4.113	August 14, 2023
4.98*†	<a href="#">Asset Purchase Agreement, dated as of November 28, 2023, between Polestar Automotive China Distribution Co., Ltd. and Polestar Times Technology (Zhongshan) Co., Ltd.</a>	20-F	4.114	August 14, 2023
4.99*†	<a href="#">Supplementary Asset Purchase Agreement, dated as of November 28, 2023, between Polestar Automotive China Distribution Co., Ltd. and Polestar Times Technology (Zhongshan) Co., Ltd.</a>	20-F	4.115	August 14, 2023
4.100*†	<a href="#">Brand License Agreement, dated as of November 14, 2023, between Polestar Performance AB and Polestar Times Technology (Nanjing) Co., Ltd.</a>	20-F	4.116	August 14, 2023
4.101*†	<a href="#">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.</a>	20-F	4.117	August 14, 2023
4.102*†	<a href="#">Transitional Service Agreement dated as of December 14, 2023, between Polestar Automotive China Distribution Co., Ltd. and Polestar Times Technology (Nanjing) Co., Ltd.</a>	20-F	4.118	August 14, 2023
4.103*†	<a href="#">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</a>	20-F	4.119	August 14, 2023
4.104*†	<a href="#">Amendment Agreement No 1 Spare Parts Supply Temporary Agreement, dated as of April 8, 2024, between Polestar Performance AB and Lynk &amp; Co Automobile Sales Co., Ltd.</a>	20-F	4.120	August 14, 2023
4.105*†	<a href="#">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.</a>	20-F/A	4.121	August 15, 2023
4.106*†	<a href="#">Amendment No. 2 to the Temporary Spare Part Supply Agreement, dated May 7, 2024, between Polestar Performance AB and Lynk &amp; Co Automobile Sales Co., Ltd.</a>	20-F/A	4.123	August 15, 2023
4.107*†	<a href="#">VP, TT and PP Vehicle Supply Agreement (China), dated February 1, 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.</a>	20-F/A	4.124	August 15, 2023
4.108*†	<a href="#">TT and PP Vehicle Supply Agreement (Export), dated as of February 19, 2024, 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.</a>	20-F/A	4.125	August 15, 2023

4.109*†	<a href="#"><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></a>	20-F/A	4.126	August 15, 2023
4.110*†	<a href="#"><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></a>	20-F	4.127	August 14, 2023
4.111*†	<a href="#"><u>Prototype Sale Agreement, effective as of May 1, 2022, between Polestar Automotive China Distribution Co., Ltd and Wuhan Lotus Cars Co., Ltd.</u></a>	20-F	4.128	August 14, 2023
4.112*†	<a href="#"><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></a>	20-F	4.129	August 14, 2023
4.113*†	<a href="#"><u>Know How Transfer Agreement, dated as of September 25, 2023, between Polestar Performance AB and Wuhan Lotus Cars Co., Ltd.</u></a>	20-F	4.130	August 14, 2023
4.114*†	<a href="#"><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></a>	20-F	4.131	August 14, 2023
4.115*†	<a href="#"><u>Outsourcing Framework Agreement, dated as of January 11, 2024, between Polestar Performance AB and Volvo Car Corporation.</u></a>	20-F/A	4.134	August 15, 2023
4.116*†	<a href="#"><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></a>	20-F/A	4.135	August 15, 2023
4.117*†	<a href="#"><u>Manufacturing Agreement, dated as of January 8, 2024, between Polestar Performance AB and Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd.</u></a>	20-F/A	4.136	August 15, 2023
4.118*†	<a href="#"><u>Launch Vehicle Supply Agreement, effective as of May 17, 2023, between Volvo Car Corporation and Polestar Performance AB.</u></a>	20-F	4.137	August 14, 2023
4.119*†	<a href="#"><u>Payment Agreement, dated March 29, 2023, between Volvo Car Corporation and Polestar Performance AB</u></a>	20-F	4.138	August 14, 2023
4.120*†	<a href="#"><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></a>	20-F	4.139	August 14, 2023
4.121*†	<a href="#"><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></a>	20-F	4.14	August 14, 2023

4.122*†	<a href="#"><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></a>	20-F/A	4.141	August 15, 2023
4.123*†	<a href="#"><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></a>	20-F	4.142	August 14, 2023
4.124*†	<a href="#"><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></a>	20-F	4.143	August 14, 2023
4.125*†	<a href="#"><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></a>	20-F/A	4.144	August 15, 2023
4.126*†	<a href="#"><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></a>	20-F/A	4.145	August 15, 2023
4.127*†	<a href="#"><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></a>	20-F	4.146	August 14, 2023
4.128*†	<a href="#"><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></a>	20-F	4.147	August 14, 2023
4.129*†	<a href="#"><u>Launch Vehicle Supply Agreement, dated as of July 10, 2023, between Polestar Performance AB and Volvo Car Corporation.</u></a>	20-F	4.148	August 14, 2023
4.130*†	<a href="#"><u>Service Agreement, dated as of December 14, 2023, between Polestar Performance AB and Volvo Car Corporation</u></a>	20-F	4.149	August 14, 2023
4.131*†	<a href="#"><u>Payment Agreement, dated July 6, 2023, between Volvo Car Corporation and Polestar Performance AB</u></a>	20-F	4.150	August 14, 2023
4.132*†	<a href="#"><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></a>	20-F	4.152	August 14, 2023

4.133*†	<a href="#"><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></a>	20-F	4.153	August 14, 2023
4.134*†	<a href="#"><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></a>	20-F	4.155	August 14, 2023
4.135*†	<a href="#"><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></a>	20-F/A	4.156	August 15, 2023
4.136*†	<a href="#"><u>Service Agreement, dated as of April 3, 2024, between Polestar Performance AB and Volvo Car Corporation</u></a>	20-F/A	4.157	August 15, 2023
4.137*†	<a href="#"><u>Partner Agreement, dated June 4, 2024, between Polestar Automotive Sweden AB and Volvo Car Retail AB</u></a>	20-F/A	4.158	August 15, 2023
4.138*†	<a href="#"><u>Service Agreement, dated as of May 16, 2024, between Polestar Performance AB and Asia Euro Automobile Manufacturing (Taizhou) Co., Ltd.</u></a>	20-F/A	4.159	August 15, 2023
4.139	<a href="#"><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></a>	6-K	10.1	November 8, 2023
4.140	<a href="#"><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></a>	6-K	10.2	November 8, 2023
4.141*†	<a href="#"><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 I LP, GLP New Mobility I LP, Snita Holding B.V., PSD Investment Limited, and Gores Guggenheim Sponsor LLC</u></a>	20-F	4.164	August 14, 2023
4.142	<a href="#"><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></a>	6-K	10.1	February 28, 2024
4.143*†	<a href="#"><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></a>	20-F/A	4.167	August 15, 2023
4.144*†	<a href="#"><u>Amendment Agreement No. 1, dated May 23, 2024, to the Service Agreement, dated as of November 29, 2023, between Zhejiang ZEEKR Automobile Research &amp; Development Co., Ltd and Polestar Performance AB</u></a>	20-F/A	4.168	August 15, 2023

4.145*†	<a href="#">Spare Part Supply Agreement, dated June 26, 2024, between Polestar Performance AB and Lynk &amp; Co Automobile Sales Co., Ltd.</a>	20-F/A	4.169	August 15, 2023
4.146*†	<a href="#">Variation Agreement, dated May 20, 2024, between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited.</a>	20-F/A	4.170	August 15, 2023
4.147*†	<a href="#">Commitment Letter, dated July 26, 2024, between Polestar Performance AB, Volvo Car Distribution (Shanghai) Co., Ltd. and Lynk &amp; Co Automobile Sales Co., Ltd.</a>	20-F/A	4.171	August 15, 2023
4.148*†	<a href="#">Variation Agreement, dated June 14, 2021, between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited.</a>	20-F	4.172	August 14, 2023
4.149*†	<a href="#">Variation Letter, dated December 5, 2023, between Volvo Car Financial Services UK Limited and Polestar Automotive UK Limited.</a>	20-F	4.173	August 14, 2023
4.150*†	<a href="#">Service Agreement, dated July 23, 2024, between Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. and Polestar Performance AB.</a>			
4.151*†	<a href="#">Amended Agreement No. 1, dated August 14, 2024, to Service Agreement, dated as of December 28, 2021, between Ningbo Geely Automobile Research &amp; Development Co., Ltd and Polestar Performance AB.</a>			
4.152*†	<a href="#">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.</a>			
4.153*†	<a href="#">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.</a>			
4.154*†	<a href="#">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.</a>			
4.155*†	<a href="#">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.</a>			
4.156*†	<a href="#">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.</a>			
4.157*†	<a href="#">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.</a>			

4.158*†	<a href="#">Supplement Agreement 2, dated October 25, 2024, to Service Agreement, dated as of December 28, 2021, between Ningbo Geely Automobile Research &amp; Development Co., Ltd and Polestar Performance AB.</a>			
4.159*†	<a href="#">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 &amp; Development Co., Ltd and Polestar Performance AB.</a>			
4.160*†	<a href="#">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.</a>			
4.161*†	<a href="#">Agreement, dated January 15, 2025, between Volvo Personvagnar AB and Polestar Performance AB.</a>			
4.162*†	<a href="#">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.</a>			
4.163*†	<a href="#">Service Agreement, dated February 11, 2025, between Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. and Polestar Performance AB.</a>			
4.164*†	<a href="#">User Right Agreement, dated March 20, 2025, between Polestar Performance AB, the owner, and Volvo US LLC.</a>			
4.165*†	<a href="#">User Right Agreement, dated March 21, 2025, between Polestar Automotive USA Inc., the owner, and Volvo US LLC.</a>			
4.166*	<a href="#">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.</a>	6-K	10.1	August 21, 2024
4.167*†	<a href="#">User Right Agreement, dated March 23, 2025, between Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd and Polestar Automotive China Distribution Co Ltd</a>			
4.168*†+	<a href="#">Employment Agreement, dated August 19, 2024 by and between Polestar Automotive Holding UK PLC, and Michael Lohscheller</a>			
4.169*†+	<a href="#">Employment Agreement, dated July 2, 2024 by and between Polestar Automotive Holding UK PLC, and Jean-Francois Mady.</a>			
4.170*†+	<a href="#">Employment Agreement, dated October 11, 2023, by and between Polestar Automotive Holding UK PLC, and Jonas Engström</a>			
8.1*	<a href="#">Subsidiaries of Polestar Automotive Holding UK PLC</a>			
11.1	<a href="#">Insider Trading Policy</a>			

12.1*	<a href="#">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.</a>
12.2*	<a href="#">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.</a>
13.1***	<a href="#">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.</a>
13.2***	<a href="#">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.</a>
15.1*	<a href="#">Consent of Deloitte AB, independent registered accounting firm to Polestar Automotive Holding UK PLC.</a>
97.1*	<a href="#">Compensation Clawback Policy.</a>
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).

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\* 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

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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**

These 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)
<b>Gross (loss) profit</b>		<b>(876,167)</b>	<b>(410,137)</b>	<b>101,122</b>
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)
<b>Operating loss</b>		<b>(1,813,311)</b>	<b>(1,469,514)</b>	<b>(1,286,568)</b>
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)	—
<b>Loss before income taxes</b>		<b>(2,059,063)</b>	<b>(1,191,327)</b>	<b>(449,260)</b>
Income tax benefit (expense)	13	9,166	9,452	(29,757)
<b>Net loss</b>		<b>(2,049,897)</b>	<b>(1,181,875)</b>	<b>(479,017)</b>
<b>Net loss per share (in U.S. dollars)</b>	14			
Class A - Basic and Diluted		(0.97)	(0.56)	(0.24)
Class B - Basic and Diluted		(0.97)	(0.56)	(0.24)
<b>Consolidated Statement of Comprehensive Loss</b>				
<b>Net loss</b>		<b>(2,049,897)</b>	<b>(1,181,875)</b>	<b>(479,017)</b>
<b>Other comprehensive (loss) income:</b>				
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
<b>Total other comprehensive (loss) income</b>		<b>(37,513)</b>	<b>(10,143)</b>	<b>431</b>
<b>Total comprehensive loss</b>		<b>(2,087,410)</b>	<b>(1,192,018)</b>	<b>(478,586)</b>

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
<b>Balance as of January 1, 2022</b>		<b>(1,865,909)</b>	<b>(35,231)</b>	<b>15,927</b>	<b>1,701,689</b>	<b>(183,524)</b>
Net loss		—	—	—	479,017	479,017
Other comprehensive income		—	—	(431)	—	(431)
<b>Total comprehensive loss</b>		<b>—</b>	<b>—</b>	<b>(431)</b>	<b>479,017</b>	<b>478,586</b>
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)
<b>Balance as of December 31, 2022</b>		<b>(21,165)</b>	<b>(3,584,232)</b>	<b>15,496</b>	<b>3,679,832</b>	<b>89,931</b>
Net loss		—	—	—	1,181,875	1,181,875
Other comprehensive loss		—	—	10,143	—	10,143
<b>Total comprehensive loss</b>		<b>—</b>	<b>—</b>	<b>10,143</b>	<b>1,181,875</b>	<b>1,192,018</b>
Equity-settled share-based payment	8, 22	(3)	(5,390)	—	—	(5,393)
Related party capital contribution	22, 27	—	(25,565)	—	—	(25,565)
<b>Balance as of December 31, 2023</b>		<b>(21,168)</b>	<b>(3,615,187)</b>	<b>25,639</b>	<b>4,861,707</b>	<b>1,250,991</b>
Net loss		—	—	—	2,049,897	2,049,897
Other comprehensive loss		—	—	37,513	—	37,513
<b>Total comprehensive loss</b>		<b>—</b>	<b>—</b>	<b>37,513</b>	<b>2,049,897</b>	<b>2,087,410</b>
Equity-settled share-based payment	8, 22	(1)	(9,840)	—	—	(9,841)
<b>Balance as of December 31, 2024</b>		<b>(21,169)</b>	<b>(3,625,027)</b>	<b>63,152</b>	<b>6,911,604</b>	<b>3,328,560</b>



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
<b>Cash flows from operating activities</b>				
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)
<b>Cash used for operating activities</b>		<b>(991,209)</b>	<b>(1,893,841)</b>	<b>(1,080,951)</b>
<b>Cash flows from investing activities</b>				
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	—
<b>Cash used for investing activities</b>		<b>(412,562)</b>	<b>(417,619)</b>	<b>(709,044)</b>
<b>Cash flows from financing activities</b>				
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

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)
<b>Cash provided by financing activities</b>		<b>1,424,192</b>	<b>2,104,361</b>	<b>2,074,161</b>
Effect of foreign exchange rate changes on cash and cash equivalents	3	(49,448)	1,486	(66,966)
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(29,027)</b>	<b>(205,613)</b>	<b>217,200</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>768,264</b>	<b>973,877</b>	<b>756,677</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>739,237</b>	<b>768,264</b>	<b>973,877</b>

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 Gabrielssons 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 reach 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 <sup>1</sup>	Treasury share <sup>2</sup>
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 directly 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:

<b>Asset</b>	<b>Useful lives (in years)</b>
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			
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:

	Nominal Amount	
	2024	2023
<b>Loans with variable rates:</b>		
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
<b>Total capital</b>	<b>\$ 8,596,745</b>	<b>\$ 7,150,091</b>

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 <sup>1</sup>	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
<b>Total</b>	<b>\$ 2,034,261</b>	<b>\$ 2,368,085</b>	<b>\$ 2,440,818</b>

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
<b>Balance as of January 1, 2023</b>	<b>39,856</b>	<b>28,511</b>	<b>13,035</b>	<b>81,402</b>
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
<b>Balance as of December 31, 2023</b>	<b>\$ 47,505</b>	<b>\$ 39,565</b>	<b>\$ 50,962</b>	<b>\$ 138,032</b>
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)
<b>Balance as of December 31, 2024</b>	<b>\$ 47,091</b>	<b>\$ 43,742</b>	<b>\$ 7,818</b>	<b>\$ 98,651</b>
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 <sup>1</sup>	58,285	39,281	22,396
<b>Total</b>	<b>\$ 2,034,261</b>	<b>\$ 2,368,085</b>	<b>\$ 2,440,818</b>

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
<b>Non-current assets<sup>1</sup></b>		
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 <sup>2</sup>	54,061	72,784
<b>Total</b>	<b>\$ 1,634,729</b>	<b>\$ 1,964,969</b>

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
<b>Total cost of sales, selling, general and administrative expense, and research and development expense</b>	<b>\$ 3,839,481</b>	<b>\$ 3,879,679</b>	<b>\$ 3,354,763</b>

#### 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	—	—
<b>Total employee benefits</b>	<b>\$ 209,148</b>	<b>\$ 235,656</b>	<b>\$ 188,710</b>

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
<b>Total benefits to key management personnel only</b>	<b>\$ 13,524</b>	<b>\$ 8,941</b>	<b>\$ 11,004</b>

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
<b>Total average monthly headcount of the Group</b>	<b>1,931</b>	<b>2,222</b>	<b>1,890</b>

#### 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)
<b>Outstanding as of December 31, 2024</b>	<b>3,739,120</b>	<b>10,726,146</b>	<b>867,648</b>	<b>15,332,914</b>

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)
<b>Outstanding as of December 31, 2023</b>	<b>1,971,076</b>	<b>762,071</b>	<b>—</b>	<b>2,733,147</b>

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
<b>Total</b>	<b>\$ 9,841</b>	<b>\$ 5,393</b>	<b>\$ 9,909</b>

#### 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
<b>Other operating income</b>			
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
<b>Total</b>	<b>\$ 59,432</b>	<b>\$ 100,403</b>	<b>\$ 4,723</b>
	For the year ended December 31,		
	2024	2023	2022
<b>Other operating expense</b>			
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
<b>Total</b>	<b>\$ 67,523</b>	<b>\$ 58,323</b>	<b>\$ 5,028</b>

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)
<b>Balance as of December 31, 2023</b>	<b>\$ —</b>
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)
<b>Balance as of December 31, 2024</b>	<b>\$ —</b>

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

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)
<b>Net liabilities</b>	<b>\$ (100,126)</b>	<b>\$ (31,398)</b>
Less: capital reserves	(30,156)	—
Less: share capital attributable to Xingji Meizu	(16,641)	—
<b>Adjusted net liabilities</b>	<b>\$ (146,923)</b>	<b>\$ (31,398)</b>
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
<b>Carrying amount of the Group's investment in Polestar Times Technology</b>	<b>\$ —</b>	<b>\$ —</b>
Revenue	53,248	1,445
Net loss	(150,864)	(91,247)
Other comprehensive loss	320	—
Total comprehensive loss	(150,544)	(91,247)
<b>The Group's share of losses in Polestar Times Technology</b>	<b>\$ (69,551)</b>	<b>\$ (44,711)</b>

#### 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
<b>Finance income</b>			
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	—
<b>Total</b>	<b>\$ 23,879</b>	<b>\$ 69,565</b>	<b>\$ 8,552</b>
	For the year ended December 31,		
	2024	2023	2022
<b>Finance expense</b>			
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	—
<b>Total</b>	<b>\$ 393,785</b>	<b>\$ 213,242</b>	<b>\$ 108,402</b>

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
<b>Acquisition cost</b>			
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
<b>Balance as of December 31, 2023</b>	<b>\$ 122,613</b>	<b>\$ 49,832</b>	<b>\$ 172,445</b>
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)
<b>Balance as of December 31, 2024</b>	<b>\$ 108,725</b>	<b>\$ 83,075</b>	<b>\$ 191,800</b>
<b>Accumulated depreciation</b>			
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)
<b>Balance as of December 31, 2023</b>	<b>\$ (34,291)</b>	<b>\$ (39,152)</b>	<b>\$ (73,443)</b>
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
<b>Balance as of December 31, 2024</b>	<b>\$ (38,169)</b>	<b>\$ (49,375)</b>	<b>\$ (87,544)</b>
<b>Carrying amount as of December 31, 2023</b>	<b>\$ 88,322</b>	<b>\$ 10,680</b>	<b>\$ 99,002</b>
<b>Carrying amount as of December 31, 2024</b>	<b>\$ 70,556</b>	<b>\$ 33,700</b>	<b>\$ 104,256</b>

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
<b>Total</b>	<b>\$ 135,271</b>	<b>\$ 127,248</b>

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
<b>Total</b>	<b>\$ 163,995</b>	<b>\$ 139,548</b>

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
<b>Acquisition cost</b>	
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
<b>Balance as of December 31, 2023</b>	<b>\$ 141,448</b>
Reclassification from inventories	73,795
Reclassification from PPE	—
Reclassification to inventories	(83,246)
Effect of foreign currency exchange rate differences	(7,925)
<b>Balance as of December 31, 2024</b>	<b>\$ 124,072</b>
<b>Accumulated depreciation &amp; impairment</b>	
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)

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

**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)
<b>Total</b>	<b>\$ 9,166</b>	<b>\$ 9,452</b>	<b>\$ (29,757)</b>

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 <sup>1</sup>	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 <sup>2-3</sup>	(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)
<b>Total</b>	<b>\$ 9,166</b>	<b>\$ 9,452</b>	<b>\$ (29,757)</b>

<sup>1</sup> - 2024: 25% (UK rate), 2023: 23.52% (UK rate), 2022: 19% (UK rate)

<sup>2</sup> - 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.

<sup>3</sup> - 2023: Main non-taxable income attributable to the fair value changes of the earn-out rights, corresponding tax \$104,253. 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
<b>Recognized value of deferred tax assets as of December 31</b>	<b>\$ 115,261</b>	<b>\$ 115,883</b>

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

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
<b>Recognized value of deferred tax liabilities as of December 31</b>	<b>\$ 34,337</b>	<b>\$ 76,882</b>
Netting of asset and liability tax position	(33,707)	(73,547)
<b>Deferred tax liability as of December 31</b>	<b>\$ 630</b>	<b>\$ 3,335</b>

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
<b>Tax loss carryforwards as of December 31</b>	<b>\$ 4,955,863</b>	<b>\$ 3,376,496</b>

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)
<b>Weighted-average number of common shares outstanding:</b>			
Basic and diluted	2,110,285	2,110,069	2,027,328
<b>Net loss per share (in ones):</b>			
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	—	—
<b>Total antidilutive shares</b>	<b>198,510,488</b>	<b>185,910,721</b>	<b>184,620,015</b>

#### 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
<b>Total</b>	<b>\$ 1,040,849</b>	<b>\$ 1,418,707</b>

Intangible assets were as follows:

	Internally developed IP	Software	Acquired IP	Total
<b>Acquisition cost</b>				
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
<b>Balance as of December 31, 2023</b>	<b>\$ 310,450</b>	<b>\$ 11,380</b>	<b>\$ 1,836,487</b>	<b>\$ 2,158,317</b>
Additions <sup>1</sup>	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)
<b>Balance as of December 31, 2024</b>	<b>\$ 455,029</b>	<b>\$ 11,665</b>	<b>\$ 1,811,120</b>	<b>\$ 2,277,814</b>
<b>Accumulated amortization and impairment</b>				
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)
<b>Balance as of December 31, 2023</b>	<b>\$ (18,789)</b>	<b>\$ (1,548)</b>	<b>\$ (769,721)</b>	<b>\$ (790,058)</b>
Amortization expense	—	(2,055)	(6,310)	(8,365)
Amortization expense capitalized into inventory	(1,581)	—	(49,592)	(51,173)
Impairment loss <sup>2</sup>	(313,868)	(1,029)	(161,963)	(476,860)
Effect of foreign currency exchange differences	1,750	252	41,521	43,523
<b>Balance as of December 31, 2024</b>	<b>\$ (332,488)</b>	<b>\$ (4,380)</b>	<b>\$ (946,065)</b>	<b>\$ (1,282,933)</b>

<b>Carrying amount as of December 31, 2023</b>	<b>\$ 291,661</b>	<b>\$ 9,832</b>	<b>\$ 1,066,766</b>	<b>\$ 1,368,259</b>
<b>Carrying amount as of December 31, 2024</b>	<b>\$ 122,541</b>	<b>\$ 7,285</b>	<b>\$ 865,055</b>	<b>\$ 994,881</b>

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
<b>Balance as of December 31, 2023</b>	<b>\$ 48,061</b>	<b>\$ 2,387</b>	<b>\$ 50,448</b>
Impairment loss	—	—	—
Effect of foreign currency exchange rate differences	(4,268)	(212)	(4,480)
<b>Balance as of December 31, 2024</b>	<b>\$ 43,793</b>	<b>\$ 2,175</b>	<b>\$ 45,968</b>

#### 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
<b>Acquisition cost</b>				
Balance as of January 1, 2023	4,070	175,684	160,280	340,034
Additions <sup>1</sup>	4,699	81,253	122,869	208,821
Divestments and disposals	(313)	(47,419)	—	(47,732)
Reclassifications <sup>2</sup>	433	(27,606)	(29,726)	(56,899)
Effect of foreign currency exchange rate differences	27	(967)	(1,785)	(2,725)
<b>Balance as of December 31, 2023</b>	<b>\$ 8,916</b>	<b>\$ 180,945</b>	<b>\$ 251,638</b>	<b>\$ 441,499</b>
Additions <sup>1</sup>	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)
<b>Balance as of December 31, 2024</b>	<b>\$ 10,866</b>	<b>\$ 476,162</b>	<b>\$ 166,196</b>	<b>\$ 653,224</b>
<b>Depreciation and impairment</b>				
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 <sup>3</sup>	—	(21,511)	(579)	(22,090)
Reclassifications <sup>2</sup>	(6)	9,879	—	9,873
Effect of foreign currency exchange rate differences	(3)	233	—	230
<b>Balance as of December 31, 2023</b>	<b>\$ (2,709)</b>	<b>\$ (61,174)</b>	<b>\$ (579)</b>	<b>\$ (64,462)</b>
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 <sup>4</sup>	—	(65,222)	(72,121)	(137,343)
Effect of foreign currency exchange rate differences	239	1,856	—	2,095
<b>Balance as of December 31, 2024</b>	<b>(4,154)</b>	<b>(142,883)</b>	<b>(72,700)</b>	<b>(219,737)</b>
<b>Carrying amount at December 31, 2023</b>	<b>\$ 6,207</b>	<b>\$ 119,771</b>	<b>\$ 251,059</b>	<b>\$ 377,037</b>
<b>Carrying amount at December 31, 2024</b>	<b>\$ 6,712</b>	<b>\$ 333,279</b>	<b>\$ 93,496</b>	<b>\$ 433,487</b>

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 CGLU 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 CGLU, Polestar 5 CGLU, and Polestar 6 CGLU 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:

	As of December 31, 2024				As of December 31, 2023			
Assets measured at FVTPL	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:

	<b>As of December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Financial assets</b>		
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
<b>Total financial assets measured at amortized cost</b>	<b>\$ 1,021,266</b>	<b>\$ 1,155,674</b>
<b>Financial liabilities</b>		
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 <sup>1</sup>	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 <sup>2</sup>	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 <sup>1</sup>	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
<b>Total financial liabilities measured at amortized cost</b>	<b>\$ 6,933,600</b>	<b>\$ 4,951,891</b>

<sup>1</sup> - 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.

<sup>2</sup> - 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
<b>Financial assets</b>				
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
<b>Total financial assets measured at amortized cost</b>	<b>\$ 245,101</b>	<b>\$ 34,670</b>	<b>\$ 2,258</b>	<b>\$ 282,029</b>
<b>Financial liabilities</b>				
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
<b>Total financial liabilities measured at amortized cost</b>	<b>\$ 4,476,791</b>	<b>\$ 2,398,533</b>	<b>\$ 58,276</b>	<b>\$ 6,933,600</b>

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
<b>Financial assets</b>				
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
<b>Total financial assets measured at amortized cost</b>	<b>\$ 375,843</b>	<b>\$ 11,567</b>	<b>\$ —</b>	<b>\$ 387,410</b>
<b>Financial liabilities</b>				
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
<b>Total financial liabilities measured at amortized cost</b>	<b>\$ 3,417,955</b>	<b>\$ 1,522,467</b>	<b>\$ 11,471</b>	<b>\$ 4,951,893</b>

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)
<b>Total SPAC identifiable net assets at fair value</b>	<b>\$ 522,106</b>

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 <sup>1</sup>	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 <sup>1</sup>	1,131,375
GGI identifiable net assets at fair value	(522,106)
Sponsor and third-party PIPE Cash	(236,951)
<b>IFRS 2 Listing Expense</b>	<b>\$ 372,318</b>

<sup>1</sup> - 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
<b>Total</b>	<b>\$ 3,500</b>	<b>24,999,965</b>	<b>\$ 6,000</b>	<b>24,999,965</b>

	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)
<b>As of December 31, 2023</b>	<b>\$ 4,920</b>
Change in fair value measurement	(2,050)
<b>As of December 31, 2024</b>	<b>\$ 2,870</b>

	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)
<b>As of December 31, 2023</b>	<b>\$ 1,080</b>
Change in fair value measurement	(450)
<b>As of December 31, 2024</b>	<b>\$ 630</b>

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
<b>Fair value change - Class C Shares</b>	<b>\$ 2,500</b>	<b>\$ 22,000</b>	<b>\$ 35,090</b>

#### 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)
<b>As of December 31, 2023</b>	<b>\$ 155,402</b>
Change in fair value measurement	(126,624)
<b>As of December 31, 2024</b>	<b>\$ 28,778</b>

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
<b>2024</b>					
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
<b>Net trade receivables</b>	<b>\$ 108,391</b>	<b>\$ 48,444</b>	<b>\$ 7,581</b>	<b>\$ 25,833</b>	<b>\$ 190,249</b>
<b>2023</b>					
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
<b>Net trade receivables</b>	<b>\$ 115,740</b>	<b>\$ 57,144</b>	<b>\$ 9,046</b>	<b>\$ 5,812</b>	<b>\$ 187,742</b>

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)
<b>Total</b>	<b>\$ 1,079,361</b>	<b>\$ 927,686</b>

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
<b>Total</b>	<b>\$ 238,907</b>	<b>\$ 214,228</b>

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>				
<b>Balance as of January 1, 2022</b>	<b>197,026,729</b>	<b>35,377,866</b>	<b>(1,865,909)</b>	<b>(35,231)</b>
Issuance during the period	—	—	—	—
<b>Balance as of June 23, 2022</b>	<b>197,026,729</b>	<b>35,377,866</b>	<b>\$ (1,865,909)</b>	<b>\$ (35,231)</b>
<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 <sup>1</sup>	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)
<b>Balance as of December 31, 2022</b>	<b>467,677,673</b>	<b>1,642,233,575</b>	<b>\$ (21,165)</b>	<b>\$ (3,584,232)</b>
Equity-settled share-based payment	299,075	—	(3)	(5,390)
Related party capital contribution <sup>2</sup>	—	—	—	(25,565)
<b>Balance as of December 31, 2023</b>	<b>467,976,748</b>	<b>1,642,233,575</b>	<b>\$ (21,168)</b>	<b>\$ (3,615,187)</b>
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)
<b>Balance as of December 31, 2024</b>	<b>2,060,461,997</b>	<b>49,892,575</b>	<b>\$ (21,169)</b>	<b>\$ (3,625,027)</b>

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
<b>Balance as of January 1, 2023</b>	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
<b>Balance as of December 31, 2023</b>	<b>\$ 144,693</b>	<b>\$ 3,222</b>	<b>\$ 35,676</b>	<b>\$ 8,762</b>	<b>\$ 192,353</b>
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
<b>Balance as of January 1, 2024</b>	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)
<b>Balance as of December 31, 2024</b>	<b>\$ 128,591</b>	<b>\$ 902</b>	<b>\$ 27,135</b>	<b>\$ 10,898</b>	<b>\$ 167,526</b>
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	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
<b>Total</b>	<b>\$ 740,577</b>	<b>\$ 489,747</b>

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
<b>Total</b>	<b>\$ 71,398</b>	<b>\$ 127,423</b>

#### 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
<b>Current</b>		
Working capital loans from banks	2,414,763	1,923,755
Floorplan facilities	89,471	75,963
Sale-leaseback facilities	8,160	26,947
<b>Total</b>	<b>\$ 2,512,394</b>	<b>\$ 2,026,665</b>
<b>Non-Current</b>		
Syndicated loans from banks	927,235	—
<b>Total</b>	<b>\$ 927,235</b>	<b>\$ —</b>
<b>Total liabilities to credit institutions</b>	<b>\$ 3,439,629</b>	<b>\$ 2,026,665</b>

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 <sup>6</sup>	12 month LPR <sup>3</sup> plus 1.05% settled quarterly	177,000	24,249
CNY	April 2024 - April 2025	Unsecured <sup>6</sup>	12 month LPR <sup>3</sup> plus 0.35% settled quarterly	473,000	64,802
CNY	May 2024 - May 2025	Unsecured <sup>6</sup>	12 month LPR <sup>3</sup> plus 0.35% settled quarterly	88,000	12,056
CNY	June 2024 - June 2025	Unsecured <sup>6</sup>	12 month LPR <sup>3</sup> plus 0.85% settled quarterly	231,000	31,647
USD	August 2024 - June 2025	Unsecured <sup>6</sup>	7.8% per annum, settled quarterly	196,000	196,000
USD	August 2024 - August 2025	Secured <sup>1</sup>	12 month Term SOFR <sup>5</sup> plus 0.55% settled quarterly	320,000	320,000
USD	August 2024 - August 2025	Unsecured <sup>6</sup>	12 month Term SOFR <sup>5</sup> plus 0.55% settled quarterly	82,000	82,000
USD	August 2024 - August 2025	Secured <sup>1</sup>	12 month Term SOFR <sup>5</sup> plus 1.15% settled on maturity	100,000	100,000
USD	September 2024 - March 2025	Secured <sup>1</sup>	6.9% per annum, settled monthly	100,000	100,000

USD	September 2024 - June 2025	Unsecured <sup>6</sup>	7.8% per annum, settled quarterly	104,000	104,000
CNY	September 2024 - September 2025	Unsecured <sup>6</sup>	12 month LPR <sup>3</sup> plus 0.45% settled quarterly	39,000	5,343
USD	September 2024 - September 2025	Secured <sup>1</sup>	12 month Term SOFR <sup>5</sup> plus 1.15% settled on maturity	100,000	100,000
USD	September 2024 - September 2025	Secured <sup>1</sup>	12 month Term SOFR <sup>5</sup> plus 1.1% settled on maturity	100,000	100,000
EUR	October 2024 - February 2025	Secured <sup>2</sup>	3 month EURIBOR <sup>4</sup> plus 2.3% settled on maturity	361,886	375,548
USD	December 2024 - January 2025	Secured <sup>1</sup>	1 month Term SOFR <sup>5</sup> plus 1% settled on maturity	25,000	25,000
USD	December 2024 - January 2025	Secured <sup>1</sup>	1 month Term SOFR <sup>5</sup> plus 1% settled on maturity	50,000	50,000
USD	December 2024 - February 2025	Secured <sup>1</sup>	1 month Term SOFR <sup>5</sup> plus 1% settled on maturity	50,000	50,000
USD	December 2024 - February 2025	Secured <sup>1</sup>	1 month Term SOFR <sup>5</sup> plus 1% settled on maturity	25,000	25,000
USD	December 2024 - December 2025	Unsecured <sup>6</sup>	12 month Term SOFR <sup>5</sup> plus 0.3% settled quarterly	41,650	41,650
USD	December 2024 - December 2025	Unsecured <sup>6</sup>	12 month Term SOFR <sup>5</sup> plus 0.3% settled quarterly	58,350	58,350
USD	December 2024 - December 2025	Unsecured <sup>6</sup>	12 month Term SOFR <sup>5</sup> plus 0.3% settled quarterly	11,200	11,200
CNY	December 2024 - December 2025	Unsecured <sup>6,7</sup>	12 month LPR3 plus 1.4% settled monthly	2,000,000	274,000
CNY	December 2024 - December 2025	Secured <sup>1,7</sup>	12 month LPR3 plus 1.4% settled monthly	1,000,000	137,000
CNY	December 2024 - December 2025	Unsecured <sup>6</sup>	12 month LPR3 plus 0.9% settled quarterly	14,000	1,918
USD	December 2024 - December 2025	Secured <sup>1</sup>	12 month Term SOFR <sup>5</sup> plus 1.1% settled on maturity	125,000	125,000
<b>Total</b>				<b>\$</b>	<b>2,414,763</b>

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 <sup>2,3,6</sup>	3 month Term SOFR <sup>1</sup> plus 3.35%	583,489	577,785
EUR	February 2024 - February 2027	Unsecured <sup>2,3,6</sup>	3 month EURIBOR <sup>4</sup> plus 2.85%	340,000	349,450
<b>Total</b>				<b>\$</b>	<b>927,235</b>

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

<sup>1</sup> - 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.  
<sup>2</sup> - Euro Interbank Offered Rate ("EURIBOR").  
<sup>3</sup> - People's Bank of China ("PBOC") Loan Prime Rate ("LPR").  
<sup>4</sup> - Secured by Geely, including letters of keep well from both Volvo Cars and Geely.  
<sup>5</sup> - Secured Overnight Financing Rate ("SOFR").  
<sup>6</sup> - 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:

Non-cash investing and financing activities	For the year ended December 31,		
	2024	2023	2022
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
<b>Changes from financing cash flows</b>						
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)
<b>Total changes from financing cash flows</b>	<b>\$ 694,364</b>	<b>\$ 1,250,000</b>	<b>\$ 158,254</b>	<b>\$ —</b>	<b>\$ (21,916)</b>	<b>\$ 2,080,702</b>
<b>Changes from other items</b>						
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)
<b>Total changes from other items</b>	<b>\$ 7,187</b>	<b>\$ 17,705</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 51,740</b>	<b>\$ 76,632</b>
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 measurement	—	(359)	—	—	—	(359)
<b>Balance as of December 31, 2023</b>	<b>\$ 2,036,755</b>	<b>\$ 1,274,899</b>	<b>\$ 176,614</b>	<b>\$ 161,402</b>	<b>\$ 127,248</b>	<b>\$ 3,776,918</b>
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
<b>Balance as of January 1, 2024</b>	<b>\$ 2,036,755</b>	<b>\$ 1,274,899</b>	<b>\$ 176,614</b>	<b>\$ 161,402</b>	<b>\$ 127,248</b>	<b>\$ 3,776,918</b>
<b>Changes from financing cash flows</b>						
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)
<b>Total changes from financing cash flows</b>	<b>\$ 1,456,054</b>	<b>\$ —</b>	<b>\$ 3,784</b>	<b>\$ —</b>	<b>\$ (35,646)</b>	<b>\$ 1,424,192</b>
<b>Changes from other items</b>						
Initial recognition of lease liabilities	—	—	—	—	70,078	70,078
Cancellation of lease liabilities	—	—	—	—	(21,151)	(21,151)
Interest expense <sup>1</sup>	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
<b>Total changes from other items</b>	<b>\$ 11,924</b>	<b>\$ 22,747</b>	<b>\$ 6,689</b>	<b>\$ —</b>	<b>\$ 48,927</b>	<b>\$ 90,287</b>

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)
<b>Balance as of December 31, 2024</b>	<b>\$ 3,458,272</b>	<b>\$ 1,300,407</b>	<b>\$ 180,222</b>	<b>\$ 32,278</b>	<b>\$ 135,271</b>	<b>\$ 5,106,450</b>
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 GGL, 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	• 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	• No material agreements were signed in the years ended December 31, 2024, 2023, and 2022.

PS4	<ul style="list-style-type: none"> <li>On December 23, 2024, October 25, 2024 and August 14, 2024 Polestar entered into supplement and amendment agreements regarding the R&amp;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.</li> <li>On July 23, 2024, Polestar entered into a R&amp;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.</li> <li>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.</li> </ul>
PS5 & PS6	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

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"> <li>No material agreements were signed in the years ended December 31, 2024, 2023, and 2022.</li> </ul>

PS3	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>
PS4	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>
PS5 & PS6	<ul style="list-style-type: none"> <li>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.</li> </ul>

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 <sup>1</sup>	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	—
<b>Total</b>	<b>\$ 276,313</b>	<b>\$ 138,674</b>	<b>\$ 132,949</b>

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
<b>Total</b>	<b>\$ 2,222,110</b>	<b>\$ 2,602,551</b>	<b>\$ 2,465,762</b>

#### 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.

	As of December 31,	
	2024	2023
<b>Trade payables – related parties, accrued expenses, and other current liabilities to related parties</b>		
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
<b>Total</b>	<b>\$ 1,109,876</b>	<b>\$ 722,968</b>

As of December 31,

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

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

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

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

#### 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.

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

#### 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	—
<b>Total</b>	<b>\$ 351,884</b>	<b>\$ 60,965</b>	<b>\$ 232,784</b>	<b>\$ 58,135</b>

##### 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.

## **AMENDMENT AND RESTATEMENT AGREEMENT**

**dated 26 FEBRUARY 2023**

**between**

**POLESTAR PERFORMANCE AB**

**as Borrower and Obligors' Agent**

**STANDARD CHARTERED BANK**

**as Agent**

**and**

**STANDARD CHARTERED BANK**

**as Security Agent**

**relating to a EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) originally dated 28 February 2022 as amended and/or restated from time to time, and as may be further amended and/or restated from time to time**

**ALLEN & OVERY**

**Allen & Overy LLP**

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THIS AGREEMENT is dated 26 February 2023 and made

**BETWEEN:**

- (1) **POLESTAR PERFORMANCE AB**, a Swedish limited liability company incorporated in Sweden with corporate identity number 556653-3096 and registered address Assar Gabrielssons väg 9, 405 31 Göteborg, Sweden as borrower for itself and as agent for each other Obligor (the **Borrower**);
- (2) **STANDARD CHARTERED BANK**, incorporated in England by Royal Charter 1853 with registration number ZC 000018 and principal office at 1 Basinghall Avenue, London EC2V 5DD, United Kingdom as agent of the other Finance Parties (the **Agent**); and
- (3) **STANDARD CHARTERED BANK**, incorporated in England by Royal Charter 1853 with registration number ZC 000018 and principal office at 1 Basinghall Avenue, London EC2V 5DD, United Kingdom as security trustee for the Secured Parties (the **Security Agent**).

**BACKGROUND**

- (A) This Agreement is supplemental to, amends and extends the EUR 350,000,000 single currency uncommitted green trade finance facility originally dated 28 February 2022, as amended and restated from time to time between among others, the Borrower and the Agent (the **Trade Finance Facility Agreement**).
- (B) All Lenders (as defined in the Trade Finance Facility Agreement) have consented to the amendments and extension to the Trade Finance Facility Agreement contemplated by this Agreement. Accordingly, the Agent is authorised to execute this Agreement on behalf of the Finance Parties.
- (C) Each Obligor (other than the Borrower) has appointed the Borrower to act on its behalf as its agent in relation to the Finance Documents. Accordingly, the Borrower is authorised to execute this Agreement on behalf of each of the other Obligors and each Obligor is bound by this Agreement and the Amended Trade Finance Facility Agreement as though the Obligor itself had executed this Agreement.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 Definitions**

In this Agreement:

**Amended Trade Finance Facility Agreement** means the Trade Finance Facility Agreement as amended and restated by this Agreement.

**Effective Date** means, subject to Clause 2(b) below, 28 February 2023 or such other date as the Borrower and the Agent may agree.

**1.2 Construction**

- (a) Capitalised terms defined in the Trade Finance Facility Agreement have, unless expressly defined in this Agreement, the same meaning in this Agreement.
-

- (b) The provisions of clause 1.2 (Construction), 1.4 (Third party rights) and 42 (Enforcement) of the Trade Finance Facility Agreement apply to this Agreement as though they were set out in full in this Agreement except that references to the Trade Finance Facility Agreement are to be construed as references to this Agreement.

## **2. AMENDMENTS**

- (a) Subject as set out below, the Trade Finance Facility Agreement will be amended from the Effective Date so that it reads as if it were restated in the form set out in Schedule 2 (Amended and Restated Trade Finance Facility Agreement).
- (b) The Effective Date will not occur unless the Agent notifies the Borrower and the Lenders that it has received all of the documents and other evidence set out in Schedule 1 (Conditions precedent) in form and substance satisfactory to the Agent on or prior to 28 February 2023 or such other date as the Borrower and the Agent may agree (except, in respect of a document or other evidence, to the extent that the Agent, acting on the instructions of the Majority Lenders, has waived the requirement to receive that document or evidence). The Agent shall give this notification promptly upon being so satisfied. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

## **3. REPRESENTATIONS AND GUARANTEE CONFIRMATION**

### **3.1 Representations**

- (a) The Borrower (for itself and in its capacity as Obligors' Agent on behalf of each of the Guarantors) represents and warrants to each Finance Party that, on the date of this Agreement and (if different) on the Effective Date, the Repeating Representations:
    - (A) are true and correct; and
    - (B) would also be correct if references to the Trade Finance Facility Agreement were construed as references to the Amended Trade Finance Facility Agreement.
  - (b) The Borrower represents and warrants (in its capacity as Obligors' Agent on behalf of each of the Guarantors) that, on the date of this Agreement and (if different) on the Effective Date:
    - (A) in respect of the formalities certificate of Polestar Automotive USA Inc. dated 14 March 2022 and addressed to the Finance Parties:
      - I. its organisational documents attached as "Attachment A" therein remain correct, complete and in full force and effect and have not been amended or superseded; and
      - II. the written consent of its directors attached as "Attachment B" therein remains correct, complete and in full force and effect and has not been amended or superseded;
    - (B) in respect of the formalities certificate of Polestar Automotive Netherlands B.V. dated 14 March 2022 and addressed to the Finance Parties:
-

- I. its constitutional documents attached as “Attachment A” therein remain correct, complete and in full force and effect and have not been amended or superseded; and
    - II. the written resolutions of its directors attached as “Attachment B” therein remain correct, complete and in full force and effect and have not been amended or superseded;
  - (C) in respect of the formalities certificate of Polestar Automotive UK Limited dated 14 March 2022 and addressed to the Finance Parties:
    - I. its constitutional documents attached as “Attachment A” therein remain correct, complete and in full force and effect and have not been amended or superseded; and
    - II. the written resolutions of its directors attached as “Attachment B” therein remain correct, complete and in full force and effect and have not been amended or superseded;
  - (D) in respect of the formalities certificate of Polestar Automotive Germany GmbH dated 14 March 2022 and addressed to the Finance Parties:
    - I. its constitutional documents attached as “Schedule 1” therein remain correct, complete and in full force and effect and have not been amended or superseded except that Alexander Lutz has resigned as managing director of Polestar Automotive Germany GmbH and has been replaced by Willem Baudewijns with retroactive effect as of 1 May 2022 by way of a shareholder resolution dated 13 July 2022. Such resignation and appointment has been registered in the commercial register (*Handelsregister*) at the local court (*Amtsgericht*) of Cologne (Köln) in respect of Polestar Automotive Germany GmbH; and
    - II. the written resolutions of its shareholder attached as “Schedule 2” therein remain correct, complete and in full force and effect and have not been amended or superseded;
  - (E) in respect of the formalities certificate of Polestar Automotive Norway AS dated 14 March 2022 and addressed to the Finance Parties:
    - I. (except for its certificate of registration which was replaced by the one appended to the certificate issued by the Borrower under paragraph 1(c) of Schedule 1) its constitutional documents attached as “Attachment A” therein remain correct, complete and in full force and effect and have not been amended or superseded; and
    - II. the written resolutions of its directors attached as “Attachment B” therein remain correct, complete and in full force and effect and have not been amended or superseded;
  - (F) in respect of the formalities certificate of Polestar Automotive Sweden AB dated 14 March 2022 and addressed to the Finance Parties:
-

- I. (except for its certificate of registration which was replaced by the one appended to the certificate issued by the Borrower under paragraph 1(c) of Schedule 1) its constitutional documents attached as "Attachment A" therein remain correct, complete and in full force and effect and have not been amended or superseded; and
  - II. the written resolutions of its directors attached as "Attachment B" therein remain correct, complete and in full force and effect and have not been amended or superseded.
- (ii) The Borrower represents and warrants that, on the date of this Agreement and (if different) on the Effective Date:
- (A) it is and remains authorised by each Guarantor to act as Obligors' Agent in accordance with clause 2.7 (*Obligors' agent*) of the Trade Finance Facility Agreement and that the terms of its appointment as Obligors' Agent under such clause remains in full force and effect and has not been amended, revoked, withdrawn or superseded as at the date of this Agreement;
  - (B) the Borrower has authority from each Obligor to enter into this Agreement on behalf of that Obligor, notwithstanding that this Agreement may affect the Obligor, without further reference to or the consent of that Obligor;
  - (C) it is authorised in its capacity as Obligors' Agent to provide the confirmations set out in Clause 3.2 (Guarantee Confirmation) below on behalf of each Guarantor and to execute this Agreement for and on behalf of each Guarantor; and
  - (D) each Obligor is bound by this Agreement and the Amended Trade Finance Facility Agreement as though the Obligor itself has executed this Agreement.

### 3.2 Guarantee confirmation

On the date of this Agreement and (if different) on the Effective Date, the Borrower confirms (in its capacity as Obligors' Agent on behalf of each of the Guarantors) that, notwithstanding the amendments to be made to the Trade Finance Facility Agreement by virtue of this Agreement, the guarantees granted by each of the Guarantors under clause 17 (*Guarantee and Indemnity*) of the Trade Finance Facility Agreement in favour of the Finance Parties will:

- (a) continue in full force and effect on the terms of the Amended Trade Finance Facility Agreement; and
- (b) extend to the obligations of the Obligors under the Finance Documents (including the Amended Trade Finance Facility Agreement),

in each case, subject to any limitations set out in clauses 17.10 (*Guarantee limitations – Germany*), 17.11 (*Guarantee limitations – Norway*) and 17.12 (*Guarantee limitations – Sweden*) of the Amended Trade Finance Facility Agreement.

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#### **4. CONSENTS**

On the Effective Date, the Borrower (for itself and in its capacity as Obligors' Agent on behalf of each of the Obligors):

- (a) confirms its acceptance of the Amended Trade Finance Facility Agreement;
- (b) agrees that it is bound as an Obligor by the terms of the Amended Trade Finance Facility Agreement.

#### **5. SECURITY**

- (a) On the Effective Date, the Borrower (for itself and in its capacity as Obligors' Agent on behalf of each of the Obligors) confirms that:
  - (i) any Security (as defined in the Transaction Security Documents) created by it and any other Obligor under the Transaction Security Documents extends to the obligations of the Obligors under the Finance Documents (including the Amended Trade Finance Facility Agreement) subject to any limitations set out in the Transaction Security Documents;
  - (ii) the obligations of the Obligors arising under the Amended Trade Finance Facility Agreement are included in the Secured Obligations (as defined in the Transaction Security Documents) subject to any limitations set out in the Security Documents; and
  - (iii) the Security (as defined in the Transaction Security Documents) created under the Security Documents continue in full force and effect on the terms of the respective Security Documents.
- (b) No part of this Agreement will create, creates or is intended to create, a registrable Security (as defined in the Transaction Security Documents).

#### **6. ROLLOVER OF AFFECTED LOANS**

- (a) Notwithstanding any other term of this Agreement or the Amended Trade Finance Facility Agreement to the contrary, with effect from the Effective Date the Parties agree that:
    - (i) any Affected Loan will be deemed to have had an Interest Period of a duration of 90 days from its Utilisation Date;
    - (ii) for the purposes of calculating interest on an Affected Loan:
      - (A) the applicable Margin shall be 2.10% per annum for the entirety of the deemed 90 day Interest Period; and
      - (B) the applicable EURIBOR shall be determined based on a period of 90 days starting from the relevant Utilisation Date, but otherwise calculated in accordance with the terms of the Trade Finance Facility Agreement; and
    - (iii) for the avoidance of doubt, each Affected Loan will be due for repayment upon the expiry of the deemed 90 day Interest Period, not on 28 February 2023.
-

- (b) For the purposes of this Clause 6:

**Affected Loan** means any Loan:

- (i) with its Utilisation Date falling within the Affected Period; and
- (ii) which, but for the terms of this Agreement, would be due for repayment on 28 February 2023; and

**Affected Period** means the period commencing on the date falling 90 days prior to 28 February 2023 and ending on 27 February 2023.

- (c) The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Finance Party against any Break Cost incurred by that Finance Party in connection with the treatment of Affected Loans pursuant to this Clause 6 (other than by reason of default or negligence by the relevant Finance Party alone).

## 7. MISCELLANEOUS

- (a) Each of this Agreement, the Amended Trade Finance Facility Agreement and the release agreement relating to the Deed of Subordination referred to in paragraph 3(d) of Schedule 1 (Conditions precedent) is a Finance Document.
- (b) Subject to the terms of this Agreement, the Trade Finance Facility Agreement will remain in full force and effect and, from the Effective Date, the Trade Finance Facility Agreement and this Agreement will be read and construed as one document.
- (c) Except to the extent expressly stated in this Agreement, no waiver is given by this Agreement, and the Finance Parties expressly reserve all their rights and remedies in respect of any breach of, or other Default under, a Finance Document.

## 8. CONTRACTUAL RECOGNITION OF BAIL-IN

The provisions of clause 39 (Contractual recognition of bail-in) of the Trade Finance Facility Agreement apply to this Agreement as though they were set out in full in this Agreement except that references to any Finance Document are to be construed as references to this Agreement and references to the parties to the Trade Finance Facility Agreement are to be construed as references to the parties to this Agreement.

## 9. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

**THIS Agreement has been entered into on the date stated at the beginning of this Agreement.**

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**SCHEDULE 1**  
**CONDITIONS PRECEDENT**

**1. The Obligors**

- (a) A copy of the constitutional documents of the Borrower.
- (b) A copy of a resolution of the board of directors of the Borrower approving the terms of, and the transactions contemplated by this Agreement):
  - (i) approving the terms of, and the transactions contemplated by, this Agreement and resolving that it execute this Agreement (for itself and in its capacity as Obligors' Agent);
  - (ii) authorising a specified person or persons to execute this Agreement (for itself and in its capacity as Obligors' Agent); and
  - (iii) authorising a specified person or persons, on its behalf (for itself and in its capacity as Obligors' Agent), to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with, this Agreement.
- (c) A certificate of the Borrower (signed by an authorised signatory) certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- (d) A certificate of each Guarantor (signed by an authorised signatory) confirming that:
  - (i) the authority of the Borrower to act on its behalf as Obligors' Agent (pursuant to clause 2.7 (*Obligors' Agent*) of the Trade Finance Facility Agreement) has not been revoked by the Guarantor and continues in respect of the authority of the Obligors' Agent to enter into this Agreement on its behalf; and
  - (ii) it is aware of the specific amendments proposed to be made to the Trade Finance Facility Agreement pursuant to the terms of this Agreement including (without limitation) the extension of the Termination Date of the Trade Finance Facility Agreement and approves:
    - (A) the entering into by the Obligors' Agent to this Agreement on behalf of the Company; and
    - (B) the Agent's release of the Deed of Subordination.

**2. Legal opinions**

- (a) A legal opinion Norton Rose Fulbright LLP, legal advisers to the Agent in England, substantially in the form distributed to the Lenders prior to signing this Agreement.
- (b) A legal opinion Setterwalls Advokatbyrå AB, legal advisers to the Agent in Sweden, substantially in the form distributed to the Lenders prior to signing this Agreement.

**3. Other documents and evidence**

- (a) A Group Structure Chart.
-

- (b) Letter of comfort from PSD Investment Limited (and endorsed by Zhejiang Geely Holding Group Co., Ltd.) substantially in the form set out in Schedule 14 (*Form of PSD Letter of Comfort*) of the Trade Finance Facility Agreement for a period equal to or longer than the First Extended Termination Date.
  - (c) Letter of comfort from SNITA Holding B.V. (and endorsed by Volvo Car Corporation) substantially in the form set out in Schedule 13 (*Form of SNITA Letter of Comfort*) of the Trade Finance Facility Agreement for a period equal to or longer than the First Extended Termination Date.
  - (d) A release agreement relating to the Deed of Subordination, executed by the Agent.
  - (e) Evidence that any fees, costs and expenses then due from the Borrower under this Agreement, the Amended Trade Finance Facility Agreement (including those outlined clauses 11 (*Fee Letters*) and 16 (*Costs and expenses*) of the Amended Trade Finance Facility Agreement) have been paid or will be paid in any event by the first Utilisation Date under the Amended Trade Finance Facility Agreement.
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**SCHEDULE 2**

**AMENDED AND RESTATED TRADE FINANCE FACILITY AGREEMENT**

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Originally dated 28 February 2022, as  
amended by an amendment and  
restatement agreement dated \_\_\_\_26  
February\_\_\_\_2023

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**POLESTAR PERFORMANCE AB**  
as Borrower

arranged by  
**STANDARD CHARTERED BANK**  
**NORDEA BANK ABP, FILIAL I SVERIGE**  
as Original Mandated Lead Arranger

and

**CITIBANK EUROPE PLC**  
**ING BELGIUM SA/NV**  
as Original Lead Arranger

with

**STANDARD CHARTERED BANK**  
as Agent, Security Agent and Structuring Bank

and

**THE FINANCIAL INSTITUTIONS** listed in Part 2 of Schedule 1  
as Original Lenders

and

**THE SUBSIDIARIES OF THE BORROWER** listed in Part 1 of Schedule 1  
as Original Guarantors

**EUR 350,000,000 SINGLE CURRENCY UNCOMMITTED**  
**GREEN TRADE FINANCE FACILITY TOGETHER WITH AN**  
**ACCORDION FACILITY OF UP TO EUR 250,000,000**

^  
**NORTON ROSE FULBRIGHT**

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**THIS AGREEMENT** is originally dated 28 February 2022, as amended by an amendment and restatement agreement dated 26 February 2023 and made between:

- (1) **POLESTAR PERFORMANCE AB**, a Swedish limited liability company incorporated in Sweden with corporate identity number 556653-3096 and registered address Assar Gabrielssons väg 9, 405 31 Göteborg, Sweden as borrower (the **Borrower**);
- (2) **THE SUBSIDIARIES** of the Borrower listed in Part 1 of Schedule 1 as original guarantors (the **Original Guarantors**);
- (3) **STANDARD CHARTERED BANK**, incorporated in England by Royal Charter 1853 with registration number ZC 000018 and principal office at 1 Basinghall Avenue, London EC2V 5DD, United Kingdom as original mandated lead arranger;
- (4) **NORDEA BANK ABP, FILIAL I SVERIGE** with address Smålandsgatan 15-17, 105 71 Stockholm as original mandated lead arranger,  
  
(the parties at (3) and (4), whether acting individually or together, the **Original Mandated Lead Arranger**);
- (5) **CITIBANK EUROPE PLC**, with address 1 North Wall Quay, Dublin, Ireland as original lead arranger;
- (6) **ING BELGIUM SA/NV**, with address Avenue Marnixlaan 24, B-1000 Brussels, Belgium as original lead arranger,  
  
(the parties at (5) and (6), whether acting individually or together, the **Original Lead Arrangers**);
- (7) **THE FINANCIAL INSTITUTIONS** listed in Part 2 of Schedule 1 as lenders (the **Original Lenders**);
- (8) **STANDARD CHARTERED BANK**, incorporated in England by Royal Charter 1853 with registration number ZC 000018 and principal office at 1 Basinghall Avenue, London EC2V 5DD, United Kingdom as agent of the other Finance Parties (the **Agent**);
- (9) **STANDARD CHARTERED BANK**, incorporated in England by Royal Charter 1853 with registration number ZC 000018 and principal office at 1 Basinghall Avenue, London EC2V 5DD, United Kingdom as security trustee for the Secured Parties (the **Security Agent**); and
- (10) **STANDARD CHARTERED BANK**, incorporated in England by Royal Charter 1853 with registration number ZC 000018 and principal office at 1 Basinghall Avenue, London EC2V 5DD, United Kingdom as structuring bank (the **Structuring Bank**).

**IT IS AGREED** as follows:

## **SECTION 1 INTERPRETATION**

### **1 Definitions and Interpretation**

#### **1.1 Definitions**

In this Agreement:

**Acceptable Supplier** means each of the following entities:

- (a) Asia Euro Automobile Manufacturing (Taizhou) Co. Ltd.;

(b) Zhongjia Automobile Manufacturing (Chengdu) Co. Ltd.; and

(c) any Additional Acceptable Supplier,

in each case, as supplier of goods to the Borrower in respect of vehicles produced or to be produced at the Luqiao Plant pursuant to a Supply Contract.

**Accession Letter** means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*).

**Accordion Increase** means any increase in Participations made available under this Agreement as described in clause 2.2 (*Accordion Increase*).

**Accordion Increase Confirmation** has the meaning given to it at clause 2.2(h) (*Accordion Increase*).

**Accordion Increase Lenders** has the meaning given to it at clause 2.2(h) (*Accordion Increase*), and **Accordion Increase Lender** shall be construed accordingly.

**Accordion Increase Request** has the meaning given to it at clause 2.2(a) (*Accordion Increase*).

**Accounting Reference Date** means the period from 1 January to 31 December.

**Additional Acceptable Supplier** means an entity which becomes an Additional Acceptable Supplier in accordance with clause 5.6 (*Changes to Acceptable Suppliers*).

**Additional Guarantor** means a company which becomes an Additional Guarantor in accordance with clause 25 (*Changes to the Obligors*).

**Affiliate** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

**Alternative Transferee** means any entity which the Borrower shall notify the Lenders in writing of by the date of this Agreement as being an "alternative transferee" (and any entity the Borrower may notify the Lenders in writing of from time to time), provided that such Alternative Transferee shall not be any member of the Group or nominee for any member of the Group.

**Amendment and Restatement Agreement** means the amendment and restatement agreement to this Agreement dated on 26 February 2023 between, amongst others, the Borrower and the Agent.

**Amendment and Restatement Effective Date** has the meaning given to the term "Effective Date" in the Amendment and Restatement Agreement.

**Annual Sales Plan** has the meaning given to it in paragraph (e)(iii) of the definition of "Business Plan".

**Anti-Corruption Law** means the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 and any applicable financial record-keeping, reporting requirements, money laundering statutes, regulations, or guidelines issued, administered or enforced by any governmental agency and any similar laws or regulations in any jurisdiction, in each case relating to bribery, corruption or any similar practices.

**Arranger** means each Mandated Lead Arranger and each Lead Arranger.

**Assignment Agreement** means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

**Authorisation** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**Authorised Signatory** means, in respect of the Borrower, each person with signatory powers of the Borrower as registered at the Company Register (sw: *Bolagsverket*).

**Availability Period** means the period from and including the date of this Agreement to and including the Termination Date.

**Available Facility** means the aggregate for the time being of each Lender's Available Participation.

**Available Participation** means a Lender's Participation minus:

- (a) the amount of its participation in any outstanding Loans; and
- (b) in relation to any proposed Loan, the amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date,

other than that Lender's participation in any Loans under the Facility that are due to be repaid or prepaid on or before the proposed Utilisation Date.

**Basel II Regulation** means the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III Regulation (**Basel II**) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates)).

**Basel III Accord** means:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III";

other than, in each such case, the agreements, rules, guidance and standards set out in "Basel III: Finalising the post-crisis reforms" published by the Basel Committee on Banking Supervision in December 2017, as amended, supplemented or restated.

**Basel III Increased Cost** means an Increased Cost which is attributable to the implementation or application of or compliance with any Basel III Regulation (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

**Basel III Regulation** means any Applicable Law implementing the Basel III Accord (including the relevant provisions of the CRR) save and to the extent that it re-enacts a Basel II Regulation and excluding any provision of such Applicable Law implementing Reformed Basel III.



**Blocking Laws** means:

- (a) Council Regulation (EC) No 2271/1996 of 22 November 1996 (as amended);
- (b) Council Regulation (EC) No 2271/1996 of 22 November 1996 (as amended) as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018; and
- (c) any similar and applicable anti-boycott laws or regulations.

**Break Costs** means the amount (if any) by which:

- (a) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in Stockholm, Amsterdam and London and:

- (a) for the purposes of determining EURIBOR, a day (other than a Saturday or Sunday) on which banks are open for the transaction of domestic and foreign exchange business which is a TARGET Day;
- (b) for the purposes of making payment(s) of euro on a TARGET Day, a day (other than a Saturday or Sunday) on which the principal finance centre of the country of that currency and London or Stockholm on any TARGET Day; and
- (c) for all other purposes, a day (other than a Saturday or Sunday) on which banks are open for general business in London and Stockholm.

**Business Plan** means:

- (a) in relation to the period beginning on 1 January 2022 and ending on 31 December 2022, the Business Plan to be delivered by the Borrower to the Agent pursuant to clause 4.1 (*Initial conditions precedent*); and
- (b) in relation to any other period, any such document delivered by the Borrower to the Agent in respect of that period pursuant to and at the times set out in clause 19.5(a)(i) (*Information: inventory and Floorplan Facilities*),

each:

- (c) containing details of:
  - (i) the size, scope, usage of and outstanding amounts under the Floorplan Facilities up to the end of the preceding financial quarter;
  - (ii) any achieved sales targets, including the volume (in units and by model) of vehicles produced and sold;

- (iii) any forecasted volumes of vehicles to be produced and sold in respect of the Borrower and its Group, organised by country, month, model (in units) and projected revenues and targets thereof (the **Annual Sales Plan**); and
- (iv) any relevant changes to the market which may have a Material Adverse Effect on the Borrower or the Annual Sales Plan,

provided that, in relation to any document delivered to the Agent pursuant to and at the times set out in clause 19.5(a)(i) (*Information: inventory and Floorplan Facilities*), such details shall be updates by reference to the Business Plan which had last been delivered to the Agent for the then current financial year.

**Charged Property** means all of the assets of the Borrower which from time to time are, or are expressed to be, the subject of the Transaction Security.

**Code** means the US Internal Revenue Code of 1986.

**COMI** has the meaning given to it in clause 18.28 (*Centre of main interests and establishments*).

**Confidential Information** means all information relating to the Borrower, any Obligor, the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

- (i) information that:
  - (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of clause 37 (*Confidential Information*); or
  - (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
  - (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and
- (ii) any Funding Rate.

**Confidentiality Undertaking** means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Borrower and the Agent.

**CRR** means either CRR-EU or, as the context may require, CRR-UK.

**CRR-EU** means regulation 575/2013 of the European Union on prudential requirements for credit institutions and investment firms and regulation 2019/876 of the European Union amending Regulation (EU) No 575/2013;

**CRR-UK** means CRR-EU as adopted into the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 and as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2019.

**Declassification Event** has the meaning given to it in clause 23.6 (*Green Loan – Declassification Event*).

**Default** means an Event of Default or any event or circumstance specified in clause 22 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

**Declining Lender** has the meaning given to that term in clause 2.5(a) (*Termination of a Lender's Participation*).

**Defaulting Lender** means any Lender:

- (a) which:
  - (i) has confirmed to the Agent its intention to make its participation in a Loan available by the Specified Time in accordance with clause 5.4(e)(i) (*Lenders' participation*) and/or paragraph (b) of the definition of Delayed Lender; and
  - (ii) has failed to make its participation in a Loan available (or has notified the Agent that it will not make its participation in a Loan available) by such Specified Time for that Loan;
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing, whereby **Insolvency Event** shall mean that such Lender:
  - (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
  - (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
  - (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
  - (iv) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
  - (v) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (iv) above and;

- (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
- (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (vi) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (vii) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (viii) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (iv) above);
- (ix) has a secured party take possession of all or substantially all its assets or has an execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (x) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (i) to (ix) above; or
- (xi) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**Delayed Lender** means any Lender which does not make its participation in a Loan available by the Specified Time in accordance with clause 5.4(e)(i) (*Lender's participation*) above and:

- (a) it has notified the Agent by the Specified Time that its failure to pay is caused by:
  - (i) administrative or technical error; or
  - (ii) a Disruption Event; and
- (b) it has notified the Agent of its intention to make its participation in a Loan available to the Agent as soon as possible; and
- (c) its participation in a Loan is made available to the Agent within one (1) Business Day of the relevant Utilisation Date by the Specified Time.

**Delegate** means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

**Disruption Event** means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions

contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or

- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
  - (i) from performing its payment obligations under the Finance Documents; or
  - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

**Dutch Obligor** means any Obligor which is incorporated or established in The Netherlands.

**Eligible Institution** means any Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower and which, in each case, is not a member of the Group.

**English Security Agreement** means the English law governed security agreement, dated on or around the date of this Agreement over the assets of the Borrower, entered into between the Borrower and the Security Agent.

**Environment** means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water).

**Environmental Claim** means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

**Environmental Law** means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

**Environmental Permits** means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by any member of the Group.

**EURIBOR** means, in relation to any Loan:

- (a) the applicable Screen Rate as of the Specified Time for euro and for a period equal in length to the Interest Period of that Loan; or

(b) as otherwise determined pursuant to clause 10.1 (*Unavailability of Screen Rate*), and if, in either case, that rate is less than zero, EURIBOR shall be deemed to be zero.

**Event of Default** means any event or circumstance specified as such in clause 22 (*Events of Default*).

**Existing Lender** has the meaning given to it in clause 24.1 (*Conditions of assignment or transfer*).

**Existing Participation** has the meaning given to it in clause 24.2 (*Conditions of assignment or transfer*).

**Extended Termination Date** has the meaning given to it in clause 2.4(a) (*Extension*).

**Extension Confirmation** means a written confirmation substantially in the form set out in Schedule 12 (*Form of Extension Confirmation*).

**Extension Confirmation Date** has the meaning given to it in clause 2.4(d) (*Extension*).

**Extension Request** means a written notice substantially in the form set out in Schedule 12 (*Form of Extension Request*).

**Facility** means the revolving loan facility made available under this Agreement as described in clause 2 (*The Facility*), as the same may be increased pursuant to clause 2.2 (*Accordion Increase*) and further to the extent not cancelled or reduced under this Agreement.

**Facility Office** means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

**FATCA** means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

**FATCA Deduction** means a deduction or withholding from a payment under a Finance Document required by FATCA.

**FATCA Exempt Party** means a Party that is entitled to receive payments free from any FATCA Deduction.

**Fee Letter** means any letter or letters dated prior to, on or about (a) the date of this Agreement, and/or (b) the date of the Amendment and Restatement Agreement between each Mandated Lead Arranger, and the Borrower (or the Agent and the Borrower or the

Security Agent and the Borrower) setting out any of the fees referred to in clause 11 (*Fee Letters*).

**Finance Document** means this Agreement, the Mandate Letter, any Fee Letter, each Transaction Security Document, any Accession Letter, any Accordion Increase Request, any Accordion Increase Confirmation, any Extension Request, any Extension Confirmation, the Amendment and Restatement Agreement and any other document designated as such by the Agent and the Borrower.

**Finance Party** means the Agent, each Mandated Lead Arranger, the Structuring Bank, the Security Agent or a Lender.

**Financial Condition Report** means a certificate substantially in the form set out in Schedule 8 (*Form of Financial Condition Report*).

**Financial Indebtedness** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would be treated as an operating lease);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

**First Extended Termination Date** means 28 February 2024.

**Floorplan Facilities** means the secured or unsecured revolving lines of credit or similar financing instrument(s) made available to the Borrower's Subsidiaries that allow the Group to from time to time obtain financing for its vehicle inventories from other lenders which is repayable from the proceeds of the sales of such inventories.

**Funding Rate** means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of clause 10.3 (*Cost of funds*).

**FX Agent** means Standard Chartered Bank.

**GAAP** means the generally accepted accounting principles, standards and practices in Sweden as applied by the Borrower in preparing its annual consolidated financial statements (including BFNAR 2012:1 Årsredovisning och koncernredovisning (K3)).

**German Obligor** means any Obligor which is incorporated or established in Germany (and, to the extent referred to in clause 17.10 (*Guarantee limitations – Germany*), in its capacity as Guarantor only).

**Group** means the Borrower and its Subsidiaries for the time being.

**Group LTM Sales** means the Group's sales revenues for the preceding twelve months, such revenues to be determined by reference to the Borrower's unaudited consolidated balance sheet and income statements for the immediately preceding financial quarter (as delivered under clause 19.1(b)(i) (*Financial statements*)).

**Group Structure Chart** has the meaning given to it in clause 18.26 (*Group Structure Chart*).

**Guarantor** means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with clause 25 (*Changes to the Obligors*).

**HMT** means Her Majesty's Treasury of the United Kingdom.

**Holding Company** means, in relation to a person, any other person in respect of which it is a Subsidiary.

**Information Memorandum** means the document in the form approved by the Borrower concerning the Group which, at the Borrower's request and on its behalf, was prepared in relation to this transaction and distributed by the Structuring Bank to selected financial institutions before the date of this Agreement.

**Interest Period** means, in relation to a Loan, each period determined in accordance with clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 8.3 (*Default interest*).

**Interpolated Screen Rate** means, in relation to any Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of that Loan; and
- (b) the applicable Screen Rate for the shortest period (for which that Screen Rate is available) which exceeds the Interest Period of that Loan,

each as of the Specified Time for the currency of that Loan.

**Invoice** means a supplier invoice that:

- (a) has been issued under and in accordance with any contract between the Borrower and an Acceptable Supplier for the supply of goods; and
- (b) whose details are included in a Utilisation Request by way of a summary listing in the form provided at Schedule 3, Part 2 (*Form of Summary Listing of Invoice*) below or as otherwise agreed between the Borrower and the Agent (acting on behalf of the Lenders) from time to time.



**Lead Arranger** means a Lender whose Participation is greater than EUR 65,000,000 but less than EUR 100,000,000, including for the avoidance of doubt any Original Mandated Lead Arranger whose Participation falls below EUR 100,000,000 (but is still greater than EUR 65,000,000).

**Legal Opinion** means any legal opinion delivered to the Agent under clauses 4.1 (*Initial conditions precedent*) and 25 (*Changes to the Obligors*).

**Legal Reservations** means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and
- (d) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

**Lender** means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a **Lender** in accordance with clause 2.2 (*Accordion increase*) or clause 24 (*Changes to the Lenders*),

which in each case has not ceased to be a Party as such in accordance with the terms of this Agreement.

**Lender Termination** has the meaning given to it in clause 2.5(a) (*Termination of a Lender's Participation*).

**Letter of Comfort** means each of the PSD Letter of Comfort and SNITA Letter of Comfort.

**Limitation Acts** means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

**LMA** means the Loan Market Association.

**Loan** means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

**Luqiao Plant** means the factory located at located at No. 588, Pengbei Avenue, Pengjie Town, Luqiao District, Taizhou City, Zhejiang Province.

**Majority Lenders** means a Lender or Lenders whose Participations aggregate more than 50 per cent. of the Total Participations (or, if the Total Participations have been reduced to zero or to the extent clause 22.21 (*Acceleration*) applies, aggregated more than  $66\frac{2}{3}$  per cent. of the Total Participations immediately prior to the reduction).

**Mandate Letter** means the letter dated 26 May 2021 between the Mandated Lead Arranger and the Borrower and the letter dated 9 November 2021 between the same parties.

**Mandated Lead Arranger** means any Lender whose Participation is greater than or equal to EUR 100,000,000, including (if applicable) the Original Mandated Lead Arrangers.

**Margin** means 2.30 per cent. per annum.

**Material Adverse Effect** means any event or series of events which is or is likely to be materially adverse to:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Group taken as a whole;
- (b) the ability of an Obligor to perform its obligations under the Finance Documents; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

**Material Licence(s)** means any licences necessary for the Group to conduct its business in such markets in which it operates.

**Material Subsidiary** means, at any time:

- (a) an Obligor (excluding the Borrower); and
- (b) a Subsidiary of the Borrower which has (individually and at any time) a Gross Income representing at least 10% of the Gross Income of the Borrower's Group calculated on a consolidated basis (or, to the extent required by the Majority Lenders, any lower percentage as the Borrower and the Lenders may from time to time agree to in writing),

whereby:

- (c) compliance with the conditions set out in paragraph (b) above shall be determined by reference to the most recent Financial Condition Report supplied by the Borrower and the latest consolidated financial statements of the Borrower delivered to the Agent pursuant to clause 19.1 (*Financial statements*); and
- (d) for the purposes of paragraph (b) above, **Gross Income** means, at any time, the revenue of the Borrower as specified on its latest consolidated financial statements of the Borrower delivered to the Agent pursuant to clause 19.1 (*Financial statements*).

**Month** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

**Monthly Liquidity Report** means a certificate substantially in the form set out in Schedule 7 (*Form of Monthly Liquidity Report*).

**Monthly Sales Figures** means, in relation to a calendar month, the number of vehicles sold and the number of orders received for vehicles by the Group (on a consolidated basis) in that calendar month, as required to be reported in each Monthly Liquidity Report and Financial Condition Report pursuant to clause 19.1(c)(iv) (*Financial statements*) and clause 20.3 (*Financial testing*) respectively.

**New Lender** has the meaning given to that term in clause 24 (*Changes to the Lenders*).

**Non-Extending Lender** has the meaning given to that term in clause 2.4(g) (*Extension*).

**Norwegian Obligor** means any Obligor which is incorporated in or established under the laws of Norway (and, to the extent referred to in clauses 17.1 (*Guarantee and Indemnity*) or 17.11 (*Guarantee limitations – Norway*), in its capacity as Guarantor only).

**Notice Period** has the meaning given to it in clause 24.2 (*Conditions of assignment or transfer*).

**Obligor** means the Borrower or a Guarantor.

**Obligors' Agent** means Polestar Performance AB, appointed to act on behalf of each Obligor in relation to the Finance Documents pursuant to clause 2.7 (*Obligors' Agent*).

**OFAC** means the Department of the Treasury's Office of Foreign Assets Control of the United States of America.

**Original Financial Statements** means the Borrower's audited financial statements for its financial year ended 31 December 2020.

**Original Jurisdiction** means, in relation to an Obligor, the jurisdiction under whose laws that Obligor is incorporated as at the date of this Agreement, or in the case of an Additional Guarantor, as at the date on which that Additional Guarantor becomes Party as a Guarantor.

**Original Obligor** means the Borrower or an Original Guarantor.

**Paid Prepayment Amount** has the meaning given to it in clause 7.6(b) (*Mandatory prepayment – Floorplan Financing, insurance proceeds and Sale and Leaseback Transactions*).

**Parent** means each of SNITA Holding B.V. and PSD Investment Limited, and **Parents** shall be construed accordingly.

**Participating Member State** means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

**Participation** means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading "Participation" in Part 2 of Schedule 1 (*The Original Parties*) and the amount of any other Participation transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Participation transferred to it under this Agreement,

including any increased Participation referred to in clause 2.2 (*Accordion Increase*), and to the extent not cancelled, reduced or transferred by it under this Agreement.

**Party** means a party to this Agreement.

**Periodic Prepayment Trigger** has the meaning given to it in clause 7.6(b) (*Mandatory prepayment – Floorplan Financing, insurance proceeds and Sale and Leaseback Transactions*).

**Permitted Reorganisation** has the meaning given to it in clause 21.6(b) (*Reorganisation*).

**Polestar Group** means Polestar UK and its Subsidiaries for the time being.

**Polestar UK** means Polestar Automotive Holding UK PLC (incorporated in England with company number 13624183).

**Potential Accordion Increase New Lender** has the meaning given to it in clause 2.2(f) (*Accordion Increase*).

**Prepayment Amount** has the meaning given to it in clause 7.6(b) (*Mandatory prepayment – Floorplan Financing, insurance proceeds and Sale and Leaseback Transactions*).

**Pro Rata Share** means, at any time, a Lender's share of the Total Participations at that time (or if the Total Participations are then zero, its share of the Total Participations immediately prior to their reduction to zero), divided by the Total Participations.

**PSD Letter of Comfort** means the letter of comfort from PSD Investment Limited (and endorsed by Zhejiang Geely Holding Group Co., Ltd.) substantially in the form set out in Schedule 15 (*Form of PSD Letter of Comfort*) and dated 21 December 2021.

**Quotation Day** means, in relation to any period for which an interest rate is to be determined, two TARGET Days before the first day of that period unless market practice differs in the Relevant Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

**Receiver** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

**Reformed Basel III** means the agreements contained in "Basel III: Finalising post-crisis reforms" published by the Basel Committee on Banking Supervision in December 2017, as amended, supplemented or restated.

**Reformed Basel III Increased Cost** means an Increased Cost which is attributable to the implementation or application of or compliance with any Reformed Basel III Regulation (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its Affiliates).

**Reformed Basel III Regulation** means any Applicable Law implementing Reformed Basel III save and to the extent that it re-enacts a Basel II Regulation or a Basel III Regulation.

**Related Fund** in relation to a fund (the **first fund**), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

**Relevant Jurisdiction** means, in relation to an Obligor:

- (a) its Original Jurisdiction;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;

- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Document entered into by it.

**Relevant Market** means the European interbank market.

**Remaining Lender** has the meaning given to it in clause 5.4(i)(ii) (*Lenders' participation*).

**Repeating Representations** means each of the representations set out in clauses 18 (*Representations*) and 23.3 (*Green Loan – Representations and warranties*), except for clauses 18.8 (*Deduction of Tax*), 18.9 (*No filing or stamp taxes*), 18.24 (*Invoices*) and 18.25 (*Supply Contracts*).

**Representative** means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

**Restricted Party** means a person that is: (i) listed on, or owned or controlled by a person listed on, or acting on behalf or at the direction of, a person listed on, any Sanctions List; (ii) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a Sanctioned Territory; or (iii) otherwise a target of Sanctions ("target of Sanctions" signifying a person with whom a US person or other national of a Sanctions Authority would be prohibited or restricted by Sanctions from engaging in trade, business or other activities).

**Sale and Leaseback Transactions** means any sale and leaseback transactions where vehicles are purchased by a lease company or bank and then leased back to a member of the Group.

**Sanctioned Territory** means a country, region or territory that is the subject of comprehensive country-wide, region-wide or territory-wide Sanctions, or whose government is the target of comprehensive Sanctions.

**Sanctions** means the economic or financial sanctions laws, regulations, trade embargoes, export controls or other restrictive measures enacted, administered, implemented and/or enforced from time to time by any Sanctions Authority.

**Sanctions Authority** means:

- (a) the United Nations Security Council;
- (b) the United States of America;
- (c) the United Kingdom;
- (d) the European Union and/or a member state of the European Union;
- (e) the Kingdom of Norway;
- (f) the respective governmental institutions and agencies of any of the foregoing which are duly appointed, empowered or authorised to enact, administer, implement and/or enforce Sanctions, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (**OFAC**), the United States Department of State, and Her Majesty's Treasury (**HMT**); and
- (g) any other governmental institution or agency with responsibility for imposing, administering or enforcing Sanctions with jurisdiction over any Finance Party, any member of the Group or performance of this Agreement.

**Sanctions List** means any of the lists of designated sanctions targets maintained by a Sanctions Authority from time to time, including (without limitation) as at the date of this Agreement:

- (a) in the case of the United Nations Security Council, the United Nations Security Council Consolidated List;
- (b) in the case of OFAC:
  - (i) the Specially Designated Nationals and Blocked Persons List; and
  - (ii) any list within its "the Consolidated Sanctions List";
- (c) in the case of the United States Department of State or the United States Department of Commerce:
  - (i) the Denied Persons List;
  - (ii) the List of Statutorily Debarred Parties;
  - (iii) the Entity List; and
  - (iv) the Terrorist Exclusion List;
- (d) in the case of HMT:
  - (i) the Consolidated List of Financial Sanctions Targets; and
  - (ii) the List of Persons Subject to Restrictive Measures in View of Russia's Actions Destabilising the Situation in Ukraine; and
- (e) in the case of the European Union, the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions; and
- (f) or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

**Screen Rate** means in relation to EURIBOR, the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

**Secured Obligations** means all obligations at any time due, owing or incurred by any Obligor to any Secured Party under the Finance Documents, including the obligations set out in clause 27.2 (*Parallel debt (covenant to pay the Security Agent)*) whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or surety or in some other capacity).

**Secured Parties** means each Finance Party from time to time party to this Agreement and any Receiver or Delegate.

**Security** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**Shareholder** means any direct or indirect shareholder of the Borrower.

**SNITA Letter of Comfort** means the letter of comfort from SNITA Holding B.V. (and endorsed by Volvo Car Corporation) substantially in the form set out in Schedule 14 (*Form of SNITA Letter of Comfort*) and dated 21 December 2021.

**Specified Time** means a day or time determined in accordance with Schedule 9 (*Timetables*).

**Subsidiary** means any person (referred to as the **first person**) in respect of which another person (referred to as the **second person**):

- (a) has the power (either directly or indirectly and whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
  - (i) cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the first person;
  - (ii) appoint and/or remove all, or the majority, of the directors or other equivalent officers of (or members of the governing body of) the first person; or
  - (iii) give directions with respect to (or controls or has the power to control) the affairs and policies of the first person with which the directors or other equivalent officers of the first person are obliged to comply (such that the first person is taken to be controlled by the second person); or
- (b) directly or indirectly holds beneficially more than 50 per cent. of the issued share capital of the first person (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (c) is a Subsidiary of another Subsidiary of the first person.

**Supply Contract** means any contract between the Borrower and an Acceptable Supplier for the supply of goods.

**Swedish Obligor** means any Obligor which is incorporated in or established under the laws of Sweden (and, to the extent referred to in clauses 17.1 (*Guarantee and Indemnity*) or 17.12 (*Guarantee limitations – Sweden*), in its capacity as Guarantor only).

**T2** means the real time gross settlement system operated by the Eurosystem, or any successor system.

**TARGET Day** means any day on which T2 is open for the settlement of payments in euro.

**Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**Termination Date** means the First Extended Termination Date or each Extended Termination Date (as applicable), provided that if such date is not a Business Day, the Termination Date shall be the immediately preceding Business Day.

**Total Participations** means the aggregate of the Participations, being €350,000,000 at the date of the Amendment and Restatement Agreement and as may be increased from time to time in accordance with clause 2.2 (*Accordion Increase*).

**Transaction Security** means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

**Transaction Security Documents** means each of:

- (a) the English Security Agreement;
- (b) any other document evidencing or creating Security over any asset to secure any obligation of any Obligor to a Secured Party under the Finance Documents; or
- (c) any other document designated as such by the Security Agent and the Borrower.

**Transfer Certificate** means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

**Transfer Date** means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

**Unpaid Sum** means any sum due and payable but unpaid by an Obligor under the Finance Documents.

**US** means the United States of America.

**US Tax Obligor** means:

- (a) a Borrower which is resident for tax purposes in the US; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

**US Obligor** means any Obligor which is incorporated or organised in, or established under, the laws of any state of the US.

**Utilisation Date** means the date on which a Loan is to be made.

**Utilisation Request** means a notice substantially in the form set out in Part 1 of Schedule 3 (*Utilisation Requests*).

**VAT** means:

- (a) any value added tax imposed by the Value Added Tax Act 1994;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

**Vehicles** means any vehicles that are the subject of an Invoice listed in a Utilisation Request for a Loan.

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:
  - (i) the **Agent**, each **Mandated Lead Arranger**, the **Structuring Bank**, the **FX Agent**, any **Finance Party**, any **Lender**, any **Obligor**, any **Party**, any



**Secured Party**, the **Security Agent** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;

- (ii) an **agency** shall be construed so as to include any governmental, intergovernmental or supranational agency, authority, body, central bank, commission, department, ministry, organisation, statutory corporation or tribunal (including any political sub-division, national, regional or municipal government and any administrative, fiscal, judicial, regulatory or self-regulatory body or persons);
  - (iii) a document in **agreed form** is a document which is previously agreed in writing by or on behalf of the Borrower and the Agent or, if not so agreed, is in the form specified by the Agent;
  - (iv) **assets** includes present and future properties, revenues and rights of every description;
  - (v) **director** includes any statutory legal representative(s) (*organschaftlicher Vertreter*) of a person pursuant to the laws of its jurisdiction of incorporation, including but not limited to, in relation to a person incorporated or established in Germany, a managing director (*Geschäftsführer*) or member of the board of directors (*Vorstand*);
  - (vi) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
  - (vii) a **group of Lenders** includes all the Lenders;
  - (viii) **guarantee** means (other than in clause 17 (*Guarantee and indemnity*)) any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
  - (ix) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
  - (x) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
  - (xi) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any agency;
  - (xii) a provision of law is a reference to that provision as amended or re-enacted from time to time; and
  - (xiii) a time of day is a reference to London time.
- (b) The determination of the extent to which a rate is **for a period equal in length** to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.

- (c) Section, clause and Schedule headings are for ease of reference only.
- (d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (e) A Default (other than an Event of Default) is **continuing** if it has not been remedied or waived and an Event of Default is **continuing** if it has not been remedied to the Lenders' satisfaction or waived.
- (f) Any reference to the date of this Agreement is a reference to 28 February 2022.

#### 1.3 Currency symbols and definitions

**€**, **EUR** and **euro** denote the single currency of the Participating Member States. **RMB** denotes the lawful currency of the People's Republic of China. **NOK** denotes the lawful currency of the Kingdom of Norway. **USD** denotes the lawful currency of the United States of America.

#### 1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Subject to clause 36.3 (*Other exceptions*) but otherwise notwithstanding any term of any Finance Document the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
- (c) Any Receiver, Delegate or any person described in paragraph (b) of clause 27.12 (*Exclusion of liability*) may, subject to this clause 1.4 and the Third Parties Act, rely on any clause of this Agreement which expressly confers rights on it.

#### 1.5 Swedish terms

- (a) Any transfer by novation in accordance with the Finance Documents, shall, as regards obligations owed by a company incorporated under Swedish law, be deemed to take effect as an assignment and assumption or transfer of such rights, benefits and obligations.
- (b) In this Agreement, where it relates to a Swedish entity, a reference to:
  - (i) a composition or arrangement with any creditor includes (A) any write-down of debt (Sw. *ackord*) following from any procedure of business reorganisation (Sw. *företagsrekonstruktion*) under the Swedish Act on Business Reorganisation (Sw. *Lag om företagsrekonstruktion (1996:764)*), or (B) any write-down of debt in bankruptcy (Sw. *ackord i konkurs*) under the Swedish Insolvency Act (Sw. *Konkurslag (1987:672)*);
  - (ii) a compulsory manager, administrative receiver or administrator includes (A) a business reorganisation administrator (Sw. *rekonstruktör*) under the Swedish Act on business reorganisation, (B) a bankruptcy administrator (Sw. *konkursförvaltare*) under the Swedish Insolvency Act, or (C) liquidator (Sw. *likvidator*) under the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*);
  - (iii) a merger includes any merger (Sw. *fusion*) implemented in accordance with Chapter 23 of the Swedish Companies Act; and

- (iv) a winding up, administration or dissolution includes voluntary liquidation (Sw. *frivillig likvidation*) or mandatory liquidation (Sw. *tvångslikvidation*) under Chapter 25 of the Swedish Companies Act.
- (c) If any party to this Agreement that is incorporated in or established under the laws of Sweden (the **Obligated Party**) is required to hold an amount on trust on behalf of another party, the Obligated Party shall hold such money as agent for such other party on a separate account.

## SECTION 2 THE FACILITY

### 2 The Facility

#### 2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available to the Borrower an uncommitted euro revolving trade credit facility to be utilised by way of Loans in an aggregate amount equal to the Total Participations.

#### 2.2 Accordion Increase

- (a) Subject to sub-clause (c) below, the Borrower may, by submitting a written request to the Agent substantially in the form set out in Schedule 10 (*Form of Accordion Increase Request*), request that the Total Participations be increased by an amount of up to €250,000,000 (such increase being an **Accordion Increase**, and such request being an **Accordion Increase Request**).
- (b) The Borrower may only submit one Accordion Increase Request under this Agreement, unless:
  - (i) an Extension Confirmation Date has occurred; and
  - (ii) prior to such Extension Confirmation Date (or the immediately-preceding Extension Confirmation Date, if there has been more than one Extension Confirmation Date), no Finance Party or Potential Accordion Increase New Lender had agreed to be an Accordion Increase Lender in respect of any prior Accordion Increase Request(s),

then, subject to paragraph (c) below, the Borrower shall be permitted to submit one additional Accordion Increase Request during the period from and excluding such Extension Confirmation Date to and excluding the date of the Extended Termination Date.

- (c) Each such Accordion Increase Request may be submitted at any time during the Availability Period, but shall not be submitted during any period from and including the date of submission of an Extension Request under clause 2.4(a) (*Extension*) below to and including the Extension Confirmation Date.
- (d) The currency of any Accordion Increase shall be euro, and the amount and pricing of such Accordion Increase will be as agreed in the relevant Accordion Increase Confirmation.
- (e) An Accordion Increase Request delivered in accordance with sub-clause (a) above shall only be effective if:
  - (i) on the date of the Accordion Increase Request and the Accordion Increase:
    - (A) no Default or Event of Default has occurred or is continuing, or would result from the proposed Accordion Increase;
    - (B) the Total Participations following such Accordion Increase does not exceed €600,000,000; and
    - (C) the Repeating Representations to be made by each Obligor are true; and

- (ii) prior to the date of the Accordion Increase Request, the Borrower has delivered a written confirmation and endorsement from each of SNITA Holding B.V. and PSD Investment Limited in accordance with clause 21.19(c) (*Conditions subsequent – letters of comfort*); and
  - (iii) the Agent has received, in form and substance satisfactory to it, such documents (if any) as are reasonably necessary as a result of the establishment of that Accordion Increase to maintain the effectiveness of the Security, guarantees, indemnities and other assurance against loss provided to the Finance Parties pursuant to the Finance Documents.
- (f) If the conditions set out in sub-paragraphs (a) to (e) above have been fully satisfied, the Structuring Bank shall use commercially reasonable efforts to arrange for the existing Finance Parties (and if necessary, lender(s) who may not at the date of the Accordion Increase Request be Finance Parties, provided such lender(s) have been approved by the Borrower (each, a **Potential Accordion Increase New Lender**)) to participate in such Accordion Increase.
- (g) The Structuring Bank shall notify the Borrower of the Finance Parties and/or any other Potential Accordion Increase New Lender each of which have confirmed to the Structuring Bank in writing its willingness to assume all obligations of a Lender corresponding to the proportion of the Accordion Increase which it intends to participate in, as if it had been an Original Lender in respect of that proportion of such Accordion Increase (together, the **Accordion Increase Lenders**, and each an **Accordion Increase Lender**).
- (h) Each Accordion Increase Lender may, in its sole and absolute discretion, enter into an accordion increase confirmation substantially in the form set out in Schedule 11 (*Form of Accordion Increase Confirmation*) (an **Accordion Increase Confirmation**) as agreed among themselves, the Borrower, the Agent, the Lenders and the Accordion Increase Lenders (if different) to document the Accordion Increase and to allocate such Accordion Increase among themselves on such terms and conditions which are acceptable to each of them. Any Accordion Increase shall only take effect on the date specified in the Accordion Increase Confirmation (or such other document or notice as the Accordion Increase Confirmation may refer to).
- (i) The Agent:
  - (i) subject to sub-paragraph (i)(ii) below, as soon as reasonably practicable after receipt by it of a duly completed Accordion Increase Confirmation appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, shall execute that Accordion Increase Confirmation; and
  - (ii) shall only be obliged to execute an Accordion Increase Confirmation delivered to it by the Obligors' Agent and the Accordion Increase Lenders once it is satisfied that it (and each Lender) has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Participations by each Accordion Increase Lender.
- (j) Each Accordion Increase Lender, by executing the Accordion Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the Accordion Increase becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as it would have been had it been an Original Lender.

- (k) On the date that the Accordion Increase Confirmation is executed (or on any later date specified therein), the Agent, each Mandated Lead Arranger, the Security Agent, the Lenders party to that Lender Accordion Increase Confirmation, each of the Accordion Increase Lenders and the Obligors shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had each such Accordion Increase Lender been an Original Lender in respect of that part of the increased Participations which it is to assume.
- (l) Each Accordion Increase Lender shall become a Party as a **Lender** and any Accordion Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Accordion Increase Lender and those Finance Parties would have assumed and/or acquired had the Accordion Increase Lender been an Original Lender in respect of that part of the increased Participations which it is to assume. The Participations of the other Lenders (as at the date prior to the Accordion Increase) shall continue in full force and effect on and after such Accordion Increase.
- (m) A Lender may increase its Participation for the purposes of clause 2.2 (*Accordion Increase*) (and be entitled to share *pari passu* in all Security created by each Security Document owed to it as such).
- (n) Except for any Lender which is an Accordion Increase Lender and subject to paragraph (h) above, no Lender is under any obligation whatsoever to provide any Accordion Increase or to enter into any documents confirming an Accordion Increase. No Lender shall be under any obligation whatsoever to find an Accordion Increase Lender.
- (o) The Borrower must promptly on demand pay the Agent, the Structuring Bank, the Lenders, the Accordion Increase Lenders and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them (and in the case of the Security Agent, by any Receiver or Delegate) in connection with the establishment of an Accordion Increase under this clause 2.2.
- (p) Each Accordion Increase Lender that was not a Lender before the date of an Accordion Increase must, on the date of such Accordion Increase, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under clause 24.3 (*Assignment or transfer fee*) as if the accordion increase were a transfer pursuant to clause 24 (*Changes to the Lenders*) and if that Accordion Increase Lender were a New Lender.
- (q) Clause 24.4 (*Limitation of responsibility of Existing Lenders*) shall apply mutatis mutandis in this clause 2.2 in relation to an Increase Lender as if references in that clause to:
  - (i) an **Existing Lender** were references to all the Lenders immediately prior to the relevant increase;
  - (ii) the **New Lender** were references to that **Increase Lender**; and
  - (iii) a **re-transfer** and **re-assignment** were references to respectively a **transfer** and **assignment**.

### 2.3 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.

- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

#### 2.4 Extension

- (a) The Obligors' Agent may request that the Termination Date be extended by a period of up to 365 days (each such extended termination date being the **Extended Termination Date**) by delivery of a completed Extension Request to the Agent at least 60 days but no more than 120 days prior to such Termination Date.
- (b) The Agent shall promptly forward a copy of any Extension Request to the Lenders.
- (c) Each Lender shall (at least 30 days before the Termination Date and in its sole and absolute discretion) either agree or refuse the relevant Extension Request. If any Lender does not respond on or prior to the date occurring 30 days before the Termination Date, such Lender(s) will automatically be deemed to have declined that Extension Request.
- (d) The Agent shall notify the Borrower which of the Lenders have agreed to the Extension Request by executing an Extension Confirmation (the date of such Extension Confirmation being the **Extension Confirmation Date**).
- (e) The Borrowers may not submit an Extension Request in accordance with paragraph (a) of this clause 2.4 if an Event of Default is continuing.
- (f) The Termination Date shall be the Extended Termination Date for all Lenders who have agreed to the Extension Request made under paragraph (a) (as the case may be) of this clause.
- (g) The Termination Date will continue to be the First Extended Termination Date, or the current Extended Termination Date (as the case may be) for any Lender which has declined an Extension Request under paragraph (c) above (each, a **Non-Extending Lender**).

#### 2.5 Termination of a Lender's Participation

- (a) A Lender that wishes to terminate its Participation (each, a **Declining Lender**) shall notify the Agent by way of a written notice the date on which it intends to terminate its Participation (a **Lender Termination**), and shall endeavour (but shall not be obliged) to do so at least five (5) Business Days prior to the proposed termination date and (unless clause 5.4(f) (*Lenders' participation*) applies) shall do so prior to the time referred to in clause 5.4(e) (*Lenders' participation*).
- (b) The Agent shall notify the other Lenders of all Declining Lenders and/or Non-Extending Lenders by email, but without being under any liability for any failure to do so.
- (c)

- (i) Each Non-Extending Lender, Declining Lender and Defaulting Lender shall not participate in any future Loans.
- (ii) Notwithstanding paragraph (c)(i) above, a Non-Extending Lender may participate in future Loans provided that:
  - (A) the Interest Period of such Loan will be no less than 90 days (or such period as may from time to time apply under clause 9.1 (*Selection of Interest Periods*)); and
  - (B) such Loan will be repayable under clause 6.1 (*Repayment of Loans*) by the Termination Date applicable to such Non-Extending Lender.
- (d) The Agent shall as soon as reasonably practicable after it has received any notice of a Lender Termination from the relevant Lender, inform the Borrower and the other Finance Parties of such Lender Termination.
- (e) In the case of a Lender Termination:
  - (i) the Participation of the Declining Lender to which the Lender Termination relates will be immediately cancelled;
  - (ii) the Facility will be reduced by an amount equal to the Participation of such Declining Lender (unless its Participation is transferred in accordance with clause 24 (*Changes to the Lenders*)); and
  - (iii) the provisions of this Agreement will continue to apply in relation to any Loan in which such Declining Lender has previously participated. To the extent any Loan which such Declining Lender has participated in remains outstanding, the Borrower shall repay the outstanding Loans due to such Lender on the earlier of:
    - (A) the Termination Date; and
    - (B) any other date which may be prescribed under this Agreement.

#### 2.6 Borrower's termination option

The Borrower may terminate this Agreement upon at least ten (10) Business Days' prior notice in writing to the Facility Agent provided that on or before the effective date of termination (i) all amounts due and payable to the Finance Parties under or in connection with the Facility Agreement have been paid (including any applicable Break Costs) in full to the satisfaction of the Finance Parties; and (ii) no Utilisation Requests are outstanding.

#### 2.7 Obligors' agent

- (a) Each Obligor (in case of an Original Obligor, by way of signing this Agreement, or in the case of any other Obligor, an Accession Letter, as applicable) irrevocably appoints the Obligors' Agent to act as its agent in relation to the Finance Documents and irrevocably authorises:
  - (i) the Obligors' Agent on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give and receive all notices and instructions, to make such agreements and to effect any amendments, supplements and variations to the Finance Documents or any other document in connection with such Finance Documents; and
  - (ii) each Finance Party to give any notice, demand or other communication for the attention of the Obligors pursuant to the Finance Documents to the Obligors' Agent,



- (b) and in each case the relevant Obligors shall be bound as though each such Obligor had itself given or received the notices and instructions or executed or made the agreements of effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.
- (c) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation (including by any increase in amounts owing or available to be utilised or any change to parties), notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document or any other document on behalf of the Obligors (or any of them) or in connection with any Finance Document or any other document (whether or not known to any other Obligor) shall be binding for all purposes on the Obligors as if all of the Obligors had expressly made, given or concurred with it and without the need to obtain any confirmation or acknowledgement from any of the Obligors. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.
- (d) To the extent legally possible, each Obligor releases the Obligors' Agent from the restrictions on self-dealing and multi-representation set out in section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar restrictions under any other applicable laws.

### **3 Purpose**

#### **3.1 Purpose**

Subject to clause 23.1 (*Green Loan – purpose*), all amounts borrowed by the Borrower under the Facility shall be applied towards the Borrower's working capital needs by making proceeds of any Loan available directly to Acceptable Suppliers in respect of the relevant supplier invoices ahead of cash collection from sales.

#### **3.2 Monitoring**

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

### **4 Conditions of Utilisation**

#### **4.1 Initial conditions precedent**

- (a) The Borrower may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Part 1 of Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent. The Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.
- (b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

#### **4.2 Further conditions precedent**

Subject to clauses 5.4(a) and (e) (*Lenders' participation*) and 5.5(b) (*Consequences of becoming a Declining Lender, Delayed Lender or Defaulting Lender*), the Lenders will only be obliged to comply with clause 5.4 (*Lenders' participation*) in relation to a Loan if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) in the case of any Loan or Accordion Increase, no Default is continuing or would result from the proposed Loan; and
- (b) the Repeating Representations to be made by each Obligor are true in all material respects.

**4.3 Maximum number of Loans**

- (a) The Borrower shall deliver a maximum of two (2) Utilisation Requests to the Agent in each calendar month, excluding any Utilisation Requests which may be deemed to have been cancelled under clause 5.4(e)(ii) (*Lenders' participation*). Any Utilisation Request shall be delivered at least seven (7) days after any prior Utilisation Request.
- (b) The Borrower may not deliver a Utilisation Request if as a result of the proposed Loan eight (8) or more Loans would be outstanding.

## **SECTION 3 UTILISATION**

### **5 Utilisation**

#### **5.1 Delivery of a Utilisation Request**

The Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

#### **5.2 Completion of a Utilisation Request**

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
  - (i) the proposed Utilisation Date is a Business Day within the Availability Period;
  - (ii) it is delivered to the Agent by the Specified Time;
  - (iii) the last day of the Interest Period of the Loan falls on a Business Day within the Availability Period;
  - (iv) a summary listing of Invoice(s) relating to the Utilisation Request is attached in the form provided at Schedule 3 Part 1 (*Utilisation Request*) below or as otherwise agreed between the Borrower and the Agent (acting on behalf of the Lenders) from time to time (and including an electronic copy of such summary listing);
  - (v) the currency and amount of the Loan comply with clause 5.3 (*Currency and amount*); and
  - (vi) the proposed Interest Period complies with clause 9 (*Interest Periods*).
- (b) Only one Loan may be requested in each Utilisation Request.

#### **5.3 Currency and amount**

- (a) The currency specified in a Utilisation Request must be euro.
- (b) The amount of the proposed Loan must be an amount which is not more than the Available Facility and which is a minimum of €20,000,000 or, if less, the Available Facility.

#### **5.4 Lenders' participation**

- (a) Notwithstanding any other provision of the Finance Documents (but subject only to clauses 2.5(e)(iii) (*Termination of a Lender's Participation*), 5.4(e)(i) and (h) (*Lenders' participation*) and 5.5(a) (*Consequences of becoming a Declining Lender, Delayed Lender or Defaulting Lender*), the Facility is an uncommitted facility and will be made available at the sole discretion of the Lenders.
- (b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Participation to the Available Facility immediately prior to making the Loan.
- (c) The Agent shall notify each Lender (except any Declining Lender) of the amount of each Loan and the amount of its participation in that Loan and, if different, the amount of that participation to be made available in accordance with clause 30.1 (*Payments to the Agent*), in each case by the Specified Time.

- (d) Upon receipt of the Agent's notification under paragraph (c), each Lender may in its sole and absolute discretion decide whether to participate in a Loan and shall notify the Agent in writing of such decision as soon as practicable (but in any case, by the Specified Time).
- (e) If:
  - (i) all Lenders (except any Declining Lender) have confirmed in accordance with paragraph (d) above that they will participate in a Loan, then provided the conditions set out in this Agreement have been met, each such Lender shall make its participation in the Loan available by the Specified Time through its Facility Office. The amount of each Lender's participation shall be in accordance with sub-paragraph (b) above; or
  - (ii) one or more Lenders have (i) confirmed to the Agent under paragraph (d) that they will not participate in a Loan; or (ii) failed to respond to the request to participate in a Loan in accordance with paragraph (d) above, then notwithstanding clause 5.2(a) (*Completion of a Utilisation Request*) (but subject to sub-paragraph (g) below), the relevant Utilisation Request will be deemed to be cancelled and none of the Lenders shall be obliged to comply with or extend any Loan in respect of such duly completed Utilisation Request.

#### **Declining Lender**

- (f) Any Lender which has declined to participate or has failed to respond to a request to participate in a Loan in accordance with paragraph (d) above shall (unless the Agent in its sole discretion determines otherwise) be deemed to be a Declining Lender and clause 5.5(b)(ii) (*Consequences of becoming a Declining Lender, Delayed Lender or Defaulting Lender*) shall apply to that Lender.
- (g) The Agent shall promptly (and in any event within two (2) Business Days) notify the Borrower and the Lenders of any cancellation of a Utilisation Request pursuant to paragraph (e)(ii) above and of the identity of the Lender which has become a Declining Lender pursuant to paragraph (f) above.
- (h) The Borrower may, promptly following its cancellation, re-deliver the duly completed Utilisation Request which had been cancelled by virtue of paragraph (e)(ii) above.

#### **Defaulting Lender**

- (i) If, in respect of any Loan:
  - (i) there are one or more Defaulting Lenders; and
  - (ii) all of the remaining Lenders have confirmed to the Agent in accordance with paragraph (e)(i) above that they will participate in such Loan (each, a **Remaining Lender**),

then (x) the maximum amount of the Loan shall be reduced by the aggregate value of the Pro Rata Shares of each Defaulting Lender's Participation (as applicable); (y) each Remaining Lender shall make its participation in the relevant Loan available by the relevant Utilisation Date through its Facility Office, such amount being in accordance with clause 5.4(b) (*Lenders' participation*); and (z) the Agent shall only be obliged to fund the aggregate amount of the Participations made available by the Specified Time less the amount of Participations of such Defaulting Lenders (as the case may be). The Agent shall notify the Borrower within two (2) Business Days upon becoming aware that any Lender has become a Defaulting Lender.

#### **Delayed Lender**

- (j) If, in respect of any Loan, there are one or more Delayed Lenders, the Agent shall only be obliged to:
  - (i) on the Utilisation Date, fund to the Borrower the aggregate amount of the Participations made available by the Lenders less the amount of Participations of such Delayed Lender(s); and
  - (ii) two (2) Business Days after the Utilisation Date, fund to the Borrower the Pro Rata Share of the Participation(s) of the Delayed Lender(s) only to the extent such Lender(s) makes available their participations in such Loan to the Agent by the Specified Time.

**5.5 Consequences of becoming a Declining Lender, Delayed Lender or Defaulting Lender**

- (a) Notwithstanding clauses 2.5(a) and (c) (*Termination of a Lender's Participations*) and 5.4(a) (*Lenders' participation*) above:
  - (i) each Declining Lender and Delayed Lender shall be obliged to participate in a Loan which, prior to the date of the Lender Termination, it had notified the Agent that it would participate in pursuant to clause 5.4(e)(i) (*Lenders' participation*) above and to continue to participate in any Loan which it has already participated in; and
  - (ii) each Defaulting Lender shall be obliged to continue to participate in any Loan which it has already participated in.
- (b) If any Lender becomes:
  - (i) a Defaulting Lender, then clauses 7.9 (*Right of cancellation in relation to a Defaulting Lender*) and 36.6(c) (*Excluded Participations*) shall apply with immediate effect; and
  - (ii) a Declining Lender, then clauses 2.5 (*Termination of a Lender's Participation*) (including clause 2.5(e) relating to the reduction of the Facility) and 36.6(d) (*Excluded Participations*) shall apply to that Lender with immediate effect (provided that if a Lender becomes a Declining Lender pursuant to clause 5.4(f) (*Lenders' participation*) above, such Lender will be deemed to have submitted a notice in writing duly compliant with clause 2.5(a) specifying the termination date as the date it had declined to participate in such Loan or had failed to respond by the Specified Time.

**5.6 Changes to Acceptable Suppliers**

- (a) The Borrower may from time to time request that any of its suppliers be included as an additional Acceptable Supplier (each, an **Additional Acceptable Supplier**). Such supplier shall only become an Additional Acceptable Supplier if:
  - (i) the Borrower notifies the Agent in writing 30 days prior to the intended date of inclusion of such supplier as an Additional Acceptable Supplier;
  - (ii) the Agent (acting on the instructions of the Majority Lenders) approves in writing the inclusion of such supplier as an Additional Acceptable Supplier; and
  - (iii) each Lender is satisfied that it has completed all "know your customer" or other similar checks against such supplier entity under all applicable laws and regulations.

- (b) The Agent shall notify the Borrower and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence that the conditions in sub-paragraph (a) have been fully complied with.

## SECTION 4 REPAYMENT, PREPAYMENT AND CANCELLATION

### 6 Repayment

#### 6.1 Repayment of Loans

Subject to clauses 7.4 (*Voluntary prepayment of Loans*), 7.5 (*Mandatory prepayment – material adverse change following Permitted Reorganisation*), 7.6 (*Mandatory prepayment – Floorplan Financing, insurance proceeds and Sale and Leaseback Transactions*) and 7.7 (*Mandatory prepayment – Shareholder loans*), the Borrower shall repay each Loan in full (together with accrued interest and all other amounts accrued or outstanding under the Finance Documents) on the last day of its Interest Period (or, if earlier, on the Termination Date).

### 7 Prepayment and Cancellation

#### 7.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrower, the Available Participation of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been transferred pursuant to clause 7.8(d) (*Right of replacement or repayment and cancellation in relation to a single Lender*), the Borrower shall repay that Lender's participation in the Loans made to the Borrower on the last day of the Interest Period for each Loan occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Participation(s) shall be immediately cancelled in the amount of the participations repaid.

#### 7.2 Change of control

- (a) If a Change of Control occurs:
  - (i) the Borrower shall promptly notify the Agent upon becoming aware of that event;
  - (ii) a Lender shall not be obliged to fund a Loan; and
  - (iii) if a Lender so requires and notifies the Agent within five (5) Business Days' of the Borrower notifying the Agent of the Change of Control event the Agent shall, by not less than five (5) Business Days' notice to the Borrower, cancel the Available Participation of each Lender and declare all Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents immediately due and payable, whereupon each such Available Participation will be immediately cancelled, the Facility shall immediately cease to be available for further utilisation and all such Loans, accrued interest and other amounts shall become immediately due and payable.
- (b) For the purposes of paragraph (a) above, **Change of Control** means:

- (i) Volvo Car Corporation ceases directly or indirectly to have the power (whether by way of ownership of shares, proxy, voting rights, contract, agency or otherwise) to:
  - (A) control SNITA Holding B.V.; or
  - (B) hold beneficially the majority of the issued share capital of SNITA Holding B.V. (whether directly or indirectly through wholly-owned Subsidiaries, and excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (ii) Mr Li Shufu ceases directly or indirectly to have the power (whether by way of ownership of shares, proxy, voting rights, contract, agency or otherwise) to:
  - (A) control PSD Investment Limited; or
  - (B) hold beneficially the majority of the issued share capital of PSD Investment Limited (whether directly or indirectly through wholly-owned Subsidiaries, and excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (iii) the Parents together cease directly or indirectly to have the power (whether by way of ownership of shares, proxy, voting rights, contract, agency or otherwise) to:
  - (A) control the Borrower; or
  - (B) hold beneficially the majority of the issued share capital of the Borrower (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); or
- (iv) any person or group or persons acting in concert gains direct or indirect control of the Borrower in circumstances where, Volvo Car Corporation and Mr Li Shufu together do not retain direct or indirect control over the Borrower; or
- (v) any person or group or persons acting in concert gains direct or indirect control of any Parent in circumstances where:
  - (A) Volvo Car Corporation does not retain direct or indirect control over SNITA Holding B.V.; and
  - (B) Mr Li Shufu does not retain direct or indirect control over PSD Investment Limited.
- (c) For the purpose of paragraph (b) above, "**control**" means the power to:
  - (i) cast, or control the casting of, the maximum number of votes that might be cast at a general or shareholder meeting (or any equivalent meeting of stakeholders or shareholders in any jurisdiction) of the Borrower;
  - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the Borrower; or
  - (iii) give directions with respect to the operating and financial policies of the Borrower with which the directors or other equivalent officers of the Borrower are obliged to comply (or, in the case of a Swedish entity, to determine the



decisions at general meetings, whether through ownership of equity interest or partnership or other ownership interests by contract or otherwise); or

- (d) For the purpose of paragraph (b) above, “**acting in concert**” means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Borrower or any Parent (as applicable) by any of them, either directly or indirectly, to obtain or consolidate control of the Borrower or any Parent (as applicable).

**7.3 Voluntary cancellation**

The Borrower may, if it gives the Agent not less than ten (10) Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of €20,000,000) of the Available Facility. Any cancellation under this clause 7.3 shall reduce the Participations of the Lenders rateably.

**7.4 Voluntary prepayment of Loans**

The Borrower may, if it gives the Agent not less than ten (10) Business Days' (or such shorter period as the Majority Lenders and the Agent may agree) prior notice, prepay the whole or any part of any Loan (but, if in part, being an amount that reduces the amount of the Loan by a minimum amount of €20,000,000), together with any accrued interest and applicable Break Costs.

**7.5 Mandatory prepayment – material adverse change following Permitted Reorganisation**

If at any time, the Agent (acting on the instructions of the Majority Lenders) believes that any Permitted Reorganisation has or is reasonably likely to have a Material Adverse Effect:

- (i) the Agent shall promptly notify the Borrower of this; and
- (ii) upon delivery of the notification in sub-paragraph (a) above, the Borrower shall immediately prepay all amounts outstanding under the Facility, including but not limited to any amounts outstanding under any Loan, accrued interest and any applicable Break Costs.

**7.6 Mandatory prepayment – Floorplan Financing, insurance proceeds and Sale and Leaseback Transactions**

- (a) Notwithstanding clauses 6.1 (*Repayment of Loans*) and 7.4 (*Voluntary prepayment of Loans*), in the event that:
- (i) any amounts are utilised (howsoever defined or described) under any of the Floorplan Facilities (each, in respect of any Vehicles);
  - (ii) proceeds of any insurance claim (in respect of any Vehicles relating to the relevant Loan(s) that have not been repaid in full) under any insurance maintained by any member of the Group (and after deducting any reasonable expenses in relation to that claim which are incurred by any member of the Group to persons who are not members of the Group) are received by any member of the Group; or
  - (iii) any amounts are received (howsoever defined or described and whether or not received by the Borrower) under any of the Sale and Leaseback Transactions (each, in respect of any Vehicles),

the Borrower shall prepay (without any set-off or counterclaim) the whole or any part of the Loan to which such amounts relate, in an amount equal to the value of the

above amounts together with any accrued interest and applicable Break Costs, subject to and in accordance with paragraph (b) below, provided that if any amounts are payable under both paragraphs (a)(i) and (ii) above in respect of the same Vehicles, the Borrower shall only be obliged to prepay an amount in aggregate which prepay the relevant Loan together with any related interest and applicable Break Costs for such Loan.

- (b) In respect of any amounts to be prepaid in connection with paragraphs (a)(i), (ii) and (iii) above (each, a **Prepayment Amount**):
  - (i) if, at any time and from time to time, the aggregate value of all Prepayment Amounts exceeds €5,000,000 (the **Periodic Prepayment Trigger**), the Borrower shall promptly (and in any event, within two (2) Business Days of the occurrence of the Periodic Prepayment Trigger) prepay an amount which is equivalent to the aggregate value of such Prepayment Amounts in full to the Agent (the **Paid Prepayment Amount**); and
  - (ii) following the payment by the Borrower of the relevant Paid Prepayment Amount, and on each date the Agent confirms receipt in full of such Paid Prepayment Amount, the aggregate value of such Paid Prepayment Amount shall be deducted from and no longer count towards the aggregate value of all Prepayment Amounts currently outstanding for the time being. For the avoidance of doubt, any subsequent prepayment will only be triggered upon the Periodic Prepayment Trigger occurring again.

#### 7.7 **Mandatory prepayment – Shareholder loans**

If at any time any Financial Indebtedness incurred by Polestar UK and/or a member of the Group from any Shareholder (save for any Financial Indebtedness incurred by the Borrower from Polestar Automotive (Singapore) Pte. Ltd as at the Amendment and Restatement Effective Date) is:

- (a) declared to be or becomes due and payable as a result of an event of default (howsoever defined); or
- (b) in respect of any such Financial Indebtedness incurred by Polestar UK, voluntarily repaid,

prior to its originally specified maturity date (or, such alternative maturity date with the prior consent of all the Lenders), the Borrower shall immediately (A) notify the Agent of the relevant event, and (B) prepay all amounts outstanding under the Facility, including but not limited to any amounts outstanding under any Loan, accrued interest and any applicable Break Costs.

#### 7.8 **Right of replacement or repayment and cancellation in relation to a single Lender**

- (a) If:
  - (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of clause 12.2 (*Tax gross-up*); or
  - (ii) any Lender claims indemnification from the Borrower under clause 12.3 (*Tax indemnity*) or clause 13.1 (*Increased Costs*),

the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Participation(s) of that Lender and its intention to procure the repayment of that Lender's participation in the Loans or give the Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.

- (b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Available Participation(s) of that Lender shall be immediately reduced to zero.
- (c) On the last day of each Interest Period which ends after the Borrower has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in that Loan and that Lender's corresponding Participation shall be immediately cancelled in the amount of the participations repaid.
- (d) If:
  - (i) any of the circumstances set out in paragraph (a) above apply to a Lender; or
  - (ii) an Obligor becomes obliged to pay any amount in accordance with clause 7.1 (*Illegality*) to any Lender,

the Borrower may, on 20 Business Days' prior notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to clause 24 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to an Eligible Institution which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with clause 24 (*Changes to the Lenders*) for a purchase price in cash payable at the time of the transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest (to the extent that the Agent has not given a notification under clause 24.9 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
  - (i) the Borrower shall have no right to replace the Agent;
  - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;
  - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
  - (iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary know your customer or other similar checks under all applicable laws and regulations in relation to that transfer.
- (f) A Lender shall perform the checks described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.

#### 7.9 Right of cancellation in relation to a Defaulting Lender

- (a) If any Lender becomes a Defaulting Lender, the Agent may at any time notify the Borrower and such Defaulting Lender in writing that the Available Participation of such Lender be cancelled with immediate effect (or, if later, with effect from the date specified in such notice).
- (b) On the notice referred to in paragraph (a) above becoming effective, the Available Participation of the Defaulting Lender shall be immediately reduced to zero and to the extent any Loan which such Defaulting Lender has participated in remains

outstanding, the Borrower shall repay the outstanding Loans due to such Lender on the earlier of:

- (i) the Termination Date; and
  - (ii) any other date which may be prescribed under this Agreement.
- (c) The Agent shall as soon as practicable after delivering a notice referred to in paragraph (a) above, notify all the Lenders.

#### 7.10 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this clause 7.10 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (c) Except where the Facility has been cancelled or terminated, the Borrower may reborrow any part of the Facility which is prepaid or repaid in accordance with the terms of this Agreement.
- (d) The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Participations except at the times and in the manner expressly provided for in this Agreement.
- (e) Subject to clause 2.2 (*Accordion Increase*), no amount of the Total Participations cancelled under this Agreement may be subsequently reinstated.
- (f) If the Agent receives a notice under this clause 7.10 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.
- (g) If all or part of any Lender's participation in a Loan is repaid or prepaid and is not available for redrawing (other than by operation of clause 4.2 (*Further conditions precedent*)), an amount of that Lender's Participation (equal to the amount of the participation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

#### 7.11 Application of prepayments

Any prepayment of a Loan pursuant to clauses 7.2 (*Change of control*), 7.3 (*Voluntary cancellation*), 7.4 (*Voluntary prepayment of Loans*), 7.5 (*Mandatory prepayment – material adverse change following Permitted Reorganisation*), 7.6 (*Mandatory prepayment – Floorplan Financing, insurance proceeds and Sale and Leaseback Transactions*) and 7.7 (*Mandatory prepayment – Shareholder loans*) shall be applied *pro rata* to each Lender's participation in that Loan.

## **SECTION 5 COSTS OF UTILISATION**

### **8 Interest**

#### **8.1 Calculation of interest**

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (a) Margin; and
- (b) EURIBOR.

#### **8.2 Payment of interest**

The Borrower shall pay accrued interest on the Loan to which that Interest Period relates on the last day of each Interest Period.

#### **8.3 Default interest**

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (a) below, is two (2) per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably).
- (b) Any interest accruing under this clause 8.3 shall be immediately payable by the Obligor on demand by the Agent.
- (c) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
  - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
  - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be two (2) per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
- (d) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

#### **8.4 Notifications**

- (a) The Agent shall promptly notify the relevant Lenders and the Borrower of the determination of a rate of interest under this Agreement.
- (b) The Agent shall promptly notify the Borrower of each Funding Rate relating to a Loan.

### **9 Interest Periods**

#### **9.1 Selection of Interest Periods**

- (a) Subject to this clause 9, the Borrower may only select an Interest Period for a Loan of 90 days in the Utilisation Request for that Loan or of any other period notified in accordance with paragraph (b) below.
- (b) If the Majority Lenders consider that changes to the prevailing Interest Period specified at paragraph (a) are necessary due to changes in the working capital cycle of the Group or otherwise, the Agent may (acting on the instructions of the Majority Lenders, acting reasonably) from time to time notify the Borrower of the Interest Period which shall be specified in respect of future Utilisation Requests and which shall apply to future Loans.
- (c) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (d) Each Interest Period for a Loan shall start on its Utilisation Date.
- (e) A Loan has one Interest Period only.

#### 9.2 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the preceding Business Day.

### 10 **Changes to the Calculation of Interest**

#### 10.1 **Unavailability of Screen Rate**

- (a) *Interpolated Screen Rate:* If no Screen Rate is available for EURIBOR for the Interest Period of a Loan, the applicable EURIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Loan.
- (b) *Cost of funds:* If no Screen Rate is available for EURIBOR for:
  - (i) euro; or
  - (ii) the Interest Period of a Loan and it is not possible to calculate the Interpolated Screen Rate,

then there shall be no EURIBOR for that Loan and clause 10.3 (*Cost of funds*) shall apply to that Loan for that Interest Period.

#### 10.2 **Market disruption**

If, before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in that Loan exceed 33 per cent. of that Loan) that the cost to it of funding its participation in that Loan from whatever source it may reasonably select would be in excess of EURIBOR then clause 10.3 (*Cost of funds*) shall apply to that Loan for the relevant Interest Period.

#### 10.3 **Cost of funds**

- (a) If this clause 10.3 applies, the rate of interest on each Lender's share of the relevant Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
  - (i) the Margin; and
  - (ii) the rate notified to the Agent by that Lender as soon as practicable and in any event before the date on which interest is due to be paid in respect of that Interest Period, to be that which expresses as a percentage rate per annum

the cost to the relevant Lender of funding its participation in that Loan from whatever source it may reasonably select.

- (b) If this clause 10.3 applies and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.

#### 10.4 Notification to Borrower

If clause 10.3 (*Cost of funds*) applies the Agent shall, as soon as is practicable, notify the Borrower.

#### 10.5 Break Costs

- (a) The Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

### 11 Fee Letters

#### 11.1 Participation Fee

- (a) The Borrower shall pay to the Agent, on the earlier of (i) the first Utilisation Date occurring after the Amendment and Restatement Effective Date; and (ii) within 30 days of the Amendment and Restatement Effective Date, for the account of each Arranger (including Standard Chartered Bank) on a pro rata basis determined in accordance with each Arranger's Participation on the Amendment and Restatement Effective Date, a one-time participation fee in the amount determined in accordance with each Arranger's role as set out in the table below.

Role	Participation fee (in % of the relevant Participation on the Amendment and Restatement Effective Date)
Mandated Lead Arranger	0.10
Lead Arranger	0.05

- (b) If there is an increase in Participation after the Amendment and Restatement Effective Date (whether pursuant to clause 2.2 (*Accordion Increase*) or otherwise), the Borrower shall pay to the Agent, on the earlier of (i) the first Utilisation Date occurring after such increase in Participation becomes effective; and (ii) within 30 days of such increase in Participation becoming effective, for the account of each Arranger (including Standard Chartered Bank) on a pro rata basis determined in accordance with the increase of each Arranger's Participation, a one-time participation fee in the amount determined in accordance with each Arranger's role as set out in the table below.

Role	Participation fee (in % of any increase in Participation)
Mandated Lead Arranger	0.10
Lead Arranger	0.05

**11.2 Administrative agency fee**

The Borrower shall pay to the Agent (for its own account) an administrative agency fee in the amount and at the times agreed in a Fee Letter.

**11.3 Structuring fee**

The Borrower shall pay to the Structuring Bank (for its own account) a structuring fee in the amount and at the times agreed in a Fee Letter.



## SECTION 6 ADDITIONAL PAYMENT OBLIGATIONS

### 12 Tax Gross Up and Indemnities

#### 12.1 Definitions

In this Agreement:

**Protected Party** means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

**Tax Credit** means a credit against, relief or remission for, or repayment of any Tax.

**Tax Deduction** means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

**Tax Payment** means either the increase in a payment made by an Obligor to a Finance Party under clause 12.2 (*Tax gross-up*) or a payment under clause 12.3 (*Tax indemnity*).

Unless a contrary indication appears, in this clause 12 a reference to determines or determined means a determination made in the absolute discretion of the person making the determination.

#### 12.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

#### 12.3 Tax indemnity

- (a) The Borrower shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.

- (b) Paragraph (a) above shall not apply:
  - (i) with respect to any Tax assessed on a Finance Party:
    - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes;
    - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

  - (C) to the extent a loss, liability or cost is compensated for by an increased payment under clause 12.2 (*Tax gross-up*) or relates to a FATCA Deduction required to be made by a Party.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.
- (d) A Protected Party shall, on receiving a payment from an Obligor under this clause 12.3, notify the Agent.

#### 12.4 **Tax Credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

#### 12.5 **Stamp taxes**

The Borrower shall pay and, within three Business Days of demand, indemnify each Secured Party and each Mandated Lead Arranger against any cost, loss or liability that Secured Party or Mandated Lead Arranger incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

#### 12.6 **VAT**

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any Party other than the Recipient (the **Relevant Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
  - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
  - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this clause 12.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term representative member to have the same meaning as in the Value Added Tax Act 1994).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

#### 12.7 **FATCA Information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
  - (i) confirm to that other Party whether it is:
    - (A) a FATCA Exempt Party; or
    - (B) not a FATCA Exempt Party;
  - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;
  - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
  - (i) any law or regulation;
  - (ii) any fiduciary duty; or
  - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) If a Borrower is a US Tax Obligor or the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:
  - (i) where an Original Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;
  - (ii) where a Borrower is a US Tax Obligor on a Transfer Date and the relevant Lender is a New Lender, the relevant Transfer Date;
  - (iii) the date a new US Tax Obligor accedes as a Borrower; or
  - (iv) where a Borrower is not a US Tax Obligor, the date of a request from the Agent,
 supply to the Agent:
  - (A) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
  - (B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the Borrower.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the Borrower.

- (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraph (e), (f) or (g) above.
- (i) Without prejudice to any other term of this Agreement, if a Lender fails to supply any withholding certificate, withholding statement, document, authorisation, waiver or information in accordance with paragraph (e) above, or any withholding certificate, withholding statement, document, authorisation, waiver or information provided by a Lender to the Agent is or becomes materially inaccurate or incomplete, then such Lender shall indemnify the Agent, within three Business Days of demand, against any cost, loss, Tax or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (including any related interest and penalties) in acting as Agent under the Finance Documents as a result of such failure.

#### 12.8 **FATCA Deduction**

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), and in any case at least three (3) Business Days prior to making a FATCA Deduction, notify the Party to whom it is making the payment and, on or prior to the day on which it notifies that Party, shall also notify the Borrower, the Agent and the other Finance Parties

### 13 **Increased Costs**

#### 13.1 **Increased Costs**

- (a) Subject to clause 13.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation;
  - (ii) compliance with any law or regulation made after the date of this Agreement; and/or
  - (iii) a Basel III Increased Cost; and/or
  - (iv) a Reformed Basel III Increased Cost.
- (b) In this Agreement **Increased Costs** means:
  - (i) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
  - (ii) an additional or increased cost; or
  - (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Participation or funding or performing its obligations under any Finance Document.

**13.2 Increased Cost claims**

- (a) A Finance Party intending to make a claim pursuant to clause 13.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

**13.3 Exceptions**

- (a) Clause 13.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:
  - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
  - (ii) attributable to a FATCA Deduction required to be made by a Party;
  - (iii) compensated for by clause 12.3 (*Tax indemnity*) (or would have been compensated for under clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of clause 12.3 (*Tax indemnity*) applied); or
  - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (b) In this clause 13.3, a reference to a **Tax Deduction** has the same meaning given to that term in clause 12.1 (*Definitions*).

**14 Other Indemnities**

**14.1 Currency indemnity**

- (a) If any sum due from an Obligor under the Finance Documents (a **Sum**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the **First Currency**) in which that Sum is payable into another currency (the **Second Currency**) for the purpose of:
  - (i) making or filing a claim or proof against that Obligor; or
  - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Mandated Lead Arranger, the Structuring Bank and each other Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

**14.2 Other indemnities**

- (a) The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Mandated Lead Arranger, the Structuring Bank and each other Secured Party against any cost, loss or liability incurred by that Finance Party as a result of:
  - (i) the occurrence of any Event of Default;
  - (ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of clause 29 (*Sharing among the Finance Parties*);
  - (iii) funding, or making arrangements to fund, its participation in a Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
  - (iv) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.
- (b) The Borrower shall promptly indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate, against any cost, loss or liability incurred by that Finance Party or its Affiliate (or officer or employee of that Finance Party or Affiliate) in connection with or arising out of the use of proceeds under the Facility or Transaction Security being taken over the Charged Property (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the use of proceeds under the Facility), unless such loss or liability is caused by the gross negligence or wilful misconduct of that Finance Party or its Affiliate (or employee or officer of that Finance Party or Affiliate). Any Affiliate or any officer or employee of a Finance Party or its Affiliate may rely on this clause 14.2 subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

#### 14.3 Indemnity to the Agent

The Borrower shall promptly indemnify the Agent against:

- (a) any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:
  - (i) investigating any event which it reasonably believes is a Default;
  - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
  - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; and
- (b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 30.10 (*Disruption to payment systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents.

#### 14.4 Indemnity to the Security Agent

- (a) Each Obligor jointly and severally shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

- (i) any failure by the Borrower to comply with its obligations under clause 16 (*Costs and Expenses*);
  - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
  - (iii) the taking, holding, protection or enforcement of the Transaction Security;
  - (iv) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law;
  - (v) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents; or
  - (vi) acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Charged Property (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct); or
  - (vii) any liability of the Security Agent for the actions of any Receiver or Delegate (otherwise than by reason of the Security Agent's gross negligence or wilful misconduct).
- (b) Each Obligor expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 14.4 will not be prejudiced by any release under clause 27.25 (*Releases*) or otherwise in accordance with the terms of this Agreement.
  - (c) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 14.4 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

#### 14.5 **Survival**

Each indemnity given by a Party under or in connection with a Finance Document (in this clause 14 or otherwise) is a continuing obligation, independent of the Party's other obligations under or in connection with that or any other Finance Document and survives after that Finance Document is terminated. It is not necessary for a Finance Party to pay any amount or incur any expense before enforcing an indemnity under or in connection with a Finance Document.

### 15 **Mitigation by the Lenders**

#### 15.1 **Mitigation**

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of clause 7.1 (*Illegality*), clause 12 (*Tax gross-up and indemnities*) or clause 13 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

#### 15.2 **Limitation of liability**



- (a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under clause 15.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under clause 15.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

## **16 Costs and Expenses**

### **16.1 Transaction expenses**

The Borrower shall promptly on demand pay the Agent, each Mandated Lead Arranger, the Structuring Bank and the Security Agent the amount of all costs and expenses (including but not limited to legal fees, any costs arising out of or in connection with an Accordion Increase pursuant to clause 2.2 (*Accordion Increase*) and/or any costs associated with use of the Debt Domain service in relation to communicating with Lenders in respect of this Agreement) reasonably incurred by any of them (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution, syndication and perfection of:

- (a) the Transaction Security, this Agreement and any other documents referred to in this Agreement; and
- (b) any other Finance Documents executed after the date of this Agreement.

### **16.2 Amendment costs**

If:

- (a) an Obligor requests an amendment, waiver or consent;
- (b) an amendment is required pursuant to any provision of this Agreement; or
- (c) any amendment or waiver is contemplated or agreed pursuant to clause 36.5 (*Replacement of Screen Rate*),

the Borrower shall, within three Business Days of demand, reimburse each of the Agent and the Security Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent and the Security Agent (and, in the case of the Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating, complying with or implementing that request or requirement or actual or contemplated agreement.

### **16.3 Security Agent's management time and additional remuneration**

- (a) Any amount payable to the Security Agent under clause 14.4 (*Indemnity to the Security Agent*) and this clause 16 shall include the cost of utilising the Security Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Security Agent may notify to the Borrower and the Lenders, and is in addition to any other fee paid or payable to the Security Agent.
- (b) Without prejudice to paragraph (a) above, in the event of:
  - (i) a Default;
  - (ii) the Security Agent being requested by an Obligor or the Majority Lenders to undertake duties which the Security Agent and the Borrower agree to be of

an exceptional nature or outside the scope of the normal duties of the Security Agent under the Finance Documents; or

- (iii) the Security Agent and the Borrower agreeing that it is otherwise appropriate in the circumstances,

the Borrower shall pay to the Security Agent any additional remuneration that may be agreed between them or determined pursuant to paragraph (c) below.

- (c) If the Security Agent and the Borrower fail to agree upon the nature of the duties or upon the additional remuneration referred to in paragraph (b) above or whether additional remuneration is appropriate in the circumstances, any dispute shall be determined by an investment bank (acting as an expert and not as an arbitrator) selected by the Security Agent and approved by the Borrower or, failing approval, nominated (on the application of the Security Agent) by the President for the time being of the Law Society of England and Wales (the costs of the nomination and of the investment bank being payable by the Borrower) and the determination of any investment bank shall be final and binding upon the Parties.

#### 16.4 **Enforcement costs**

The Borrower shall, within three Business Days of demand, pay to each Mandated Lead Arranger, the Structuring Bank and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights under, any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

## **SECTION 7 GUARANTEE**

### **17 Guarantee and Indemnity**

#### **17.1 Guarantee and indemnity**

Each Guarantor irrevocably and unconditionally jointly and severally:

- (a) guarantees (in relation to each Swedish Obligor, as for its own debt (Sw. *proprieborgen*)) to each Finance Party punctual performance by the Borrower of all that Borrower's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever the Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of the Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by a Guarantor under this indemnity will not exceed the amount it would have had to pay under this clause 17 if the amount claimed had been recoverable on the basis of a guarantee.

#### **17.2 Continuing guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

#### **17.3 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Guarantor under this clause 17 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

#### **17.4 Waiver of defences**

The obligations of each Guarantor under this clause 17 will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this clause 17 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any

formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

**17.5 Immediate recourse**

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this clause 17. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

**17.6 Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this clause 17.

**17.7 Deferral of Guarantors' rights**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this clause 17:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under clause 17.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust (or on behalf of) for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with clause 30 (*Payment mechanics*).

#### 17.8 Release of Guarantors' right of contribution

If any Guarantor (a **Retiring Guarantor**) ceases to be a Guarantor in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

- (a) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and
- (b) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

#### 17.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

#### 17.10 Guarantee limitations – Germany

In the case of a Guarantor incorporated in Germany as a limited liability company (*Gesellschaft mit beschränkter Haftung*) or established in Germany as a limited partnership (*Kommanditgesellschaft*) with a limited liability company (*Gesellschaft mit beschränkter Haftung*) as general partner (each a **German Guarantor**) the enforcement of the guarantee and indemnity (the **German Guarantee**) granted pursuant to this Clause 17.10 against such German Guarantor shall be limited as follows:

- (a) To the extent a German Guarantor guarantees or indemnifies any obligations under this clause 17 or any other provision of the Finance Documents of any of its Holding Companies or Affiliates (other than a Subsidiary of that German Guarantor), the enforcement of the respective obligations of that German Guarantor under this clause 17 (or any other relevant provision of the Finance Documents) shall, subject to paragraphs (b) to (f) below, be limited to the amount that would not lead to the situation, that due to granting of the German Guarantee (i) such German Guarantor's net assets (for the purposes of this clause 17.10 net assets means the assets (taking into consideration the assets listed under Section 266 paragraph 2 A, B, C, D and E of the German Commercial Code (*HGB*)) less the aggregate of its liabilities (taking into consideration the liabilities listed under Section 266 paragraph 3 B, C, D and E of the German Commercial Code (*HGB*)) and amounts which are subject to legal dividend payment constraints (*Ausschüttungssperre*) pursuant to section 253(6),

section 268(8) or section 272(5) HGB) of the German Guarantor fall below its (or in the case of a GmbH & Co. KG, its general partner's) registered share capital (*Stammkapital*) or (ii), if its (or in the case of a GmbH & Co. KG, its general partner's) net assets are already below its (or in the case of a GmbH & Co. KG, its general partner's) registered share capital, the existing shortage in its (or in the case of a GmbH & Co. KG, its general partner's) net assets would be further increased (*Vertiefung einer Unterbilanz*).

- (b) For the purposes of such calculation the following balance sheet items shall be adjusted as follows:
  - (i) the amount of any increase after the date of this Agreement of the German Guarantor's, or, where the guarantor is a German GmbH & Co. KG Guarantor, its general partner's registered share capital which has been effected without the prior written consent of the Agent and which is made out of retained earnings (*Kapitalerhöhung aus Gesellschaftsmitteln*) shall be deducted from the registered share capital; and
  - (ii) liabilities in relation to loans granted to, and other contractual liabilities incurred by, the German Guarantor or as the case may be its general partner, in wilful (*vorsätzlich*) or grossly negligent (*grob fahrlässig*) violation of any Finance Document shall be disregarded.
- (c) In addition, the German Guarantor and, where the guarantor is a German GmbH & Co. KG Guarantor, also its general partner shall, if so requested by the Agent, realise, to the extent legally permitted, in a situation where after enforcement of the Guarantee the German Guarantor, or, where the guarantor is a German GmbH & Co. KG Guarantor, its general partner would not have net assets in excess of its respective registered share capital, any and all of its assets that are shown in the balance sheet with a book value (*Buchwert*) that is significantly lower than the market value of the asset if such asset is not necessary for the German Guarantor's or as the case may be its general partner's operational business (*operativ nicht betriebsnotwendig*).
- (d) The limitations set out in Paragraph (a) above of this clause 17.10 only apply:
  - (i) if and to the extent that the managing directors on behalf of such German Guarantor have evidenced (in reasonable detail) in writing to the Agent (**Management Confirmation**) within 15 Business Days of demand of the Agent under this clause 17 (or the respective other provision of the Finance Documents) the amount of the obligations under this clause 17 (or the respective other provision of the Finance Documents) which cannot be met without causing the net assets of such German Guarantor (or, in the case of a GmbH & Co. KG., its general partner) to fall below its registered share capital; and
  - (ii) in case a Lender raises an objection against the Management Confirmation and the Agent notifies the respective German Guarantor of such objection, if the Agent receives within 30 Business Days after such notification a written audit report prepared by auditors of international standard and reputation appointed by the respective German Guarantor with a view to investigating to what extent the net assets of that German Guarantor (or in the case of a GmbH & Co. KG, its general partner) exceeded its registered share capital (the **Auditor's Determination**).
- (e) If (A) and to the extent the net assets as determined by the Auditors' Determination are lower than the amount enforced in accordance with the Management Determination or (B) the German Guarantee has been enforced without regard to the limitations set out in this clause 17.10 because (x) the Management Determination was not delivered within the relevant time frame or (y) the Auditors'

Determination was not delivered within the relevant time frame but has been delivered within twenty (20) Business Days following the due date for the delivery of the Auditors' Determination, the Agent shall promptly repay to the relevant German Guarantor upon written demand of the relevant German Guarantor any amount (if and to the extent already paid to the Finance Parties (or any of them)) in the case of (A) equal to the difference between the amount paid and the amount payable resulting from the Auditor's Determination, and in the case of (B), which the Agent would not have been entitled to enforce had the Management Determination and the Auditors' Determination been delivered in time provided such demand for repayment is made to the Agent within six (6) months from the date the German Guarantee is enforced. The Agent may withhold any amount received pursuant to an enforcement of the German Guarantee until final determination of the amount of the net assets pursuant to the Auditors' Determination.

- (f) The limitations set out in this clause 17.10 shall not apply (or, as the case may be, shall cease to apply):
  - (i) to a German Guarantee in respect of loans made to the German Guarantor under this Agreement to the extent they are on-lent to that German Guarantor or its Subsidiaries (and/ or in the case of a GmbH & Co. KG, its general partner and the general partner's Subsidiaries) and such amount on-lent has not been returned prior to the time of the intended enforcement; or
  - (ii) if a domination and/ or profit and loss pooling agreement (*Beherrschungs- und/ oder Gewinnabführungsvertrag*) has been entered into with the German Guarantor as dominated party (*beherrschtes Unternehmen*) and the Finance Parties agree to repay any amount received from the German Guarantor due to this paragraph if and to the extent the German Guarantor is not able to recover the annual loss (*Jahresfehlbetrag*) which the dominating entity (*herrschendes Unternehmen*, the **Dominating Entity**) is obliged to pay pursuant to section 302 AktG, due to the fact that the Dominating Entity is unable to fulfil its obligations pursuant to section 302 AktG when they fall due (*zahlungsunfähig*) or the Dominating Entity is over-indebted (*überschuldet*).

The restrictions set forth in paragraph (a) of this clause 17.10 shall not imply any full or partial waiver of any amount owed under the German Guarantee and indemnity under this clause 17, but shall impede only temporarily the enforcement of the German Guarantee and indemnity under this clause 17 to the extent the enforcement of the German Guarantee and indemnity under this clause 17 is limited by the restrictions set forth in paragraph (a) of this clause 17.10.

#### 17.11 Guarantee limitations – Norway

- (a) Notwithstanding anything set out in this Agreement or any other Finance Document to the contrary, the obligations and liabilities of each Norwegian Obligor under this clause 17 or any other provision of this Agreement or any other Finance Document to which it is a party shall be limited by such mandatory provisions of law applicable to that Norwegian Obligor limiting the legal capacity or ability of the relevant Norwegian Obligor to grant and/ or honour a guarantee hereunder (including, but not limited to, the provisions of Sections 8-7 to 8-10 (both inclusive) of the Norwegian Private Limited Liability Companies Act of 13 June 1997 No. 44 or the Norwegian Public Limited Liability Companies Act of 13 June 1997 No. 45 (as the case may be)), and the obligations and liability of each such Norwegian Obligor under this clause 17 or under any other guarantee or indemnity contained in this Agreement or any other Finance Document shall only apply to the extent not so limited.
- (b) The liability of each Norwegian Obligor under this clause 17 or under any other provision of this Agreement or any other Finance Document to which it is a party shall be limited to EUR 720,000,000 plus any unpaid amount of interest, fees, liability, costs and expenses under the Finance Documents.

17.12 **Guarantee limitations – Sweden**

The obligations of each Swedish Obligor under this clause 17 shall be limited if (and only if) and to the extent required by an application of the provisions of the Swedish Companies Act (Sw. Aktiebolagslagen (2005:551)) regulating distribution of assets (including profits and dividends and any other form of transfer of value (Sw. värdeöverföring) within the meaning of Chapter 17, Sections 1-3 of the Swedish Companies Act) of the Swedish Companies Act. It is agreed that the liability of such Obligor under this clause 17 in respect of such obligations only applies to the extent permitted by the above mentioned provisions of the Swedish Companies Act.



**SECTION 8**  
**REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT**

**18 Representations**

Each Obligor makes the representations and warranties set out in this clause 18 to each Finance Party on the date of this Agreement.

**18.1 Status**

- (a) It is a limited liability corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.
- (b) Each of its Subsidiaries is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (c) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

**18.2 Binding obligations**

Subject to the Legal Reservations:

- (a) the obligations expressed to be assumed by it in each Finance Document to which it is a party are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

**18.3 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its or any of its Subsidiaries' constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its Subsidiaries' assets or constitute a default or termination event (however described) under any such agreement or instrument.

**18.4 Power and authority**

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.
- (b) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Finance Documents to which it is a party.

**18.5 Validity and admissibility in evidence**

- (a) All Authorisations and any other acts, conditions or things required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
- (ii) to make the Finance Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

have been obtained, effected, done, fulfilled or performed and are in full force and effect.

- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of members of the Group have been obtained or effected and are in full force and effect.
- (c) All the Material Licences have been obtained or effected and are in full force and effect.

#### 18.6 **Governing law and enforcement**

- (a) The choice of the law stated to be the governing law of each Finance Document will be recognised and enforced in its Relevant Jurisdictions.
- (b) Any judgment obtained in relation to a Finance Document in the jurisdiction of the stated governing law of that Finance Document will be recognised and enforced in its Relevant Jurisdictions.

#### 18.7 **Insolvency**

No:

- (a) corporate action, legal proceeding or other procedure or step described in clause 22.7 (*Insolvency proceedings*); or
- (b) creditors' process described in clause 22.8 (*Creditors' process*),

has been taken or, to the knowledge of the Borrower, threatened in relation to a member of the Group and none of the circumstances described in clause 22.6 (*Insolvency*) applies to a member of the Group.

#### 18.8 **Deduction of Tax**

It is not required to make any Tax Deduction (as defined in clause 12.1 (*Definitions*)) from any payment it may make under any Finance Document.

#### 18.9 **No filing or stamp taxes**

Under the law of its Relevant Jurisdictions it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

#### 18.10 **No default**

- (a) No Event of Default is continuing or might reasonably be expected to result from the making of any Loan or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which might have a Material Adverse Effect.

**18.11 No misleading information**

- (a) Any factual information provided by any member of the Group for the purposes of the Information Memorandum was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (b) The financial projections contained in the Information Memorandum have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) Nothing has occurred or been omitted from the Information Memorandum and no information has been given or withheld that results in the information contained in the Information Memorandum being untrue or misleading in any material respect.
- (d) All other written information provided by any member of the Group (including its advisers) to a Finance Party was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect.

**18.12 Financial statements**

- (a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) Its Original Financial Statements fairly present its financial condition as at the end of the relevant financial year and its results of operations during the relevant financial year (consolidated in the case of the Borrower).
- (c) Each of the Business Plan and any budgets and forecasts supplied under this Agreement was arrived at after careful consideration and have been prepared in good faith on the basis of recent historical information and on the basis of assumptions which were reasonable as at the date they were prepared and supplied.
- (d) There has been no material adverse change in its business or financial condition (or the business or consolidated financial condition of the Group, in the case of the Borrower) since 31 December 2020.

**18.13 Pari passu ranking**

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors (including but not limited to creditors in respect of any Floorplan Facilities), except for obligations mandatorily preferred by law applying to companies generally.

**18.14 No proceedings**

- (a) No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect has or have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.
- (b) No judgment or order of a court, arbitral body or agency which might reasonably be expected to have a Material Adverse Effect has (to the best of its knowledge and belief (having made due and careful enquiry)) been made against it or any of its Subsidiaries.

**18.15 No breach of laws**

- (a) It has not (and none of its Subsidiaries has) breached any law or regulation which breach has or is reasonably likely to have a Material Adverse Effect.

- (b) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against any member of the Group which have or are reasonably likely to have a Material Adverse Effect.

**18.16 Environmental laws**

- (a) Each member of the Group is in compliance with clause 21.8 (*Environmental compliance*) and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.
- (b) No Environmental Claim has been commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened against any member of the Group where that claim has or is reasonably likely, if determined against that member of the Group, to have a Material Adverse Effect.

**18.17 Taxation**

- (a) It is not (and none of its Subsidiaries is) materially overdue in the filing of any Tax returns and it is not (and none of its Subsidiaries is) overdue in the payment of any amount in respect of Tax.
- (b) No claims or investigations are being, or are reasonably likely to be, made or conducted against it (or any of its Subsidiaries) with respect to Taxes such that a liability of, or claim against, any member of the Group is reasonably likely to arise.
- (c) It is resident for Tax purposes only in its Original Jurisdiction.

**18.18 Anti-Corruption Laws**

- (a) Each member of the Group has at all times conducted its businesses in compliance with Anti-Corruption Laws and has instituted and maintains as at the date of this Agreement and the Amendment and Restatement Effective Date policies and procedures designed to promote and achieve compliance with such laws.
- (b) No member of the Group (nor to the best of its knowledge and belief (having made due and careful enquiry) any agent, director, employee or officer of any member of the Group) has made or received, or directed or authorised any other person to make or receive, any offer, payment or promise to pay, of any money, gift or other thing of value, directly or indirectly, to or for the use or benefit of any person, where this violates or would violate, or creates or would create liability for it or any other person under, any Anti-Corruption Laws.
- (c) No member of the Group (nor to the best of its knowledge and belief (having made due and careful enquiry) any agent, director, employee or officer of any member of the Group) is being investigated by any agency, or party to any proceedings, in each case in relation to any Anti-Corruption Laws.
- (d) No action, suit, or proceeding by or before any court or government agency, authority, or body or any arbitrator involving the Borrower or any of its subsidiaries with respect to the Anti-Corruption Laws is pending or, to the best knowledge of the Borrower, threatened.

**18.19 Sanctions**

- (a) No member of the Group, nor any of their Subsidiaries or joint ventures, nor any of their respective directors, officers or employees nor, to the knowledge of the Obligor(s), any persons acting on any of their behalf:

- (i) is a Restricted Party;
  - (ii) has conducted any business, transaction or activity:
    - (A) with any Restricted Party or Sanctioned Country; or
    - (B) prohibited by any applicable Sanctions, or which would be reasonably likely to result in them becoming a Restricted Party or otherwise being subject to Sanctions; or
  - (iii) has received written notice of or is aware of any claim, action, suit, proceeding or investigation against it, with respect to Sanctions by any Sanctions Authority.
- (b) Each member of the Group is in compliance with all applicable Sanctions and has adequate internal controls designed to promote compliance with applicable Sanctions.
- (c) This representation is not made by any Obligor or any affiliated company of an Obligor having its seat in the European Union or the United Kingdom or being managed from inside the European Union or the United Kingdom, to the extent such representation would result in a breach of the German Act on Foreign Trade (*Außenwirtschaftsgesetz*), the German Foreign Trade Ordinance (*Außenwirtschaftsverordnung*) or would be contrary to or result in a violation of the provisions of the Blocking Laws.

**18.20 Security**

- (a) Without prejudice to clause 21.3 (*Negative pledge*) and paragraph (b) below, no Security or Quasi-Security exists over all or any of the present or future assets of any member of the Group other than as permitted under this Agreement.
- (b) Any Security or Quasi-Security granted over any present or future assets of each member of the Group complies fully with clauses 21.3(c) (*Negative pledge*).

**18.21 Ranking**

The Transaction Security has or will have first ranking priority and it is not subject to any prior ranking or second ranking or *pari passu* ranking Security.

**18.22 Good title to assets**

It and each of its Subsidiaries has a good, valid and (subject to any Security or Quasi-Security listed in clause 21.3(c) (*Negative pledge*)) unencumbered and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted (including but not limited to the vehicle inventories it may own).

**18.23 Legal and beneficial ownership**

- (a) Subject to paragraph (b) below in respect of the Borrower, it and each of its Subsidiaries is the sole legal and beneficial owner of the respective assets over which it purports to grant Security free from any claims, third party rights or competing interests other than Security permitted under paragraph (c) of clause 21.3 (*Negative pledge*).
- (b) The Borrower is the sole legal and beneficial owner of:

- (i) the Charged Property free from any claims, third party rights or competing interests (other than any lien arising by operation of law and in the ordinary course of trading); and
- (ii) (without prejudice to sub-paragraph (b)(i) above) all vehicles which are from time to time supplied, produced, manufactured or assembled (howsoever described, whether in part or in whole) by an Acceptable Supplier from the time such vehicles are loaded onto a ship at the relevant port of loading to the later of the time that (i) such vehicles are unloaded at the discharge port; and (ii) upon invoicing of the relevant subsidiary of the Borrower located in Europe, except for vehicles for which the port of destination is outside of Europe, in which case the Borrower is the sole legal and beneficial owner of such vehicles from the time such vehicles are loaded onto a ship at the relevant port of loading to a time prior to arrival of those vehicles in the discharge port.

#### 18.24 Invoices

- (a) In relation to each Invoice listed on the relevant Utilisation Request, that such Invoice:
  - (i) arises or has been validly issued under, and has not since been revoked in respect of the relevant Supply Contract;
  - (ii) relates to amounts which will be funded from the proceeds of the relevant Loan requested pursuant to such Utilisation Request, and the relevant Invoice will be paid without set-off or deduction;
  - (iii) prior to such Invoice being paid from the proceeds of the relevant Loan, is and remains due from the Borrower to the relevant Acceptable Supplier listed on such Invoice in respect of the full amount specified on such Invoice;
  - (iv) is payable but is not overdue, in each case on the relevant proposed Utilisation Date and on the date falling one (1) Business Day after the relevant proposed Utilisation Date (or such other period as the Agent acting on the instructions of the Majority Lenders may accept on a Loan-by-Loan basis from time to time); and
  - (v) specifies a payment date which is not more than 45 days from the date that the goods referred to in paragraph (c) below had been shipped.
- (b) Any goods required to be delivered in connection with each Invoice listed on the relevant Utilisation Request have been so delivered in accordance with the terms of the relevant Supply Contract and such delivered goods have been accepted by the Borrower (or if different, the relevant Obligor).

#### 18.25 Supply Contract

In relation to each Invoice listed on the relevant Utilisation Request, it has been issued under or pursuant to a Supply Contract which is (a) unconditionally in full force and effect; (b) has been made on arms' length terms; and (c) has been or remains validly entered into with the Acceptable Supplier listed as a counterparty to such Supply Contract.

#### 18.26 Group Structure Chart

The group structure chart delivered to the Agent pursuant to clause 4.1 (*Initial conditions precedent*) (the **Group Structure Chart**) or most recently delivered pursuant to clause 19.7(d) (*Information: miscellaneous*) is true, complete and accurate in all material respects and shows the following information:

- (a) each member of the Group, including current name and company registration number, its Original Jurisdiction (in the case of an Obligor), its jurisdiction of incorporation (in the case of a member of the Group which is not an Obligor) and/or its jurisdiction of establishment, a list of shareholders and indicating whether a company is not a company with limited liability; and
- (b) all minority interests in any member of the Group and any person in which any member of the Group holds shares in its issued share capital or equivalent ownership interest of such person.

**18.27 No adverse consequences**

- (a) It is not necessary under the laws of its Relevant Jurisdictions:
  - (i) in order to enable any Finance Party to enforce its rights under any Finance Document; or
  - (ii) by reason of the execution of any Finance Document or the performance by it of its obligations under any Finance Document,
 that any Finance Party should be licensed, qualified or otherwise entitled to carry on business in any of its Relevant Jurisdictions.
- (b) No Finance Party is or will be deemed to be resident, domiciled or carrying on business in its Relevant Jurisdictions by reason only of the execution, performance and/or enforcement of any Finance Document.

**18.28 Centre of main interests and establishments**

Its centre of main interest (as that term is used in Article 3(1) of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the **Regulation**)) (**COMI**) is situated in its Original Jurisdiction and it has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

**18.29 Repetition**

- (a) The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on:
  - (i) the date of each Utilisation Request, each Utilisation Date, each date falling one (1) Business Day after a Utilisation Date and the first day of each Interest Period (if different from the Utilisation Date); and
  - (ii) in the case of an Additional Guarantor, the day on which it becomes (or it is proposed that it becomes) an Additional Guarantor.
- (b) The representations in clauses 18.24 (*Invoices*) and 18.25 (*Supply Contract*) shall be repeated on the date of each Utilisation Request, each Utilisation Date and each date falling one (1) Business Day after a Utilisation Date only in respect of Invoices listed on the relevant Utilisation Request.

**19 Information Undertakings**

The undertakings in this clause 19 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Participation is in force.

**19.1 Financial statements**

The Borrower shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as the same become available, but in any event within seven months after the end of each of its financial years its audited consolidated financial statements for that financial year;
- (b) as soon as the same become available, but in any event within 60 days after the end of each quarter of each of its financial years:
  - (i) its unaudited consolidated balance sheet and income statements for that financial quarter; and
  - (ii) written confirmation of the amounts outstanding under the Floorplan Facilities (including principal and interest) and the extent of utilisation of such facilities;
- (c) within 7 Business Days of the end of each calendar month (except (X) if such calendar month is the final month of a financial quarter, in which case the same information will be required to be included in a Financial Condition Report which will be due on such date instead pursuant to clause 20.3 (*Financial testing*)) and/or (Y) for the months of July and August, in which case the Monthly Liquidity Report shall be delivered pursuant to paragraph (d) below), a Monthly Liquidity Report signed on behalf of the Borrower by two of its Authorised Signatories confirming, as at the end of such calendar month (and in the case of paragraph (i) to (iv) below, on a consolidated basis):
  - (i) current Group Cash (as defined in clause 20.1 (*Financial definitions*));
  - (ii) current Group Cash Equivalent Investment (as defined in clause 20.1 (*Financial definitions*));
  - (iii) current Available Credit (as defined in clause 20.1 (*Financial definitions*)) available to the Group;
  - (iv) the Monthly Sales Figures of the Group;
  - (v) in respect of indebtedness incurred by Polestar UK and/or the Group from any Shareholder by way of any loans, bonds, notes or other similar instruments, the amount of such indebtedness outstanding at that time, the relevant maturity dates, the names of the lenders and borrowers and the interest rate; and
- (d) within 7 Business Days of the end of the calendar months of July and August, a Monthly Liquidity Report signed on behalf of the Borrower by two of its Authorised Signatories confirming, as at the end of such calendar month (and on a consolidated basis):
  - (i) current Group Cash (as defined in clause 20.1 (*Financial definitions*)); and
  - (ii) the Monthly Sales Figures of the Group.

**19.2 Monthly reporting of invoices**

Within 30 days of the end of each calendar month, the Agent shall notify the Borrower in writing of the Invoices it has selected at random for inspection, being up to two (2) per cent. in volume of Invoices (and capped at a maximum number of 15 Invoices). The Borrower shall supply such requested Invoices, the relevant transportation documentation and other applicable documents to the Agent within 21 days of the Agent's notification.

**19.3 Requirements as to financial statements**



- (a) Each set of financial statements delivered by the Borrower pursuant to clause 19.1 (*Financial statements*) shall be certified by a director of the relevant company as fairly presenting its financial condition as at the date as at which those financial statements were drawn up.
- (b) The Borrower shall procure that each set of financial statements delivered pursuant to clause 19.1 (*Financial statements*) is prepared using GAAP.

**19.4 Anti-corruption information**

Unless such disclosure would constitute a breach of any applicable law or regulation, the Borrower shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) promptly upon becoming aware of them, the details of any actual or potential violation by, or creation of liability for, any member of the Group or any agent, director, employee or officer of any member of the Group (or any counterparty of any such person in relation to any transaction contemplated by a Finance Document) of or in relation to any Anti-Corruption Laws, or of any investigation or proceedings relating to the same;
- (b) copies of any correspondence delivered to, or received from, any regulatory authorities in relation to any matter referred to in paragraph (a) above at the same time as they are dispatched or promptly upon receipt (as the case may be); and
- (c) promptly upon request by any Finance Party (through the Agent), such further information relating to any matter referred to in paragraphs (a) and (b) above as that Finance Party may reasonably require.

**19.5 Information: inventory and Floorplan Facilities**

- (a) The Borrower shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):
  - (i) within 90 days after the end of each quarter of each of its financial years, an update to the then-current Business Plan by reference to the then-current Business Plan;
  - (ii) within 90 days after the end of the third quarter of each of its financial years, an updated Business Plan for the next financial year;
  - (iii) promptly upon becoming aware, notice of the existence of any security interest (including but not limited to any lien, retention of title, repo, consignment, hire purchase or conditional sale arrangement or arrangements having similar effect) being created or arising (whether by operation of law or otherwise) over any of the vehicles or vehicle inventories excluding any Security or Quasi-Security referred to clause 21.3(c) (*Negative pledge*); and
  - (iv) any document, evidence or records relating to sub-paragraph (b) below.
- (b) Each Obligor shall maintain (with respect to its car inventory) all records, logs, serviceability tags and other documents and materials required by applicable law.

**19.6 Information: Permitted Reorganisations**

- (a) The Borrower shall promptly (and in any event, within one (1) Business Day) notify the Agent in writing upon the occurrence of
  - any Permitted Reorganisation which in each case has or is reasonably likely to have a Material Adverse Effect.

- (b) The Agent shall promptly (and in any event, within two (2)) Business Days) notify the Lenders upon becoming aware of the occurrence of any Permitted Reorganisation which in each case has or is reasonably likely to have a Material Adverse Effect.

**19.7 Information: miscellaneous**

The Borrower shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) all documents dispatched by the Borrower to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings or investigation, including from any Sanctions Authority, which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group and which might have a Material Adverse Effect;
- (d) at the end of each of its financial quarters, if there has been any change to the Group structure, a revised Group Structure Chart on the date falling 14 days after the end of each of its financial quarters. If this sub-paragraph (d) is applicable, the Borrower shall notify the Agent in writing of such change promptly on or prior to such change;
- (e) promptly, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents; and
- (f) promptly, such further information, any Material Licence and (subject to any confidentiality prohibitions on the provision thereof) any documents regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request.

**19.8 Notification of new Material Subsidiary**

- (a) The Borrower shall notify the Agent in each Financial Condition Report required to be delivered pursuant to clause 20.3 (*Financial Testing*) if any entity (including any of its Subsidiaries) becomes a Material Subsidiary.
- (b) Subject to any applicable legal restriction in the jurisdiction of such new Material Subsidiary, the Borrower shall procure that such new Material Subsidiary shall within thirty (30) days' of the notification in paragraph (a) above become an Additional Guarantor pursuant to clause 25 (*Changes to the Obligors*).

**19.9 Year-end**

The Borrower shall not change its Accounting Reference Date.

**19.10 Notification of default**

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by two of its directors, Authorised Signatories or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

**19.11 Direct electronic delivery by Borrower**

The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to a Lender by delivering that information directly to that Lender in accordance with clause 32.5 (*Electronic communication*) to the extent that Lender and the Agent agree to this method of delivery.

**19.12 Know your customer checks**

- (a) If:
- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
  - (ii) any change in the status of an Obligor (or of a Holding Company of an Obligor) or the composition of the shareholders of an Obligor (or of a Holding Company of an Obligor) after the date of this Agreement; or
  - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with know your customer or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary know your customer or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary know your customer or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.
- (c) Following the giving of any notice pursuant to clause 19.8(b) (*Notification of New Material Subsidiary*) above, if the accession of such Additional Guarantor obliges the Agent or any Lender to comply with know your customer or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or on behalf of any prospective new Lender) in order for the Agent or such Lender or any prospective new Lender to carry out and be satisfied it has complied with all necessary know your customer or other similar checks under all applicable laws and regulations pursuant to the accession of such Subsidiary to this Agreement as an Additional Guarantor.

**20 Financial Covenants**

**20.1 Financial definitions**

In this Agreement:

**Acceptable Bank** means:

- (a) an Original Lender;
- (b) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa2 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or
- (c) any other bank or financial institution approved by the Agent.

**Available Credit** means in relation to any person, any available commitments under any of its committed facilities.

**Group Cash** means at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a member of the Group with an Acceptable Bank and to which a member of the Group is alone beneficially entitled and for so long as:

- (a) that cash is repayable within 3 days after the relevant date of calculation;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security over that cash except for Transaction Security or any permitted security constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements; and
- (d) the cash is freely and (except as mentioned in paragraph (a) above) immediately available to be applied in repayment or prepayment of the Facility.

**Group Cash Equivalent Investments** means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
  - (i) for which a recognised trading market exists;
  - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
  - (iii) which matures within one year after the relevant date of calculation; and
  - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which:
  - (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited; and
  - (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above,
 to the extent that investment can be turned into cash on not more than 30 days' notice; or
- (f) any other debt security approved by the Majority Lenders,

in each case, to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents).

**Polestar Group Cash** means at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a member of the Polestar Group with an Acceptable Bank and to which a member of the Polestar Group is alone beneficially entitled and for so long as:

- (a) that cash is repayable within 3 days after the relevant date of calculation;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Polestar Group or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security over that cash except for Transaction Security or any permitted security constituted by a netting or set-off arrangement entered into by members of the Polestar Group in the ordinary course of their banking arrangements; and
- (d) the cash is freely and (except as mentioned in paragraph (a) above) immediately available to be applied in repayment or prepayment of the Facility.

**Polestar Group Cash Equivalent Investments** means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
  - (i) for which a recognised trading market exists;
  - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
  - (iii) which matures within one year after the relevant date of calculation; and

- (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which:
  - (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited; and
  - (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above,
 to the extent that investment can be turned into cash on not more than 30 days' notice; or
- (f) any other debt security approved by the Majority Lenders,

in each case, to which any member of the Polestar Group is alone (or together with other members of the Polestar Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Polestar Group or subject to any Security (other than Security arising under the Transaction Security Documents).

**First Test Date** means 31 March 2023.

**Test Date** means the First Test Date and on each date falling on the last day of each financial quarter thereafter (and if such date is not a Business Day, the next Business Day thereafter).

## 20.2 Financial condition

On each Test Date, the Borrower shall ensure that the aggregate amount of the Polestar Group Cash, Polestar Group Cash Equivalent Investments and Available Credit available to any member of the Polestar Group (or the equivalent value in EUR) is at least EUR 400,000,000.

## 20.3 Financial testing

The financial covenant set out in clause 20.2 (*Financial condition*) shall be tested by reference to a Financial Condition Report, which the Borrower shall deliver to the Agent within 7 Business Days following the relevant Test Date. Each Financial Condition Report shall be signed by two Authorised Signatories of the Borrower and include:

- (a) information used for the basis of the calculation of the financial covenant;
- (b) all information required to be provided pursuant to clause 19.1(c) (*Financial statements*); and
- (c) any notification required to be provided pursuant to clause 19.8(a) (*Notification of new Material Subsidiary*); and
- (d) in the case of a Financial Condition Report in respect of the Test Date on or around 30 September in each year:

- (i) current Group Cash Equivalent Investment (as defined in clause 20.1 (*Financial definitions*)) (on a consolidated basis);
- (ii) current Available Credit available to the Group (on a consolidated basis); and
- (iii) in respect of the indebtedness incurred by Polestar UK and/or the Group from any Shareholder by way of any loans, bonds, notes or other similar instruments, the amount of such indebtedness outstanding at that time, the relevant maturity dates, the names of the lenders and borrowers and the interest rate,

in each case calculated as at the end of the previous calendar months of July and August.

## 21 General Undertakings

The undertakings in this clause 21 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Participation is in force.

### 21.1 Authorisations

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) (other than any Material Licence) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to:

- (i) enable it to perform its obligations under the Finance Documents;
- (ii) ensure the legality, validity, enforceability or admissibility in evidence of any Finance Document; and
- (iii) carry on its business.

### 21.2 Compliance with laws

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

### 21.3 Negative pledge

In this clause 21.3, **Quasi-Security** means an arrangement or transaction described in paragraph (b) below.

- (a) No Obligor shall (and the Borrower shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets (including but not limited to any liens arising out of conditional sale, repo, retention of title or hire-purchase arrangements, repos, consignment or similar arrangements for sale of goods).
- (b) No Obligor shall (and the Borrower shall ensure that no other member of the Group will):

- (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group;
- (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms, unless the proceeds from such sale, transfer or disposal are used to prepay a Loan under this Agreement in accordance with clause 7.4 (*Voluntary prepayment of Loan*);
- (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

- (c) Other than in respect of the Charged Property, paragraphs (a) and (b) above do not apply to any Security or (as the case may be) Quasi-Security, listed below:
  - (i) any pledge, mortgage, charge, lien, floating charge or other security interest provided by an Obligor other than the Borrower granted to secure amounts owing under a Floorplan Facility, provided that such amounts received under any such Floorplan Facility or any equivalent amounts, in each case, have been (or will be) applied towards prepayments under the Facility in accordance with clause 7.6 (*Mandatory prepayment – Floorplan Financing, insurance proceeds and Sale and Leaseback Transactions*);
  - (ii) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
  - (iii) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances
  - (iv) any Security over any bank account of the Dutch Obligor in the Netherlands arising in the ordinary course of its banking arrangements and under the general banking conditions (*algemene bankvoorwaarden*) in favour of the account bank with which such bank account is held;
  - (v) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by a member of the Group for the purpose of:
    - (A) hedging any risk to which any member of the Group is exposed in its ordinary course of trading; or
    - (B) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,
 excluding, in each case, any Security or Quasi-Security under a credit support arrangement in relation to a hedging transaction;
  - (vi) any lien arising by operation of law and in the ordinary course of trading;



- (vii) any Security or Quasi-Security securing liabilities to part-time retirees (*Altersteilzeit*), given in order to comply with the requirements of section 8a of the German Act on Partial Retirement (*Altersteilzeitgesetz*) or of section 7e of the Fourth Book of the German Social Security Code (*Sozialgesetzbuch IV*);
  - (viii) any Security or Quasi-Security entered into pursuant to any Finance Document; or
  - (ix) any Sale and Leaseback Transactions, provided that such amounts received under any such transaction or any equivalent amounts, in each case, have been (or will be) applied towards prepayments under the Facility in accordance with clause 7.6 (*Mandatory prepayment – Floorplan Financing, insurance proceeds and Sale and Leaseback Transactions*).
- (d) In respect of the Charged Property, paragraphs (a) and (b) above do not apply to any lien arising by operation of law and in the ordinary course of trading.

#### 21.4 Disposal of Charged Vehicles

No Obligor shall (and the Borrower shall ensure that no other member of the Group will), enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any Charged Vehicle (as defined the English Security Agreement) earlier than the time specified in clause 18.23(b)(ii) (*Legal and beneficial ownership*) at which ownership of the Charged Vehicles is expressed to pass from the Borrower.

#### 21.5 Arm's length basis

No Obligor shall (and the Borrower shall ensure that no other member of the Group will) enter into any transaction with any person (including but not limited to any transaction directly or indirectly relating to its car inventories and transactions between members of the Group) except on arm's length terms and for full market value.

#### 21.6 Reorganisation

- (a) No Obligor shall (and the Borrower shall ensure that no other member of the Group will) enter into any reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise).
- (b) Paragraph (a) above does not apply to any reorganisation which (each, a **Permitted Reorganisation**):
  - (i) does not have or is not reasonably likely to have a Material Adverse Effect;
  - (ii) provided no Event of Default is continuing, is a solvent reorganisation which is not resulting from any actual or anticipated financial difficulties and pursuant to which the net assets of any successor entity to an Obligor are not reduced and so long as any payments or assets distributed as a result of such reorganisation are distributed to another Obligor; or
  - (iii) the Majority Lenders have expressly consented to in writing thereof.

#### 21.7 Change of business

The Borrower shall procure that no substantial change is made to the general nature of the business of the Borrower or the Group from that carried on at the date of this Agreement.

#### 21.8 Environmental compliance

Each Obligor shall (and the Borrower shall ensure that each member of the Group will):

- (a) comply with all Environmental Laws;
- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits;
- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so has or is reasonably likely to have a Material Adverse Effect.

**21.9 Environmental Claims**

Each Obligor shall (through the Borrower), promptly upon becoming aware of the same, inform the Agent in writing of:

- (a) any Environmental Claim against any member of the Group which is current, pending or threatened; and
- (b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

where the claim, if determined against that member of the Group, has or is reasonably likely to have a Material Adverse Effect.

**21.10 Anti-Corruption Laws**

- (a) No Obligor shall (and the Borrower shall ensure that no other member of the Group will) directly or indirectly use the proceeds of the Facility for any purpose which would breach any Anti-Corruption Laws.
- (b) Each Obligor shall (and the Borrower shall ensure that each other member of the Group will) at all times:
  - (i) conduct its businesses in compliance with Anti-Corruption Laws;
  - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws; and
  - (iii) take all reasonable and prudent steps to ensure that each of its agents, directors, employees and officers comply with such laws.

**21.11 Sanctions**

- (a) Each Obligor shall and shall procure that each other member of the Group shall:
  - (i) comply with applicable Sanctions, and not engage in any trade, business or other activities that would be reasonably likely to result in them becoming a Restricted Party or otherwise being subject to Sanctions;
  - (ii) not, and shall not permit or authorise any other person to:
    - (A) directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of any Loan or other transaction(s) contemplated by this Agreement to fund any trade, business or other activities:
      - (1) involving or for the benefit of any Restricted Party or Sanctioned Territory; or

- (2) in any manner that would be reasonably likely to result in any Obligor or any Lender being in breach of any Sanctions (if and to the extent applicable to either of them) or becoming a Restricted Party or otherwise being subject to Sanctions; or
- (iii) not fund all or part of any payment under a Finance Document:
  - (A) out of proceeds derived from trade, business or other activities with a Restricted Party or Sanctioned Territory, or from any action which would be prohibited by applicable Sanctions; or
  - (B) in any manner that would cause any Obligor or Lender to:
    - (1) breach Sanctions (if and to the extent applicable to either of them); or
    - (2) to be reasonably likely to be exposed to the risk of becoming a Restricted Party or otherwise being subject to Sanctions.
- (b) This undertaking does not apply to any Obligor or any affiliated company of an Obligor having its seat in the European Union or the United Kingdom or being managed from inside the European Union or the United Kingdom, to the extent such representation would result in a breach of the German Act on Foreign Trade (*Außenwirtschaftsgesetz*), the German Foreign Trade Ordinance (*Außenwirtschaftsverordnung*) or would be contrary to or result in a violation of the provisions of the Blocking Laws.
- (c) Each Obligor shall and shall ensure that each other member of the Group shall ensure that appropriate controls and safeguards, designed to prevent any breach of compliance with this clause 21.11, are in place.

#### 21.12 **Taxation**

- (a) Each Obligor shall (and the Borrower shall ensure that each member of the Group will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
  - (i) such payment is being contested in good faith;
  - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Agent under clause 19.1 (*Financial statements*); and
  - (iii) such payment can be lawfully withheld.
- (b) No member of the Group may change its residence for Tax purposes.

#### 21.13 **Insurance**

- (a) Each Obligor shall (and the Borrower shall ensure that each member of the Group will) maintain insurances on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.
- (b) All insurances must be with reputable independent insurance companies or underwriters.

#### 21.14 **Pari passu ranking**

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors (including but not limited to creditors in respect of any Floorplan Facilities) except those creditors whose claims are mandatorily preferred by laws of general application to companies.

21.15 **Inventory**

Upon request by the Agent (acting on the instructions of the Majority Lenders, acting reasonably), the Borrower shall promptly notify the Agent in writing of the transport arrangements in respect of all vehicles the subject of the Transaction Security prior to the commencement of the transportation, such information being at least the name of the relevant vessel and date of departure of such vessel carrying the relevant vehicles.

21.16 **Centre of main interests and establishments**

Each Obligor shall maintain its COMI in its Original Jurisdiction and shall not register any "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction.

21.17 **Access**

Each Obligor shall, and the Borrower shall ensure that each member of the Group will, permit the Agent and/or the Security Agent (and/or if reasonably necessary, any accountants or other professional advisers and contractors of the Agent or Security Agent) free access at all reasonable times and on reasonable notice at the risk and cost of the Obligor or the Borrower to:

- (a) following the occurrence of an Event of Default or where the Lenders reasonably suspect an Event of Default has occurred or is likely to occur, the premises, assets, books, accounts and records of each member of the Group (and to make copies thereof). Any access to the premises of any member of the Group shall be coordinated through the Agent and shall be accompanied by the Group's personnel; and
- (b) meet and discuss matters with management of the Group following reasonable notice and at agreed times.

21.18 **Maintenance of properties and assets**

Each Obligor shall maintain, preserve and protect all of its properties and equipment necessary in the operation of its business in a reasonably good working order, repair and condition (excepting for ordinary wear and tear).

21.19 **Conditions subsequent – letters of comfort**

- (a) The Borrower shall within 90 days of the date of this Agreement deliver (and shall procure that SNITA Holding B.V. delivers) to the Agent a duly executed copy of a letter of comfort substantially in the form set out in Schedule 14 (*Form of SNITA Letter of Comfort*) and valid for a period expiring no earlier than the date falling 12 months after the date of this Agreement, and thereafter, shall (at least 5 days prior to the date of any Extension Request) deliver a duly executed copy of a letter of comfort substantially in the form set out in Schedule 14 (*Form of SNITA Letter of Comfort*) or such other form as the Agent may agree in writing which is valid for a period expiring no earlier than the applicable Extended Termination Date.
- (b) The Borrower shall within 90 days of the date of this Agreement deliver (and shall procure that PSD Investment Limited delivers) to the Agent a duly executed copy of a letter of comfort substantially in the form set out in Schedule 15 (*Form of PSD Letter of Comfort*) and valid for a period expiring no earlier than the date falling 12

months after the date of this Agreement, and thereafter, shall (at least 5 days prior to the date of any Extension Request) deliver a duly executed copy of a letter of comfort substantially in the form set out in Schedule 15 (*Form of PSD Letter of Comfort*) or such other form as the Agent may agree in writing which is valid for a period expiring no earlier than the applicable Extended Termination Date.

- (c) The Borrower shall deliver (and shall procure that each of SNITA Holding B.V. and PSD Investment Limited delivers) a written confirmation and endorsement from each of SNITA Holding B.V. and PSD Investment Limited of the proposed addition to the size of the Facility pursuant to any proposed Accordion Increase at least 15 days prior to the date of the relevant Accordion Increase Request.

#### 21.20 Further assurance

- (a) Each Obligor shall (and the Borrower shall procure that each other member of the Group will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
  - (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law; and/or
  - (ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- (b) Each Obligor shall (and the Borrower shall procure that each other member of the Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents (including but not limited to perfecting any security assignment made under the English Security Agreement under the jurisdiction of the relevant debtor).

## 22 Events of Default

Each of the events or circumstances set out in clause 22 is an Event of Default (save for clause 22.21 (*Acceleration*)).

### 22.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable, unless:

- (a) its failure to pay is caused by:
  - (i) administrative or technical error; or
  - (ii) a Disruption Event; and
- (b) payment is made within three (3) Business Days of its due date.

### 22.2 Financial covenants, information undertakings and conditions subsequent

- (a) Any requirement of clauses 19 (*Information Undertakings*), 20 (*Financial covenants*) or 21.20 (*Conditions subsequent - letters of comfort*) is not satisfied.

- (b) No Event of Default under paragraph (a) will occur in relation to failure to satisfy a requirement of clause 19 (*Information Undertakings*) if the failure to comply is capable of remedy and is remedied within 10 Business Days of the earlier of (A) the Agent giving notice to the Borrower; and (B) the Borrower becoming aware of the failure to comply.

#### 22.3 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in clause 22.1 (*Non-payment*) and clause 22.2 (*Financial covenants*)).
- (b) No Event of Default under paragraph (a) will occur if the failure to comply is capable of remedy and is remedied within 10 Business Days of the earlier of (A) the Agent giving notice to the Borrower; and (B) the Borrower becoming aware of the failure to comply.

#### 22.4 Misrepresentation

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

#### 22.5 Cross default

- (a) Any Financial Indebtedness of any member of the Group is not paid when due nor within 20 days of the later of: (i) such due date; and (ii) the date of expiry of any originally applicable grace period (if any). This paragraph (a) shall not apply in respect of trade receivables which may from time to time be outstanding from any member of the Group for the supply of goods and services to the Borrower and its Group, which are due and payable to any Parent or any of its Affiliates (including any Parent or its Affiliate which is a supplier to the Borrower, including for the avoidance of doubt Asia Euro Automobile Manufacturing (Taizhou) Co. Ltd).
- (b) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described). This paragraph (b) shall not apply in respect of Financial Indebtedness incurred by any member of the Group from any Shareholder.
- (c) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described).
- (d) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this clause 22.5:
  - (i) in respect of any Financial Indebtedness incurred by the Borrower from Polestar Automotive (Singapore) Pte. Ltd as at the Amendment and Restatement Effective Date; or
  - (ii) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than €15,000,000 (or its equivalent in any other currency or currencies).

#### 22.6 Insolvency

- (a) A member of the Group:
  - (i) is unable or admits inability to pay its debts as they fall due;
  - (ii) suspends making payments on any of its debts;
  - (iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness; or
  - (iv) incorporated in Germany is unable to pay its debts as they fall due (*zahlungsunfähig*) within the meaning of section 17 of the Insolvency Code (*Insolvenzordnung*) or is overindebted within the meaning of section 19 of the Insolvency Code (*Insolvenzordnung*).
- (b) The value of the assets of the Borrower is less than its liabilities (taking into account contingent and prospective liabilities and amounts available under Capital Adequacy Guarantees).
- (c) The value of the assets of the Group taken as a whole is less than its liabilities (taking into account contingent and prospective liabilities and amounts available under Capital Adequacy Guarantees).
- (d) A moratorium is declared in respect of any indebtedness of any member of the Group.
- (e) In this Clause, "**Capital Adequacy Guarantee**" means any guarantee provided by Polestar UK, whereby Polestar UK undertakes to irrevocably contribute (through its wholly owned subsidiaries Polestar Holding AB and Polestar Automotive (Singapore) Pte Ltd.) upon written request by the Borrower, through capital contribution or otherwise, certain amounts or any amount necessary to ensure that the Borrower's equity calculated in accordance with the provisions for drawing up a special balance sheet in chapter 25 section 13 in the Swedish Companies Act (Sw: Aktiebolagslagen) at each and all times amounts to at least half of the share capital.

#### 22.7 Insolvency proceedings

- (a) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group which is not an Obligor;
  - (ii) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;
  - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not an Obligor), receiver, administrative receiver, administrator, compulsory manager, receiver-manager, custodian, monitor, trustee or other similar officer in respect of any member of the Group or any of its assets; or
  - (iv) enforcement of any Security over any assets of any member of the Group,
 or any analogous procedure or step is taken in any jurisdiction.

- (b) This clause 22.7 shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

**22.8 Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of a member of the Group having an aggregate value of EUR15,000,000 and is not discharged within 14 days.

**22.9 Failure to comply with court judgment or arbitral award**

- (a) Any member of the Group fails to comply with or pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction.
- (b) No Event of Default under paragraph (a) above will occur if the aggregate liability under that judgment or order is less than EUR15,000,000 (or its equivalent in any other currency or currencies).

**22.10 Ownership of the Obligors**

An Obligor (other than the Borrower) is not or ceases to be a Subsidiary of the Borrower.

**22.11 Unlawfulness and invalidity**

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective.
- (b) Any obligation or obligations of any Obligor under any Finance Documents are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document ceases to be in full force and effect or any Transaction Security ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

**22.12 Repudiation and rescission of agreements**

An Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

**22.13 Cessation of business**

Any member of the Group suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business, unless such business is transferred to another member of the Group.

**22.14 Audit qualification**

The auditors of the Group qualify the audited annual consolidated financial statements of the Borrower.

**22.15 Litigation**

Any litigation, arbitration, administrative, governmental, regulatory or other investigation, proceeding or dispute is commenced or threatened, or any judgement or order of a court, arbitral body or agency is made:



- (a) in relation to the Finance Documents or the transactions contemplated in the Finance Documents; or
- (b) otherwise against any member of the Group or its assets (or against the directors of any member of the Group),

which (in each case) is reasonably likely to be adversely determined and, if adversely determined, will have or is reasonably likely to have a Material Adverse Effect.

**22.16 Expropriation**

The authority or ability of any member of the Group to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, compulsory acquisition, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group or any of its assets or the shares in that member of the Group (including without limitation the displacement of all or part of the management of any member of the Group).

**22.17 Convertibility/Transferability**

Any foreign exchange law is amended, enacted or introduced or is reasonably likely to be amended, enacted or introduced in Sweden, that (in the opinion of the Majority Lenders):

- (a) has or is reasonably likely to have the effect of prohibiting, or restricting or delaying in any material respect any payment that any Obligor is required to make pursuant to the terms of any of the Finance Documents; or
- (b) is materially prejudicial to the interests of the Finance Parties under or in connection with any of the Finance Documents.

**22.18 Material Licences**

- (a) Any Material Licence is terminated, cancelled, suspended or revoked (whether wholly or in part). No Event of Default shall occur under this paragraph (a) if:
  - (i) such Event of Default is capable of being remedied; and
  - (ii) such Material Licence is reinstated in full or replaced by a similar Material Licence (as applicable) within ten (10) days of the date of termination, cancellation, suspension or revocation.
- (b) Any restrictions or conditions are imposed on any Material Licence in a way that is adverse in any material respect to the interests of the relevant member or members of the Group.
- (c) Any Material Licence is modified or varied in a way that is adverse in any material respect to the interests of the relevant member of the Group.
- (d) Any Material Licence expires and is not renewed on substantially the same terms.

**22.19 Material adverse change**

Any event or circumstance occurs which the Majority Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.

**22.20 Sanctions**

Any Obligor or any other member of the Group:

- (a) becomes a Restricted Party; or

- (b) fails to comply with any Sanctions.

22.21 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders:

- (a) by notice to the Borrower:
  - (i) cancel the Total Participations whereupon the Total Participations and Facility shall immediately be cancelled and the Facility shall immediately cease to be available for further utilisation;
  - (ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
  - (iii) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
- (b) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

**23 Green Loan**

23.1 **Green Loan – Definitions**

In this Agreement:

**European Vehicle Regulation** means Regulation (EU) No 168/2013 of the European Parliament and of the Council of 15 January 2013 on the approval and market surveillance of two- or three-wheel vehicles and quadricycles;

**European Vehicle Emissions Regulations** means Directive 2002/24/EC of the European Parliament and of the Council of 18 March 2002 relating to the type-approval of two or three-wheel motor vehicles and repealing Council Directive 92/61/EEC, Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles (Framework Directive) and Directive 2006/126/EC of the European Parliament and of the Council of 20 December 2006 on driving licences (Recast);

**GLP** means the Green Loan Principles published by the Loan Market Association in 2018 (as may be amended, restated, supplemented, modified or varied in any manner from time to time);

**Green Loan Facility** means a facility which is aligned with the GLP and the Green Loan Purpose (and whose borrower complies with all aspects of the GLP);

**Green Loan Impact Report** means a report substantially in the form set out in Schedule 16 (*Form of Green Loan Impact Report*);

**Green Loan Purpose** means the design and sales of electric, hydrogen, or hybrid vehicles with the below specifications:

- (a) from and including the date of this Agreement to 31 December 2025;

- (i) vehicles falling within categories M1 and N1 under the European Vehicle Emissions Regulations; and
  - (ii) producing tailpipe CO<sub>2</sub> emissions of less than 50g CO<sub>2</sub>/km, calculated in accordance with the emission test laid down in the European Vehicle Regulation; and
- (b) from and including 1 January 2026:
- (i) vehicles falling within categories L, M1 and N1 under the European Vehicle Emissions Regulations; and
  - (ii) producing tailpipe CO<sub>2</sub> emissions equal to 0g CO<sub>2</sub>/km, calculated in accordance with the emission test laid down in the European Vehicle Regulation; and

**Green Loan Transaction** means a Loan which is aligned with the GLP and the Green Loan Purpose (and whose borrower complies with all aspects thereof).

#### 23.2 **Green Loan – Purpose**

The Borrower shall apply the proceeds of the Facility solely to the financing or refinancing of activities compliant with both the GLP and the Green Loan Purpose, and shall provide the requisite confirmation(s) under this Agreement in respect of its use of proceeds.

#### 23.3 **Green Loan – Representations and warranties**

The Borrower makes the following representations and warranties to each Finance Party on the date of this Agreement:

- (a) it has obtained all necessary regulatory approvals and authorisations in relation to the Green Loan Purpose;
- (b) it has provided the Agent with all relevant information necessary (which, in each case, is true and correct as at the date of delivery) for each Lender to evaluate whether the Facility qualifies as a Green Loan Facility or the transaction that the Borrower is applying for qualifies as a Green Loan Transaction; and
- (c) it is not aware of any matter which will reasonably cause the Lenders not to classify the Facility as a Green Loan Facility or any transaction that the Borrower is applying for or has applied for as a Green Loan Transaction.

#### 23.4 **Green Loan – Undertakings**

The Borrower shall:

- (a) provide all relevant information to the Agent enable the Lenders to verify and monitor compliance with the GLP in relation to the Facility, and whether any Loan(s) under the Facility have been or are being applied towards the Green Loan Purpose (but without prejudice to the provisions of clause 3.1 (*Purpose*));
- (b) promptly notify the Agent in writing upon becoming aware of any information which may:
  - (i) cause the Lenders (or any Lender) to declassify the Facility as a Green Loan Facility; or
  - (ii) prevent the Lenders (or any Lender) from classifying the Facility as a Green Loan Facility or from classifying a transaction that the Borrower is applying for or has applied for as a Green Loan Transaction; and

- (c) maintain policies and procedures to enable it to track utilisations under the Green Loan Facility or Green Loan Transaction(s) and monitor and evaluate on an on-going basis that the Green Loan Facility or Green Loan Transaction is being applied towards the Green Loan Purpose; and
- (d) deliver to the Agent, a Green Loan Impact Report:
  - (i) by 31 May 2022 and thereafter on the date falling on each anniversary of such date (and if such day is not a Business Day, the next Business Day); and/or
  - (ii) promptly upon request by the Agent in writing (if the Majority Lenders, acting reasonably, consider that a Declassification Event has occurred or may occur); and
- (e) deliver to the Agent, a sustainability report substantially in the form of the report published by the Borrower in 2020, as can be found here: <https://reports.polestar.com/media/v0qp2bte/polestar-sustainability-report-2020.pdf> by 31 May 2023 and thereafter on the date falling on each anniversary of such date (and if such day is not a Business Day, the next Business Day).

The undertakings in this clause 23.4 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Participation is in force.

#### 23.5 **Green Loan – Audit**

- (a) If:
  - (i) the Lenders consider it reasonably necessary; or
  - (ii) a breach or likely breach of this Agreement has occurred which, in the opinion of the Lenders (acting reasonably), will result in a Declassification Event occurring or being reasonably likely to occur,

then the Lenders may at any time carry out (or arrange for a third party to carry out) any verifications or audits of the records of a Borrower to confirm its compliance with the obligations relating to this clause 23 (*Green Loan*). For the purposes of sub-paragraph (i) above, the parties agree that it shall always be deemed to be “reasonably necessary” for such verifications or audits (including, without limitation, annual audits) to be carried out where the GLP requires or recommends an audit.

- (b) The Borrower shall cooperate with the Lenders in good faith to assist the Lenders or third party in carrying out the verification or audit.
- (c) The costs and expenses incurred in connection with any verification or audit referred to in sub-paragraph (a) shall be solely borne by the Borrower.

#### 23.6 **Green Loan – Declassification Event**

- (a) If the Facility (for whatever reason, including the Borrower failing to comply with any provision of this Agreement) no longer constitutes a Green Loan Facility, the Facility shall, with immediate effect, be declassified as a Green Loan Facility (such occurrence being a **Declassification Event**).
- (b) The Borrower shall notify the Agent and the Lenders in writing promptly upon becoming aware of the occurrence of a Declassification Event.
- (c) Notwithstanding any other provision of this Agreement, on and after the date of the Declassification Event, neither the Borrower nor any member of the Group shall refer

to the Facility or any Loan as a Green Loan Facility or Green Loan Transaction (as the case may be);

- (i) in any future financial statements or annual report (if applicable), to the extent that these are publicly available;
- (ii) on the Group's website; or
- (iii) in any regulatory news service announcement (or similar public announcement).

**23.7 Green Loan – Limitation of responsibility**

- (a) The Borrower and members of the Group are solely responsible for ensuring that they fulfil the standards required for any Green Loan Purpose, certification, accreditation, or concession in connection with its business activities.
- (b) The Mandated Lead Arrangers, the Agent, the Structuring Bank and the Security Agent shall have no obligations of any kind to any Party in relation to fulfilment of the standards referred to in sub-paragraph (a) above.

## SECTION 9 CHANGES TO PARTIES

### 24 Changes to the Lenders

#### 24.1 Assignments and transfers by the Lenders

(a) Subject to this clause 24, a Lender (the **Existing Lender**) may:

- (i) assign its rights in full; or
- (ii) transfer by novation its rights and obligations in full,

to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (including but not limited to any of the Existing Lender's Affiliates, but in each case excluding any member of the Group or nominee for any member of the Group) (the **New Lender**).

(b) Subject to paragraph (c) below, the Borrower's consent shall only be required for (and if such consent is required, shall be provided to the relevant Existing Lender in respect of) any assignment or transfer contemplated by paragraph (a) above if the proposed New Lender is any of the following entities:

- (i) any entity which is, or is materially similar to, a hedge fund which has been established primarily for the purpose of acquiring distressed debt, or manufacturer of vehicles (other than any Parent or its affiliates); or
- (ii) any entity which is controlled by a person referred to in sub-paragraph (i) above.

(c) No Borrower consent shall be required under paragraph (b) above if an Event of Default has occurred.

#### 24.2 Conditions of assignment or transfer

(a) Each Existing Lender shall provide the Borrower (through the Agent) at least 21 days' prior notice of the intended assignment or transfer (as applicable) (the **Notice Period**) of its rights and/or obligations (the **Existing Participation**). If, within the Notice Period, the Borrower notifies the Agent that:

- (i) an Alternative Transferee (or any of its Affiliates, as applicable) is willing to acquire the Existing Participation; or
- (ii) it elects to prepay all amounts outstanding under the Existing Participation or cancel the Existing Participation,

then:

(iii) where sub-paragraph (i) applies, the Alternative Transferee (or any of its Affiliates, as applicable) shall be specified as the "New Lender" in the relevant Assignment Agreement or Transfer Certificate (as applicable) and, subject to satisfaction of the conditions in sub-paragraphs (b) and (c) below, the assignment or transfer shall be made to such Alternative Transferee upon the later of:

- (A) the expiry of the Notice Period; or

- (B) five (5) Business Days' after the Agent notifies the Existing Lender and the Alternative Transferee (or any of its Affiliates, as applicable) of the completion of the checks required to be performed under sub-paragraph (c)(ii) below; and
  - (iv) where sub-paragraph (ii) applies, clause 7.3 (*Voluntary cancellation*) or clause 7.4 (*Voluntary prepayment of Loans*) shall apply as applicable, provided that:
    - (A) in each case, the notice periods referred to in each of clauses 7.3 or 7.4 will be deemed to have been made or to have occurred, and without regard to any minimum amounts specified in such clauses; and
    - (B) in the case of any voluntary prepayment to be made under clause 7.4, the Borrower shall prepay the whole (and not a part) of all amounts outstanding under the Existing Participation; and
  - (v) if the assignment or transfer in paragraph (a)(iii) fails (for whatever reason) to occur, then clause 7.4 (*Voluntary prepayment of Loans*) shall apply as though the notice therein had occurred, and without regard to any minimum amounts specified in such clause.
- (b) Paragraph (a) above shall not apply if:
- (i) an Event of Default has occurred;
  - (ii) the proposed New Lender has already been named as an Alternative Transferee (or is an Affiliate of such entity, as applicable) in the Borrower's latest notification to the Lenders regarding the same; or
  - (iii) the proposed New Lender is an Affiliate of an Existing Lender.
- (c) An assignment will only be effective on:
- (i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it had been an Original Lender;
  - (ii) performance by the Agent of all necessary know your customer or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender; and
  - (iii) receipt by the Agent of a US tax withholding certificate (or, alternatively, other evidence satisfactory to the Agent) confirming FATCA compliance of the New Lender pursuant to paragraph (e) of clause 12.7 (*FATCA Information*). For the avoidance of doubt, and pursuant to paragraph (h) of clause 12.7 (*FATCA Information*), the Agent may rely on such US tax withholding certificate or other evidence from each Lender without further verification, and the Agent shall not be liable for any action taken by it in respect of such US tax withholding certificate or other evidence under or in connection with paragraph (e), (f) or (g) of clause 12.7 (*FATCA Information*).
- (d) A transfer will only be effective if the procedure set out in clause 24.5 (*Procedure for transfer*) is complied with.
- (e) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on

behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

**24.3 Assignment or transfer fee**

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of USD 2,000.

**24.4 Limitation of responsibility of Existing Lenders**

(a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

- (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents, the Transaction Security or any other documents;
- (ii) the financial condition of any Obligor;
- (iii) the performance and observance by any Obligor or any other member of the Group of its obligations under the Finance Documents or any other documents; or
- (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:

- (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document or the Transaction Security; and
- (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Participation is in force.

(c) Nothing in any Finance Document obliges an Existing Lender to:

- (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this clause 24; or
- (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

**24.5 Procedure for transfer**

(a) Subject to the conditions set out in clause 24.2 (*Conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer



Certificate. The Obligors and the other Finance Parties irrevocably authorise the Agent to execute any Transfer Certificate on their behalf, without any consultation with them

- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has:
  - (i) complied with all necessary know your customer or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender; and
  - (ii) received a US tax withholding certificate (or, alternatively, other evidence satisfactory to the Agent) confirming FATCA compliance of the New Lender pursuant to paragraph (d) of clause 12.7 (*FATCA Information*). For the avoidance of doubt, and pursuant to paragraph (h) of clause 12.7 (*FATCA Information*), the Agent may rely on such US tax withholding certificate or other evidence from each Lender without further verification, and the Agent shall not be liable for any action taken by it in respect of such US tax withholding certificate or other evidence under or in connection with paragraph (e), (f) or (g) of clause 12.7 (*FATCA Information*).
- (c) Subject to clause 24.9 (*Pro rata interest settlement*), on the Transfer Date:
  - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the **Discharged Rights and Obligations**);
  - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
  - (iii) the Agent, each Mandated Lead Arranger, the Structuring Bank, the Security Agent, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, each Mandated Lead Arranger, the Structuring Bank, the Security Agent and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
  - (iv) the New Lender shall become a Party as a Lender.

#### 24.6 Procedure for assignment

- (a) Subject to the conditions set out in clause 24.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.

- (b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary know your customer or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to clause 24.9 (*Pro rata interest settlement*), on the Transfer Date:
  - (i) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
  - (ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the **Relevant Obligations**) and expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and
  - (iii) the New Lender shall become a Party as a Lender and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this clause 24.6 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with clause 24.5 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in clause 24.2 (*Conditions of assignment or transfer*).

#### 24.7 **Copy of Transfer Certificate or Assignment Agreement to Borrower**

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrower a copy of that Transfer Certificate or Assignment Agreement.

#### 24.8 **Security over Lenders' rights**

In addition to the other rights provided to Lenders under this clause 24, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

#### 24.9 **Pro rata interest settlement**

- (a) If the Agent has notified the Lenders that it is able to distribute interest payments on a pro rata basis to Existing Lenders and New Lenders then (in respect of any transfer pursuant to clause 24.5 (*Procedure for transfer*) or any assignment pursuant to clause 24.6 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):
  - (i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (**Accrued Amounts**) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and
  - (ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
    - (A) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
    - (B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this clause 24.9, have been payable to it on that date, but after deduction of the Accrued Amounts.
- (b) In this clause 24.9 references to "**Interest Period**" shall be construed to include a reference to any other period for accrual of fees.
- (c) An Existing Lender which retains the right to the Accrued Amounts pursuant to this clause 24.9 but which does not have a Participation shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.

## 25 Changes to the Obligors

### 25.1 Assignments and transfer by Obligors

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

### 25.2 Additional Guarantors

- (a) Subject to clauses 19.8 (Notification of new Material Subsidiary) and 19.12(c) (*Know your customer checks*), the Agent may from time to time request that any of the Borrower's Material Subsidiaries become an Additional Guarantor. That Subsidiary shall become an Additional Guarantor if:
  - (i) the Borrower delivers to the Agent a duly completed and executed Accession Letter; and
  - (ii) the Agent has received all of the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*) in relation to that Additional Guarantor, each in form and substance satisfactory to the Agent.
- (b) The Agent shall notify the Borrower and the Lenders promptly upon being satisfied that it has received (in form and substance satisfactory to it) all the documents and other evidence listed in Part 2 of Schedule 2 (*Conditions Precedent*).

- (c) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (b) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

**25.3 Repetition of Representations**

Delivery of an Accession Letter constitutes confirmation by the relevant Subsidiary that the Repeating Representations are true and correct in relation to it as at the date of delivery as if made by reference to the facts and circumstances then existing.

**SECTION 10**  
**THE FINANCE PARTIES**

**26 Role of the Agent, the Mandated Lead Arrangers and the Structuring Bank**

**26.1 Appointment of the Agent**

- (a) Each of the Mandated Lead Arrangers and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the Mandated Lead Arrangers and the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

**26.2 Instructions**

- (a) The Agent shall:
  - (i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:
    - (A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and
    - (B) in all other cases, the Majority Lenders; and
  - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.
- (b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties save for the Security Agent.
- (d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.
- (e) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.
- (f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

- (g) The Agent shall act on the instructions of a Lender provided in connection with any split of its Participation under clause 36.4 (*Split voting*) and shall not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with such instructions.

**26.3 Duties of the Agent**

- (a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (c) Without prejudice to clause 24.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrower*), paragraph (b) above shall not apply to any Transfer Certificate, any Assignment Agreement or any Accordion Increase Confirmation.
- (d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (f) If the Agent is aware of the non-payment of any principal, interest, participation fee or other fee payable to a Finance Party (other than the Agent, the Mandated Lead Arrangers, the Structuring Bank or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.
- (g) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

**26.4 Role of the Mandated Lead Arrangers and Structuring Bank**

Except as specifically provided in the Finance Documents, the Mandated Lead Arrangers and Structuring Bank have no obligations of any kind to any other Party under or in connection with any Finance Document. Each Obligor and Finance Party confirms that it has taken its own independent legal, accounting, tax, financial and any other necessary advice in relation to any transaction under the Finance Documents and does not and will not rely on any statements or representations of the Mandated Lead Arrangers or the Structuring Bank or any of their officers, directors and affiliates or any of their advisors as to the legal, accounting, tax, financial or other implications whatsoever.

**26.5 No fiduciary duties**

- (a) Nothing in any Finance Document constitutes the Agent, the Mandated Lead Arrangers or the Structuring Bank as a trustee or fiduciary of any other person.
- (b) None of the Agent, the Mandated Lead Arrangers and the Structuring Bank shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

**26.6 Business with the Group**

The Agent, the Mandated Lead Arrangers and Structuring Bank may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

26.7 **Rights and discretions**

- (a) The Agent may rely on:
    - (i) any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
    - (ii) assume that:
      - (A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and
      - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
    - (iii) rely on a certificate from any person:
      - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
      - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
  - (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
    - (i) no Default has occurred (unless it has actual knowledge of a Default arising under clause 22.1 (*Non-payment*));
    - (ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised; and
    - (iii) any notice or request made by the Borrower (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors.
  - (c) The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
  - (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.
  - (e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
  - (f) The Agent and the Structuring Bank may act in relation to the Finance Documents through its officers, employees and agents.
  - (g) Unless a Finance Document expressly provides otherwise the Agent and the Structuring Bank may disclose to any other Party any information it reasonably believes it has received as agent (or structuring bank, as applicable) under this Agreement.
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- (h) Without prejudice to the generality of paragraph (g) above, the Agent:
  - (i) may disclose; and
  - (ii) on the written request of the Borrower or the Majority Lenders shall, as soon as reasonably practicable, disclose, the identity of any Defaulting Lender and/or Declining Lender to the Borrower and to the other Finance Parties.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent, the Mandated Lead Arrangers and the Structuring Bank are obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (j) Notwithstanding any provision of any Finance Document to the contrary, the Agent and the Structuring Bank are not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

**26.8 Responsibility for documentation**

None of the Agent, the Mandated Lead Arrangers and the Structuring Bank are responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, the Mandated Lead Arrangers, the Structuring Bank, an Obligor or any other person in or in connection with any Finance Document or the Information Memorandum or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or
- (c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

**26.9 No duty to monitor**

The Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

**26.10 Exclusion of liability**

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent and the Structuring Bank), the Agent and the Structuring Bank will not be liable for:



- (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct;
- (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document or the Transaction Security, other than by reason of its gross negligence or wilful misconduct; or
- (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation, for negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent or the Structuring Bank, as applicable) arising as a result of:
  - (A) any act, event or circumstance not reasonably within its control; or
  - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this paragraph (b) subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent, the Mandated Lead Arrangers or the Structuring Bank to carry out:
  - (i) any know your customer or other checks in relation to any person; or
  - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender or for any Affiliate of any Lender,

on behalf of any Lender and each Lender confirms to the Agent, the Mandated Lead Arrangers and the Structuring Bank that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent, the Mandated Lead Arrangers or the Structuring Bank.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

**26.11 Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its Pro Rata Share) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence in relation to any FATCA related liability or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 30.10 (*Disruption to payment systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

**26.12 Resignation of the Agent**

- (a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to the Lenders and the Borrower.
- (b) Alternatively the Agent may resign by giving 30 days' notice to the Lenders and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent. If the Agent is removed by the Majority Lenders, then shall be at the cost of the Lenders.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Borrower) may appoint a successor Agent.
- (d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this clause 26 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.
- (e) The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. The Borrower shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (f) The Agent's resignation notice shall only take effect upon the appointment of a successor.

- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of clause 14.3 (*Indemnity to the Agent*) and this clause 26 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (h) After consultation with the Borrower, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.

**26.13 Confidentiality**

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) In acting as structuring bank in this Agreement, the Structuring Bank shall be regarded as acting through its transaction team which shall be treated as a separate entity from any other of its divisions or departments.
- (c) If information is received by another division or department of the Agent (or the Structuring Bank, as applicable), it may be treated as confidential to that division or department and the Agent (or the Structuring Bank, as applicable) shall not be deemed to have notice of it.

**26.14 Relationship with the Lenders**

- (a) Subject to clause 24.9 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
  - (i) entitled to or liable for any payment due under any Finance Document on that day; and
  - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (b) Any Lender may, by notice to the Agent, appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under clause 32.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Lender for the purposes of clause 32.2 (*Addresses*) and paragraph (a)(ii) of clause 32.5 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

**26.15 Credit appraisal by the Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent, the Mandated Lead Arrangers and the Structuring Bank that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (d) the adequacy, accuracy or completeness of the Information Memorandum and any other information provided by the Agent, each Mandated Lead Arranger, the Structuring Bank, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

**26.16 Agent's management time**

Where a Default has occurred or is (in the Majority Lenders' opinion) likely to occur, any amount payable to the Agent under clause 14.3 (*Indemnity to the Agent*), clause 16 (*Costs and expenses*) and clause 26.11 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under clause 11 (*Fee Letters*).

**26.17 Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

**26.18 Amounts paid in error**

- (a) If the Agent pays an amount to another Party and the Agent notifies that Party that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.

(b) Neither:

- (i) the obligations of any Party to the Agent; nor
- (ii) the remedies of the Agent,

(whether arising under this clause 26.18 or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing which, but for this paragraph (b), would reduce, release or prejudice any such obligation or remedy (whether or not known by the Agent or any other Party).

- (c) All payments to be made by a Party to the Agent (whether made pursuant to this clause 26.18 or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (d) In this Agreement, "**Erroneous Payment**" means a payment of an amount by the Agent to another Party which the Agent determines (in its sole discretion) was made in error.

## **27 The Security Agent**

### **27.1 Security Agent as trustee**

- (a) The Security Agent declares that it holds the Transaction Security on trust for the Secured Parties on the terms contained in this Agreement.
- (b) Each of the Agent, the Mandated Lead Arrangers, the Structuring Bank and each Lender authorises the Security Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Security Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

### **27.2 Parallel debt (covenant to pay the Security Agent)**

- (a) Notwithstanding any other provision of this Agreement, the Borrower hereby irrevocably and unconditionally undertakes to pay to the Security Agent, as creditor in its own right and not as representative of the other Secured Parties, sums equal to and in the currency of each amount payable by the Borrower to each of the Secured Parties under each of the Finance Documents as and when that amount falls due for payment under the relevant Finance Document or would have fallen due but for any discharge resulting from failure of another Secured Party to take appropriate steps, in insolvency proceedings affecting the Borrower, to preserve its entitlement to be paid that amount.
- (b) The Security Agent shall have its own independent right to demand payment of the amounts payable by the Borrower under this clause 27.2 irrespective of any discharge of the Borrower's obligation to pay those amounts to the other Secured Parties resulting from failure by them to take appropriate steps, in insolvency proceedings affecting the Borrower, to preserve their entitlement to be paid those amounts.
- (c) Any amount due and payable by the Borrower to the Security Agent under this clause 27.2 shall be decreased to the extent that the other Secured Parties have received (and are able to retain) payment in full of the corresponding amount under the other provisions of the Finance Documents and any amount due and payable by the Borrower to the other Secured Parties under those provisions shall be decreased to the extent that the Security Agent has received (and is able to retain) payment in full of the corresponding amount under this clause 27.2.

**27.3 Enforcement through Security Agent only**

The Secured Parties shall not have any independent power to enforce, or have recourse to, any of the Transaction Security or to exercise any right, power, authority or discretion arising under the Transaction Security Documents except through the Security Agent.

**27.4 Instructions**

- (a) The Security Agent shall:
  - (i) subject to paragraphs (d) and (e) below exercise or refrain from exercising any right, power, authority or discretion vested in it as Security Agent in accordance with any instructions given to it by Agent; and
  - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with sub-paragraph (i) above (or if the relevant Finance Document stipulates the matter is a decision for any Lender or group of Lenders in accordance with instructions given to it by that Lender or group of Lenders).
- (b) The Security Agent shall be entitled to request instructions, or clarification of any instruction, from the Agent (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Agent may refrain from acting unless and until it receives those instructions or that clarification that it has requested.
- (c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary intention appears in the relevant Finance Document, any instructions given to the Security Agent by the Agent shall override any conflicting instructions given by any other Parties and will be binding on all Secured Parties.
- (d) Paragraph (a) above shall not apply:
  - (i) where a contrary indication appears in this Agreement;
  - (ii) where a Finance Document requires the Security Agent to act in a specified manner or to take a specified action;
  - (iii) in respect of any provision which protects the Security Agent's own position in its personal capacity as opposed to its role of Security Agent for the Secured Parties including, without limitation, clauses 27.7 (*No duty to account*) to clause 27.12 (*Exclusion of liability*), clause 27.15 (*Confidentiality*) to clause 27.21 (*Custodians and nominees*) and clause 27.24 (*Acceptance of title*) to clause 27.28 (*Disapplication of Trustee Acts*); or
  - (iv) in respect of the exercise of the Security Agent's discretion to exercise a right, power or authority under any of:
    - (A) clause 27.29 (*Order of application*); and
    - (B) clause 27.32 (*Permitted deductions*).
- (e) If giving effect to instructions given by the Agent on behalf of the Majority Lenders would (in the Security Agent's opinion) have an effect equivalent to an amendment or waiver which is subject to clause 36.2 (*All Lender matters*), the Security Agent shall not act in accordance with those instructions unless consent to it so acting is obtained from each Party (other than the Security Agent) whose consent would have been required in respect of that amendment or waiver.

- (f) In exercising any discretion to exercise a right, power or authority under the Finance Documents where either:
  - (i) it has not received any instructions as to the exercise of that discretion; or
  - (ii) the exercise of that discretion is subject to paragraph (d)(iv) above,
 the Security Agent shall do so having regard to the interests of all the Secured Parties.
- (g) The Security Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability (together with any applicable VAT) which it may incur in complying with those instructions.
- (h) Without prejudice to the provisions of the remainder of this clause 27.4, in the absence of instructions, the Security Agent may act (or refrain from acting) as it considers in its discretion to be appropriate.

**27.5 Duties of the Security Agent**

- (a) The Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) The Security Agent shall promptly:
  - (i) forward to the Agent a copy of any document received by the Security Agent from any Obligor under any Finance Document; and
  - (ii) forward to a Party the original or a copy of any document which is delivered to the Security Agent for that Party by any other Party.
- (c) The Security Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (d) If the Security Agent receives notice from a Party referring to any Finance Document, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Agent.
- (e) The Security Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

**27.6 No fiduciary duties to Obligors**

Nothing in any Finance Document constitutes the Security Agent as an agent, trustee or fiduciary of any Obligor.

**27.7 No duty to account**

The Security Agent shall not be bound to account to any other Secured Party for any sum or the profit element of any sum received by it for its own account.

**27.8 Business with the Group**

The Security Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

27.9 **Rights and discretions**

- (a) The Security Agent may:
  - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
  - (ii) assume that:
    - (A) any instructions received by it from the Agent, Majority Lenders, the Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents;
    - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
    - (C) if it receives any instructions to act in relation to the Transaction Security, that all applicable conditions under the Finance Documents for so acting have been satisfied; and
  - (iii) rely on a certificate from any person:
    - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
    - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Security Agent shall be entitled to carry out all dealings with the Lenders through the Agent and may give to the Agent any notice or other communication required to be given by the Security Agent to the Lenders.
- (c) The Security Agent may assume (unless it has received notice to the contrary in its capacity as Security Agent for the Secured Parties) that:
  - (i) no Default has occurred;
  - (ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised; and
  - (iii) any notice made by the Obligors' Agent is made on behalf of and with the consent and knowledge of all the Obligors.
- (d) The Security Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (e) Without prejudice to the generality of paragraph (d) above or paragraph (f) below, the Security Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Security Agent (and so separate from any lawyers instructed by the Lenders and/or the Agent) if the Security Agent in its reasonable opinion deems this to be necessary.
- (f) The Security Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Security Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.



- (g) The Security Agent, any Receiver and any Delegate may act in relation to the Finance Documents and the Transaction Security through its officers, employees and agents and shall not:
  - (i) be liable for any error of judgment made by any such person; or
  - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,
 unless such error or such loss was directly caused by the Security Agent's, Receiver's or Delegate's (as the case may be) gross negligence or wilful misconduct.
- (h) Unless a Finance Document expressly specifies otherwise, the Security Agent may disclose to any other Party any information it reasonably believes it has received as security trustee under this Agreement.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (j) Notwithstanding any provision of any Finance Document to the contrary, the Security Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

**27.10 Responsibility for documentation**

None of the Security Agent, any Receiver nor any Delegate is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Security Agent, an Obligor or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security; or
- (c) any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

**27.11 No duty to monitor**

The Security Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

**27.12 Exclusion of liability**

(a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate), none of the Security Agent, any Receiver nor any Delegate will be liable for:

- (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Transaction Security unless directly caused by its gross negligence or wilful misconduct;
- (ii) exercising or not exercising any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document or the Transaction Security, other than by reason of its gross negligence or wilful misconduct;
- (iii) any shortfall which arises on the enforcement or realisation of the Transaction Security; or
- (iv) without prejudice to the generality of paragraphs (i) to (iii) above, any damages, costs, losses, any diminution in value or any liability whatsoever (but not including any claim based on the fraud of the Security Agent) arising as a result of:
  - (A) any act, event or circumstance not reasonably within its control; or
  - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(b) No Party (other than the Security Agent, that Receiver or that Delegate (as applicable)) may take any proceedings against any officer, employee or agent of the Security Agent, a Receiver or a Delegate in respect of any claim it might have against the Security Agent, a Receiver or a Delegate or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Security and any officer, employee or agent of the Security Agent, a Receiver or a Delegate may rely on this paragraph (b) subject to clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.

(c) Nothing in this Agreement shall oblige the Security Agent to carry out:

- (i) any know your customer or other checks in relation to any person; or
- (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any other Secured Party,

on behalf of any other Secured Party and each other Secured Party confirms to the Security Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Security Agent.

- (d) Without prejudice to any provision of any Finance Document excluding or limiting the liability of the Security Agent, any Receiver or Delegate, any liability of the Security Agent, any Receiver or Delegate arising under or in connection with any Finance Document or the Transaction Security shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Security Agent, Receiver or Delegate (as the case may be) or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Security Agent, Receiver or Delegate (as the case may be) at any time which increase the amount of that loss. In no event shall the Security Agent, any Receiver or Delegate be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Security Agent, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages.

**27.13 Lenders' indemnity to the Security Agent**

- (a) Each Lender shall (in the proportion of its Pro Rata Share), indemnify the Security Agent and every Receiver and every Delegate, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence in relation to any FATCA related liability or any other category of liability whatsoever) incurred by any of them (otherwise than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 30.10 (*Disruption to payment systems etc.*), notwithstanding the Security Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Security Agent) in acting as Security Agent, Receiver or Delegate under, or exercising any authority conferred under, the Debt Documents (unless the relevant Security Agent, Receiver or Delegate has been reimbursed by an Obligor pursuant to a Finance Document).
- (b) Subject to paragraph (c) below, the Borrower shall immediately on demand reimburse any Lender for any payment that Lender makes to the Security Agent pursuant to paragraph (a) above.
- (c) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Security Agent to an Obligor.

**27.14 Resignation of the Security Agent**

- (a) The Security Agent may resign and appoint one of its Affiliates as successor by giving notice to the Lenders and the Obligors' Agent. If the Security Agent is removed by the Majority Lenders, then this shall be at the cost of the Lenders.
- (b) Alternatively the Security Agent may resign by giving 30 days' notice to the Lenders and the Obligors' Agent, in which case the Majority Lenders may appoint a successor Security Agent.
- (c) If the Majority Lenders have not appointed a successor Security Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Security Agent (after consultation with the Agent) may appoint a successor Security Agent.
- (d) If the Security Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as security agent and the Security Agent is entitled to appoint a successor under paragraph (c) above, the Security Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Security Agent to become a party to this Agreement as Security Agent) agree with the proposed successor Agent

amendments to this clause 27 and any other term of this Agreement dealing with the rights or obligations of the Security Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonably amendments to the security agency fee payable under this Agreement which are consistent with the successor Security Agent's normal fee rates and those amendments will bind the Parties.

- (e) The retiring Security Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Security Agent may reasonably request for the purposes of performing its functions as Security Agent under the Finance Documents. The Borrower shall, within three Business Days of demand, reimburse the retiring Security Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (f) The Security Agent's resignation notice shall only take effect upon:
  - (i) the appointment of a successor; and
  - (ii) the transfer of all the Transaction Security to that successor.
- (g) Upon the appointment of a successor, the retiring Security Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) of clause 27.26 (*Winding up of trust*) and paragraph (e) above) but shall remain entitled to the benefit of this clause 27 and clause 14.4 (*Indemnity to the Security Agent*) (and any Security Agent fees for the account of the retiring Security Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if that successor had been an original Party.
- (h) The Majority Lenders may, by notice to the Security Agent, require it to resign in accordance with paragraph (b) above. In this event, the Security Agent shall resign in accordance with paragraph (b) above but the cost referred to in paragraph (e) above shall be for the account of the Borrower.

**27.15 Confidentiality**

- (a) In acting as trustee for the Secured Parties, the Security Agent shall be regarded as acting through its trustee division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Security Agent, it may be treated as confidential to that division or department and the Security Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Finance Document to the contrary, the Security Agent is not obliged to disclose to any other person (i) any confidential information or (ii) any other information if the disclosure would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty.

**27.16 Information from the Lenders**

Each Lender shall supply the Security Agent with any information that the Security Agent may reasonably specify as being necessary or desirable to enable the Security Agent to perform its functions as Security Agent.

**27.17 Credit appraisal by the Secured Parties**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Secured Party confirms to the Security Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (c) whether that Secured Party has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (d) the adequacy, accuracy or completeness of any information provided by the Security Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (e) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

**27.18 Reliance and engagement letters**

The Security Agent may obtain and rely on any certificate or report from any Obligor's auditor and may enter into any reliance letter or engagement letter relating to that certificate or report on such terms as it may consider appropriate (including, without limitation, restrictions on the auditor's liability and the extent to which that certificate or report may be relied on or disclosed).

**27.19 No responsibility to perfect Transaction Security**

The Security Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Obligor to any of the Charged Property;
- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Finance Document or the Transaction Security;
- (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Finance Document or of the Transaction Security;
- (d) take, or to require any Obligor to take, any step to perfect its title to any of the Charged Property or to render the Transaction Security effective or to secure the creation of any ancillary Security under any law or regulation; or
- (e) require any further assurance in relation to any Transaction Security Document.

**27.20 Insurance by Security Agent**

- (a) The Security Agent shall not be obliged:
    - (i) to insure any of the Charged Property;
    - (ii) to require any other person to maintain any insurance; or
    - (iii) to verify any obligation to arrange or maintain insurance contained in any Finance Document.
- and the Security Agent shall not be liable for any damages, costs or losses to any person as a result of the lack of, or inadequacy of, any such insurance.
- (b) Where the Security Agent is named on any insurance policy as an insured party, it shall not be liable for any damages, costs or losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Majority Lenders request it to do so in writing and the Security Agent fails to do so within fourteen days after receipt of that request.

**27.21 Custodians and nominees**

The Security Agent may appoint and pay any person to act as a custodian or nominee on any terms in relation to any asset of the trust as the Security Agent may determine, including for the purpose of depositing with a custodian this Agreement or any document relating to the trust created under this Agreement and the Security Agent shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it under this Agreement or be bound to supervise the proceedings or acts of any person.

**27.22 Delegation by the Security Agent**

- (a) Each of the Security Agent, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.
- (b) That delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions that the Security Agent, that Receiver or that Delegate (as the case may be) may, in its discretion, think fit in the interests of the Secured Parties.
- (c) No Security Agent, Receiver or Delegate shall be bound to supervise, or be in any way responsible for any damages, costs or losses incurred by reason of any misconduct, omission or default on the part of, any such delegate or sub-delegate.

**27.23 Additional Security Agents**

- (a) The Security Agent may at any time appoint (and subsequently remove) any person to act as a separate trustee or as a co-trustee jointly with it:
  - (i) if it considers that appointment to be in the interests of the Secured Parties; or
  - (ii) for the purposes of conforming to any legal requirement, restriction or condition which the Security Agent deems to be relevant; or
  - (iii) for obtaining or enforcing any judgment in any jurisdiction,

and the Security Agent shall give prior notice to the Borrower and the Secured Parties of that appointment.

- (b) Any person so appointed shall have the rights, powers, authorities and discretions (not exceeding those given to the Security Agent under or in connection with the Finance Documents) and the duties, obligations and responsibilities that are given or imposed by the instrument of appointment.
- (c) The remuneration that the Security Agent may pay to that person, and any costs and expenses (together with any applicable VAT) incurred by that person in performing its functions pursuant to that appointment shall, for the purposes of this Agreement, be treated as costs and expenses incurred by the Security Agent.

**27.24 Acceptance of title**

The Security Agent shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that any Obligor may have to any of the Charged Property and shall not be liable for, or bound to require any Obligor to remedy, any defect in its right or title.

**27.25 Releases**

Upon a disposal of any of the Charged Property pursuant to the enforcement of the Transaction Security by a Receiver or the Security Agent, the Security Agent is irrevocably authorised (at the cost of the Obligors and without any consent, sanction, authority or further confirmation from any other Secured Party) to release, without recourse or warranty, that property from the Transaction Security and to execute any release of the Transaction Security or other claim over that asset and to issue any certificates of non-crystallisation of floating charges that may be required or desirable.

**27.26 Winding up of trust**

If the Security Agent, with the approval of the Agent, determines that:

- (a) all of the Secured Obligations and all other obligations secured by the Transaction Security Documents have been fully and finally discharged; and
- (b) no Secured Party is under any commitment, obligation or liability (actual or contingent) to make advances or provide other financial accommodation to any Obligor pursuant to the Finance Documents,

then:

- (i) the trusts set out in this Agreement shall be wound up and the Security Agent shall release, without recourse or warranty, all of the Transaction Security and the rights of the Security Agent under each of the Transaction Security Documents; and
- (ii) any Security Agent which has resigned pursuant to clause 27.14 (*Resignation of the Security Agent*) shall release, without recourse or warranty, all of its rights under each Transaction Security Document.

**27.27 Powers supplemental to Trustee Acts**

The rights, powers, authorities and discretions given to the Security Agent under or in connection with the Finance Documents shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Security Agent by law or regulation or otherwise.

**27.28 Disapplication of Trustee Acts**

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Security Agent in relation to the trusts constituted by this Agreement. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Agreement, the provisions of this Agreement shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Agreement shall constitute a restriction or exclusion for the purposes of that Act.

**27.29 Order of application**

All amounts from time to time received or recovered by the Security Agent pursuant to the terms of any Finance Documents, under clause 27.2 (*Parallel debt (covenant to pay the Security Agent)*), or in connection with the realisation or enforcement of all or any part of the Transaction Security shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the following order of priority:

- (a) in discharging any sums owing to the Security Agent (in its capacity as such) (other than pursuant to clause 27.2 (*Parallel debt (covenant to pay the Security Agent)*), any Receiver or any Delegate;
- (b) in payment or distribution to the Agent, on its behalf and on behalf of the other Secured Parties, for application towards the discharge of all sums due and payable by any Obligor under any of the Finance Documents in accordance with clause 30.5 (*Partial payments*);
- (c) if none of the Obligors is under any further actual or contingent liability under any Finance Document, in payment or distribution to any person to whom the Security Agent is obliged to pay or distribute in priority to any Obligor; and
- (d) the balance, if any, in payment or distribution to the relevant Obligor.

**27.30 Investment of proceeds**

Prior to the application of the proceeds of the Transaction Security in accordance with clause 27.29 (*Order of application*) the Security Agent may, at its discretion, hold all or part of those proceeds in one or more interest bearing suspense or impersonal accounts in the name of the Security Agent with any financial institution (including itself) and for so long as the Security Agent thinks fit (the interest being credited to the relevant account) pending the application from time to time of those monies at the Security Agent's discretion in accordance with the provisions of clause 27.29 (*Order of application*).

**27.31 Currency conversion**

- (a) For the purpose of, or pending the discharge of, any of the Secured Obligations the Security Agent may convert any moneys received or recovered by the Security Agent from one currency to another, at the spot rate at which the Security Agent is able to purchase the currency in which the Secured Obligations are due with the amount received.
- (b) The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

**27.32 Permitted deductions**

The Security Agent shall be entitled (a) to set aside by way of reserve amounts required to meet and (b) to make and pay, any deductions and withholdings (on account of Taxes or otherwise) which it is or may be required by any law or regulation to make from any distribution or payment made by it under this Agreement, and to pay all Taxes which may



be assessed against it in respect of any of the Charged Property, or as a consequence of performing its duties or exercising its rights, powers, authorities and discretions, or by virtue of its capacity as Security Agent under any of the Finance Documents or otherwise (other than in connection with its remuneration for performing its duties under this Agreement).

27.33 **Good discharge**

- (a) Any distribution or payment to be made in respect of the Secured Obligations by the Security Agent may be made to the Agent on behalf of the Lenders and any distribution or payment made in that way shall be a good discharge, to the extent of that payment or distribution, by the Security Agent.
- (b) The Security Agent is under no obligation to make payment to the Agent in the same currency as that in which any Unpaid Sum is denominated.

27.34 **Amounts received by Obligors**

If any of the Obligors receives or recovers any amount which, under the terms of any of the Finance Documents, should have been paid to the Security Agent, that Obligor will hold the amount received or recovered on trust (on behalf of) for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of this Agreement.

27.35 **Application and consideration**

In consideration for the covenants given to the Security Agent by each Obligor in relation to clause 27.2 (*Parallel debt (covenant to pay the Security Agent)*), the Security Agent agrees with each Obligor to apply all moneys from time to time paid by such Obligor to the Security Agent in accordance with the foregoing provisions of this clause 27.

**28 Conduct of business by the Finance Parties**

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

**29 Sharing among the Finance Parties**

29.1 **Payments to Finance Parties**

If a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with clause 30 (*Payment mechanics*) or clause 27.29 (*Order of application*) to and including clause 27.35 (*Application and consideration*) (a **Recovered Amount**) and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;
- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with clause 30

(*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and

- (c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the **Sharing Payment**) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with clause 30.5 (*Partial payments*).

#### 29.2 **Redistribution of payments**

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the **Sharing Finance Parties**) in accordance with clause 30.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

#### 29.3 **Recovering Finance Party's rights**

On a distribution by the Agent under clause 29.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

#### 29.4 **Reversal of redistribution**

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the **Redistributed Amount**); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

#### 29.5 **Exceptions**

- (a) This clause 29 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
  - (i) it notified that other Finance Party of the legal or arbitration proceedings; and
  - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

## SECTION 11 ADMINISTRATION

### 30 Payment Mechanics

#### 30.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or London, as specified by the Agent) and with such bank as the Agent, in each case, specifies.

#### 30.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to clause 30.3 (*Distributions to an Obligor*) and clause 30.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London, as specified by that Party).

#### 30.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with clause 31 (*Set-off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

#### 30.4 Clawback and pre-funding

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
- (c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:
  - (i) the Borrower to whom that sum was made available shall on demand refund it to the Agent; and

- (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

**30.5 Partial payments**

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
  - (i) **first**, in or towards payment pro rata of any unpaid amounts owing to the Agent or the Security Agent under the Finance Documents;
  - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;
  - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
  - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (a)(iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

**30.6 No set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

**30.7 Business Days**

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

**30.8 Currency of account**

- (a) Subject to paragraphs (b) and (c) below, EUR is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (c) Any amount expressed to be payable in a currency other than EUR shall be paid in that other currency.

**30.9 Change of currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
  - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and
  - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

**30.10 Disruption to payment systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrower that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of clause 36 (*Amendments and Waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this clause 30.10; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

**31 Set-Off**

A Finance Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies,

the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## **32 Notices**

### **32.1 Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter or electronic communication (including electronic mail).

### **32.2 Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrower or any Obligor, that identified with its name below;
- (b) in the case of each Lender or any Additional Guarantor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent or the Security Agent, that identified with its name below,

or any substitute address or fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

For the Agent and Security Agent:

#### **Standard Chartered Bank**

Address: 6<sup>th</sup> Floor, 1 Basinghall Avenue, London, EC2V 5DD

Fax: +4420 7885 9728

Attention: Asset Servicing manager

Email: [Loans.AgencyUK@sc.com](mailto:Loans.AgencyUK@sc.com)

For the Original Lenders:

#### **Standard Chartered Bank**

Address: Standard Chartered Bank, 2nd Floor, 1 Basinghall Avenue, London, EC2V 5DD

Attention: [\*\*\*]

Email: [\*\*\*]

#### **Nordea Bank Abp, filial i Sverige**

Address: Smålandsgatan 15-17, 105 71 Stockholm

Attention: [\*\*\*]

Email: [\*\*\*]

**Citibank Europe Plc**

Address: C/O Citibank Europe Plc Ireland,

London Trade Operations

Citigroup Centre 1, 14th Floor,

33 Canada Square, London E14 5LB, United Kingdom

Attention: [\*\*\*]

Mail drop: [\*\*\*]

Email: [\*\*\*]

**ING Belgium SA/NV**

Address: Avenue Marnixlaan 24, B-1000 Brussels, Belgium

Tel: [\*\*\*]

Attention: [\*\*\*]

Email: [\*\*\*]

For the Borrower:

**Polestar Performance AB**

Address: Assar Gabrielssons väg 9, Göteborg, SE-405 31, Sweden

Attention: [\*\*\*]

Email: [\*\*\*] with a copy to [legal@polestar.com](mailto:legal@polestar.com)

For the Original Guarantors:

**Polestar Automotive Germany GmbH**

Address: Erftstraße, 50672 Köln, Germany

E-mail: [\*\*\*]

Attention: [\*\*\*]

Copy: Polestar Treasury  
E-mail: [treasury@polestar.com](mailto:treasury@polestar.com)  
Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden

Copy: Polestar Legal  
E-mail: [legal@polestar.com](mailto:legal@polestar.com)  
Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden

**Polestar Automotive Norway AS**

Address: Snarøyveien 32, 1364 Fornebu, Norway  
E-mail: [\*\*\*]  
Attention: [\*\*\*]

Copy: Polestar Treasury  
E-mail: [treasury@polestar.com](mailto:treasury@polestar.com)  
Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden

Copy: Polestar Legal  
E-mail: [legal@polestar.com](mailto:legal@polestar.com)  
Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden

**Polestar Automotive Sweden AB**

Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden  
E-mail: [\*\*\*]  
Attention: [\*\*\*]

Copy: Polestar Treasury  
E-mail: [treasury@polestar.com](mailto:treasury@polestar.com)  
Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden



Copy: Polestar Legal  
E-mail: [legal@polestar.com](mailto:legal@polestar.com)  
Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden

**Polestar Automotive USA Inc.**

Address: 777 MacArthur Blvd., Mahwah, NJ, 07430 USA  
E-mail: [\*\*\*]  
Attention: [\*\*\*]

Copy: Polestar Treasury  
E-mail: [treasury@polestar.com](mailto:treasury@polestar.com)  
Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden

Copy: Polestar Legal  
E-mail: [legal@polestar.com](mailto:legal@polestar.com)  
Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden

**Polestar Automotive UK Limited**

Address: Li Close Ansty Park, Ansty, Coventry, England, CV7 9RF

**Polestar Automotive Netherlands B.V.**

Address: Stationsweg 2, 4153 RD Beesd, Netherlands  
E-mail: [\*\*\*]  
Attention: [\*\*\*]

Copy: Polestar Treasury  
E-mail: [treasury@polestar.com](mailto:treasury@polestar.com)  
Address: Assar Gabrielssons väg 9, 40531, Gothenburg, Sweden

Copy: Polestar Legal

E-mail: [legal@polestar.com](mailto:legal@polestar.com)

Address: Assar Gabrielssons väg 9, 40531 Gothenburg, Sweden

### 32.3 **Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
  - (i) if by way of fax, when received in legible form;
  - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
  - (iii) if by way of electronic mail, when received in readable form,and, if a particular department or officer is specified as part of its address details provided under clause 32.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's or Security Agent's signature below (or any substitute department or officer as the Agent or Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Obligors' Agent in accordance with this clause will be deemed to have been made or delivered to each of the Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

### 32.4 **Notification of address and fax number**

Promptly upon changing its address or fax number, the Agent shall notify the other Parties.

### 32.5 **Electronic communication**

- (a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
  - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication or delivery as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.

- (c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Agent or the Security Agent only if it is addressed in such a manner as the Agent or Security Agent shall specify for this purpose.
- (d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this clause 32.5.
- (f) The Borrower shall indemnify the Agent and (if communicating directly with any other Finance Party, such Finance Party) the Agent's and any such Finance Party's officers, directors, agents, representatives and employees (each, an **Indemnified Person**) in respect of all actions, proceedings, costs, claims, demands, expenses or losses of any nature (direct or indirect, but always documented) which such Indemnified Person may suffer, incur or sustain as a consequence of (i) accepting and/or acting upon any such electronic communication made under paragraph (a), except to the extent that any such losses are caused by that Indemnified Person's wilful misconduct, fraud or gross negligence.

#### 32.6 **English language**

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
  - (i) in English; or
  - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

### 33 **Calculations and Certificates**

#### 33.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

#### 33.2 **Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

#### 33.3 **Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of

360 days (or, in any case where the practice in the Relevant Market differs, in accordance with that market practice).

### **34 Partial Invalidity**

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

### **35 Remedies and Waivers**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party or Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

### **36 Amendments and Waivers**

#### **36.1 Required consents**

- (a) Subject to clause 36.2 (*All Lender matters*) and clause 36.3 (*Other exceptions*), any term of the Finance Documents (other than the Mandate Letter and the Fee Letters) may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause 36.
- (c) Paragraph (c) of clause 24.9 (*Pro rata interest settlement*) shall apply to this clause 36.

#### **36.2 All Lender matters**

Subject to clauses 36.4 (*Replacement of Screen Rate*) and 36.7 (*Disenfranchisement of Defaulting Lenders*), an amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to:

- (a) the definition of "Majority Lenders", "Restricted Party", "Sanctions", "Sanctions Authority" and/or "Sanctions List" in clause 1.1 (*Definitions*);
- (b) an extension to the date of payment of any amount under the Finance Documents;
- (c) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
- (d) a change in currency of payment of any amount under the Finance Documents;
- (e) an increase in any Participation or the Total Participations, an extension of the Availability Period or any requirement that a cancellation of Participations reduces the Participations of the Lenders rateably under the Facility (excluding, where not relevant to such Lenders, any increase pursuant to an Accordion Increase);
- (f) a change to the Borrower or (other than in accordance with clause 25 (*Changes to the Obligors*)) the Guarantors;

- (g) any provision which expressly requires the consent of all the Lenders;
- (h) clause 18.15 (*No breach of laws*), clause 18.18 (*Anti-Corruption Laws*), clause 18.19 (*Sanctions*), clause 21.10 (*Anti-Corruption Laws*), or clause 21.11 (*Sanctions*) or any requirement that any counterparty not be a Restricted Party;
- (i) clause 2.2 (*Finance Parties' rights and obligations*), clause 5.1 (*Delivery of a Utilisation Request*), clause 7.1 (*Illegality*), clause 7.2 (*Change of control*), clause 7.11 (*Application of prepayments*), clause 24 (*Changes to the Lenders*), clause 25 (*Changes to the Obligors*), clause 29 (*Sharing among the Finance Parties*), this clause 36, the governing law of any Finance Document or clause 42.1 (*Jurisdiction*);
- (j) the nature or scope of:
  - (i) the guarantee and indemnity granted under clause 17 (*Guarantee and indemnity*);
  - (ii) the Charged Property; or
  - (iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed; or
- (k) the release of any guarantee and indemnity granted under clause 17 (*Guarantee and indemnity*) or of any Transaction Security,

shall not be made without the prior consent of all the Lenders.

### 36.3 Other exceptions

An amendment or waiver which relates to the rights or obligations of the Agent or the Mandated Lead Arrangers, the Structuring Bank or the Security Agent (each in their capacity as such) may not be effected without the consent of the Agent, the Mandated Lead Arrangers, the Structuring Bank or the Security Agent, as the case may be.

### 36.4 Split voting

- (a) For the purposes of responding (or failing to respond) to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of the Lenders under the terms of this Agreement, a Lender may split its Participation into any number of portions and may respond (or fail to respond) or otherwise exercise its rights in respect of each such individual portion on a several basis.
- (b) If a Lender exercises its rights under paragraph (a) above in respect of any part of its Participation, such Lender shall notify the Agent of the portions into which it has split its Participation.

### 36.5 Replacement of Screen Rate

- (a) Subject to clause 36.3 (*Other exceptions*), if a Screen Rate Replacement Event has occurred in relation to the Screen Rate for euro, the Agent (acting on the instructions of the Majority Lenders) and the Borrower shall enter into negotiations in good faith with a view to agreeing the use of a Replacement Benchmark in relation to euro in place of that Screen Rate as soon as practicable after the occurrence of such Screen Rate Replacement Event. Any amendment or waiver which relates to:
  - (i) providing for the use of a Replacement Benchmark in relation to euro in place of the Screen Rate; and
  - (ii)

- (A) aligning any provision of any Finance Document to the use of that Replacement Benchmark;
- (B) enabling that Replacement Benchmark to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Benchmark to be used for the purposes of this Agreement);
- (C) implementing market conventions applicable to that Replacement Benchmark;
- (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Benchmark; or
- (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Benchmark (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Borrower.

- (b) In this clause 36.5:

**Relevant Nominating Body** means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

**Replacement Benchmark** means a benchmark rate which is:

- (A) formally designated, nominated or recommended as the replacement for the Screen Rate by:
  - (1) the administrator of the Screen Rate (provided that the market or economic reality that such benchmark rate measures is the same as that measured by the Screen Rate); or
  - (2) any Relevant Nominating Body,

and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the "**Replacement Benchmark**" will be the replacement under paragraph (2) above;

- (B) in the opinion of the Majority Lenders and the Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to the Screen Rate; or
- (C) in the opinion of the Majority Lenders and the Borrower, an appropriate successor to the Screen Rate.

**Screen Rate Replacement Event** means:

- (A) the methodology, formula or other means of determining the Screen Rate has, in the opinion of the Majority Lenders and the Borrower, materially changed;
- (B)

(1)

- (I) the administrator of the Screen Rate or its supervisor publicly announces that such administrator is insolvent; or
- (II) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of the Screen Rate is insolvent,

**provided that**, in each case, at that time, there is no successor administrator to continue to provide the Screen Rate;

- (2) the administrator of the Screen Rate publicly announces that it has ceased or will cease to provide the Screen Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the Screen Rate;
  - (3) the supervisor of the administrator of the Screen Rate publicly announces that the Screen Rate has been or will be permanently or indefinitely discontinued; or
  - (4) the administrator of the Screen Rate or its supervisor announces that the Screen Rate may no longer be used; or
- (C) the administrator of the Screen Rate determines that the Screen Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
- (1) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrower) temporary; or
  - (2) the Screen Rate is calculated in accordance with any such policy or arrangement for a period no less than four (4) weeks; or
- (D) in the opinion of the Majority Lenders and the Borrower, the Screen Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

#### 36.6 Excluded Participations

If:

- (a) any Lender becomes a Defaulting Lender otherwise than because of paragraph (a) of the definition of "Defaulting Lender" and fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within three (3) Business Days of that request being made; or
- (b) any Lender which is not a Defaulting Lender fails to respond to a request in paragraph (a) above, clause 36.5 (*Replacement of Screen Rate*) or such a vote in each case in respect of any portion of its Participation within three (3) Business Days of that request being made,  
  
in the case of paragraphs (a) and (b), unless, in either case, the Borrower and the Agent agree to a longer time period in relation to any request; or
- (c) any Lender becomes a Defaulting Lender pursuant to paragraph (a) of the definition of "Defaulting Lender"; or

(d) any Lender becomes a Declining Lender,

then:

- (i) its Participations (or, in the case only paragraph (c) above applies, the portion of its Participation(s) in respect of which it failed to make available its Participations pursuant to paragraph (a) of the definition of Defaulting Lender) shall not be included for the purpose of calculating the Total Participations under the relevant Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Participations has been obtained to approve that request; and
- (ii) its status as a Lender in respect of its Participations (or, in the case only paragraph (c) above applies, the portion of its Participation(s) in respect of which it failed to make available its Participations pursuant to paragraph (a) of the definition of Defaulting Lender) shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

**36.7 Disenfranchisement of Defaulting Lenders**

(a) For so long as a Defaulting Lender has any Available Participations, in ascertaining:

- (i) the Majority Lenders; or
- (ii) whether:
  - (A) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Participations under the Facility; or
  - (B) the agreement of any specified group of Lenders,

has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents, that Defaulting Lender's Participations under the Facility will (subject to paragraph (b) below) be reduced by the amount of its Available Participations under the Facility and, to the extent that that reduction results in that Defaulting Lender's Total Participations being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.

(b) For the purposes of voting, the amount of reduction of the Defaulting Lender's Available Participations as specified in paragraph (a) above shall be amended as follows:

- (i) in cases where a Lender only becomes a Defaulting Lender pursuant to paragraph (a) of the definition of "Defaulting Lender", only in respect of which such Lender has failed to make its Participations available pursuant to paragraph (a) of the definition of Defaulting Lender; and
- (ii) in cases other than where paragraph (b)(i) applies, and where a Lender has split its Participations in accordance with clause 36.4 (*Split voting*), only in respect of the portion of its Participations which such Lender does not and continues not to consent or agree to the relevant consent, waiver, amendment or other vote.

**36.8 Replacement of a Defaulting Lender**

(a) The Borrower may, at any time a Lender has become and continues to be a Defaulting Lender, by giving ten (10) Business Days' prior written notice to the Agent and such Lender, replace such Lender (or, as the context may require, a portion of its Participation) by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer:



- (i) where that Lender has split its Participations in accordance with clause 36.4 (*Split voting*), all (and not part only) of its rights and obligations under this Agreement which relate to the portion of its Participation that is attributable to that Lender being a Defaulting Lender; and
  - (ii) where that Lender has not split its Participations in accordance with clause 36.4 (*Split voting*), all (and not part only) of its rights and obligations under this Agreement,
- in each case, to a New Lender pursuant to and in accordance with clause 24.1 (*Assignments and transfers by the Lenders*).
- (c) Any transfer of all or part of the rights, obligations and Participations of a Defaulting Lender pursuant to this clause 36.8 shall be subject to the following conditions:
    - (i) the Borrower shall have no right to replace the Agent or Security Agent;
    - (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Borrower to find a replacement New Lender;
    - (iii) in the event of a replacement of all or part of a Defaulting Lender's Participations, such replacement must take place no later than 15 Business Days after the date on which that Lender is deemed a Defaulting Lender in respect of all or part of its Participations; and
    - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the New Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents.
  - (d) The Defaulting Lender shall perform the checks described in clause 24.2(c)(ii) (*Conditions of assignment or transfer*) as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.

## **37 Confidential Information**

### **37.1 Confidentiality**

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by clause 37.2 (*Disclosure of Confidential Information*) and clause 37.4 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

### **37.2 Disclosure of Confidential Information**

Any Finance Party may disclose:

- (a) to any of its (or another Finance Party's) Affiliates and Related Funds (including head offices and any branches) and any of its or their officers, directors, employees, professional advisers, auditors, partners, insurers, insurance brokers, service providers and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:

- (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents (or any document between such Finance Party and any member of their group) or which succeeds (or which may potentially succeed) it as Agent or Security Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
- (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents (or any document between such Finance Party and any member of the Group and any member of that Finance Party's group) and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
- (iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (b) of clause 26.14 (*Relationship with the Lenders*));
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
- (v) to whom information is required or requested to be disclosed by any court or tribunal of competent jurisdiction or any governmental, quasi-governmental, banking, taxation, supervisory or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to clause 24.8 (*Security over Lenders' rights*);
- (viii) who is a Party; or
- (ix) with the consent of the Borrower,

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
- (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature

and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances; and

- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party; and
- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors.

**37.3 Disclosure in respect of banking secrecy obligations**

Each Obligor expressly and irrevocably consents to any disclosure of Confidential Information made pursuant to clause 37.2 (*Disclosure of Confidential Information*) and releases each Finance Party from any applicable banking secrecy obligations.

**37.4 Disclosure to numbering service providers**

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:
  - (i) names of Obligors;
  - (ii) country of domicile of Obligors;
  - (iii) place of incorporation of Obligors;
  - (iv) date of this Agreement;
  - (v) clause 41 (*Governing law*);
  - (vi) the names of the Agent and the Mandated Lead Arrangers;
  - (vii) date of each amendment and restatement of this Agreement;
  - (viii) amount of Total Participations;
  - (ix) currency of the Facility;
  - (x) type of revolving credit Facility;
  - (xi) ranking of Facility;
  - (xii) Termination Date for the Facility;
  - (xiii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xii) above; and
  - (xiv) such other information agreed between such Finance Party and the Borrower,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) Each Obligor represents that none of the information set out in paragraphs (i) to (xiv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.

**37.5 Publicity and announcements**

Subject to any regulatory obligation applicable to the Borrower or any other person, the Borrower and the Lenders shall cooperate to agree in advance any publicity regarding the Facility prior to such publicity being released.

**37.6 Entire agreement**

This clause 37 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

**37.7 Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

**37.8 Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of clause 37.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this clause 37.

**37.9 Continuing obligations**

The obligations in this clause 37 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Participations have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

**38 Confidentiality of Funding Rates**

**38.1 Confidentiality and disclosure**

- (a) The Agent and each Obligor agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b) and (c) below.
- (b) The Agent may disclose:
  - (i) any Funding Rate to the Borrower pursuant to clause 8.4 (*Notifications*); and
  - (ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender.
- (c) The Agent and each Obligor may disclose any Funding Rate, to:
  - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;
  - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the relevant Obligor, as the case may be, it is not practicable to do so in the circumstances;
  - (iii) any person with the consent of the relevant Lender.

#### 38.2 **Related obligations**

- (a) The Agent and each Obligor acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and each Obligor undertake not to use any Funding Rate for any unlawful purpose.
- (b) The Agent and each Obligor agree (to the extent permitted by law and regulation) to inform the relevant Lender:
  - (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of clause 38.1 (*Confidentiality and disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
  - (ii) upon becoming aware that any information has been disclosed in breach of this clause 38.

#### 38.3 **No Event of Default**

No Event of Default will occur under clause 22.3 (*Other obligations*) by reason only of an Obligor's failure to comply with this clause 38.

## **39 Contractual recognition of bail-in**

### **39.1 Contractual recognition of bail-in**

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including (without limitation):
  - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
  - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
  - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

### **39.2 Bail-In definitions**

In this clause 39:

**Article 55 BRRD** means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

**Bail-In Action** means the exercise of any Write-down and Conversion Powers.

**Bail-In Legislation** means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to the United Kingdom, the UK Bail-In Legislation; and
- (c) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

**EEA Member Country** means any member state of the European Union, Iceland, Liechtenstein and Norway.

**EU Bail-In Legislation Schedule** means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

**Resolution Authority** means any body which has authority to exercise any Write-down and Conversion Powers.

**UK Bail-In Legislation** means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

**Write-down and Conversion Powers** means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to the UK Bail-In Legislation, any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
- (c) in relation to any other applicable Bail-In Legislation:
  - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
  - (ii) any similar or analogous powers under that Bail-In Legislation.

## 40 Counterparts

- 40.1 Each Finance Document may be executed in any number of counterparts and each party may execute a separate counterpart. In addition, if any Finance Document is to be executed by any party by the signature of more than one person, they may do so on separate counterparts. The parties intend that all the counterparts together constitute a single copy of the Finance Document.
- 40.2 The parties agree that any Finance Document, Financial Condition Report, Monthly Liquidity Report, Green Loan Impact Report, Utilisation Request or other related document, notice or communication can be executed using an Electronic Signature and where a Finance Document is executed using an Electronic Signature the original shall be:
  - (a) where a Signing Platform is used, the signed and dated document stored in the cloud of that Signing Platform, any document which a party, or their legal advisors, downloads from the Signing Platform and the dated document circulated by e-mail on, or shortly after, the dating of such Finance Document; and
  - (b) where an Electronic Signature is affixed outside of a Signing Platform, the dated document circulated by e-mail on, or shortly after, the dating of such Finance Document.
- 40.3 For the purpose of this clause 40:
  - (a) **Electronic Signature** means an electronic signature as set out in section 7 of the UK Electronic Communications Act 2000.
  - (b) **Signing Platform** means DocuSign, or any other secure, electronic signing platform which allows a signatory to insert an Electronic Signature **into** an electronic version of a document and which the parties agree can be used to sign a Finance Document.

## SECTION 12 GOVERNING LAW AND ENFORCEMENT

### 41 Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

### 42 Enforcement

#### 42.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a **Dispute**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

#### 42.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, each Obligor (other than an Obligor incorporated in England and Wales):
  - (i) irrevocably appoints Polestar Automotive UK Limited of Li Close Ansty Park, Ansty, Coventry, England, CV7 9RF as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document (and each of the Obligors, by its execution of this Agreement, accepts that appointment);
  - (ii) agrees that failure by an agent for service of process to notify the relevant Obligor of the process will not invalidate the proceedings concerned; and
  - (iii) each Obligor incorporated or established in Germany hereby release Polestar Automotive UK Limited from any restrictions on representing several persons and self-dealing under any applicable law, and in particular from the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*), to the extent legally possible.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Obligors' Agent (on behalf of all the Obligors) must immediately (and in any event within five (5) days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.

### 43 Waiver of Immunity

#### 43.1 Waiver of immunity

- (a) Each Obligor irrevocably waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:
  - (i) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
  - (ii) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.



- (b) Each Obligor agrees that in any proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of the English State Immunity Act 1978.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**

**Schedule 1**  
**The Original Parties**

**Part 1 - The Original Obligors**

<b>Name of Borrower</b>	<b>Original Jurisdiction</b>	<b>Registration number (or equivalent, if any)</b>
Polestar Performance AB	Sweden	556653-3096

<b>Name of Original Guarantor</b>	<b>Original Jurisdiction</b>	<b>Registration number (or equivalent, if any)</b>
Polestar Automotive Germany GmbH	Germany	AG Köln HRB 99619
Polestar Automotive Norway AS	Norway	922704481
Polestar Automotive Sweden AB	Sweden	559225-6258
Polestar Automotive USA Inc.	Delaware	EIN 82-5420108 (Unique identifier assigned by the Delaware Secretary of State: 6859352)
Polestar Automotive UK Limited	United Kingdom	11926357
Polestar Automotive Netherlands B.V.	Netherlands	76386228

**Part 2 - The Original Lenders**

<b>Name of Original Lender</b>	<b>Participation (in EUR)</b>
Standard Chartered Bank	120,000,000
Nordea Bank Abp, filial i Sverige	100,000,000
Citibank Europe Plc	65,000,000
ING Belgium SA/NV	65,000,000

## Schedule 2 Conditions Precedent

### Part 1 - Conditions Precedent to initial Loan

#### 1 Original Obligors

- (a) A copy of the constitutional documents of each Original Obligor and each Original Subordinated Creditor.
- (b) A copy of a resolution of the board of directors of each Original Obligor and each Original Subordinated Creditor (or, in the case of a German Obligor, a copy of a resolution of the supervisory board (*Aufsichtsrat*) and/or advisory board (*Beirat*) (if applicable) of such Original Obligor approving the terms of, and the transactions contemplated by the Finance Documents to which it is a party):
  - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
  - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf;
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
  - (iv) in the case of an Original Obligor other than the Borrower, authorising the Borrower to act as its agent (with respect to its capacity as Obligors' Agent) in connection with the Finance Documents.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.
- (d) If applicable, a copy of a resolution signed by all the holders of the issued shares in each Original Guarantor and each Original Subordinated Creditor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Original Guarantor or the Original Subordinated Creditor (as applicable) is a party.
- (e) A certificate of each Original Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Participations would not cause any borrowing, guaranteeing, securing (as appropriate) or similar limit binding on any Original Obligor (as applicable) to be exceeded.
- (f) A certified copy of the register of members/shareholders of each Original Obligor and each Original Subordinated Creditor (if applicable).
- (g) In relation to a German Obligor, an up-to-date commercial register extract from the electronic commercial register (*Auszug aus dem elektronischen Handelsregister*), its articles of association (*Satzung*), copies of any by-laws as well as a list of shareholders (*Gesellschafterliste*).
- (h) In relation to a Dutch Obligor:
  - (i) an excerpt (*uittreksel*) from the trade register of the Chamber of Commerce (*Kamer van Koophandel*) relating to it, issued no more than four weeks prior to the date of this Agreement; and

- (ii) a copy of:
  - (A) the request for advice from the works council of the Guarantor; and
  - (B) the positive advice from such works council which contains no condition, which if not fulfilled, could result in a breach of any of the Finance Documents; or
- (iii) a confirmation in the resolution of the board of directors of the Guarantor that:
  - (A) no such works council has been installed and no action has been taken for the installation of such a works council; or
  - (B) a works council has been installed but such works council does not have jurisdiction in respect of the transactions contemplated by the Finance Documents.
- (i) In relation to a US Obligor, a certificate of good standing obtained from the Delaware Secretary of State dated two (2) days before the date of satisfaction of all other conditions precedent under this Schedule 2, Part 1 (*Conditions Precedent to initial Loan*), as to the valid existence and good standing of the US Obligor as a corporation incorporated under the laws of Delaware.
- (j) In relation to Polestar Automotive USA Inc., a copy of a signed and dated notice (including a copy of the relevant board resolutions attached thereto and incorporated therein by reference) given by such entity to the holders of record of valid and putative stock of the Corporation entitled thereto pursuant to Section 204(g) of the General Corporation Law of the State of Delaware (which gives notice of the ratification of certain defective corporate acts and putative stock), and a confirmation of delivery of such notice to its intended recipient in connection thereof.
- (k) A certificate of an authorised signatory of the relevant Original Obligor and Original Subordinated Creditor certifying that each copy document relating to it specified in this Part 1 of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

## 2 Finance Documents

- (a) This Agreement duly executed by all original parties to it.
- (b) The Fee Letters duly executed by all parties.
- (c) The Mandate Letter, duly executed by the relevant parties.
- (d) At least two originals of the documents referred to in paragraphs (a) of the definition of Transaction Security Documents, duly executed by each party.
- (e) A copy of all notices required to be sent under the Transaction Security Documents referred to in paragraph (d) above, executed by the relevant Obligor, duly acknowledged by the addressee.
- (f) A copy of all share certificates, transfers and stock transfer forms or equivalent duly executed by the relevant Obligor in blank in relation to the assets subject to or expressed to be subject to the Transaction Security and other documents of title to be provided under the Transaction Security Documents referred to in paragraph (d) above.
- (g) A copy of the duly executed Deed of Subordination entered into by the Borrower, PP Singapore and the Agent.

## 3 Legal opinions

- (a) A legal opinion of Norton Rose Fulbright LLP, legal advisers to the Mandated Lead Arranger and the Agent in England in respect of enforceability of this Agreement and the English Transaction Security Documents (if any), in form and substance acceptable to the Original Lenders prior to signing this Agreement.
- (b) A legal opinion of Norton Rose Fulbright LLP to the Mandated Lead Arranger and the Agent in England in respect of the capacity and due execution of Polestar Automotive UK Limited entering into this Agreement and (if required) any relevant Transaction Security Document, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (c) A legal opinion of Norton Rose Fulbright LLP to the Mandated Lead Arranger and the Agent in Germany in respect of the capacity and due execution of Polestar Automotive Germany GmbH entering into this Agreement and (if required) any relevant Transaction Security Document, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (d) A legal opinion of Schjødt to the Mandated Lead Arranger and the Agent in Norway in respect of the capacity and due execution of Polestar Automotive Norway AS entering into this Agreement and (if required) any relevant Transaction Security Document, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (e) A legal opinion of Setterwalls Advokatbyrå AB to the Mandated Lead Arranger and the Agent in Sweden in respect of the capacity and due execution of Polestar Performance AB entering into this Agreement, the Deed of Subordination and (if required) any relevant Transaction Security Document, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (f) A legal opinion of Potter Anderson & Corroon LLP to the Mandated Lead Arranger and the Agent in Delaware in respect of the capacity and due execution of Polestar Automotive USA, Inc. entering into this Agreement and (if required) any relevant Transaction Security Document, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (g) A legal opinion of Norton Rose Fulbright LLP to the Mandated Lead Arranger and the Agent in The Netherlands in respect of the capacity and due execution of Polestar Automotive Netherlands B.V. entering into this Agreement and (if required) any Transaction Security Document, substantially in the form distributed to the Original Lenders prior to signing this Agreement.
- (h) A legal opinion of Norton Rose Fulbright (Asia) LLP to the Mandated Lead Arranger and the Agent in Singapore in respect of the capacity and due execution of Polestar Automotive (Singapore) Pte. Ltd. entering into the Deed of Subordination, substantially in the form distributed to the Original Lenders prior to signing this Agreement.

#### **4 Other documents and evidence**

- (a) Evidence that any process agent referred to in clause 42.2 (*Service of process*), if not an Original Obligor, has accepted its appointment.
- (b) A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.
- (c) The Original Financial Statements of the Borrower.
- (d) The Business Plan.
- (e) Evidence that the fees, costs and expenses then due from the Borrower pursuant to clause 11 (*Fee Letters*), clause 12.5 (*Stamp taxes*) and clause 16 (*Costs and expenses*) have

been paid or will be paid within three (3) Business Days of the date of this Agreement, but in any event by the first Utilisation Date.

- (f) Suitable evidence to each Original Lender that all of their "Know Your Customer" requirements have been satisfactorily completed.
- (g) A certified copy of the Group Structure Chart.
- (h) Signed copies of each Letter of Comfort.
- (i) A US tax withholding certificate (or, alternatively, other evidence satisfactory to the Agent) confirming FATCA compliance from each Lender pursuant to paragraph (e) of clause 12.7 (*FATCA Information*). For the avoidance of doubt, and pursuant to paragraph (h) of clause 12.7 (*FATCA Information*), the Agent may rely on such US tax withholding certificate or other evidence from each Lender without further verification, and the Agent shall not be liable for any action taken by it in respect of such US tax withholding certificate or other evidence under or in connection with paragraph (e), (f) or (g) of clause 12.7 (*FATCA Information*).
- (j) The list of Alternative Transferees as at the date of this Agreement.

**Part 2**  
**Conditions Precedent required to be delivered by an Additional Guarantor**

- 1 An Accession Letter, duly executed by the Additional Guarantor and the Borrower.
- 2 A copy of the constitutional documents of the Additional Guarantor.
- 3 If applicable, a copy of a resolution of the board of directors of the Additional Guarantor:
  - (a) approving the terms of, and the transactions contemplated by, the Accession Letter and the Finance Documents and resolving that it execute the Accession Letter and any other Finance Document to which it is a party;
  - (b) authorising a specified person or persons to execute the Accession Letter and other Finance Documents to which it is a party on its behalf;
  - (c) authorising a specified person or persons, on its behalf, to sign and/or despatch all other documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
  - (d) authorising the Borrower to act as its agent (with respect to its capacity as Obligors' Agent) in connection with the Finance Documents.
- 4 A specimen of the signature of each person authorised by the resolution referred to in paragraph 3 above.
- 5 If applicable, a copy of a resolution signed by all the holders of the issued shares of the Additional Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Additional Guarantor is a party, and in the case of:
  - (a) an Additional Guarantor which is incorporated in Germany, a copy of a resolution of the supervisory board (*Aufsichtsrat*) and/ or advisory board (*Beirat*) of such Additional Guarantor approving the terms of, and the transactions contemplated by the Accession Letter and any Finance Documents to which it is a party (if applicable); and
  - (b) an Additional Guarantor which is incorporated in Sweden, a copy of a resolution of the board of directors of the direct parent company of such Additional Guarantor approving the terms of, and the transactions contemplated by the Accession Letter and any Finance Documents to which it is a party.
- 6 A certificate of the Additional Guarantor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Participations would not cause any borrowing, guaranteeing or similar limit binding on it to be exceeded.
- 7 A certified copy of the register of members/shareholders of the Additional Guarantor (if applicable).
- 8 In relation to an Additional Guarantor which is incorporated in Germany, an up-to-date commercial register extract from the electronic commercial register (*Auszug aus dem elektronischen Handelsregister*), its articles of association (*Satzung*) or partnership agreement (*Gesellschaftsvertrag*), copies of any by-laws as well as a list of shareholders (*Gesellschafterliste*) (if applicable).
- 9 In relation to an Additional Guarantor which is incorporated in The Netherlands:
  - (a) an excerpt (*uittreksel*) from the trade register of the Chamber of Commerce (*Kamer van Koophandel*) relating to it, issued no more than four weeks prior to the date of this Agreement; and
  - (b) a copy of:

- (i) the request for advice from the works council of the Guarantor; and
  - (ii) the positive advice from such works council which contains no condition, which if not fulfilled, could result in a breach of any of the Finance Documents; or
- (c) a confirmation in the resolution of the board of directors of the Guarantor that:
  - (i) no such works council has been installed and no action has been taken for the installation of such a works council; or
  - (ii) a works council has been installed but such works council does not have jurisdiction in respect of the transactions contemplated by the Finance Documents.
- 10 A certificate of an authorised signatory of the Additional Guarantor certifying that each copy document listed in this Part 2 of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of the Accession Letter.
- 11 A copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the Accession Letter or for the validity and enforceability of any Finance Document.
- 12 If available, the latest audited financial statements of the Additional Guarantor.
- 13 A legal opinion of the legal advisers to the Mandated Lead Arranger and the Agent in the jurisdiction in which the Additional Guarantor is incorporated.
- 14 If the proposed Additional Guarantor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in clause 42.2 (*Service of process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Guarantor.
- 15 Any Transaction Security Documents which are required by the Agent to be executed by the proposed Additional Guarantor.
- 16 Any notices or other documents required to be given or executed or made under the terms of those Transaction Security Documents, including evidence that all registrations and other perfection steps as the Agent or Security Agent may reasonably specify have been made or completed.



### Schedule 3 Requests

#### Part 1 - Utilisation Request

From: Polestar Performance AB

To: [Agent]

Dated:

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

- 1 We refer to the Agreement. This is a Utilisation Request. Terms defined in the Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
- 2 We wish to borrow a Loan on the following terms:  

Proposed Utilisation Date: [ ]

Currency of Loan: EUR

Drawdown Amount (in EUR): [ ]

Corresponding aggregate value of Invoice(s) (in RMB): [ ]

Interest Period: [ ]

Proposed date of payment to the relevant supplier: [ ]
- 3 We confirm that:
  - (a) each condition specified in clause 4.2 (*Further conditions precedent*) of the Agreement is satisfied on the date of this Utilisation Request;
  - (b) the spot rate of exchange applied to the aggregate value of the Invoice (in RMB) to obtain the drawdown amount (in EUR) in paragraph 2 above has been agreed with the FX Agent; and
  - (c) the representations and warranties at clause 23.3 (*Green Loan – Representations and warranties*) are true in all material aspects on the date of this Utilisation Request.
- 4 The proceeds of this Loan should be credited to [account details of Acceptable Supplier].
- 5 Pursuant to clause 5.2(a)(iv) (*Completion of a Utilisation Request*), we attach a summary listing of Invoices in respect of this Utilisation Request.
- 6 This Utilisation Request is irrevocable.

Yours faithfully

.....

authorised signatory for

Polestar Performance AB

## Part 2 – Form of Summary Listing of Invoice

### Summary list of Invoices

Please see the following relevant information in respect of each Invoice relating to this Utilisation Request:

Column Name	Format for data entry
Invoice Number	[Text]
Document CCY	[Text]
Invoice Amount	[Number]
Invoice Issue Date	[Date (MM/dd/yy)]
Shipment Date	[Date (MM/dd/yy)]
Document Due Date	[Date (MM/dd/yy)]
Supplier Name	[Text]
Goods Description	[Text]
Shipment From (Port of Loading + country)	[Text]
Shipment To (Port of Discharge + Country)	[Text]
Bill of Lading reference number	[Text]
Vessel Name (Shipping company name)	[Text]

We confirm that the above information is also reflected in an excel form of summary listing of invoices, a completed version of which is appended.

## Schedule 4

### Form of Transfer Certificate

To: [ ] as Agent

From: [the Existing Lender] (the **Existing Lender**) and [the New Lender] (the **New Lender**)

Dated:

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

- 1 We refer to the Agreement. This is a Transfer Certificate. Terms defined in the Agreement have the same meaning in this Transfer Certificate unless given a different meaning in this Transfer Certificate.
- 2 We refer to clause 24.5 (*Procedure for transfer*) of the Agreement:
  - (a) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with clause 24.5 (*Procedure for transfer*) of the Agreement, all of the Existing Lender's rights and obligations under the Agreement, the other Finance Documents [and in respect of the Transaction Security] which relate to that portion of the Existing Lender's Participation and participations in Loans under the Agreement as specified in the Schedule.
  - (b) The proposed Transfer Date is [ ].
  - (c) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of clause 32.2 (*Addresses*) of the Agreement are set out in the Schedule.
- 3 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of clause 24.4 (*Limitation of responsibility of Existing Lenders*) of the Agreement.
- 4 The New Lender confirms that it has provided the Agent with a US tax withholding certificate (or, alternatively, other evidence satisfactory to the Agent) confirming FATCA compliance of the New Lender pursuant to paragraph (e) of clause 12.7 (*FATCA Information*). For the avoidance of doubt, and pursuant to paragraph (h) of clause 12.7 (*FATCA Information*), the Agent may rely on such US tax withholding certificate or other evidence from each Lender without further verification, and the Agent shall not be liable for any action taken by it in respect of such US tax withholding certificate or other evidence under or in connection with paragraph (e), (f) or (g) of clause 12.7 (*FATCA Information*).
- 5 This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
- 6 This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 7 This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.
- 8 This Transfer Certificate is a Finance Document.

**Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to**

perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

#### THE SCHEDULE

##### Participation/rights and obligations to be transferred

*[Insert relevant details]*

*[Facility office address, fax number and attention details for notices and account details for payments,]*

[Existing Lender]

[New Lender]

By:

By:

This Transfer Certificate is accepted by the Agent and the Transfer Date is confirmed as [      ].

[Agent]

By:

**Schedule 5**  
**Form of Assignment Agreement**

To: [ ] as Agent and [ ] as Obligors' Agent, for and on behalf of each Obligor

From: [the *Existing Lender*] (the **Existing Lender**) and [the *New Lender*] (the **New Lender**)

Dated:

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

- 1 We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.
- 2 We refer to clause 24.6 (*Procedure for assignment*) of the Agreement:
  - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement and the other Finance Documents [and in respect of the Transaction Security] which correspond to that portion of the Existing Lender's Participation and participations in Loans under the Agreement as specified in the Schedule.
  - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Participation and participations in Loans under the Agreement specified in the Schedule.
  - (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
- 3 The proposed Transfer Date is [ ].
- 4 On the Transfer Date the New Lender becomes Party to the Finance Documents as a Lender.
- 5 The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of clause 32.2 (*Addresses*) of the Agreement are set out in the Schedule.
- 6 The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of clause 24.4 (*Limitation of responsibility of Existing Lenders*) of the Agreement.
- 7 This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with clause 24.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrower*) of the Agreement, to the Obligors' Agent (on behalf of each Obligor) of the assignment referred to in this Assignment Agreement.
- 8 The New Lender confirms that it has provided the Agent with a US tax withholding certificate (or, alternatively, other evidence satisfactory to the Agent) confirming FATCA compliance of the New Lender pursuant to paragraph (e) of clause 12.7 (*FATCA Information*). For the avoidance of doubt, and pursuant to paragraph (h) of clause 12.7 (*FATCA Information*), the Agent may rely on such US tax withholding certificate or other evidence from each Lender without further verification, and the Agent shall not be liable for any action taken by it in respect of such US tax withholding certificate or other evidence under or in connection with paragraph (e), (f) or (g) of clause 12.7 (*FATCA Information*).
- 9 This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.

- 10 This Assignment Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 11 This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.
- 12 This Assignment Agreement is a Finance Document.

**Note:** The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

#### THE SCHEDULE

##### Rights to be assigned and obligations to be released and undertaken

*[Insert relevant details]*

*[Facility office address, fax number and attention details for notices and account details for payments]*

[Existing Lender]

[New Lender]

By:

By:

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as [    ].

Signature of this Assignment Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

**Schedule 6**  
**Form of Accession Letter**

To: [ ] as Agent

From: [Subsidiary] and Polestar Performance AB (as Obligors' Agent)

Dated:

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

- 1 We refer to the Agreement. This is an Accession Letter. Terms defined in the Agreement have the same meaning in this Accession Letter unless given a different meaning in this Accession Letter.
- 2 [Subsidiary] agrees to become an Additional Guarantor and to be bound by the terms of the Agreement as an Additional Guarantor pursuant to clause 25.2 (*Additional Guarantors*) of the Agreement [and the provisions included in the Schedule to this Accession Letter]<sup>1</sup>. [Subsidiary] is a company duly incorporated under the laws of [name of relevant jurisdiction].
- 3 [Subsidiary's] administrative details are as follows:  
  
Address:  
  
Fax No:  
  
Attention:
- 4 This Accession Letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

This Accession Letter is entered into by deed.

[Polestar Performance AB] (in its capacity as Obligors' Agent)

[Subsidiary]

Accepted by:

[Agent]

**[THE SCHEDULE**

[●]]<sup>2</sup>

<sup>1</sup> Note: To be included if any jurisdiction-specific provisions will need to be added in respect of the acceding Additional Guarantor.

<sup>2</sup> Note: To insert any jurisdiction-specific provisions in respect of the acceding Additional Guarantor. Local counsel should be consulted to ensure the benefit of any guarantee provided by an Additional Guarantor will be duly executed to the Finance Parties.

**Schedule 7**  
**Form of Monthly Liquidity Report**

To: [ ] as Agent

From: Polestar Performance AB

Dated:

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

- 1 We refer to the Agreement. This is a Monthly Liquidity Report in respect of the month ended [date] (the **Month-end Date**). Terms defined in the Agreement have the same meaning when used in this Monthly Liquidity Report unless given a different meaning in this Monthly Liquidity Report.
- 2 We confirm that, as at the Month-end Date, the following is the Monthly Liquidity Report as required pursuant to clause 19.1(c) (*Financial Statements*):
  - (a) current Group Cash: [●]
  - (b) current Group Cash Equivalent Investment: [●]
  - (c) current Available Credit available to the Group: [●]
  - (d) the Monthly Sales Figures of the Group: [●]
  - (e) the details of all outstanding indebtedness incurred by Polestar UK and/or the Group from any Shareholder by way of any loans, bonds, notes or other similar instruments: [●]

Signed: .....

Authorised Signatory of  
Polestar Performance AB

.....

Authorised Signatory of  
Polestar Performance AB



**Schedule 8**  
**Form of Financial Condition Report**

To: [ ] as Agent

From: Polestar Performance AB

Dated:

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

- 1 We refer to the Agreement. This is a Financial Condition Report in respect of the financial quarter ending on [date] (the **Quarter Date**). Terms defined in the Agreement have the same meaning when used in this Financial Condition Report unless given a different meaning in this Financial Condition Report.
- 2 We confirm that, as at the Quarter Date: [Insert detail of covenant to be certified]
- 3 We confirm that, as at the Quarter Date: the following is the quarterly information relating to the Polestar Group for the basis of the calculation of the financial covenant set out in clause 20.2 (*Financial condition*):
  - (a) Polestar Group Cash: [●]
  - (b) Polestar Group Cash Equivalent Investment: [●]
  - (c) Available Credit available to the Polestar Group: [●]
- 4 We confirm that, as at the Quarter Date: the following is the Monthly Liquidity Report as required pursuant to clause 19.1(c) (*Financial Statements*):
  - (a) current Group Cash: [●]
  - (b) current Group Cash Equivalent Investment: [●]
  - (c) current Available Credit available to the Group: [●]
  - (d) the Monthly Sales Figures of the Group: [●]
  - (e) the details of all outstanding indebtedness incurred by Polestar UK and/or the Group from any Shareholder by way of any loans, bonds, notes or other similar instruments: [●]
- 5 [We confirm that the following is the monthly information as required pursuant to clause 20.3(d) (*Financial testing*) for each previous month of July and August:
  - (a) Group Cash Equivalent Investment as at the end of July: [●]
  - (b) Group Cash Equivalent Investment as at the end of August: [●]
  - (c) Available Credit available to the Group as at the end of July: [●]
  - (d) Available Credit available to the Group as at the end of August: [●]
  - (e) the details of all outstanding indebtedness incurred by Polestar UK and/or the Group from any Shareholder by way of any loans, bonds, notes or other similar instruments as at the end of July: [●]

- (f) the details of all outstanding indebtedness incurred by Polestar UK and/or the Group from any Shareholder by way of any loans, bonds, notes or other similar instruments as at the end of August: [●]<sup>3</sup>
- 6 [We confirm that the Material Subsidiaries for the time being [are: [Insert list of Material Subsidiaries]/remain unchanged since the last Financial Condition Report]<sup>4</sup>
- 7 [We confirm that no Default is continuing.]<sup>5</sup>

Signed:	.....	.....
	Authorised Signatory of	Authorised Signatory of
	Polestar Performance AB	Polestar Performance AB

<sup>3</sup> Note: Paragraph 5 to be included in every Financial Covenant Report due in September.

<sup>4</sup> Note: As per the definition of Material Subsidiaries, the determination of which companies are Material Subsidiaries will be based on the latest consolidated financial report delivered pursuant to clause 19.1 (*Financial statements*)

<sup>5</sup> Note: If this statement cannot be made, the Financial Condition Report should identify any Default that is continuing and the steps, if any, being taken to remedy it.

## Schedule 9 Timetables

Delivery of a duly completed Utilisation Request (clause 5.1 ( <i>Delivery of a Utilisation Request</i> ))	U-4, by 12pm UK time
Agent notifies the Lenders of the Loan in accordance with clause 5.4 ( <i>Lenders' participation</i> )	U-4, by 4pm UK time
Each Lender to confirm whether it will participate in a Loan to the Agent in accordance with clause 5.4(d) ( <i>Lenders' participation</i> ). If so, and after which, each such Lender will be committed to fund	U-3, by 4pm UK time
EURIBOR is fixed and confirmed to the Lenders	U-2, by 5pm UK time
Each Lender to provide the Agent with their funding by cut-off	U, by 1pm UK time
Delayed Lender notifies Agent that its failure to pay is caused by administrative or technical error or a Disruption Event	U, by 1pm UK time
Agent to make payment to the relevant Acceptable Supplier pursuant to the relevant Utilisation Request (subject to clauses 5.4(i) and 5.4(j) ( <i>Lenders' participation</i> ))	U+1
Delayed Lender to provide the Agent with their funding by delayed cut-off	U+1, by 1pm UK time
Agent to make payment to the relevant Acceptable Supplier of the Delayed Lender's participation in a Loan, in accordance with clause 5.4(j) ( <i>Lenders' participation</i> )	U+2

U = date of utilisation

U – X = Business Days prior to date of utilisation

U + X = Business Days following date of utilisation

**Schedule 10**  
**Form of Accordion Increase Request**

To: [ ] as Agent (for itself and on behalf of all Finance Parties)

From: Polestar Performance AB (the **Obligors' Agent**) and each of the Guarantors

Dated:

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

- 1 We refer to the Agreement. This is an Accordion Increase Request. Terms defined in the Agreement have the same meaning in this Accordion Increase Request unless given a different meaning in this Accordion Increase Request.
- 2 We wish to increase the maximum amount that may be made available to us by the Lenders by [●].
- 3 The effective date of the Accordion Increase is proposed to be at least [●] Business Days after the date of this request.
- 4 We confirm that:
  - (a) each condition specified in clause 4.2 (*Further conditions precedent*) of the Agreement is satisfied on the date of this Utilisation Request;
  - (b) no Default or Event of Default has occurred or is continuing, or would result from the proposed Accordion Increase; and
  - (c) the Repeating Representations to be made by each Obligor are true on the date of this Accordion Increase Request.
- 5 We also hereby confirm (in our capacity as Obligors' Agent on behalf of each of the Guarantors, or as a Guarantor, as the case may be) that, notwithstanding the amendments to be made to the Agreement by virtue of this Accordion Increase Request, the guarantees granted by the Guarantors under clause 17 (*Guarantee and Indemnity*) of the Agreement in favour of the Finance Parties will continue to secure the obligations of the Borrower under the Finance Documents.
- 6 We also confirm that the Borrower has delivered a written confirmation and endorsement from each of SNITA Holding B.V. and PSD Investment Limited in accordance with clause 21.19(c) (*Conditions subsequent – letters of comfort*) of the Agreement.
- 7 This Accordion Increase Request and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 8 This Accordion Increase Request is a Finance Document.

Polestar Performance AB

in its capacity as Obligors' Agent

By:

*[Insert signature blocks for each of the Guarantors]*

This document is accepted as an Accordion Increase Request for the purposes of the Agreement by the Agent on [●].

[Agent]

By:

**Note:** The execution of this Accordion Increase Request may not be sufficient for the Accordion Increase Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Accordion Increase Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

**Schedule 11**  
**Form of Accordion Increase Confirmation**

To: [ ] as Agent (for itself and on behalf of all Accordion Increase Lenders)

From: Polestar Performance AB (as **Obligor's Agent**) and the entities listed in the Schedule as Accordion Increase Lenders (the **Accordion Increase Lenders**)

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

- 1 We refer to the Agreement. This is an Accordion Increase Confirmation. Terms defined in the Agreement have the same meaning in this Accordion Increase Confirmation unless given a different meaning in this Accordion Increase Confirmation.
- 2 We refer to clause 2.2 (*Accordion Increase*) of the Agreement and to the Accordion Increase Request dated [●] from the Borrower.
- 3 We confirm the establishment of an Accordion Increase on the following terms:
  - (a) Amount of Accordion Increase: [●]
  - (b) Effective date of Accordion Increase: [the date of this Accordion Increase Confirmation] / [●]<sup>6</sup>
  - (c) [Pricing/Margin: [●]]<sup>7</sup>
- 4 We note that each Accordion Increase Lender's Accordion Increase Participation is further set out in the Schedule to this Accordion Increase Confirmation.
- 5 We further confirm that:
  - (a) each condition specified in clause 4.2 (*Further conditions precedent*) of the Agreement is satisfied on the date of this Utilisation Request;
  - (b) no Default or Event of Default has occurred or is continuing, or would result from the proposed Accordion Increase; and
  - (c) the Repeating Representations to be made by each Obligor are true on the date of this Accordion Increase Request.
- 6 We also hereby confirm (in our capacity as Obligors' Agent) on behalf of each of the Guarantors that, notwithstanding the amendments to be made to the Agreement by virtue of this Accordion Increase Confirmation, the guarantees granted by the Guarantors under clause 17 (*Guarantee and Indemnity*) of the Agreement in favour of the Finance Parties will continue to secure the obligations of the Borrower under the Finance Documents.
- 7 On the effective date of the Accordion Increase, any Accordion Increase Lender which is not an existing Lender under the Agreement shall become a party to relevant Finance Documents as a Lender.
- 8 Each Accordion Increase Lender agrees to assume and will assume all of the obligations corresponding to the "Accordion Increase Participations" set opposite its name in the Schedule as if it had been an Original Lender under the Agreement in respect of such Participations. Each Accordion Increase Lender further expressly acknowledges the limitations on the Lenders'

<sup>6</sup> Note: Please delete as applicable.

<sup>7</sup> Note: To insert any new or amended pricing terms in respect of the Accordion Increase.

obligations referred to in clause 24.4 (*Limitation of responsibility of Existing Lenders*) of the Agreement.

- 9 This Accordion Increase Confirmation is irrevocable.
- 10 This Accordion Increase Confirmation may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Accordion Increase Confirmation.
- 11 This Accordion Increase Confirmation and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 12 This Accordion Increase Confirmation is a Finance Document.

Polestar Performance AB

in its capacity as Obligors' Agent

By:

[Each Accordion Increase Lender(s)]

By:

This document is accepted as an Accordion Increase Confirmation for the purposes of the Agreement by the Agent and the effective date of the Accordion Increase is confirmed on [●].

[Agent]

By:

**Note: The execution of this Accordion Increase Request may not be sufficient for the Accordion Increase Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Accordion Increase Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.**

THE SCHEDULE

Name of Accordion Increase Lender	Accordion Increase Participation (in EUR)	Total Participation of Accordion Increase Lender following Accordion Increase (in EUR)
[●]	[●]	[●]
[●]	[●]	[●]



**Schedule 12**  
**Form of Extension Request**

To: [ ] as Agent (for itself and on behalf of all Finance Parties)

From: [Obligors' Agent] as **Obligors' Agent** and each of the Guarantors

Dated:

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

- 1 We refer to the Agreement. This is an Extension Request. Terms defined in the Agreement have the same meaning in this Extension Request unless given a different meaning in this Extension Request.
- 2 We wish to extend the Termination Date from [●] to [●] in accordance with clause 2.4 (*Extension*) of the Agreement.
- 3 [●]<sup>8</sup>
- 4 We confirm that as at the date of this Extension Request, no Event of Default has occurred or is continuing.
- 5 We also confirm (in our capacity as Obligors' Agent on behalf of each of the Guarantors or as a Guarantor, as the case may be) that, notwithstanding the amendments to be made to the Agreement by virtue of this Extension Request, the guarantees granted by the Guarantors under clause 17 (*Guarantee and Indemnity*) of the Agreement in favour of the Finance Parties will continue to secure the obligations of the Borrower under the Finance Documents.
- 6 We also confirm that SNITA Holding B.V. and PSD Investment Limited have each executed a letter of comfort (and that such letters have been delivered to the Agent) in accordance with clause 21.19 (*Letters of comfort*) of the Agreement.
- 7 This Extension Request and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 8 This Extension Request is a Finance Document.
- 9 This Extension Request is irrevocable.

Yours faithfully

[●]

.....

authorised signatory for

[Obligors' Agent]

[Insert signature blocks for each of the Guarantors]

---

<sup>8</sup> Note: Placeholder for the insertion of any request for changes to the existing terms.

**Schedule 13**  
**Form of Extension Confirmation**

To: [Obligors' Agent] as **Obligors' Agent**

To: [ ] as Agent (for itself and on behalf of all Finance Parties)

Dated:

**Polestar Performance AB – EUR 350,000,000 single currency uncommitted green trade finance facility (together with an accordion facility of up to EUR 250,000,000) Agreement dated 28 February 2022 as amended and restated on [ ] (the Agreement)**

1. We refer to your attached extension request dated [●] (the **Extension Request**) in respect of the Agreement. Terms defined in the Agreement have the same meaning in this confirmation unless given a different meaning in this Extension Confirmation.
2. We confirm that:
  - (a) the Extension Request has been approved and the Termination Date shall be extended to [●] in accordance with clause 2.4 (*Extension*) of the Agreement;
  - (b) the extension fee payable in connection thereof shall be [●];
  - (c) the amount of Participations that have been extended under this extension confirmation are set out in the annex to this acknowledgment; and
  - (d) [●]<sup>9</sup>.
3. This Extension Confirmation and any non-contractual obligations arising out of or in connection with it are governed by English law.
4. This Extension Confirmation is designated as a Finance Document.
5. This Extension Confirmation is irrevocable.

Yours faithfully

[●]

.....

authorised signatory for

[Agent]

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<sup>9</sup> Note: Placeholder for the insertion of any request for changes to the existing terms.

#### THE SCHEDULE

Name of Lender	Participation of such Lender which will be extended to [●] <sup>10</sup> (in EUR)	Total Participation of Lender following Extension (in EUR)
[●]	[●]	[●]
[●]	[●]	[●]

---

<sup>10</sup> Note: To insert the relevant Extended Termination Date here.

**Schedule 14**  
**Form of SNITA Letter of Comfort**

To: Standard Chartered Bank as Agent (for itself and on behalf of all Finance Parties)

Date: \_\_\_\_\_ 2022

**Letter of Comfort**

SNITA HOLDING B.V. ("**Snita**"), a wholly owned subsidiary of Volvo Car Corporation (556074-3089, "**VCC**") and PSD INVESTMENT LIMITED ("**PSD**"), a company wholly owned by PSD Capital Limited, are joint owners of Polestar Automotive Holding Limited which in turn is the indirect main owner of Polestar Performance AB ("**Polestar**"). Polestar is a company under expansion, and in connection with the entering into of a syndicated uncommitted senior facility of up to EUR 350,000,000 (or any additional size as agreed to between Standard Chartered Bank as mandated lead arranger (the "**Bank**") and Polestar and confirmed in writing by Snita) for facilitating payment to suppliers (the "**Facility**"), the Bank has requested that certain confirmations and undertakings are provided in relation to Polestar's current and future financial situation.

Snita (endorsed by VCC) hereby confirm to the Bank and each lender under the Facility that it is aware of the financial situation of Polestar. Snita (endorsed by VCC) furthermore confirm its intent to, to the extent that Polestar is owned by Snita and for a period not shorter than 12 months from the date of this letter: (i) provide conditions for Polestar to continue its on-going business operation and fulfil its existing and future business obligations; (ii) not permitting Polestar to enter into liquidation (whether voluntary or compulsory) or enter into any arrangement with its creditors without its liability to the Bank (and each lender under the Facility) being unconditionally and irrevocably paid and discharged in full; and (iii) ensure that Polestar pays off all of its indebtedness arising under the Facility.

Acknowledging the importance of Polestar for Volvo Car Group, VCC furthermore confirms that its endorsement of its wholly owned subsidiary Snita is made with the intention of supporting Snita in Snita's support of Polestar in accordance with this Letter of Comfort.

Zhejiang Geely Holding Group Co., Ltd. shall provide the same undertakings and confirmations under a separate Letter of Comfort governed by the laws of the People's Republic of China.

The Letter of Comfort is governed by and construed in accordance with the laws of Sweden.

**SNITA HOLDING B.V.**

.....

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

**VOLVO CAR CORPORATION**

.....

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

**Schedule 15**  
**Form of PSD Letter of Comfort**

To: Standard Chartered Bank as Agent (for itself and on behalf of all Finance Parties)

Date: \_\_\_\_\_ 2022

**Letter of Comfort**

SNITA HOLDING B.V. ("**Snita**"), a wholly owned subsidiary of Volvo Car Corporation (556074-3089, "**VCC**") and PSD INVESTMENT LIMITED ("**PSD**"), a company wholly owned by PSD Capital Limited, are joint owners of Polestar Automotive Holding Limited ("**Polestar Holdco**") which in turn is the indirect main owner of Polestar Performance AB ("**Polestar**"). Polestar is a company under expansion, and in connection with the entering into of a syndicated uncommitted senior facility of up to EUR 350,000,000 dated on or about the date of this Letter of Comfort (or any additional size as agreed to between Standard Chartered Bank as mandated lead arranger (the "**Bank**") and Polestar and confirmed in writing by PSD) for facilitating payment to suppliers (the "**Facility**"), the Bank has requested that certain confirmations are provided in relation to Polestar's current and future financial situation.

PSD, endorsed by Zhejiang Geely Holding Group Co., Ltd. ("**ZGH**"), hereby confirms to the Bank and each lender under the Facility that it is aware of the financial situation of Polestar. PSD (endorsed by ZGH) furthermore confirms its intent to, for a period not shorter than 12 months from the date of this letter: (i) provide conditions for Polestar to continue its on-going business operation and fulfil its existing and future business obligations to the extent of a percentage equal to the shareholding in Polestar Automotive Holding Limited directly held by shareholders other than Snita; (ii) not permit (to the extent of PSD's voting right) Polestar to enter into voluntary liquidation or any arrangement with its creditors without its liability to the Bank (and each lender under the Facility) being unconditionally and irrevocably paid and discharged in full; and (iii) ensure that Polestar pays off all of its indebtedness arising under the Facility to the extent of a percentage equals to the shareholding in Polestar Automotive Holding Limited directly held by shareholders other than Snita.

ZGH furthermore confirms that its endorsement of PSD is made with the intention of supporting PSD in PSD's support of Polestar in accordance with this Letter of Comfort.

VCC and Snita shall provide a separate Letter of Comfort governed by the laws of Sweden.

The Letter of Comfort is governed by and construed in accordance with the laws of the People's Republic of China.

**ZHEJIANG GEELY HOLDING GROUP CO., LTD.**

.....

Name:

Title:

**PSD INVESTMENT LIMITED**

.....

Name:

Title:

.....

Name:

Title:

**Schedule 16**  
**Form of Green Loan Impact Report**

GREEN LOAN IMPACT REPORT	
To: Standard Chartered Bank (the <b>Bank</b> )	
Address: 1 Basinghall Avenue, London EC2V 5DD, United Kingdom	
Date: [●]	
<p>We refer to the Agreement dated [●] between Polestar Performance AB and the Bank. This is a Green Loan Impact Report required under the terms of the Agreement. Terms defined in the Agreement have the same meaning when used in this Green Loan Impact Report unless given a different meaning in this Green Loan Impact Report.</p> <p>This Green Loan Impact Report is a Finance Document under the Agreement.</p>	
Borrower Name:	Polestar Performance AB
Utilised amount of each Green Loan Facility (include currency) / Utilised amount of all Green Loan Transactions (include currency):	[●]
Relevant Sustainable Development Goals ( <b>SDGs</b> ) to which the Green Loan Facility and / or Green Loan Transactions significantly contributed to:	[●]
<p>Details of how all utilisations under each Green Loan Facility and / or under all Green Loan Transactions have been applied towards the Green Loan Purpose and are compliant with the GLP.</p> <p>Specifically:</p> <ul style="list-style-type: none"> <li>• how the proceeds of the Green Loan Facility or Green Loan Transactions have been applied to achieve the Green Loan Purpose;</li> <li>• how the Green Loan Purpose fits with the Borrower's environmental sustainability objectives, including any eligibility criteria;</li> <li>• what steps the Borrower has taken to ensure that the proceeds of the Green Loan Facility or Green Loan Transactions have been properly and clearly allocated</li> </ul>	[●]

<p>towards the Green Loan Purpose;</p> <ul style="list-style-type: none"> <li>• how the economic activity referred to in the Green Loan Purpose significantly contributed a positive impact to the relevant SDGs; and</li> <li>• the process applied to determine the level of positive impact.</li> </ul>	
Relevant Jurisdictions:	[●]
<p>Compliance Statement: We confirm that all utilisations under the Green Loan Facility and / or the Green Loan Transactions (as the case may be) have been applied towards a Green Loan Purpose and confirm compliance with clauses relating to the Green Loan Purpose and the GLP, including use of proceeds and relevant representations, warranties and undertakings. All relevant documents required to establish and support the statements made in this Green Loan Impact Report have been attached.</p>	
<p>Signed: .....</p> <p>Name: .....</p> <p>Title: .....</p>	<p>Signed: .....</p> <p>Name: .....</p> <p>Title: .....</p>

## **SIGNATURES**

*[Signature pages not restated]*

[Signature page to the Facility Agreement]

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## SIGNATORIES

### **Borrower**

For itself and on behalf of the Obligors as Obligors' Agent

### **Polestar Performance AB**

Signature: /s/ Johan Malmqvist

Signature: /s/ Thomas Ingenlath

Name: Johan Malmqvist

Name: Thomas Ingenlath

Title/capacity: Director

Title/capacity: Director

*[Polestar - Signature Page to the Amendment and Restatement Agreement]*

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**Agent**

For itself and as agent of the other Finance Parties

Standard Chartered Bank

/s/ Valdeep Singh

By: Valdeep Singh, Director

Address: 6th Floor, 1 Basinghall Avenue, London, EC2V 5DD

**Security Agent**

Standard Chartered Bank

Signature: /s/ Valdeep Singh

Name: Valdeep Singh

Title/capacity: Director

*[Polestar - Signature Page to the Amendment and Restatement Agreement]*

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**Corporate &  
Investment Banking**

Our Ref. GTB/WL/WT2024016

16 September 2024

Polestar Automotive Holding UK Plc  
The Pavilions, Bridgwater Road,  
Bristol, England, BS13 8AE

Attn:

Dear Sirs,

**Banking Facility**

Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch (the "**Bank**") (incorporated in Spain with limited liability) is pleased to set out below the terms and conditions upon which the Bank will consider requests of Loans made by Polestar Automotive Holding UK Plc (the "**Borrower**") under the following uncommitted facility (the "**Facility**"). Terms set out in this letter (the "**Facility Letter**") are as follow:

**1. Facility:**

- (a) Amount: Up to US\$150,000,000 (United States Dollars One Hundred Fifty Million)
- (b) Purpose: To finance or refinance (including directly or by way of on-lending to, or equity injection into, wholly-owned subsidiaries of the Borrower) the Borrower's general working capital requirements and normal course of business.
- (c) Available for: Uncommitted working capital loans (the "**Loans**") available for drawdown in EURO or in USO

**2. Loan Request:**

- (a) Each loan request made by the Borrower to use the Facility in whole or in part ("**Loan Request**") shall be a request by the Borrower to the Bank to grant financing on the terms and conditions set out or referred to in this Facility Letter. No commitment by the Bank to grant any Loan shall arise under this Facility Letter until a Loan Request made by the Borrower is accepted by the Bank either expressly or by its granting the requested Loan to the Borrower.
- (b) Each Loan Request shall be made following the form attached to this Facility Letter as Annex 2 (*Loan Request Form*) and supplied by such documentation that the Bank may require from time to time.
- (c) No Loan Request will be accepted by the Bank unless the Borrower complies with the terms and conditions set out or referred to in this Facility Letter.

Our Ref. GTB/WL/WT2024016

- (d) This Facility is uncommitted and subject to the Bank's internal review and credit approval from time to time at the Bank's sole discretion.

3. **Repayment and prepayment:**

- (a) Each Loan must be reimbursed by the Borrower in full on its Maturity Date.

For the purpose of this Facility Letter, "**Maturity Date**" means the date specified as such for each Loan in the relevant Loan Request or the Rollover Request that in any case shall be within 12 months of the disbursement date.

- (b) Voluntary prepayment is permitted at all times, with not less than 5 Business Days' prior notice from the Borrower, and shall be subject to any reasonable break costs calculated by the Bank.

For the purpose of this Facility, "**Business Day**" means all the days of the week except Saturdays, Sundays and holidays in the city of Hong Kong.

- (c) Notwithstanding the above, the Borrower may request its intention to rollover a Loan on its Maturity Date by sending to the Bank, no later than three (3) Business Days prior to its Maturity Date, a new loan request (the '**Rollover Request**') following the form attached to this Facility Letter as Annex 3 (*Rollover Request Form*).

For these purposes, the new Loan will be referred to as the '**Rollover Loan**'.

No commitment by the Bank to grant a Rollover Loan shall arise under this Facility Letter until the Rollover Request is expressly accepted by the Bank, at its sole discretion.

4. **Pricing:**

- (a) *Interest Rate*

The Borrower shall pay accrued interest in arrears on the Maturity Date. Interest margin plus the Reference Rate is to be agreed between the Bank and the Borrower at the time of each Loan Request or Rollover Request and subject to prevailing market conditions.

For the purpose of this Facility Letter, '**Reference Rate**' means:

In relation to any Loan in USD, Term SOFR (as defined in APLMA)

In relation to any Loan in EUR, EURIBOR (as defined in APLMA)

And "**APLMA**" means the Asia Pacific Loan Market Association

In case the Reference Rate cannot be determined or not available, such rate shall be Cost of Funds or any other rate agreed between the Bank and the Borrower. If the Reference Rate or Cost of Funds is below zero, then the applicable Reference Rate or Cost of Funds shall be deemed to be zero.

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**"Cost of Funds"** means the rate as determined by the Bank to be the cost to the Bank for granting or funding any facility or advance from whatever source it may reasonably select.

(b) *Default Interest*

Without prejudice to any of the other rights, powers and remedies of the Bank, the Borrower shall pay interest on any overdue amount at the aggregate rate of 2% per annum on top of the Interest Rate specified above.

5. **Undertakings:**

- (a) The Borrower must procure that all their obligations in relation to the Facility will at all times rank pari passu in terms of priority with all their other present and future unsecured obligations, except for the obligations mandatorily preferred by law applying to companies generally.
- (b) Submission of the following statements:
  - (i) No later than 180 days after the end of each fiscal year, the annual audited consolidated financial statements of the Borrower.
- (c) Zhejiang Geely Holding Group Co Ltd and PSD Investment Limited (or any other person in which Mr. Li Shufu directly or indirectly holds at least 51% of the shares or equity interests), collectively, shall directly or indirectly hold at least 51% of the issued share capital of the Borrower.
- (d) The Borrower shall promptly inform the Bank if there is any material adverse change of its operations or financial position.
- (e) The Borrower shall promptly inform the Bank if any event of default has occurred under any agreement with the Bank or other creditors in relation to any financial indebtedness, entitling such creditors to accelerate such financial indebtedness.

6. **Events of Default:**

Any of the following events shall constitute an event of default:

- (a) the Borrower fails to pay on any due date to the Bank or to any third party lender any part or all of the principal, interests or any other amount that the Borrower is obliged to pay hereunder or otherwise; or
- (b) a voluntary petition for declaration of bankruptcy or reorganization or involuntary petition is filed against the Borrower under the relevant laws; or
- (c) the principal business presently engaged in by the Borrower shall be suspended; or
- (d) the borrowed funds are not utilized for the purpose as originally approved by the Bank; or

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- (e) the Borrower's assets are subject to compulsory execution, provisional seizure, provisional disposition or other precautionary measures, or any person designated by government authority shall take possession or control of such property or control over the operations of the Borrower; or
- (f) the Bank shall learn that any representation or warranty or statement made in this facility letter or any financial statement, agreement or other document delivered to the Bank by or on behalf of the Borrower is untrue or omits any material fact; or
- (g) any event of circumstance which shall be reasonably determined by the Bank to have resulted or is likely to result in a material adverse effect on the Borrower's financial condition or operations, and its inability to repay its indebtedness to the Bank; or
- (h) default is made in the performance by the Borrower of any other material undertaking hereunder; or
- (i) the Borrower is unable or admits its inability to pay its financial debts as they fall due.

In the event of the occurrence of any event as provided in the above items (a) to (c), the Bank may, without demand, notice or any other action, or in the event of the occurrence of the events as provided in the above items (d) to (i), then the Bank may, after a prior twenty days' notice to Borrower and provided the event has not been remedied within this twenty day period, (i) terminate its commitment under any Loan and under the Facility Letter and demand immediate repayment of all amounts outstanding under the Loans whereupon such amounts outstanding shall forthwith become due and payable by the Borrower to the Bank and (ii) take all other actions permitted by law, without notice to the Borrower except as required by law.

## 7. Indemnity:

- (a) The Borrower shall indemnify the Bank and the Bank's delegates against any losses, damages, liabilities, reasonable costs or expenses or other adverse consequences which may arise or result from providing Loans to the Borrower and from the Borrower's failure to satisfy the obligations herein.
- (b) The Borrower shall, upon request by the Bank, forthwith appear and defend at its own cost and expense any action which may be brought against the Bank in connection herewith.

## 8. Limitation on Liability:

- (a) The Bank shall not be legally liable to the Borrower for any action taken or not taken by it unless caused by the Bank's negligence or willful misconduct.
- (b) Notwithstanding that the Borrower may have given instructions to the contrary, the Bank shall not be liable to the Borrower for any loss or damage which may have been caused by the Bank acting in accordance with applicable laws, regulations or rules.

## 9. Set-Off:



Our Ref. GTB/WL/WT2024016

- (a) In addition to and not limited by such other rights as the Bank may have, the Bank, may at any time and from time to time set-off and apply any and all deposits (time or demand and regardless of the currency(ies) thereof) at any time held and other indebtedness at any time owing by the Bank to the Borrower ("**Bank Obligations**") against or otherwise pursue collection of any and all of obligations of the Borrower then due and payable to the Bank irrespective of whether or not the Bank shall have made any demand under the Facility Letter and although, in the case of set off, the Bank Obligations may be unmatured (such Bank Obligations shall be deemed to have matured upon any such set-off and the Bank is hereby authorized to terminate and withdraw such deposits, for and on behalf of the Borrower) without regard to the original maturity thereof and regardless of the place of payment, booking branch or currency of either obligation. The Bank agrees promptly to notify the Borrower upon any such set-off and application: provided, that the failure to give such notice shall not affect the validity of such set-off and application.
- (b) For this above purpose, the Bank is authorized to purchase, at the Bank's prevailing rate of exchange, such other currencies as may be necessary to effect such application with the monies standing to the credit of such accounts. The Borrower shall be liable for any shortfall if the converted currency is less than the outstanding liability.

10. **Assignment:**

The Borrower consents that the Bank may, upon written consent by the Borrower, not to be unreasonably withheld or delayed, assign all or part of its rights and obligations hereunder to another bank. The Bank is authorized to disclose any information concerning the Borrower to any proposed assignee.

11. **Tax:**

- (a) Any and all payments made by the Borrower to the Bank shall be made free and clear of and without deduction for any current or future taxes (including, unless otherwise agreed by the Bank in writing, gross business receipts tax and value added tax imposed on the Bank), but excluding taxes imposed on the net income of the Bank. The Borrower shall pay any current or future stamp or documentary taxes, charges, registration fees or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, any instrument delivered hereunder or otherwise with respect to any Loan or with the Facility Letter.
- (b) The Bank shall co-operate with the Borrower in completing any procedural formalities necessary for the Borrower to obtain authorisation from HM Revenue & Customs (the HMRC) to make all payments to the Bank without deduction for any taxes. In this regard, the Bank is obliged to confirm in writing to the Borrower, within seven days of all parties having signed this Facility Letter, its HMRC DT Passport scheme reference number and its jurisdiction of tax residence.

12. **Contractual Recognition of Bail-in:**

Each party acknowledges and accepts, excluding any other agreement, arrangements or understanding between the parties relating to the subject matter of this clause, that any of the liabilities arising from this Facility Letter against the Bank (the "**Liabilities**") may be subject to the exercise of any Bail-in Powers by the Spanish resolution authority in accordance with Directive 2014/59/EU, Law 11/2015 and any other applicable law or regulation.



Our Ref. GTB/WL/WT2024016

For the purpose of this Facility Letter "**Bail-in Power**" means the following powers (without limitation): (i) the early termination, cancellation or reduction of the principal amount due, including any accrued and unpaid interest of any Liability; (ii) the conversion of all or part of the Liabilities into shares or other equity instrument, in which case each party acknowledges and accepts that any such shares or equity instruments, may be issued to or conferred as a result of a Bail-in Power; and/or (iii) a variation and/or amendment to the terms of this Facility Letter as may be necessary to give effect to a Bail-in Power."

13. **Amendment:**

No amendment of this Facility Letter will be effective unless it is in writing and signed by each party.

14. **Others:**

The Facility shall be subject to the terms and conditions of the General Customer Agreement executed and delivered by the Borrower to the Bank. In event of a conflict between the terms of this Facility Letter and the General Customer Agreement, the Facility Letter shall prevail.

Other than as otherwise set out in this Facility Letter, the following Clauses of the General Customer Agreement shall in relation to the Facility be added, deleted or amended:

**Clause 3 Repayment on demand and cancellation** shall be deleted in its entirety and replaced with the following:

**Clause 3 Repayment:** The Borrower shall repay all amounts due in accordance with the terms of the Facility Letter.

**Clause 4 Security** shall be deleted in its entirety.

**Clause 7 Bills of Exchange Negotiation** shall be deleted in its entirety.

**Clause 11 Set-off** shall be deleted in its entirety.

**Clause 12 Lien** shall be deleted in its entirety.

**Clause 14.2 (Confidentiality)** shall be deleted in its entirety.

**Clause 16 Variation** shall be amended to read as follows:

The Bank may, at its sole discretion, by giving not less than 30 days' notice to the Customer vary, amend or supplement any non-material terms and conditions of this Agreement and such variation, amendment or supplement shall take effect on the date of the notice setting out details of such variation, amendment or supplement or, if later, the date specified in the notice.

**Clause 18 Further obligations** shall be deleted in its entirety.

Our Ref. GTB/WL/WT2024016

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**Clause 23 Authorisation** shall be deleted in its entirety.

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15. **Governing Law:**

This letter is governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region. No person other than the Borrower and the Bank shall have any right, under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce or enjoy the benefit of any term hereof.

**The Borrower hereby expressly acknowledges that, after having separately reviewed and negotiated each such clause with the Bank, the Borrower understands and specifically agrees to this Facility Letter, including but not limited to the scope of obligations covered by this Facility Letter.**

Please confirm your agreement to the terms and conditions of this Facility Letter by signing and returning to us the enclosed duplicate copy of this Facility Letter before 30 September 2024, after which this offer will expire.

Yours faithfully,

For and on behalf of  
Banco Bilbao Vizcaya Argentaria, S.A.,  
Hong Kong Branch  
(incorporated in Spain with limited liability)

/s/ Grace Li

Name: Grace Li

Title: Managing Director

/s/ Winnie Tse

Name: Winnie Tse

Title: Vice President

We confirm our agreement to the terms and conditions set out above.

For and on behalf of  
Polestar Automotive Holding UK Plc

/s/ Per Ansgar

Name: Per Ansgar

Title: Chief Financial Officer

/s/ Anna Rudensjö

Name: Anna Rudensjö

Title: General Counsel

Our Ref. GTB/WL/WT2024016

## **Annex 1** **List of Required Documents**

### **From the Borrower:**

- A signed copy of this Facility Letter
- Certified copy of Board Resolutions authorizing the Borrower to execute bank documents
- KYC documents as requested by the Bank from time to time

\* \* \* \* \*

Our Ref: GTB/WL/WT2024016

## Annex 2 Loan Request Form

From: [ ]  
To: Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch  
Dated: [ ]

1. We refer to the facility dated [ ] (the 'Facility Letter'). This is a Loan Request. Terms defined in the Facility Letter shall have the same meaning in this Loan Request.
2. We wish to borrow a Loan on the following terms:  
  
Currency and Loan Amount:  
  
Interest Rate:  
  
Date of disbursement (mm/dd/yyyy): [ ] (or, if that is not a Business Day, the next Business Day)  
  
Maturity Date (mm/dd/yyyy):  
  
3. The above determined Interest Period shall be continuously effective unless we have remitted you a termination notice three (3) business days before the end of the relevant interest period. The last Interest Period shall expire no later than the date falling 12 months from the utilization date of the Loan hereunder.\*\*  
  
4. We confirm that each condition specified in the Facility Letter is satisfied on the date of this Loan Request.  
  
5. Please remit the Loan Amount to the following account:  
  
Account:  
Currency:  
Bank:  
Swift Code:  
Reference:  
  
6. This Loan Request is irrevocable.

Yours faithfully

authorised signatory for  
[the Borrower]

\*\*Delete if inapplicable

Our Ref. GTB/WL/WT2024016

## Annex 3 Rollover Request Form

From: [ ]  
To: Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch  
Dated: [ ]

1. We refer to the Loan number [ ] granted under the facility letter dated [ ] (the 'Facility Letter'). This is a Rollover Request. Terms defined in the Facility Letter shall have the same meaning in this Rollover Request.
2. We wish to request a Rollover Loan on the following terms:  
  
Currency and Rollover Loan Amount:  
  
Interest Rate:  
  
Date of disbursement (mm/dd/yyyy):  
  
Maturity Date (mm/dd/yyyy):
3. We confirm that each condition specified in the Facility Letter is satisfied on the date of this Rollover Request.
4. This Utilization Request is irrevocable.

Yours faithfully

authorised signatory for  
[the Borrower]

Polestar Automotive Holding UK Plc  
The Pavillions, Bridgewater Road,  
Bristol, England, BS13 AE

Attn: Mr. Michael Lohscheller

20 December 2024

Dear Sirs,

**POLESTAR AUTOMOTIVE HOLDING UK PLC – US\$150,000,000 FACILITY  
LETTER DATED 16 SEPTEMBER 2024 - AMENDMENT LETTER 1**

1. We refer to the US\$150,000,000 facility letter dated 16 September 2024 with reference no. GTB/WL/WT2024016 entered into between Polestar Automotive Holding UK Plc (the “**Borrower**”) and Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch (the “**Bank**”) (the “**Facility Letter**”, which expression includes such document as may be amended, varied and supplemented from time to time).
2. Words and expressions defined in the Facility Letter shall, unless otherwise defined in this Amendment Letter, have the same meanings when used in this Amendment Letter.
3. Further to our discussions with the Borrower, we, in the capacity as the Bank, hereby notify you that with effect from the Effective Date (as defined below), the Facility Letter is amended as follows:
  - 3.1 by deleting the reference to “US\$150,000,000 (United States Dollars One Hundred Fifty Million)” where it appears in the definition of “Amount” in Clause 1(a) of the Facility Letter and replacing it with a reference to “**US\$600,000,000 (United States Dollars Six Hundred Million)**”.
4. This Amendment Letter shall become effective on the date of acceptance and acknowledgement of this Amendment Letter by the Borrower (the “**Effective Date**”).
5. Except to the extent expressly amended by the provisions of this Amendment Letter, the terms and conditions of the Facility Letter shall be in full force and effect. The Facility Letter and this Amendment Letter shall be read and construed as one document and this Amendment Letter shall be considered to be part of the Facility Letter. Unless otherwise stated herein, all terms used in this Amendment Letter shall have the same meaning as defined in the Facility Letter.

Page 1 of 2

6. This Amendment Letter is governed by the laws of the Hong Kong Special Administrative Region. No person other than the Borrower and the Bank shall have any right, under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce or enjoy the benefit of any term hereof.

Please confirm your acceptance to the above by signing and returning the enclosed duplicate copy of this letter before 19 January 2025.

Yours faithfully,

For and on behalf of  
Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch  
(incorporated in Spain with limited liability)  
as Bank

/s/ Grace Li  
Name: Grace Li

Title: Managing Director

/s/ Winnie Tse  
Name: Winnie Tse

Title: Vice President

Acknowledged, agreed and accepted by  
For and behalf of  
Polestar Automotive Holding UK Plc  
as Borrower

/s/ Michael Lohscheller  
Name: Michael Lohscheller

Title: CEO

/s/ Jean-François Mady  
Name: Jean-François Mady

Title: CFO



Certain identified information marked with “[\*\*\*]” has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

25 February 2025

Polestar Automotive Holding UK Plc  
The Pavilions, Bridgwater Road,  
Bristol, England, BS13 8AE

Attn: Mr. Michael Lohscheller

Dear Sirs,

**Banking Facility**

Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch (the “**Bank**”) (incorporated in Spain with limited liability) is pleased to set out below the terms and conditions upon which the Bank will consider requests of Loans made by Polestar Automotive Holding UK Plc (the “**Borrower**”) under the following uncommitted facility (the “**Facility**”). This Facility is independent of the facility letter ref. no. GTB/WL/WT2024016 dated 16 September 2024 and its subsequent amendments. Terms set out in this letter (the “**Facility Letter**”) are as follow:

1. **Facility:**

- (a) Amount: Up to US\$450,000,000 (United States Dollars Four Hundred Fifty Million)
- (b) Purpose: To finance or refinance (including directly or by way of on-lending to, or equity injection into, wholly-owned subsidiaries of the Borrower) the Borrower’s general working capital requirements and normal course of business.
- (c) Available for: Uncommitted working capital loans (the “**Loans**”) available for drawdown in EURO or in USD

2. **Loan Request:**

- (a) Each loan request made by the Borrower to use the Facility in whole or in part (“**Loan Request**”) shall be a request by the Borrower to the Bank to grant financing on the terms and conditions set out or referred to in this Facility Letter. No commitment by the Bank to grant any Loan shall arise under this Facility Letter until a Loan Request made by the Borrower is accepted by the Bank either expressly or by its granting the requested Loan to the Borrower.
- (b) Each Loan Request shall be made following the form attached to this Facility Letter as Annex 2 (*Loan Request Form*) and supported by such documentation that the Bank may require from time to time.

- (c) No Loan Request will be accepted by the Bank unless the Borrower complies with the terms and conditions set out or referred to in this Facility Letter.
- (d) This Facility is uncommitted and subject to the Bank's internal review and credit approval from time to time at the Bank's sole discretion.

3. **Repayment and prepayment:**

- (a) Each Loan must be reimbursed by the Borrower in full on its Maturity Date.

For the purpose of this Facility Letter, "**Maturity Date**" means the date specified as such for each Loan in the relevant Loan Request or the Rollover Request that in any case shall be within 12 months of the disbursement date.

- (b) Voluntary prepayment is permitted at all times, with not less than 5 Business Days' prior notice from the Borrower, and shall be subject to any reasonable break costs calculated by the Bank.

For the purpose of this Facility, "**Business Day**" means all the days of the week except Saturdays, Sundays and holidays in the city of Hong Kong.

- (c) Notwithstanding the above, the Borrower may request its intention to rollover a Loan on its Maturity Date by sending to the Bank, no later than three (3) Business Days prior to its Maturity Date, a new loan request (the '**Rollover Request**') following the form attached to this Facility Letter as Annex 3 (*Rollover Request Form*).

For these purposes, the new Loan will be referred to as the '**Rollover Loan**'.

No commitment by the Bank to grant a Rollover Loan shall arise under this Facility Letter until the Rollover Request is expressly accepted by the Bank, at its sole discretion.

4. **Pricing:**

- (a) *Interest Rate*

The Borrower shall pay accrued interest in arrears on the Maturity Date. Interest margin plus the Reference Rate is to be agreed between the Bank and the Borrower at the time of each Loan Request or Rollover Request and subject to prevailing market conditions.

For the purpose of this Facility Letter, '**Reference Rate**' means:

In relation to any Loan in USD, Term SOFR (as defined in APLMA)  
In relation to any Loan in EUR, EURIBOR (as defined in APLMA)

And "**APLMA**" means the Asia Pacific Loan Market Association

In case the Reference Rate cannot be determined or not available, such rate shall be Cost of Funds or any other rate agreed between the Bank and the Borrower. If the Reference Rate or

Cost of Funds is below zero, then the applicable Reference Rate or Cost of Funds shall be deemed to be zero.

“**Cost of Funds**” means the rate as determined by the Bank to be the cost to the Bank for granting or funding any facility or advance from whatever source it may reasonably select.

(b) *Default Interest*

Without prejudice to any of the other rights, powers and remedies of the Bank, the Borrower shall pay interest on any overdue amount at the aggregate rate of 2% per annum on top of the Interest Rate specified above.

5. **\*\*\***

6. **Undertakings:**

- (a) The Borrower must procure that all their obligations in relation to the Facility will at all times rank pari passu in terms of priority with all their other present and future unsecured obligations, except for the obligations mandatorily preferred by law applying to companies generally.
- (b) Submission of the following statements:
  - (i) No later than 180 days after the end of each fiscal year, the annual audited consolidated financial statements of the Borrower.
- (c) Zhejiang Geely Holding Group Co Ltd and PSD Investment Limited (or any other person in which Mr. Li Shufu directly or indirectly holds at least 51% of the shares or equity interests), collectively, shall directly or indirectly hold at least 51% of the issued share capital of the Borrower.
- (d) The Borrower shall promptly inform the Bank if there is any material adverse change of its operations or financial position.
- (e) The Borrower shall promptly inform the Bank if any event of default has occurred under any agreement with the Bank or other creditors in relation to any financial indebtedness, entitling such creditors to accelerate such financial indebtedness.

7. **Events of Default:**

Any of the following events shall constitute an event of default:

- (a) the Borrower fails to pay on any due date to the Bank or to any third party lender any part or all of the principal, interests or any other amount that the Borrower is obliged to pay hereunder or otherwise; or
- (b) a voluntary petition for declaration of bankruptcy or reorganization or involuntary petition is filed against the Borrower under the relevant laws; or

- (c) the principal business presently engaged in by the Borrower shall be suspended; or
- (d) the borrowed funds are not utilized for the purpose as originally approved by the Bank; or
- (e) the Borrower's assets are subject to compulsory execution, provisional seizure, provisional disposition or other precautionary measures, or any person designated by government authority shall take possession or control of such property or control over the operations of the Borrower; or
- (f) the Bank shall learn that any representation or warranty or statement made in this facility letter or any financial statement, agreement or other document delivered to the Bank by or on behalf of the Borrower is untrue or omits any material fact; or
- (g) any event of circumstance which shall be reasonably determined by the Bank to have resulted or is likely to result in a material adverse effect on the Borrower's financial condition or operations, and its inability to repay its indebtedness to the Bank; or
- (h) default is made in the performance by the Borrower of any other material undertaking hereunder; or
- (i) the Borrower is unable or admits its inability to pay its financial debts as they fall due.

In the event of the occurrence of any event as provided in the above items (a) to (c), the Bank may, without demand, notice or any other action, or in the event of the occurrence of the events as provided in the above items (d) to (i), then the Bank may, after a prior twenty days' notice to Borrower and provided the event has not been remedied within this twenty day period, (i) terminate its commitment under any Loan and under the Facility Letter and demand immediate repayment of all amounts outstanding under the Loans whereupon such amounts outstanding shall forthwith become due and payable by the Borrower to the Bank and (ii) take all other actions permitted by law, without notice to the Borrower except as required by law.

8. **Indemnity:**

- (a) The Borrower shall indemnify the Bank and the Bank's delegates against any losses, damages, liabilities, reasonable costs or expenses or other adverse consequences which may arise or result from providing Loans to the Borrower and from the Borrower's failure to satisfy the obligations herein.
- (b) The Borrower shall, upon request by the Bank, forthwith appear and defend at its own cost and expense any action which may be brought against the Bank in connection herewith.

9. **Limitation on Liability:**

- (a) The Bank shall not be legally liable to the Borrower for any action taken or not taken by it unless caused by the Bank's negligence or willful misconduct.
- (b) Notwithstanding that the Borrower may have given instructions to the contrary, the Bank shall not be liable to the Borrower for any loss or damage which may have been caused by the Bank acting in accordance with applicable laws, regulations or rules.

10. **Set-Off:**

- (a) In addition to and not limited by such other rights as the Bank may have, the Bank, may at any time and from time to time set-off and apply any and all deposits (time or demand and regardless of the currency(ies) thereof) at any time held and other indebtedness at any time owing by the Bank to the Borrower ("**Bank Obligations**") against or otherwise pursue collection of any and all of obligations of the Borrower then due and payable to the Bank irrespective of whether or not the Bank shall have made any demand under the Facility Letter and although, in the case of set off, the Bank Obligations may be unmatured (such Bank Obligations shall be deemed to have matured upon any such set-off and the Bank is hereby authorized to terminate and withdraw such deposits, for and on behalf of the Borrower) without regard to the original maturity thereof and regardless of the place of payment, booking branch or currency of either obligation. The Bank agrees promptly to notify the Borrower upon any such set-off and application; provided, that the failure to give such notice shall not affect the validity of such set-off and application.
- (b) For this above purpose, the Bank is authorized to purchase, at the Bank's prevailing rate of exchange, such other currencies as may be necessary to effect such application with the monies standing to the credit of such accounts. The Borrower shall be liable for any shortfall if the converted currency is less than the outstanding liability.

11. **Assignment:**

The Borrower consents that the Bank may, upon written consent by the Borrower, not to be unreasonably withheld or delayed, assign all or part of its rights and obligations hereunder to another bank. The Bank is authorized to disclose any information concerning the Borrower to any proposed assignee.

12. **Tax:**

- (a) Any and all payments made by the Borrower to the Bank shall be made free and clear of and without deduction for any current or future taxes (including, unless otherwise agreed by the Bank in writing, gross business receipts tax and value added tax imposed on the Bank), but excluding taxes imposed on the net income of the Bank. The Borrower shall pay any current or future stamp or documentary taxes, charges, registration fees or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, any instrument delivered hereunder or otherwise with respect to any Loan or with the Facility Letter.
- (b) The Bank shall co-operate with the Borrower in completing any procedural formalities necessary for the Borrower to obtain authorisation from HM Revenue & Customs (the HMRC) to make all payments to the Bank without deduction for any taxes. In this regard, the Bank is obliged to confirm in writing to the Borrower, within seven days of all parties having signed this Facility Letter, its HMRC DT Passport scheme reference number and its jurisdiction of tax residence.

13. **Contractual Recognition of Bail-in:**

Each party acknowledges and accepts, excluding any other agreement, arrangements or understanding between the parties relating to the subject matter of this clause, that any of the liabilities arising from this Facility Letter against the Bank (the "**Liabilities**") may be subject to the

exercise of any Bail-in Powers by the Spanish resolution authority in accordance with Directive 2014/59/EU, Law 11/2015 and any other applicable law or regulation.

For the purpose of this Facility Letter "**Bail-in Power**" means the following powers (without limitation): (i) the early termination, cancellation or reduction of the principal amount due, including any accrued and unpaid interest of any Liability; (ii) the conversion of all or part of the Liabilities into shares or other equity instrument, in which case each party acknowledges and accepts that any such shares or equity instruments, may be issued to or conferred as a result of a Bail-in Power; and/or (iii) a variation and/or amendment to the terms of this Facility Letter as may be necessary to give effect to a Bail-in Power."

14. **Amendment:**

No amendment of this Facility Letter will be effective unless it is in writing and signed by each party.

15. **Others:**

The Facility shall be subject to the terms and conditions of the General Customer Agreement executed and delivered by the Borrower to the Bank. In event of a conflict between the terms of this Facility Letter and the General Customer Agreement, the Facility Letter shall prevail.

Other than as otherwise set out in this Facility Letter, the following Clauses of the General Customer Agreement shall in relation to the Facility be added, deleted or amended:

<b>Clause 3. Repayment on demand and cancellation</b> shall be deleted in its entirety and replaced with the following:
---

<b>Clause 3. Repayment:</b> The Borrower shall repay all amounts due in accordance with the terms of the Facility Letter.
---

<b>Clause 4. Security</b> shall be deleted in its entirety.
---

<b>Clause 7. Bills of Exchange Negotiation</b> shall be deleted in its entirety.
--

<b>Clause 11 Set-off</b> shall be deleted in its entirety.
--

<b>Clause 12 Lien</b> shall be deleted in its entirety.
---

<b>Clause 14.2 (Confidentiality)</b> shall be deleted in its entirety.
--

<b>Clause 16 Variation</b> shall be amended to read as follows:
---

The Bank may, at its sole discretion, by giving not less than 30 days' notice to the Customer vary, amend or supplement any non-material terms and conditions of this Agreement and such variation, amendment or supplement shall take effect on the date of the notice setting out details of such variation, amendment or supplement or, if later, the date specified in the notice.
--

<b>Clause 18 Further obligations</b> shall be deleted in its entirety.
--

**Clause 23 Authorisation** shall be deleted in its entirety.

16. **Governing Law:**

This letter is governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region. No person other than the Borrower and the Bank shall have any right, under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce or enjoy the benefit of any term hereof.

**The Borrower hereby expressly acknowledges that, after having separately reviewed and negotiated each such clause with the Bank, the Borrower understands and specifically agrees to this Facility Letter, including but not limited to the scope of obligations covered by this Facility Letter.**

Please confirm your agreement to the terms and conditions of this Facility Letter by signing and returning to us the enclosed duplicate copy of this Facility Letter before 31 January 2025, after which this offer will expire.

Yours faithfully,

For and on behalf of  
Banco Bilbao Vizcaya Argentaria, S.A.,  
Hong Kong Branch  
(incorporated in Spain with limited liability)

/s/ Grace Li  
Name: Grace Li

Title: Head of Global Transaction Banking Asia

/s/ Winnie Tse  
Name: Winnie Tse

Title: Vice President

We confirm our agreement to the terms and conditions set out above.

For and on behalf of  
Polestar Automotive Holding UK Plc

Date:

\_\_\_\_/s/Michael Lohscheller\_\_\_\_\_  
By: Michael Lohscheller  
Title: CEO

\_\_\_\_/s/ Jean François Mady\_\_\_\_\_  
By: Jean-François Mady  
Title: CFO



**Annex 1**  
**List of Required Documents**

**From the Borrower:**

- A duplicate of this Facility Letter duly signed on the Borrower's behalf by its authorized officer(s);
- A certified copy of a resolution of the board of directors of the Borrower approving the execution, delivery and performance of the facility letter and the terms and conditions thereof and authorizing a named person or persons to sign, execute and deliver the facility letter and any other documents to be delivered by the Borrower pursuant thereto; and
- Any updated know-your-client ("KYC") documents as requested by the Bank.

\* \* \* \* \*

## Annex 2

### Loan Request Form

From: [ ]  
To: Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch  
Dated: [ ]

1. We refer to the facility dated [ ] (the 'Facility Letter'). This is a Loan Request. Terms defined in the Facility Letter shall have the same meaning in this Loan Request.
2. We wish to borrow a Loan on the following terms:  
  
Currency and Loan Amount: [ ]  
  
Interest Rate: [ ]  
  
Date of disbursement (mm/dd/yyyy): [ ] (or, if that is not a Business Day, the next Business Day)  
  
Maturity Date (mm/dd/yyyy): [ ]
3. The above determined Interest Period shall be continuously effective unless we have remitted you a termination notice three (3) business days before the end of the relevant interest period. The last Interest Period shall expire no later than the date falling 12 months from the utilization date of the Loan hereunder.\*\*
4. We confirm that each condition specified in the Facility Letter is satisfied on the date of this Loan Request.
5. Please remit the Loan Amount to the following account:  
  
Beneficiary:  
Beneficiary Account No:  
Currency:  
Beneficiary Bank:  
Correspondent Bank of Beneficiary Bank:  
Swift Code:  
Reference:
6. This Loan Request is irrevocable.

Yours faithfully

authorised signatory for  
[the Borrower]

authorised signatory for  
[the Borrower]

**Annex 3**  
**Rollover Request Form**

From: [       ]  
To: Banco Bilbao Vizcaya Argentaria, S.A., Hong Kong Branch  
Dated: [       ]

1. We refer to the Loan number [       ] granted under the facility letter dated [       ] (the 'Facility Letter'). This is a Rollover Request. Terms defined in the Facility Letter shall have the same meaning in this Rollover Request.
2. We wish to request a Rollover Loan on the following terms:  
  
Currency and Rollover Loan Amount:  
  
Interest Rate:  
  
Date of disbursement (mm/dd/yyyy):  
  
Maturity Date (mm/dd/yyyy):
3. We confirm that each condition specified in the Facility Letter is satisfied on the date of this Rollover Request.
4. This Utilization Request is irrevocable.

Yours faithfully

.....  
authorised signatory for  
[the Borrower]

#### Annex 4

[\*\*\*]



## SERVICE AGREEMENT, [\*\*\*]Project Development MAIN DOCUMENT

**Certain identified information marked with "[\*\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.**

---

Name of Project: [\*\*\*]Project

Short description of activities under this Service Agreement: Service Provider will provide development services for the new Polestar vehicle project [\*\*\*] as described in Appendix 1.

This Service Agreement is between Zhejiang Geely Automobile Engineering Technology Development Co., Ltd., Reg. No. 91330201MACRMC3J0P, a limited liability company incorporated under the laws of People's Republic of China ("**Service Provider**") and Polestar Performance AB, Reg. No. 556653-3096, a limited liability company incorporated under the laws of Sweden ("**Purchaser**").

Each of Service Provider and Purchaser is hereinafter referred to as a "**Party**" and jointly as the "**Parties**".

### BACKGROUND

- A. Geely Auto Group Co., Ltd. (which is Service Provider's Affiliate), Purchaser and Renault Korea Motors Co., Ltd. ("**RKM**", whose corporate name has been changed to "Renault Korea Co., Ltd." as the date of this Service Agreement) have entered into a framework agreement dated 9 November 2023 (the "**Framework Agreement**"), under which such parties have reached an agreement regarding the key principles on the cooperation in the localization of [\*\*\*]Vehicle (as defined in the Framework Agreement) in Republic of Korea.
- B. Under the Framework Agreement, Purchaser has agreed to outsource the engineering design and adaption work related to Polestar Vehicle (as defined in the General Terms in Appendix 2) to Geely Auto Group Co., Ltd. or its Affiliates, including Service Provider or its Affiliates (as defined in Section 4 below). The Polestar Vehicle will be based on the [\*\*\*] architecture as well as certain top-hat carry-over technology with additional Purchaser unique developments and infotainment and connectivity solution as provided by Service Provider and will be a premium battery electric vehicle in the [\*\*\*] segment to be sold in [\*\*\*] and [\*\*\*] by Purchaser.
- C. Subject to the terms and conditions of this Service Agreement, the Service Provider shall provide to Purchaser the Services (as defined in the General Terms in Appendix 2), which are further described in the Service Specification in Appendix 1. The provision of the Services shall be performed in accordance with the terms in this service agreement and its appendices (the "**Service Agreement**").
- D. In addition to this Service Agreement, Purchaser, as licensee, has obtained licenses to the Licensed IP (as defined in the General Terms in Appendix 2) included in the [\*\*\*] and certain

1

vehicle top-hat technologies through separate license agreements with Zhejiang Liankong Technologies Co., Ltd. and Zhejiang Zeekr Intelligent Technology Co., Ltd ("**License Agreements**"). Further, Ningbo Geely Automobile Research & Development Co., Ltd and Purchaser have entered into a service agreement dated December [\*\*\*] regarding the provision of development services for the Polestar vehicle project [\*\*\*] (of which the project code was later changed into [\*\*\*], i.e. the [\*\*\*]Vehicle) ("**Service Agreement of [\*\*\*] Vehicle Project**"). Consequently, the Parties acknowledge and agree that the License Agreements and the Service Agreement of [\*\*\*]Vehicle Project constitute a fundamental basis for this Service Agreement, and this Service Agreement is intended to eliminate any gaps between the Licensed IP, the results and deliverables under the Service Agreement of [\*\*\*] Vehicle Project and a fully functional Polestar Vehicle by executing the Services in the pursuit of a successful development of the Polestar Vehicle.

- E. Furthermore, additional agreements for Change Management (as defined in the General Terms in Appendix 2) will be entered into to cover the full scope of the outsourcing of the engineering design and adaptation work related to Polestar Vehicle.
- F. Purchaser now wishes to enter into this Service Agreement for the purpose of receiving the Services and Service Provider wishes to provide the Services in accordance with the terms set forth in this Service Agreement.
- G. In light of the foregoing, the Parties have agreed to execute this Service Agreement.
- H. Unless otherwise defined in this Service Agreement, the capitalized terms used herein shall have the meaning given to such terms in the Framework Agreement.

## AGREEMENT

### 1. GENERAL

- 1.1 This Service Agreement consists of this main document (the "**Main Document**") and its appendices. This Main Document sets out the specific terms in respect of the provision of the Services, whereas Appendix 2 sets out certain general terms and conditions applicable to the Parties' rights, obligations and the performance of the Parties' activities hereunder (the "**General Terms**").
- 1.2 The Appendices shall be considered an integral part of this Service Agreement and any reference to the Service Agreement shall thus also include the Appendices.
- 1.3 All capitalized terms used, but not specifically defined in this Main Document, shall have the meaning ascribed to them in the General Terms.

### 2. OBJECTIVES AND GENERAL PRINCIPLES

- 2.1 Service Provider recognizes and acknowledges that the Services are vital and of utmost importance to the engineering development of Polestar Vehicle and have a direct impact on the potential success of the whole Project in relation to Polestar Vehicle.
- 2.2 **[\*\*\*]**.

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Agreement No.: GEE24-[\*]

### 3. SERVICE SPECIFICATION

- 3.1 The Parties have agreed upon the scope and specification for the Services as specified in the Service Specification set out in Appendix 1.

### 4. AFFILIATE

- 4.1 Affiliate shall for the purpose of this Service Agreement have the following meaning:
- 4.2 Affiliate means
  - (a) For Service Provider, any other legal entity that, directly or indirectly, controls, is controlled by or is under common control with Zhejiang Geely Automobile Engineering Technology Development Co., Ltd., however excluding Purchaser and its Affiliates; and
  - (b) For Purchaser, any legal entity that, directly or indirectly, controls, is controlled by or is under common control with Polestar Performance AB, however excluding the Service Provider and its Affiliates,
- 4.3 "control" for this purpose means the possession, directly or indirectly, by agreement or otherwise, of (i) at least 50% of the voting stock, partnership interest or other ownership interest, or (ii) the power (a) to appoint or remove a majority of the board of directors or other governing body of an entity, or (b) to cause the direction of the management of an entity.

### 5. INTELLECTUAL PROPERTY RIGHTS

- 5.1 The Parties agree that the IP ownership of the Results developed through the performance of the Services under this Service Agreement is set forth in Section 5 in the General Terms.

### 6. SERVICE CHARGES

- 6.1 In consideration of Service Provider's timely performance of the Services under this Service Agreement, Purchaser shall pay to Service Provider the service charges as further described below and in the General Terms (the "**Service Charges**").
- 6.2 The Service Charges is a **[\*\*\*]** compensation for the Services to be performed by Service

Provider as described in Appendix 1.

- 6.3 The total Service Charges consists [\*\*\*]
- 6.4 The Parties agree that Service Provider is entitled to purchase specific prototype Polestar Vehicles from RKM for the purpose of fulfilling the Services hereunder on a must-to-have basis, and in line with this, Purchaser shall cover the cost of such purchases estimated to [\*\*\*] set forth in Section 6.3 as per [\*\*\*] quotation provided by RKM in the Service Charges.
- 6.5 The Service Charges for development services to be performed by Service Provider shall be paid [\*\*\*]. The Service Charges for development services and prototypes to be performed and provided by RKM shall [\*\*\*]. Payment to be made by telegraphic transfer.

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Agreement No.: GEE24-[\*]

- 6.6 If Service Provider, pursuant to the General Terms, appoints its Affiliates and/or subcontractors to perform the Services under this Service Agreement, the costs relating to such work should be considered to be included in the Service Charges and Service Provider shall include the cost in the invoices to Purchaser.
- 6.7 The Service Charges shall be invoiced to Purchaser upon Purchaser's approval of the Deliverables (the below dates not being considered payment dates but the dates when the Deliverables shall be ready for approval) described as follows. The payment amount in the sixth column is only the estimated amount and needs further adjustment [\*\*\*].

Payment Schedule	Invoice Issuance Date	Payment Percentage	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]

**7. [\*\*\*] GOVERNANCE FORUM**

- 7.1 The Parties agree that governance in respect of this Service Agreement shall be handled in accordance with what is set out in the General Terms in Appendix 2.

**8. TERRITORY**

- 8.1 For the purposes of this Service Agreement, the "Territory" shall mean the [\*\*\*].

**9. REPORTING**

- 9.1 The Parties agree that the basis for setting payment plan shall be transparent and follow the milestone delivery plan. The deliverable approval as set forth in this Service agreement will be the only condition for Purchaser to approve and fulfil the payment. Deliverables at each payment date is set out in Appendix [\*\*\*].

**10. ORDER OF PRIORITY**

- 10.1 In the event there are any contradictions or inconsistencies between the terms of this Main Document and any of the Appendices hereto, the Parties agree that the following order of priority shall apply if not specifically stated otherwise in such document or the context or circumstances clearly suggest otherwise:

- (1) This Main Document
- (2) Appendix 2, General Terms – Service Agreement
- (3) Appendix 1, Service Specification

**11. NOTICES**

- 11.1 All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Service Agreement shall be sent to the following addresses and shall otherwise be sent in accordance with the terms in the General Terms:

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(a) To Service Provider:

Zhejiang Geely Automobile Engineering Technology Development Co., Ltd.  
No. 918, Binhai 4th Rd  
Hangzhou Bay New District, Ningbo, P.R.China

Attention: [\*\*\*]

Email: [\*\*\*]

With a copy to:

[\*\*\*]

(b) To Purchaser:

Polestar Performance AB  
Attention: [\*\*\*] Assar Gabrielssons väg 9  
405 31 Göteborg  
Sweden  
Email: [\*\*\*]

---

[SIGNATURE PAGE FOLLOWS]

11.2 This Service Agreement has been signed in four (4) originals, of which the Service Provider received three (3) originals and the Purchaser received one (1) original.

**POLESTAR PERFORMANCE AB**

**ZHEJIANG GEELY AUTOMOBILE  
ENGINEERING TECHNOLOGY  
DEVELOPMENT CO., LTD.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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**SERVICE AGREEMENT, [\*\*\*]Project Development**  
**APPENDIX 2**  
**GENERAL TERMS**

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**1. BACKGROUND**

- 1.1 This Appendix 2, General Terms – Service Agreement, (the “General Terms”) is an Appendix to the Main Document and is an integrated part of the Service Agreement entered into between the Parties.

**2. DEFINITIONS**

- 2.1 For the purpose of these General Terms, the following terms shall have the meanings assigned to them below. All capitalized terms in singular in the list of definitions shall have the same meaning in plural and *vice versa*. Any capitalized terms used, but not specifically defined below in this Section 2, shall have the meaning ascribed to them in the Main Document.
- 2.2 “Affiliate” is defined in the Main Document.
- 2.3 “Appendix” means an appendix to the Main Document.
- 2.4 “Background IP” means the Intellectual Property Rights either:
- (a) owned by either of the Parties;
  - (b) created, developed or invented by directors, managers, employees or consultants of either of the Parties;
  - (c) to which the Party has licensed rights instead of ownership and the right to grant a

(c) to which the Party has licensed rights instead of ownership and the right to grant a sublicense

prior to the execution of this Service Agreement, and any Intellectual Property Rights developed or otherwise acquired independently of this Service Agreement.

- 2.5 **"Change Management"** means changes requested by either Party to the Service Specification in Appendix 1 (including any cancellation thereof) and approved by the other Party within the Term of Agreement, provided that such changes shall be agreed by the Parties in writing based on the template attached as Appendix [\*\*\*].
- 2.6 **"Confidential Information"** means any and all non-public information regarding the Parties and their respective businesses, whether commercial or technical, in whatever form or media, including but not limited to the existence, content and subject matter of this Service Agreement, information relating to Intellectual Property Rights, concepts, technologies, processes, commercial figures, techniques, algorithms, formulas, methodologies, know-

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how, strategic plans and budgets, investments, customers and sales, designs, graphics, CAD models, CAE data, statement of works (including engineering statement of works and any high level specification), targets, test plans/reports, technical performance data and engineering sign-off documents and other information of a sensitive nature, that a Party learns from or about the other Party prior to or after the execution of this Service Agreement.

- 2.7 **"Data Room"** means the secure environment personal approved access information sharing platform agreed to be used between the Parties for making available the Results to Purchaser.
- 2.8 **"Service Defect"** means that Results does not meet the Final Service Specification after [\*\*\*] for the Polestar Vehicle. For the avoidance of doubt, any defect caused by manufacturing, customer misuse, supplier quality or an event outside the Service Provider's responsibility under this Agreement shall not be defined as Service Defect.
- 2.9 **"Disclosing Party"** means the Party disclosing Confidential Information to the Receiving Party.
- 2.10 **"Final Service Specification"** means that the final status of Service Specification as of [\*\*\*] for Polestar Vehicle. For the avoidance of doubt, the initial Service Specification is set out in Appendix 1 as of the Effective Date and may be updated through Change Management from time to time before [\*\*\*] by such change/deviation signed or otherwise agreed by Parties in writing based on the template attached as Appendix [\*\*\*].
- 2.11 **"Force Majeure Event"** shall have the meaning set out in Section 15.
- 2.12 **"Industry Standard"** means the exercise of such professionalism, skill, diligence, prudence and foresight that would normally be expected at any given time from a skilled and experienced actor engaged in a similar type of undertaking as under this Service Agreement.
- 2.13 **"Intellectual Property Rights"** or **"IP"** means Patents, Non-patented IP, rights in Confidential Information and Know-How to the extent protected under applicable laws anywhere in the world. For the avoidance of doubt, Trademarks are not comprised by this definition.
- 2.14 **"FSR"** means [\*\*\*].
- 2.15 **"Know-How"** means confidential and proprietary industrial, technical and commercial information and techniques in any form including (without limitation) drawings, formulae, test results, reports, project reports and testing procedures, instruction and training manuals, tables of operating conditions, specifications, component lists, market forecasts, lists and particulars of customers and suppliers.
- 2.16 **"Licensed IP"** means the [\*\*\*] architecture technology and top-hat technologies separately licensed through the License Agreements with Zhejiang Liankong Technologies

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Ltd Co. and Zhejiang Zeekr Intelligent Technology Co.,Ltd (as referred to in the Background section of the Main Document).

- 2.17 **"Main Document"** means the contract document (with the heading "Main Document - Service Agreement"), which is signed by Service Provider and Purchaser, to which these General Terms are an Appendix.
- 2.18 **"Milestone"** means the dates agreed between the Parties, when the Results, or parts thereof, shall have been delivered to and accepted by Purchaser, and which are, unless otherwise stated in this Service Agreement, set out in the Service Specification.
- 2.19 **"Non-patented IP"** means copyrights, semiconductor topography rights, rights in designs, and other intellectual property rights (other than Trademarks and Patents) and all rights or forms of protection having equivalent or similar effect anywhere in the world, in each case whether registered or unregistered, and registered includes registrations, applications for registration and renewals whether made before, on or after execution of this Service Agreement.
- 2.20 **"PA"** means Program Approval milestone.
- 2.21 **"PC"** means Program Confirmation milestone.
- 2.22 **"VP1"** means Verification Prototype gate 1.
- 2.23 **"Patent"** means any patent, patent application, or utility model, whether filed before, on or after execution of this Service Agreement, along with any continuation, continuation-in-part, divisional, re-examined or re-issued patent, foreign counterpart or renewal or extension of any of the foregoing.
- 2.24 **"Polestar Vehicle"** means the Polestar branded car with the internal project name [\*\*\*].
- 2.25 **"[\*\*\*]"** means the Polestar branded car based on the [\*\*\*] Vehicle Base Project (as defined in Appendix 1) with CBU Manufacturing in the Busan Plant with localized parts supplied by RKM, and with KD parts including battery supplied by Geely and imported by RKM, with Planned [\*\*\*]. [\*\*\*]
- 2.26 **"[\*\*\*] PPGM"** means the first level of governance forum for handling the co-operation between the Parties and Polestar regarding Polestar Vehicle in various matters as set out in the Framework Agreement, which is the so called [\*\*\*] Polestar Program Governance Meeting.
- 2.27 **"[\*\*\*]Steering Committee"** means the highest level governance forum established by the Parties and Polestar for handling the cooperation between such parties regarding Polestar Vehicle in various matters as set out in the Framework Agreement.
- 2.28 **"Receiving Party"** means the Party receiving Confidential Information from the Disclosing Party.

- 2.29 **"Results"** shall mean any outcome of the Services provided to Purchaser under this Service Agreement (including but not limited to any IP, technology, software (if any) deliverables, objects, products, documentation, modifications, improvements, and/or amendments, if applicable, to be carried out by Service Provider under the Service Specification) and any other outcome or result of the Services to be performed by Service Provider as described in the relevant Service Specification, irrespective of whether the performance of the Services has been completed or not, as explicitly set forth in Appendix [\*\*\*] . For the avoidance of doubt, the results and deliverables under the Service Agreement of the [\*\*\*] Vehicle Base Project or under the service agreement of [\*\*\*] ([\*\*\*]) are not considered as



"Results" under this Service Agreement, even though such results and deliverables might be delivered together with the Results, but delivered only for the reference purpose in the pursuit of a successful development of the Polestar Vehicle.

- 2.30 "Services" shall mean the services to be performed by Service Provider to Purchaser hereunder, including services under the Appendix 1 attached hereto. For the avoidance of doubt, the services provided under the Service Agreement of the [\*\*\*] Vehicle Base Project or under the service agreement of [\*\*\*] ([\*\*\*) are not considered as "Services" under this Service Agreement.
- 2.31 "Service Agreement" means the Main Document including all of its Appendices and their Schedules as amended from time to time.
- 2.32 "Service Charges" means the service charges as set forth or referenced to in the Main Document.
- 2.33 "Service Specification" describes the Services to be provided by Service Provider to Purchaser hereunder including (if applicable) a time plan for the provision of the Services, which is included as Appendix 1 (including any update, revision and substitution made in accordance with this Service Agreement) in this Service Agreement.
- 2.34 "Supplier IP" means IP which is owned by suppliers to the Service Provider.
- 2.35 "Territory" means [\*\*\*].
- 2.36 "Trademarks" means trademarks (including part numbers that are trademarks), service marks, logos, trade names, business names, assumed names, trade dress and get-up, and domain names, in each case whether registered or unregistered, including all applications, registrations, renewals and the like, in each case to the extent they constitute rights that are enforceable against Third Parties.
- 2.37 "Use", for the purpose of Section 5.2.2(a) of this Agreement, means to 1) install, integrate, incorporate, implement the Software on the Polestar Vehicle, 2) make, have made and sell Polestar Vehicle and related parts incorporated with the Software, and 3) service and repair Polestar Vehicle and related parts incorporated with the Software.

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### 3. PROVISION OF SERVICES

- 3.1 Service Specification.
- 3.1.1 The Parties have agreed upon the scope and specification of the Services provided under this Service Agreement in the Service Specification, including R&D services and other services as further described in Appendix 1 provided by the Service Provider.
- 3.1.2 Although the Service Specification is intended to describe the Services, all such ancillary or incidental services not described but that are inherent subtasks of the Services or, based on common industry practice, usually held to be required for the proper performance and provision of services such as the Services, shall be deemed to be included in the Service Specification without any extra charge in addition to the Service Charge. When any such ancillary or incidental services are identified by Purchaser, Purchaser shall notify the other Party without undue delay and the Parties shall align and update the Service Specification accordingly, but in case Service Provider holds difference opinion on whether or not such service shall be considered as ancillary or incidental, the Parties shall escalate such issue in accordance with the escalation principles set forth in Section [17.1] for a final decision.
- 3.1.3 A mutually agreed specification setting forth, on an overall level, the deliverables to be performed by Service Provider in relation to the Polestar Vehicle is set out in the Service Specification. A final specification of the deliverables together with costs adjustment (if any) shall, subject to good faith and joint discussions between the Parties, be made at [\*\*\*] as a part of the [\*\*\*] where all agreed deliverables will be finally specified. The final specification shall be made by way of an amendment agreement governed by the terms and conditions of this Agreement or by way of such change to/deviation from the initial specification before [\*\*\*] to be signed or otherwise agreed by Parties in writing based on the template attached as Appendix [\*\*\*].
- 3.2 Making available the Results.
- 3.2.1 Service Provider shall make the Results (or if not finalized, any part of the Results that has

- 3.2.1 Service Provider shall make the Results (or if not finalised, any part of the Results that has been finalised) available to Purchaser within the timeframes specified in the Service Specification, but under all circumstances promptly after any part of the Results has been finalised. The Results shall only be made available in a Data Room.
- 3.2.2 The Results (or any finalised part thereof) shall be deemed made available by Service Provider to Purchaser if such files have been electronically loaded into and made accessible by Service Provider in the Data Room agreed upon.
- 3.2.3 Delivery of any Results (or parts thereof), covered by this Service Agreement, occurs when the delivery at the respective Milestones meets the requirements for that Milestones set out in this Service Agreement, however subject to Section 4.4 below and that Purchaser has accepted such delivery in accordance with what is set out below in this Section 3.2.

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- 3.2.4 Purchaser shall accept the delivery of the Results, and parts thereof, at the respective Milestones, unless the Results upon delivery at any such Milestone deviates from the requirements set forth in this Service Agreement.
- 3.2.5 If the Results have been delivered in accordance with this Section 3.2, but Purchaser has not accepted the delivery in time (i.e. at the Milestones or as agreed separately agreed) nor objected to the delivery due to it deviating from what is set out in Section 4.4 below, the delivery shall be deemed accepted by Purchaser.
- 3.3 **Service Recipients.** In addition to Purchaser, all of Purchaser's Affiliates shall be entitled to receive and use the Services under this Service Agreement. Nevertheless, Purchaser shall be Service Provider's sole point of contact and shall be responsible for payment of the Service Charges as set forth in this Service Agreement, irrespectively of whether it is Purchaser or any of Purchaser's Affiliates that in reality received and used the Services. Purchaser is entitled to, or instruct Service Provider to share the Results owned by Purchaser under this Service Agreement with RKM.
- 3.4 Subcontractors.
- 3.4.1 The Parties acknowledge that Service Provider may use its Affiliates and/or subcontractors to perform the Services under this Service Agreement, provided that Service Provider informs Purchaser thereof. In particular, the Parties acknowledge and agree that Service Provider will engage RKM as a subcontractor for the performance of certain Services. The agreement to be entered into between RKM and Service Provider for subcontracting certain Services will hereinafter be referred to as the "**Sub-Service Agreement**". The Sub-Service Agreement shall be subject to the Purchaser's approval before execution, which shall not be unreasonably withheld.
- 3.4.2 Subject to Section [3.4.3], Service Provider shall however remain responsible for the performance, and any omission to perform or comply with the provisions of this Service Agreement, by any Affiliate to Service Provider and/or any subcontractor to the same extent as if such performance or omittance was made by Service Provider itself. Service Provider shall also remain Purchaser's sole point of contact unless otherwise agreed.
- 3.4.3 Notwithstanding what is provided in Section 3.4.2, Service Provider shall not be responsible for the performance, delay and any omission to perform or comply with the provisions of this Service Agreement or the Sub-Service Agreement by RKM. Purchaser acknowledges and agrees that any claim made by Purchaser under this Service Agreement, which is caused by RKM's non-compliance or other kind of breach of the Sub-Service Agreement, may lead to that Service Provider in its turn, puts forward a claim against RKM under Sub-Service Agreement, and that Service Provider shall only be held liable up to the amount it could recover from the claim against RKM, provided that Service Provider shall take the initiative to make such claims against RKM in a timely and proper manner based on contractual and legal grounds. Purchaser shall provide all necessary support as reasonably required by Service Provider.

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- 3.5 **Relationship between the Parties.** The Parties are acting as independent contractors when performing each Party's respective obligations under the Service Agreement. Neither Party nor its Affiliates are agents for the other Party or its Affiliates and have no authority to represent them in relation to any matters. Nothing in these General Terms or the Service Agreement shall be construed as to constitute a partnership or joint venture between the Parties.

#### 4. SERVICE REQUIREMENTS

- 4.1 All Services shall be performed in accordance with the requirements set forth in this Service Agreement, including the Service Specification, and otherwise in a professional manner.
- 4.2 When providing the Services, Service Provider shall use professional, appropriate, qualified and skilled personnel, and shall ensure that its personnel have been properly educated and trained for the Services to be performed, including being fully acquainted with Purchaser's specific requirements. Service Provider shall avoid unnecessary changes in the personnel engaged in performing its undertakings under this Service Agreement. Service Provider shall work according to the same standard of care and professionalism that is done in Service Provider's other business and development projects, including internal business and development projects, and within the group of companies which Service Provider belongs to. Such standard of care and professionalism, shall however at all times correspond to Industry Standard. For the avoidance of doubt, Service Provider is responsible for all necessary recruiting and hiring costs associated with employing appropriate personnel as well as all necessary training costs. If Service Provider uses its Affiliates and/or subcontractors to perform its responsibilities under this Service Agreement, the same way of working shall apply as if such performance was made by the Service Provider itself.
- 4.2.1 Service Provider acknowledges that time is of essence and Service Provider agrees to strictly respect and adhere to the deadlines set out in the Service Specification in Appendix 1, such as time limits, milestones and gates. Service Provider shall be deemed to be in delay when the deadlines are not met and is solely caused by Service Provider (including its agents, supplier or subcontractors, but excluding RKM) unless the Parties have agreed for an extension of the time for meeting such deadlines upon which the new agreed delivery date shall be relevant for determining whether Service Provider is in delay. If Service Provider is in delay, or at any time believes that the deadlines are not, or are unlikely to be met in time, Service Provider shall inform Purchaser of the reasons for and consequences of not meeting the deadlines at the agreed date and shall provide additional resources, to ensure that the requirements for the deadlines are met as soon as possible. Related costs should be borne by the Service provider. If the [\*\*\*] is delayed by more than [\*\*\*] due to the Service Provider's delay, Service Provider shall [\*\*\*]. If such delay is caused by RKM, Service Provider shall [\*\*\*] subject to Section 3.4.3., provided that Service Provider shall take the initiative to make such [\*\*\*] in a timely and proper manner based on contractual and legal grounds. Purchaser shall provide all necessary support as reasonably required by Service Provider.

- 4.3 Notwithstanding what is set out above in this Section 4, Purchaser shall be responsible for [\*\*\*] relating to delays which are due to Purchaser's non-fulfilment of any of its obligations under this Service Agreement. Further, any such delays which are due to Purchaser shall give a corresponding extension of time to Service Provider for meeting any affected Milestone. Time plan and cost consequences for Purchaser's requests for changes are to be handled in accordance with Section 12.2.

- 4.4 In the event the Service or any part thereof, after having met a Deadline, is a Service Defect, and the result is confirmed and accepted by Service Provider, Service Provider shall, if such

Service Defect is discovered and/or notified to Service Provider before [\*\*\*], more than insignificantly deviate from the requirements set forth in the Service Specification, or if Service Provider otherwise does not meet or ceases to meet the requirements set forth in this Service Agreement (except for minor faults and defects, which do not affect the provision of the Services), Service Provider shall rectify such Service Defect as soon as possible, provided that if Service Defect is caused by RKM, Service Provider shall use its commercial reasonable effort to procure RKM to remedy such Service Defect as soon as possible. Related costs shall be included in the [\*\*\*] Service Charges.

- 4.5 In the event Service Provider fails to act in accordance with Section 4.2 and 4.4 above, such failure shall be escalated in accordance with the escalation principles set forth in Section 17.1 and eventually give Purchaser the right to terminate the Service Agreement in accordance with Section 14.4.
- 4.6 Purchaser shall provide Service Provider with instructions as reasonably required for Service Provider to be able to carry out the Services. Service Provider must continuously inform Purchaser of any needs of additional instructions or specifications required to perform the Services.
- 4.7 Service Provider shall ensure that it has sufficient resources to perform its undertakings under this Service Agreement. Further, Service Provider undertakes to ensure that the performance of the Services will not be given lower priority than other similar projects within the group of companies which Service Provider belongs to.

## 5. INTELLECTUAL PROPERTY RIGHTS

- 5.1 Ownership of existing Intellectual Property Rights.
- 5.1.1 Each Party remains the sole and exclusive owner of its Background IP and any Intellectual Property Rights which are modifications, amendments or derivatives of any Intellectual Property Rights already owned by such Party, unless otherwise agreed under this Service Agreement. Notwithstanding anything to the contrary in the Service Agreement, nothing in these General Terms or otherwise in the Service Agreement shall be construed as to give the other Party any rights, including but not limited to any license rights (express or implied), to any Background IP, except as expressly stated herein.
- 5.1.2 Nothing in this Service Agreement shall be deemed to constitute an assignment of, or license to use, any Trademarks of the other Party.

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- 5.2 Ownership of Results.
- 5.2.1 In the event any Results are created as a result of the Services provided by Service Provider (or if applicable, any of its appointed Affiliates or subcontractors) under this Service Agreement, the Parties agree that [\*\*\*] shall be the exclusive owner of such Results, except to the extent such Results constitute (i) Supplier IP or (ii) software that the [\*\*\*] shall not own as stated in Section 5.2.3.
- 5.2.2 Notwithstanding anything to the contrary in this Service Agreement, nothing in these General Terms or otherwise in the Service Agreement shall be construed as to give the other Party any rights, including but not limited to any license rights (express or implied), to any Background IP, except as expressly stated herein.
- 5.2.3 In the event any software[\*\*\*] is embedded in the Results, the embedded software shall be:
- (a) owned by [\*\*\*] (and/or its agents, supplier or subcontractors pursuant to relevant agreements between Service Provider and its agents, supplier or subcontractor), if such software is developed with reference to and/or is incorporated with any Background IP of Service Provider (and/or its agents, supplier or subcontractors). The [\*\*\*] is granted a license to Use such software limited to the extent necessary for the [\*\*\*] to make Use of the Results for the Polestar Vehicle. For the avoidance of doubt, [\*\*\*] and/or [\*\*\*] of such software shall not be provided to the [\*\*\*] under the afore-mentioned license.
  - (b) owned by [\*\*\*], if such software is developed in-house by Service Provider, without any reference to and does not incorporate any Background IP of Service Provider (including its agents, suppliers or subcontractors).
- 5.2.4 All Results, developed as a result of the Services provided by Service Provider (or if applicable, any of its appointed Affiliates or subcontractors), except to the extent such Results constitutes Supplier IP or any software described in [\*\*\*] or otherwise agreed by



Results constitute Supplier IP or any software described in [\*\*\*], or otherwise agreed by Parties in accordance with Section 5.2.1, shall consequently automatically upon creation be [\*\*\*]. [\*\*\*] shall further have the right to transfer, sublicense, modify and otherwise freely dispose of the Results. [\*\*\*]

- 5.2.5 For the term of this Service Agreement, [\*\*\*] grants [\*\*\*] (including its Affiliates) a non-exclusive, royalty-free and revocable licence to use the Results and [\*\*\*]'s Background IP only for the purpose of providing the Services pursuant to this Service Agreement and only to the extent necessary for the same.
- 5.3 Supplier IP
- 5.3.1 [\*\*\*]
- 5.4 Polestar brand name.

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- 5.4.1 For the sake of clarity, it is especially noted that this Service Agreement does not include any right to use the "Polestar" brand name, or Trademarks owned or held by Polestar, or refer to "Polestar" in communications or official documents of whatever kind. The Parties acknowledge that the "Polestar" Trademarks as well as the "Polestar" name is owned by Polestar Holding AB and that the right to use the name and the "Polestar" Trademarks is subject to a license agreement, which stipulates that the name, Trademarks owned or held by Polestar and all thereto related Intellectual Property can only be used by Polestar Performance AB and its Affiliates in relation to Polestar products.
- 5.4.2 This means that this Service Agreement does not include any rights to directly or indirectly use the "Polestar" brand name or "Polestar" Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, e.g. in presentations, business cards and correspondence.
- 5.5 Geely brand name.
- 5.5.1 Correspondingly, it is especially noted that this Service Agreement does not include any right to use the Geely brand name or Trademarks or refer to Geely in communications or official documents of whatever kind.
- 5.5.2 This means that this Service Agreement does not include any rights to directly or indirectly use the Geely brand name or Geely Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, e.g. in presentations, business cards and correspondence.
- 5.6 Suspected infringement.
- 5.6.1 Either Party shall promptly (upon becoming aware) notify the other Party in writing of:
  - (a) any conduct of a Third Party that such Party reasonably believes to be, or reasonably believes to be likely to be, an infringement, misappropriation or other violation of any Intellectual Property Rights pertaining to the Results; or
  - (b) any allegations made to such Party by a Third Party that any Intellectual Property Rights pertaining to the Results are invalid, subject to cancellation, unenforceable, or are a misappropriation of or infringes any Intellectual Property Rights of a Third Party.
- 5.6.2 If Service Provider believes any part of the Results is likely to become the subject of an allegation set forth in 5.6.1(a) during the term of this Service Agreement, Service Provider shall, at its option and expense, either to secure a right of continued use or replace or modify the aforementioned Results so that it becomes non-infringing. If Service Provider has fulfilled its obligations under this Section 5.6.2, Purchaser shall not be further indemnified if there is no actual loss or damage suffered by Purchaser resulting therefrom.
- 5.6.3 In case of any claim or litigation made by a Third Party, the Parties should discuss in good faith and align in terms of the general defending strategy and other action plans, and support each other in a timely and proper manner for the mutual benefits of the Parties.



5.7 Service Charges

- 5.7.1 In consideration of Service Provider's performance of the Services under this Service Agreement, Purchaser agrees to pay to Service Provider the Service Charges as set forth or referenced to in the Main Document.

6. PAYMENT TERMS

- 6.1 The Service Charges shall be paid in the currency set forth in the Main Document, in a timely manner and in accordance with the payment terms set forth in this Section 6. The Purchaser's obligation to pay the Services Charges is subject to the Services Provider's timely delivery of the agreed Milestones. The Parties understand that any changes proposed by either Party and agreed by the Parties from time to time may result in an adjustment of delivery which could have an effect on the payment dates. The delivery date of changes shall be further determined by Parties. The Parties shall engage in good-faith discussion regarding any material change(s) proposed by either Party, including any extra cost and payment thereof, which should be further governed through amendments of this Agreement or in writing based on the template attached as Appendix [\*\*\*].
- 6.2 Purchaser shall bear the VAT and surtaxes, and Service Provider shall bear the Withholding Tax, which are applicable in accordance with local legislation to amounts and payments referred to in this Service Agreement.
- 6.3 Purchaser shall make a reasonable effort in establishing, where applicable and to the fullest extent possible, to the tax authorities of its country of residence that services rendered there by Service Provider do not amount to a Permanent Establishment as defined under Article 5 of the Agreement between the Government of the People's Republic of China and the Government of the Kingdom of Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (1986) (hereinafter the "Sweden-China Income Tax Treaty"). Service Provider shall make a reasonable effort to obtain a credit, under either Article 23 of the Sweden-China Income Tax Treaty or the domestic legislation of Service Provider's country of residence, against income tax in Service Provider's country of residence on account of the withholding tax, if any, levied on the payments by the tax authorities of Purchaser's country of residence.
- 6.4 In the event that the withholding tax, if any, levied by the tax authorities of Purchaser's country of residence is determined, by the tax authorities of Service Provider's country of residence, to not be so creditable against the income tax of Service Provider, Purchaser shall reimburse Service Provider for the withholding tax, exclusive of any tax applicable thereupon in Purchaser's country of residence. The reimbursement shall be due upon the presentation by Service Provider of reasonable proof of the denial of the afore-mentioned credit.
- 6.5 Where the withholding tax levied in Purchaser's country of residence is denied creditability in Service Provider's country of residence, Purchaser and Service Provider shall decide jointly whether a course of action shall be undertaken in the form of Mutual Agreement

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Procedure under Article 25 of the Sweden-China Income Tax Treaty or other dispute resolution procedures available between the competent authorities of Sweden and China.

- 6.6 Upon tax authority request, Service Provider should provide the supporting documents to help Purchaser prove the arm's length nature of the payment.
- 6.7 Any amount of the Service Charges invoiced by Service Provider to Purchaser shall be paid by Purchaser within 45 days after the invoice date. Subject to what has been set forth in Section 4.3, in the event that the Milestone [\*\*\*] is delayed more than [\*\*\*] solely or

substantially caused by Service Provider and/or its Affiliates, after that Purchaser has submitted this withholding request in accordance with the escalation principles in Section 17.1 to the Steering Committee or the Strategic Board for final decision and if the above fora decide proper amount, Purchaser can withhold the payment of the Service Charges. Purchaser has the right to withhold payment of the Service Charges [\*\*\*] Notwithstanding the foregoing, as long as Geely and/or its Affiliates has duly performed its obligations according to this Agreement, Purchaser shall not withhold the payment of the Service Charges if such delay is solely or substantially caused by RKM and/or its Affiliates.

6.8 Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on the [\*\*\*], with an addition of [\*\*\*] per annum.

6.9 Any paid portion of the Service Charges is non-refundable, with the exception set forth in the Main Document.

## 7. AUDIT AND COMPLIANCE

Sections 10 (Responsible Business), 17 (Personal Data Protection) and 18.4 (Audit Rights) of the Framework Agreement, which are applicable to Service Provider and its Affiliates in the Project, shall be deemed as restated herein and be applicable to this Service Agreement, *mutatis mutandis*.

## 8. REPRESENTATIONS

8.1 Each Party warrants and represents to the other Party that:

- (a) it is duly organized, validly existing, and in good standing under the laws of its respective jurisdiction of incorporation or formation, as applicable;
- (b) it has full corporate power and authority to execute and deliver this Service Agreement and to perform its obligations hereunder;
- (c) it has all requisite ownership, rights and licenses to perform its obligations under this Service Agreement;
- (d) if at the time of delivery, any of the Results is software: (i) it does not contain any program routine, device, code or instructions (including any code or instructions provided by third parties) or other undisclosed feature, including a time bomb, virus, software lock, drop-dead device, malicious logic, worm, Trojan horse, bug, error,

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defect or trap door, that is capable of accessing, modifying, deleting, damaging, disabling, deactivating, interfering with, or otherwise harming such software, any hardware, data or other electronically stored information, or computer programs or systems; and (ii) except as otherwise identified to Purchaser in Appendix 1, such software does not contain any open source material (including any libraries or software licensed under the GNU General Public License, the GNU GPL family of licenses (e.g., Affero GPL, LGPL, etc.), the Eclipse License or any other similar "public," "open source" or "free" software license agreement or arrangement) obligating Purchaser to disclose or make the Source Code or Object Code available to any Third Party;

- (e) the execution, delivery and performance of this Service Agreement have been duly authorized and approved, with such authorization and approval in full force and effect, and do not and will not (i) violate any laws or regulations applicable to it or (ii) violate its organization documents or any agreement to which it is a party; and
- (f) this Service Agreement is a legal and binding obligation of it, enforceable against it in accordance with its terms.

8.2 Service Provider warrants and represents that the Results combined with Licensed IP fulfils the requirements set forth in the Service Specification, in particular as regards description, technical design, systems integration, suitability and fitness for the purpose of creating a complete Polestar Vehicle.

## 9. SERVICE WARRANTY

9.1 When performing the Services, Service Provider shall provide professional and skilled personnel, properly educated and trained for the Services to be performed at the best of their knowledge.

9.2 Service Provider represents and warrants that the deliverables will conform in all respects to the agreed and approved Service Specification, comply with all applicable laws and regulations in the Territory, is the markets where the Polestar Vehicle will be offered



regulations in the territory, i.e. the markets where the Forestal vehicle will be offered. Purchaser acknowledges that the price of the Services to be performed and other deliverables to be delivered by Service Provider are set in consideration of the foregoing.

## 10. INDEMNIFICATION

10.1 Subject to Section 11, Service Provider hereby agrees that the Purchaser, its Affiliates, and its officers, managers, directors, investors, employees, and agents (together, the "Indemnitees") shall be indemnified by such Party for any direct liability, loss, cost, damages or reasonable incurred expenses (including attorneys' fees) caused by, or originating from, any claim by any Third Party that

(i) any Results, when used alone or when applied, integrated, connected or otherwise combined with the Licensed IP or any part therein according to the service specification provided under this Service Agreement, infringes the Intellectual Property Rights of the Third Party ("IP Claims"), or

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(ii) is attributable to Service Defect, including those related to death or personal injuries or damaging tangible properties of third parties ("**Other Third Party Claims**")

(iii) Licensed IP, when applied, integrated, connected or otherwise combined with the Results or any part therein according to the service specification provided under this Service Agreement, infringes the Intellectual Property Rights of the Third Party (and on the condition that such infringement would not have occurred when the Licensed IP is used without the foregoing application, integration, connection or combination), ("**Licensed IP Claim**", together with IP Claim and Other Third Party Claims, "**Claims**"),

provided that (a) such Claim is supported by a final non-appealable judgment of a competent court or a final verdict of a competent arbitration forum; or (b) in the case of a settlement between the Purchaser and such Third Party, the said settlement has been approved by the Service Provider.

## 11. [\*\*\*]LIMITATION OF LIABILITY

11.1 Neither Party shall be responsible for any indirect, incidental or consequential damage or any losses of production or profit caused by it under this Service Agreement.

11.2 Unless otherwise stated in this Service Agreement, each Party's aggregate liability for any direct damage arising out of or in connection with this Service Agreement shall be limited to [\*\*\*].

11.3 The limitations of liability set forth in this Section 11.2 shall not apply in respect of:

- (a) claims related to death or bodily injury;
- (b) damage caused by wilful misconduct or gross negligence;
- (c) damage caused by a Party's breach of the confidentiality undertakings in Section 13 below; or
- (d) damage arising out of an infringement, or alleged infringement, of the other Party's Intellectual Property Rights.

11.4 If the Purchaser or its Affiliates has been compensated for its losses in connection with the Results pursuant to [the other agreements in relation to this Project], the Purchaser shall not be compensated again in relation to the same losses under this Service Agreement for the same matter and legal ground.

11.5 Subject to Section 11 (*limitation of liability*), the liability, obligations, costs, penalties, judgment and fees and expenses (including but not limited to reasonable attorney fees, expert fees and where applicable, any and all disbursements or expenses of the type customarily incurred in connection with related defences or investigations) arising from Service Defect shall be borne by the responsible Party determined by a root cause analysis (if applicable) mutually agreed between the Parties according to good faith discussions or

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other reasonable evidence. If the result of root cause analysis could not be mutually agreed between the Parties, Parties shall follow the Escalation principles as set forth in Section 17.1.

## 12. GOVERNANCE AND CHANGES

### 12.1 Governance.

12.1.1 The Parties shall act in good faith in all matters and shall at all times co-operate in respect of changes to this Service Agreement as well as issues and/or disputes arising under this Service Agreement.

12.1.2 The governance and co-operation between the Parties in respect of this Service Agreement shall primarily be administered on an operational level. In the event the Parties on an operational level cannot agree upon *inter alia* the prioritisation of development activities or other aspects relating to the co-operation between the Parties, each Party shall be entitled to escalate such issue to the [\*\*\*] PPGM.

12.1.3 If the Steering Committee fails to agree upon a solution of the disagreement the relevant issue should be escalated to the [\*\*\*] Steering Committee for decision.

12.1.4 In the event that the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and the procedure set forth in Section 17 shall apply.

### 12.2 Changes before [\*\*\*] milestone

12.2.1 During the term of this Service Agreement, either Party can request changes to the Service Specification (including any cancellation thereof), which shall be subject to the Parties' agreement in writing based on the template attached as Appendix [\*\*\*] and be handled in accordance with this Section 12.2 and the governance procedure set forth in Section 12.1 above. Both Parties agree to act in good faith to address and respond to any change request within a reasonable period of time.

(a) Service Provider has an obligation to handle such approved changes in [\*\*\*] deliveries up until [\*\*\*] milestone. Any additional cost or cost saving related to such Change Management shall be agreed by the Parties. If the abovementioned additional costs shall be paid to the Service Provider as agreed by the Parties, the costs shall be an extra payment in addition to the Service Charge based on the template attached as Appendix [\*\*\*];

(b) Changes according to this Section 12.2 shall be handled according to the CCR process as further described in Appendix [\*\*\*] of the Service Specification.

12.2.2 The Parties acknowledge that Service Provider will not perform in accordance with such change request until agreed in writing between the Parties. For the avoidance of any doubt, until there is an amendment of this Service Agreement signed by the Parties about the requested change or such requested change is agreed by Parties in writing based on the template attached as Appendix [\*\*\*], all work shall continue in accordance with the existing Service Specification.

## 13. CONFIDENTIAL INFORMATION

- 13.1 The Parties shall take any and all necessary measures to comply with the security and confidentiality procedures of the other Party.
- 13.2 All Confidential Information shall only be used for the purposes comprised by the fulfilment of this Service Agreement. Each Party will keep in confidence any Confidential Information obtained in relation to this Service Agreement and will not divulge the same to any Third Party, unless the exceptions specifically set forth below in this Section 13.2 below apply, in order to obtain patent protection or when approved by the other Party in writing, and with the exception of their own officers, employees, consultants or sub-contractors with a need to know as to enable such personnel to perform their duties hereunder. This provision will not apply to Confidential Information which the Receiving Party can demonstrate:
- (a) was in the public domain other than by breach of this undertaking, or by another confidentiality undertaking;
  - (b) was already in the possession of the Receiving Party before its receipt from the Disclosing Party;
  - (c) is obtained from a Third Party who is free to divulge the same;
  - (d) is required to be disclosed by mandatory law, court order, lawful government action or applicable stock exchange regulations;
  - (e) is reasonably necessary for either Party to utilize its rights and use of its Intellectual Property Rights; or
  - (f) is developed or created by one Party independently of the other, without any part thereof having been developed or created with assistance or information received from the other Party.
- 13.3 The Receiving Party shall protect the disclosed Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the dissemination to Third Parties or publication of the Confidential Information as the Receiving Party uses to protect its own Confidential Information of similar nature. Further, each Party shall ensure that its officers, employees and consultants are bound by a similar duty of

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confidentiality and that any subcontractors taking part in the fulfilment of that Party's obligations hereunder, enters into a confidentiality undertaking containing in essence similar provisions as those set forth in this Section 13.

- 13.4 Any tangible materials that disclose or embody Confidential Information should be marked by the Disclosing Party as "Confidential," "Proprietary" or the substantial equivalent thereof. Confidential Information that is disclosed orally or visually shall be identified by the Disclosing Party as confidential at the time of disclosure, with subsequent confirmation in writing within thirty (30) days after disclosure. However, the lack of marking or subsequent confirmation that the disclosed information shall be regarded as "Confidential," "Proprietary" or the substantial equivalent thereof does not disqualify the disclosed information from being classified as Confidential Information.
- 13.5 If any Party violates any of its obligations described in this Section 13, the violating Party shall, upon notification from the other Party, (i) immediately cease to proceed such harmful violation and take all actions needed to rectify said behaviour and (ii) financially compensate for the harm suffered as determined by an arbitral tribunal pursuant to 17.1.7 below. All legal remedies (compensatory but not punitive in nature) according to law shall apply.
- 13.6 This Section 13 shall survive the expiration or termination of this Service Agreement without limitation in time.
- 14. TERM AND TERMINATION**
- 14.1 This Service Agreement shall become effective when the Main Document is signed by duly authorised signatories of each Party and shall, unless terminated in accordance with this Section 14 below, remain in force until the Services are completed at [\*\*\*] milestone, [\*\*\*] ("Term of Agreement").
- 14.2 Either Party shall be entitled to terminate this Service Agreement with immediate effect in the event:

the event.

- (a) the other Party commits a material breach of the terms of this Service Agreement, which has not been remedied within [\*\*\*]days from written notice from the other Party to remedy such breach (if capable of being remedied); or
  - (b) if the other Party should become insolvent or enter into negotiations on composition with its creditors or a petition in bankruptcy should be filed by it or it should make an assignment for the benefit of its creditors.
- 14.3 For avoidance of doubt, Purchaser not paying the Service Charges, without legitimate reasons for withholding payment, shall be considered in material breach for the purpose of this Service Agreement.
- 14.4 Furthermore, Purchaser is entitled to terminate this Service Agreement with immediate effect in case Service Provider acts in breach, which is not insignificant, of what is set forth

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in Section 4.2.1 and 4.4 provided that the issue first has been escalated in accordance with Section 17.1, and further provided that such issue is not solely or substantially caused by RKM.

## 15. MISCELLANEOUS

- 15.1 Force majeure.
- 15.2 Neither Party shall be liable for any failure or delay in performing its obligations under the Service Agreement to the extent that such failure or delay is caused by a Force Majeure Event. A **"Force Majeure Event"** means any event beyond a Party's reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, including strikes, lock-outs or other industrial disputes (whether involving its own workforce or a Third Party's), failure of energy sources or transport network, restrictions concerning motive force, acts of God, war, terrorism, insurgencies and riots, civil commotion, mobilization or extensive call ups, interference by civil or military authorities, national or international calamity, currency restrictions, requisitions, confiscation, armed conflict, malicious damage, breakdown of plant or machinery, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, stroke of lightning, earthquakes, loss at sea, epidemics or similar events, natural disasters or extreme adverse weather conditions, or default or delays of suppliers or subcontractors if such default or delay has been caused by one of the foregoing events.
- 15.2.1 A non-performing Party, which claims there is a Force Majeure Event, and cannot perform its obligations under the Service Agreement as a consequence thereof, shall use all commercially reasonable efforts to continue to perform or to mitigate the impact of its non-performance notwithstanding the Force Majeure Event and shall continue the performance of its obligations as soon as the Force Majeure Event ceases to exist. For avoidance of doubt, Force Majeure Event will not excuse or delay the performance of Party's obligation to pay Service Charge previously accrued.
- 15.3 **Notices.** All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Service Agreement must be in legible writing in the English language delivered by personal delivery, email transmission or prepaid overnight courier using an internationally recognized courier service and shall be effective upon receipt, which shall be deemed to have occurred:
- (a) in case of personal delivery, at the time and on the date of personal delivery;
  - (b) if sent by email transmission, at the time and date indicated on a response confirming such successful email transmission;
  - (c) if delivered by courier, at the time and on the date of delivery as confirmed in the records of such courier service; or

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- (d) at such time and date as delivery by personal delivery or courier is refused by the addressee upon presentation;
- 15.3.1 in each case provided that if such receipt occurred on a non-business day, then notice shall be deemed to have been received on the next following business day; and provided further that where any notice, demand, request or other communication is provided by a Party by email, such Party shall also provide a copy of such notice, demand, request or other communication by using one of the other methods. All such notices, demands, requests and other communications shall be addressed to the address, and with the attention, as set forth in the Main Document, or to such other address, number or email address as a Party may designate.
- 15.4 Assignment.
- 15.4.1 Neither Party may, wholly or partly, assign, pledge or otherwise dispose of its rights and/or obligations under this Service Agreement without the other Party's prior written consent.
- 15.4.2 Notwithstanding the above, each Party may assign this Service Agreement to an Affiliate without the prior written consent of the other Party.
- 15.5 **Waiver.** Neither Party shall be deprived of any right under this Service Agreement because of its failure to exercise any right under this Service Agreement or failure to notify the infringing party of a breach in connection with the Service Agreement. Notwithstanding the foregoing, rules on complaints and limitation periods shall apply.
- 15.6 **Severability.** In the event any provision of this Service Agreement is wholly or partly invalid, the validity of the Service Agreement as a whole shall not be affected and the remaining provisions of the Service Agreement shall remain valid. To the extent that such invalidity materially affects a Party's benefit from, or performance under, the Service Agreement, it shall be reasonably amended.
- 15.7 **Entire agreement.** All arrangements, commitments and undertakings in connection with the subject matter of this Service Agreement (whether written or oral) made before the date of this Service Agreement are superseded by this Service Agreement and its Appendices.
- 15.8 **Amendments.** Any amendment or addition to this Service Agreement must be made in writing and signed by the Parties to be valid.
- 15.9 Survival.
- 15.9.1 If this Service Agreement is terminated or expires pursuant to Section **Error! Reference source not found.** or (if the Purchaser is the Party entitled to terminate this Service Agreement pursuant to said Section) above, Section 5 (*Intellectual Property Rights*), Section 10 (*Indemnifications*), Section 11 (*Limitation of Liability*), Section 13 (*Confidentiality*), Section 15.9.1 (*Governing Law*), Section 17 (*Dispute Resolution*) as well

- as this Section 15.9.1, shall survive any termination or expiration and remain in force as between the Parties after such termination or expiration.
- 15.9.2 If this Service Agreement is terminated or expires pursuant to Section **Error! Reference source not found.** (if the Service Provider is the Party entitled to terminate this Service Agreement pursuant to said Section), Section,Section 14.4 or Section above, Section 13 (*Confidentiality*), Section 15.9.1 (*Governing Law*), Section 17 (*Dispute Resolution*) as well as this Section 15.9.2, shall survive any termination or expiration and remain in force as between the Parties after such termination or expiration.

**16. GOVERNING LAW**

- 16.1 This Service Agreement and all non-contractual obligations in connection with this Service Agreement shall be governed by the substantive laws of the People's Republic of China.

**17. DISPUTE RESOLUTION**

- 17.1 Escalation principles.

- 17.1.1 In case the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and each Party shall notify the other Party hereof by the means of a deadlock notice and simultaneously send a copy of the notice to the [\*\*\*] PPGM. Upon the receipt of such a deadlock notice, the receiving Party shall within ten days of receipt, prepare and circulate to the other Party a statement setting out its position on the matter in dispute and reasons for adopting such position, and simultaneously send a copy of its statement to the [\*\*\*] PPGM. Each such statement shall be considered by the next regular meeting held by the [\*\*\*] PPGM or in a forum meeting specifically called upon by either Party for the settlement of the issue.

- 17.1.2 The members of the [\*\*\*] PPGM shall use reasonable endeavours to resolve a deadlock situation in good faith. As part thereof, the [\*\*\*] PPGM may request the Parties to in good faith develop and agree on a plan to resolve or address the breach, to be presented for the [\*\*\*] PPGM without undue delay. If the [\*\*\*] PPGM agrees upon a resolution or disposition of the matter, the Parties shall agree in writing on terms of such resolution or disposition and the Parties shall procure that such resolution or disposition is fully and promptly carried into effect.

- 17.1.3 If the [\*\*\*] PPGM cannot settle the deadlock within 30 days from the deadlock notice served pursuant to Section 17.1.1 above, such deadlock will be referred to the [\*\*\*] Steering Committee, which shall use reasonable endeavours to resolve the situation in the same way as indicated above.

- 17.1.4 If the [\*\*\*] Steering Committee cannot settle the deadlock within 30 days from the deadlock notice pursuant to the section above, the matter shall be escalated to Polestar, Geely and Renault Group level CEO Committee for decision under the Framework Agreement..

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- 17.1.5 All notices and communications exchanged in the course of a deadlock resolution proceeding shall be considered Confidential Information of each Party and be subject to the confidentiality undertaking in Section 13 above.

- 17.1.6 Notwithstanding the above, the Parties agree that either Party may disregard the time frames set forth in this Section 17.1 and apply shorter time frames and/or escalate an issue directly to the [\*\*\*] Steering Committee in the event the escalated issue is of an urgent character and where the applicable time frames set out above are not appropriate.

- 17.1.7 Arbitration.

- 17.1.8 Any dispute, controversy or claim arising out of or in connection with this Service Agreement, or the breach, termination or invalidity thereof, shall:

- 17.1.9 if the Party that is providing the Services is incorporated under the laws of the People's Republic of China, be submitted to China International Economic and Trade Arbitration Committee ("CIETAC") for arbitration, which shall be held in Shanghai and conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration, whereas the language to be used in the arbitral proceedings shall be English and Chinese; and

- 17.1.10 if the Party that is providing the Services is incorporated under the laws of Sweden, be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce, whereas the seat of arbitration shall be Gothenburg, Sweden, the language to be used in the arbitral proceedings shall be English, and the arbitral tribunal shall be composed of three arbitrators.

- 17.1.11 Irrespective of any discussions or disputes between the Parties, each Party shall always continue to fulfil its undertakings under this Service Agreement unless an arbitral tribunal or court (as the case may be) decides otherwise.

- 17.1.12 In any arbitration proceeding, any legal proceeding to enforce any arbitration award, or

in any arbitration proceeding, any legal proceeding to enforce any arbitration award, or any other legal proceedings between the Parties relating to this Service Agreement, each Party expressly waives the defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state. Such waiver includes a waiver of any defence of sovereign immunity in respect of enforcement of arbitral awards and/or sovereign immunity from execution over any of its assets.

- 17.1.13 All arbitral proceedings as well as any and all information, documentation and materials in any form disclosed in the proceedings shall be strictly confidential.

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## SERVICE AGREEMENT, [\*\*\*] Project DEVELOPMENT

### APPENDIX 1

### SERVICE SPECIFICATION

#### 1. GENERAL

This Service Specification is a part of the Service Agreement executed between Service Provider and Purchaser. This Service Specification sets out the scope and the specification of the activities that shall be performed under the Service Agreement, the division of responsibilities between Service Provider and Purchaser and the applicable time plan for the performance of the activities.

#### 2. DEFINITIONS

Any capitalised terms used but not specifically defined herein shall have the meanings set out for such terms in the Main Document. In addition, the capitalised terms set out below in this Section 2 shall for the purposes of this Service Specification have the meanings described herein. All capitalised terms in singular in the list of definitions shall have the same meaning in plural and vice versa.

The following words shall have the meaning specified below:

- **PS** means Program Start
- **J1** means Job 1
- **OKtB** means OK to Buy
- **FSR** means Final Status Report at program close-down. This normally occurs at [\*\*\*] unless otherwise agreed upon by the Parties.
- **[\*\*\*]Vehicle Base Project** means the vehicle program currently referred to as [\*\*\*], which is defined in the Framework Agreement.
- **[\*\*\*]** means the Polestar branded car based on the [\*\*\*] Vehicle Base Project with CBU Manufacturing in the Busan Plant with localized parts supplied by RKM, and with KD parts including battery supplied by Geely and imported by RKM, with Planned SOP [\*\*\*] in week [\*\*\*]. The Parties further acknowledge and agree that once [\*\*\*] (as defined below) is formally implemented, [\*\*\*] shall be adjusted based on [\*\*\*] through CCR process, and, if necessary, the Parties shall enter into an amendment of this Agreement to govern such change. For the avoidance of doubt, only when [\*\*\*] is formally implemented, the Parties shall make [\*\*\*] equal [\*\*\*] with the structural version [\*\*\*] in terms of the technical specifications and overall set-up, unless otherwise agreed between Parties.
- **[\*\*\*]** means [\*\*\*] Vehicle model year [\*\*\*] which is being planned.

#### 3. GENERAL DESCRIPTION

Service Provider will develop the Polestar Vehicle engineering from the [\*\*\*] to the [\*\*\*]. Based on the [\*\*\*] Vehicle Base Project, the Parties have agreed to cooperate in the localization of





[\*\*\*] Vehicle in Korea Busan Plant with Localized Parts list in accordance with the specification in Appendix 1.09.

Assumptions/Pre-Requisites [\*\*\*] project is an overseas production (localization) project based on the [\*\*\*] Vehicle Base Project at the Busan plant in Korea.

RKM is responsible for the Program management and Production development of the [\*\*\*] project, while Geely is only responsible for the development and control of engineering products. The detailed division of work between the three parties is specified in RASIC in Appendix 1.05, and the development scope is detailed in Appendix 1.04

Based on Geely NPDS development process;

Based on the PPWW of [\*\*\*] Vehicle Base Project in Appendix 1.02A only as a reference, which will be changed to PPWW of [\*\*\*] as further set forth in Appendix 1.02B upon Parties' agreement in writing and after the development service agreement of [\*\*\*] is signed between Parties. It is acknowledged by Parties that, the development of [\*\*\*] and any further change to [\*\*\*] shall consider the feasibility, cost impacts and time impacts to the [\*\*\*] project, aiming for the [\*\*\*] to share a same PPWW with [\*\*\*] project. If any change impacts [\*\*\*] project, timing schedule and cost impact should be evaluated by [\*\*\*] PPGM and go through CCR.

Based on [\*\*\*] Vehicle Base Project, localized parts are specified in appendix 1.09. Design and engineering data remain unchanged, and RKM or Polestar should initiate CCR process if either has the change request for the data. For Regulations of 2025 certification, as in [\*\*\*] Vehicle Base Project it has been checked and satisfied the requirements, [\*\*\*] will carry over the result from the [\*\*\*] Vehicle Base Project. RKM shall be responsible for carrying out conformity of production (COP), responsible for producing the complete vehicle and the product quality of local parts;

- Project development is based on [\*\*\*];

- The market is based on the [\*\*\*].

#### 4. DESCRIPTION OF THE SERVICE ACTIVITIES

The Parties have agreed that the Service Provider is responsible for the product engineering development of the [\*\*\*] project according to the further specified in Appendix 1.01-1.10 (a list of Appendixes is included in Section 7).

**Time plan:** The Vehicle Program Plan ("VPP") with the agreed time plan for the [\*\*\*] project is enclosed in Appendix 1.01, which is managed by RKM.

**Development content:** The development content is specified as set forth below:

- The Product Project World-Wide ("PPWW") which contains the technical specification of the Polestar Vehicle is attached in Appendix 1.02. The PPWW is

updated throughout the project with changes agreed between the Parties according to the agreed Change management process.

- The Project will use the forecasted sales volumes as mentioned in the Framework Agreement. The forecasted [\*\*\*] sales volumes are set out in the table below. The table shall be only for illustration purposes as of the date of this Agreement, and may be further updated from time to time based on the decision made by [\*\*\*] PPGM.

	[***]	[***]	[***]	[***]	[***]	Total
[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]
Total	[***]	[***]	[***]	[***]	[***]	[***]

**Development scope and targets:** Based on the [\*\*\*]Vehicle Base Project, with the [\*\*\*]unchanged, the functional components and electrical components remain unchanged. Some of the body, interior and exterior parts development will be based on the localized parts list as per Appendix 1.09, the attributes target and function list are same as [\*\*\*] Vehicle Base Project, which are specified in Appendix 1.04.

**Roles and Responsibilities:** The Roles & Responsibilities (RASIC) job split for the [\*\*\*]Project is included in Appendix 1.05.

Homologation:

The homologation services, which are further specified in the homologation section of the RASIC in Appendix 1.05, will include:

[\*\*\*]export vehicles: Certification testing and documentation of Localized Parts (e.g. re-testing and re-certification), if required, shall be conducted by RKM with support by Geely. Should certification and homologation of the complete Polestar Vehicle be required, the certification and homologation should, upon Polestar request, be conducted by Geely with RKM's support relating to Localized Parts. Geely shall, upon request of Polestar, support with tracking and advising on [\*\*\*]certification requirements and the activities required. Polestar shall determine which certification activities to be performed.

**Sustainability requirements:** Geely acknowledges that it is important to Polestar that product engineering be as efficient and sustainable as possible in terms of its impact to the environment. The Sustainability requirements of Purchase/Material/Manufacture/Logistic are responsible by RKM with GEELY support, specified in the RASIC Appendix 1.05, which are agreed by Parties. Geely shall continue to comply with the product engineering requirements as agreed in the [\*\*\*] Vehicle Base Project.

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Agreement No.: [\*\*\*]

**Digital:** The Parties will exchange necessary information between the parties required to deliver on service specified in this appendix 1; After the release of the new version of data, it means that the old version of data will become invalid immediately.

**Change Management/Content Change Request ("CCR"):** The Content Change Request process (CCR) during the project up to [\*\*\*]shall be handled in accordance with the process described in Appendix 1.07, and changes shall be agreed by the Parties in writing based on the template which separately agreed by the Parties.

**The Project Governance structure:** The Parties shall act in good faith in all matters and shall at all times co-operate in respect of changes to this Project as well as issues and/or disputes arising under this Project, as specified in Appendix 1.08.

**The Localization:** Polestar should define and approve target as necessary level of localization for substantial transformation. RKM is responsible to execute localization activities based on agreed target. GEELY supports RKM to execute localization of the manufacturing of the complete vehicle activities based on agreed target. The impact of localization rate on the substantial transformation should be evaluated by RKM and approved by Polestar. For the sake of clarity, any change to the list of Localized Parts should follow the change process.

## 5. DELIVERABLES

- 5.1 The activities started at [\*\*\*] gate and shall end no later than the latest of the [\*\*\*]milestones for targeted [\*\*\*]or the approved [\*\*\*]milestone. The project shall follow the [\*\*\*]project time plan as enclosed in Appendix 1.01 (VPP).
- 5.2 The Service Provider will deliver to Purchaser in accordance with this time plan following the Purchaser's requirement as described in NPDS, detail as Appendix 1.10 Deliverables list.

## 6. LIST OF APPENDICES

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Certain identified information marked with "[\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

AMENDMENT AGREEMENT No.1 to the Service Agreement [\*\*] Vehicle Development (GEE21-012)

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This Amendment Agreement No.1 to the "Service Agreement [\*\*] ([\*\*]) Vehicle Development" (the "Amendment") is made on \_\_\_\_\_, 2024 (the "Effective Date") between:

**Ningbo Geely Automobile Research & Development Co., Ltd.** (宁波吉利汽车研究开发有限公司), Reg. No. 330218000019540, a limited liability company incorporated under the laws of People's Republic of China, with its registered address at No.818, Binhai 2<sup>nd</sup> Road, Hangzhou Bay New District, Ningbo, China ("GRI");

**Zhejiang Geely Automobile Engineering Technology Development Co., Ltd.** (浙江吉利汽车工程技术开发有限公司), Reg. No. 91330201MACRMC3J0P, a limited liability company incorporated under the laws of the People's Republic of China, with its registered address at 918 Fourth Binhai Road, Hangzhou Bay New Zone, Ningbo Zhejiang Province, China ("ETD") ; and

**Polestar Performance AB**, Reg. No. 556653-3096, a limited liability company incorporated under the laws of Sweden whose registered office is at Assar Gabrielssons Väg 9, 405 31, Gothenburg, Sweden ("Purchaser").

GRI, ETD and Purchaser are hereinafter each referred to as a "Party" and collectively as the "Parties".

BACKGROUND

- A. GRI and Purchaser have entered into the Service Agreement, [\*\*] Vehicle Development (numbered GEE21-012) dated December 28, 2021 (the "Agreement").
  - B. GRI wishes to transfer its rights and obligations under the Agreement to ETD, and from the Effective Date, all the remaining and outstanding Services, including any changes thereof under the Agreement, will be performed by ETD.
  - C. In addition, GRI and the Purchaser intend to supplement terms and conditions with regard to certain FCR changes as per this Amendment.
  - D. The Parties now wish to supplement and amend the Agreement as set forth below.
-

Now, therefore, the Parties agree as follows:

**1. SCOPE OF AMENDMENT**

- 1.1 The Agreement will be deemed amended to the extent herein provided and will, except as specifically amended, continue in full force and effect in accordance with its original terms. In case of any discrepancy between the provisions of this Amendment and the Agreement, the provisions of this Amendment shall prevail.
- 1.2 Any capitalized terms used in this Amendment shall, unless otherwise is stated herein, have the same meanings set forth in the Agreement.

**2. NOVATION**

- 2.1 The Parties agree that GRI hereby transfer all its rights and obligations under the Agreement to ETD, and with effect from the Effective Date, ETD shall, as in place of GRI in the capacity of Service Provider as if it were GRI under the Agreement, (i) perform all remaining Services, including any changes thereof and other obligations according to the Agreement and (ii) assume all rights, privileges and benefits in every way.
- 2.2 With effect from the Effective Date,
  - (1) The Purchaser and GRI release and discharge each other from all claims, demands, obligations and liabilities under or in connection with the Agreement, whether arising from before, on or after the Effective Date; and
  - (2) the Purchaser and ETD may enforce the Agreement and pursue any claims and demands under or in connection with the Agreement against the other with respect to the matters arising before, on or after the Effective Date, as if ETD were the original signing party to, and the Service Provider under the Agreement, instead of GRI.
- 2.3 In light of the foregoing, the following two outstanding instalments of the Service Charges under Section 6.7 of the Agreement shall be invoiced by and payable to ETD, instead of GRI, according to the Agreement as amended by this Amendment.  
[\*\*\*]
- 2.4 Notwithstanding Section 2.1 to 2.3, the 6th Payment with an amount of [\*\*\*], of which the invoice has been issued by GRI shall remain unaffected and the Purchaser shall make the payment for such 6th Payment under the Agreement to GRI.
- 2.5 For the avoidance of doubt, this Section 2 shall not be prejudice to the effect of Section 3.

**3. FCR Changes**

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- 3.1 It is further acknowledged and agreed that in the course of GRI's providing Services for the Purchaser under the Agreement, the Purchaser has requested for changes of the technical specifications and scope as set forth under this Agreement, the details of which, including additional service and engineering costs incurred by GRI, are further set forth in Appendix 1 of this Amendment (the "FCR Changes").
- 3.2 In consideration of the FCR Changes made by GRI before the Effective Date, the Purchaser agrees to, in addition to the payment obligations set forth in the Agreement, pay to GRI an additional service fee in addition to the original Service Fee as set forth in the Agreement, which is equal to [\*\*\*] (the "Change Fee"). The Change Fee includes all development cost related to the FCR changes i.e. both GRI labor cost as well as the cost for sub-suppliers (D&D). The details of the Change Fee are further set forth below.  
[\*\*\*]
- 3.3 The above-mentioned Change Fee, shall be invoiced by GRI after the Effective Date and be payable by the Purchaser towards GRI within [\*\*\*] after the date of the invoice.
4. **Additional FCR Changes after the Effective Date**
- 4.1 The Parties acknowledge and agree that for any additional changes of the technical specifications and scope of the Service under the Agreement requested by the Purchaser (excluding the FCR Changes as set forth in Section 3 above) (the "Additional FCR Changes") as from the Effective Date, the Purchaser shall pay an additional fee in consideration of such Additional FCR Changes as agreed by ETD and the Purchaser under the Agreement after the Effective Date. Any additional fee related to such Additional FCR Changes, shall then be invoiced by ETD on a quarterly basis, at the end of each calendar quarter and payable within [\*\*\*] after the date of invoice.
5. **GENERAL PROVISIONS**
- 5.1 This Amendment is and should be regarded and interpreted as an amendment to the Agreement, and shall constitute an integral part of the Agreement. As from the Effective Date, any reference to the Agreement shall be construed and read as the Agreement amended by this Amendment.
- 3.1 No amendment of this Amendment will be effective unless it is in writing and signed by the authorized representatives of the Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Amendment.
- 3.2 This Amendment Agreement has been signed in five (4) originals, one (1) to the Purchaser and two (2) to GRI, and (1) to EDT.
- 3.3 The Sections 16 and 17 of Appendix 2 of the Agreement shall apply to this Amendment and be deemed restated in full herein *mutatis mutandis*.
- 
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Agreement no.: GEE24-034

[SIGNATURE PAGE FOLLOWS]

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The Agreement has been entered into in five (4) original copies, of which GRI received two (2) originals, Purchaser received one (1) original and EDT received one (1) original.

**Polestar Performance AB**

By: // Jonas Engström_____	By: // Anna Rudensjö_____
Printed Name: Jonas Engström_____	Printed Name: Anna Rudensjö_____
Title: Head of Operations_____	Title: General Counsel_____

**Ningbo Geely Automobile Research & Development Co., Ltd. (宁波吉利汽车研究开发有限公司)**

By: // Yang Guang_____	By: _____
Printed Name: Yang Guang_____	Printed Name: _____
Title: Legal Signatory_____	Title: _____

**Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. (浙江吉利汽车工程技术开发有限公司)**

By: // Yang Guang_____	By: _____
Printed Name: Yang Guang_____	Printed Name: _____
Title: Legal Signatory_____	Title: _____

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Appendix 1

to Agreement no.: PS24-034 Amendment Agreement No.1 to  
the Service Agreement [\*\*\*] Vehicle Development (GEE21-012)

[\*\*\*]



## AMENDMENT AGREEMENT NO. 2

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Certain identified information marked with "[\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

This Amendment Agreement No. 2 to the "Service Agreement VCC Outbound Services EMEA" ("**Amendment**") is between

**Volvo Car Corporation**, Reg. No. 556074-3089, a corporation organized and existing under the laws of Sweden ("**Service Provider**") and

**Polestar Performance AB**, Reg. No. 556653-3096, a corporation organized and existing under the laws of Sweden ("**Purchaser**").

Each of Service Provider and Purchaser is hereinafter referred to as a "**Party**" and jointly as the "**Parties**".

### BACKGROUND

- A. The Parties have entered into a Service Agreement VCC Outbound Services EMEA (agreement No. PS20-004) on 24 March 2020 and into the Amendment Agreement No. 1 (agreement No. PS21-026) to the foregoing agreement on 21 May 2021 (combined and in the form of the amended version, the "**Agreement**").
- B. The Parties now wish to amend the Agreement to the extent set out below.
- C. Now, therefore, the Parties agree as follows:

### 1. SCOPE OF AMENDMENT

- 1.1 The Agreement will be deemed amended to the extent herein provided and will, except as specifically amended, continue in full force and effect in accordance with its original terms. In case of any discrepancy between the provisions of this Amendment and the Agreement, the provisions of this Amendment shall prevail. Any definitions used in this Amendment shall, unless otherwise is stated herein, have the respective meanings set forth in the Agreement.
- 1.2 The amendments to the provisions in the Agreement as stated in Section 2 below, such provisions highlighted for ease of reference in bold italics, shall come into force on 1 January 2022.

### 2. AMENDMENTS

- 2.1 ***Section 1.3 of the Individual Terms*** shall be amended and restated in its entirety as follows:

#### **"AFFILIATE**

Affiliate shall for the purpose of this Service Agreement have the following meaning:

**"Affiliate"** means any other legal entity that, directly or indirectly, is controlled by Volvo Car Corporation or Polestar Automotive Holding UK PLC; and control means the possession, directly or indirectly, by agreement or otherwise, of (i) at least 50% of the voting stock, partnership interest or other ownership interest, or (ii) the power (a) to appoint or remove a majority of the board of directors or other governing body of an entity, or (b) to cause the direction of the management of an entity."

- 2.2 **Section 6.2 in the Main Document of the Agreement** shall be amended and restated in its entirety as follows:

"Above the operational level, the next level of governance forum for handling the co-operation between the Parties in various matters, handling management, prioritisation of development activities etc. under the Service Agreement shall be the **"Steering Committee"**, which regarding cooperation between Service Provider and Purchaser is the so called Volvo Polestar Engineering & Operations Steering Committee. The Steering Committee shall be the first level of governance forum established by the Parties for handling the cooperation between them to which an issue shall be escalated if the Parties fail to agree upon a solution on the operational level."

- 2.3 **Section 6.3 in the Main Document of the Agreement** shall be amended and restated in its entirety as follows:

"The higher level of governance forum, to which an issue shall be escalated if the Steering Committee fails to agree upon a solution shall be **"Strategic Board"**, which regarding cooperation between Service Provider and Purchaser is the so called Volvo Polestar Executive Alignment Meeting. The Strategic Board shall be the highest level of governance forum established by the Parties for handling the cooperation between them in respect of various matters."

- 2.4 **Section 2.6 in Appendix 1 of the Agreement** shall be amended and restated in its entirety as follows:

**"Vehicles** – Purchaser's factory new Polestar 1, Polestar 2, Polestar 3, Polestar 4 and [\*\*\*] vehicles. Any "in-use" and/or "used" vehicles are not in scope of this Agreement."

- 2.5 **Section 5.1.1 in Appendix 1 of the Agreement** shall be amended and restated in its entirety as follows:

"As it concerns [\*\*\*], the scope shall be limited to activities (items) #1 to #16 in Appendix 1a, as may be relevant. Daily operations are currently out of scope and will require an amendment of this Service Agreement when added."

- 2.6 A new **Section 5.6 in Appendix 1 of the Agreement** shall be added to the Agreement as follows:

"The Parties agree that all Services related to customs support, and as specified in Appendices 1b and 1f, shall end on 31 December 2023. However, during a transitional period of 6 months thereafter (i.e., until 30 June 2024), Purchaser may from Service Provider request consultative support, and Service Provider shall upon such request use reasonable effort to provide relevant support to Purchaser. Any such support will be charged to Purchaser, in case of provision through Service Provider's staff per hour based on the corresponding hourly rate, and in the case of support provided through Third-party

service providers (e.g. broker or similar) based on actual cost plus a [\*\*\*] arm's length mark-up."

- 2.7 **Appendix 1a to the Agreement** shall be replaced in its entirety by Appendix 1a attached to this Amendment.

- 2.8 **Section 7.5 in Appendix 2 of the Agreement** shall be amended and restated in its entirety as follows:

"Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on the one month applicable interbank rate, depending on invoice and currency, with an addition of [\*\*\*] per annum."

- 2.9 **Section 11.2 in Appendix 2 of the Agreement** shall be amended and restated in its entirety as follows:

"Each Party's aggregate liability for any direct damage arising out of or in connection with this Service Agreement shall be limited to [\*\*\*] of the Service Charges paid by Purchaser to Service Provider within the preceding [\*\*\*] period."

- 2.10 **Section 12.1.3 in Appendix 2 of the Agreement** shall be amended and restated in its entirety as follows:

"If the Steering Committee fails to agree upon a solution of the disagreement the relevant issue should be escalated to the Strategic Board for decision."

- 2.11 **Section 17.1 in Appendix 2 of the Agreement** shall be amended and restated in its entirety as follows:

"17.1 Escalation principles.

17.1.1 In case the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and each Party shall notify the other Party hereof by the means of a deadlock notice and simultaneously send a copy of the notice to the Steering Committee. Upon the receipt of such a deadlock notice, the receiving Party shall within ten days of receipt, prepare and circulate to the other Party a statement setting out its position on the matter in dispute and reasons for adopting such position, and simultaneously send a copy of its statement to the Steering Committee. Each such statement shall be considered by the next regular meeting held by the Steering Committee or in a forum meeting specifically called upon by either Party for the settlement of the issue.

17.1.2 The members of the Steering Committee shall use reasonable endeavours to resolve a deadlock situation in good faith. As part thereof, the Steering Committee may request the Parties to in good faith develop and agree on a plan to resolve or address the breach, to be presented for the Steering Committee without undue delay. If the Steering Committee agrees upon a resolution or disposition of the matter, the Parties shall agree in writing on terms of such resolution or disposition and the Parties shall procure that such resolution or disposition is fully and promptly carried into effect.

- 17.1.3 If the Steering Committee cannot settle the deadlock within 30 days from the deadlock notice pursuant to the section above, despite using reasonable endeavours to do so, such deadlock will be referred to the Strategic Board for decision. If no Steering Committee has been established between the Parties, the relevant issue shall be referred to the Strategic Board. Should the matter not have been resolved by the Strategic Board within 30 days counting from when the matter was referred to them, despite using reasonable endeavours to do so, the matter shall be resolved in accordance with Section 17.2 below.
- 17.1.4 All notices and communications exchanged in the course of a deadlock resolution proceeding shall be considered Confidential Information of each Party and be subject to the confidentiality undertaking in Section 13 above.
- 17.1.5 Notwithstanding the above, the Parties agree that either Party may disregard the time frames set forth in this Section 17.1 and apply shorter time frames and/or escalate an issue directly to the Strategic Board in the event the escalated issue is of an urgent character and where the applicable time frames set out above are not appropriate.”
- 2.12 **Appendix 3 to the Agreement** shall be replaced in its entirety by Appendix 3 attached to this Amendment.
- 2.13 **Appendices 4a and 4b to the Agreement** are hereby deleted without substitution.
- 2.14 **Appendix 4c to the Agreement** shall be replaced in its entirety by Appendix 4a attached to this Amendment.
- 2.15 **Appendix 4d to the Agreement** shall be replaced in its entirety by Appendix 4b attached to this Amendment.
- 3. GENERAL PROVISIONS**
- 3.1 This Amendment is and should be regarded and interpreted as an amendment to the Agreement. The validity of this Amendment is therefore dependent upon the validity of the Agreement.
- 3.2 No amendment of this Amendment will be effective unless it is in writing and signed by both Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Amendment.
- 3.3 Sections 16 and 17 in Appendix 2 of the Agreement shall apply to this Amendment as well.

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[SIGNATURE PAGE FOLLOWS]

This Amendment has been signed electronically by both Parties.

**VOLVO CAR CORPORATION**

AUGUST 20, 2024

By: /s/ Helen Hu

Title: General Counsel

August 20, 2024

By: /s/ Johan Ekdahl

Title: CFO

**POLESTAR PERFORMANCE AB**

AUGUST 30, 2024

By: /s/ Anna Rudensjö

Title: General Counsel

August 30, 2024

By: /s/ Jonas Engström

Title: Head of Operations



## PS20-004 - Appendix 1a Service Specification - RACI, Division of High Level responsibilities

Amended through PS22-022

### Transportation & related Logistics services

Item #	Activity/Action	Remark	Responsible	Accountable/ Approver	Consulted	Informed
#1	Define & provide needs/requirements and specifications pertaining to OB Transportation	Such as but not limited to Factories, Markets, Destinations, Products, Volumes, Timing	PS	PS	VCC	-
#2	Define & provide needs/requirements and specifications pertaining to related OB Logistic services, incl Port processing	Such as but not limited to Markets, Locations, Products, "Types of services & quantities", Timing	PS	PS	VCC	-
#3	Perform OB Network design/Logistics engineering	Basis #1 and #2	VCC	VCC	PS	-
#4	Source and select suppliers for OB Transportation & related Logistic services	Basis #3	VCC	VCC	PS	PS
#7	Prepare Supplier Contracts for OB Transportation & related Logistic services		VCC	VCC	PS	PS
#11	For transports/services outside of the regular network and if not possible to use the set-up in #12, Sign Supplier Contracts for OB Transportation & related Logistic services	VCC is contracting party vs. Suppliers. Should only be applied as an exception for "one-off transports" and if it is not feasible to arrange a contract between PS and the Supplier.	VCC	-	-	PS
#12	Sign Supplier Contracts for OB Transportation & related Logistic services, excl. Polestar 1	PS is contracting party vs. Suppliers.	PS	-	-	VCC
#14	Appoint & maintain relevant regional PS "SPOCs" vs. VCC for Transportation & related Logistics services matters	- "SPOC" = Single Point of Contact - To be defined & kept updated in a joint/mutual Contact list	PS	PS	-	VCC
#15	Appoint & maintain relevant regional VCC "SPOCs" vs. PS for Transportation & related Logistics services matters	- "SPOC" = Single Point of Contact - To be defined & kept updated in a joint/mutual Contact list	VCC	VCC	-	PS
#16	Issue & provide to VCC a Power of Attorney authorizing VCC to act on PS' behalf towards suppliers	For the purpose of managing the daily administration/ operation of OB Transportation & related Logistics services, e.g. as set forth in #22 and #23 below	PS	PS	VCC	-
#17	<b>Manage daily administration/operation of OB Transportation &amp; related Logistics services</b>		VCC	VCC	-	PS
#18	Pay VCC for the daily administration/operation of OB Transportation & applicable related Logistics services	Services performed/provided by VCC (e.g. Admin staff, Yard staff, Handling, Parking, Maintenance)	PS	-	-	VCC
#20	Pay VCC for OB Transportation & applicable related Logistics services which cannot be invoiced PS directly by Supplier (ref. #11).	Services performed by external providers (e.g. Carriers, Compound/Port operators). Payment terms may be adjusted in order to balance cash flow for VCC	PS	-	-	VCC
#21	Pay supplier for OB Transportation & applicable related Logistics services. Valid from when Self-Billing has been implemented	Services performed by external providers (e.g. Carriers, Compound/Port operators)	PS	-	-	-
#22	Manage any escalation matters vs. suppliers related to the daily administration/operation of the Services	E.g. operational sub-performance	VCC	VCC	-	PS
#23	Engage actively, as may be deemed necessary and requested by VCC, in managing any escalation matters vs. suppliers	E.g. long term and/or serious operational sub-performance, financial distress, or otherwise	PS	PS	VCC	-
#24	Provide specific administrative/operational Transportation & related Logistic service activities as exemplified in <b>Appendix 1e</b>		VCC	VCC	-	PS

R Responsible = Who is responsible for the execution of the task  
A Accountable/Approver = Who is accountable for the task and signs off the work  
C Consulted = Who is/are the subject matter expert(s) who shall be consulted?  
I Informed = Who is/are the person/people that need to be updated of progress/results?

VCC = Service Provider  
PS = Purchaser

**Service Agreement**  
**VCC Outbound Services EMEA**  
**Appendix 3**  
**Service Charges**

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**1. GENERAL**

- 1.1 This Appendix 3 stipulates the rules and principles for the Service Charges payable by Purchaser to Service Provider for Services delivered under this Service Agreement.
- 1.2 The Parties agree that the Service Charges shall be updated for each new calendar year based on changes in required resources, costs and forecasted volumes.

**2. DEFINITIONS**

- 2.1 Any capitalised terms used but not specifically defined herein shall have the meanings set out for such terms in the Service Agreement. In addition, the capitalised terms set out below in this Section 2 shall for the purposes of this Service Specification have the meanings described herein. All capitalised terms in singular in the list of definitions shall have the same meaning in plural and vice versa.
- 2.2 “**Common Costs**” shall have the meaning as set out in Section 3.3 below.
- 2.3 “**OBL**” means Outbound Logistics.
- 2.4 “**WC**” means White Collar employee.
- 2.5 “**BC**” means Blue Collar employee.
- 2.6 “**OPR**” means Outward Processing Relief.
- 2.7 “**Mark-up**” means the additional charge added to all Service Provider’s costs in order to fulfil the “Arm’s length” principle as necessary in business relations between related parties.

**3. COST SHARING PRINCIPLES**

- 3.1 Purchaser shall, based on “Arm’s Length” principle, fully compensate Service Provider for all costs occurring related to activities under this Service Agreement which are executed on behalf of Purchaser.
- 3.2 The general principle is that costs that can be identified as directly arising from activities related to one Party’s Vehicles shall also be fully covered by that Party.
- 3.3 In cases when the distinction described in Section 3.2 above is not possible to make, i.e. when an activity adds value to both Parties’ outbound logistics flow, the costs for such activities (“Common Costs”) will be distributed between the Parties based on forecasted production volume (unless otherwise stated in the following) and, where applicable, its market distribution.

- 3.3.1 To establish the costs for a calendar year, the Parties' combined volume forecast plan made available in November, preceding year, shall be used to determine each Parties' share of the Common Costs.
- 3.3.2 In the event that Purchaser during a calendar year adds an additional car model, manufacturing plant (pick-up location) and/or new market (destinations) which was not known at the time for the planning described in Section 3.3.1 above, the Common Costs will be adjusted based on a new volume forecast which is determined in good faith between the Parties. The updated Common Costs shall be applied from the first day of the calendar month when the changed condition is effective.
- 4. SERVICE CHARGES**
- 4.1 Hourly rates, general**
- 4.1.1 The hourly rates that are used for charging service costs to Purchaser shall be determined by Service Provider on an, at least, annual basis in compliance with applicable tax legislation, including but not limited to the principle of "Arm's Length" between the Parties. The hourly rates shall be calculated using the cost plus method, i.e. full cost incurred plus an arm's length Mark-up.
- 4.1.2 The hourly rates, used at the time of preparation of this Service Agreement, represents the January 2021 level. The Parties agree that the Service Charges related to this Service Agreement will be continuously updated whenever the hourly rates are updated according to Section 4.1.1 above.
- 4.1.3 The Parties agree that one Full Time Employee ("FTE") represents [\*\*\*] working hours per year.
- 4.2 Charges related to OBL Administration & Operation and IDP Purchasing**
- 4.2.1 Examples of the activities related to Administration and Operations of the outbound transports and related logistic services are listed in Appendix 1e.
- 4.2.2 The costs for these activities are not directly influenced by the actually shipped volume of Vehicles since Service Provider must uphold a certain capacity on behalf of Purchaser. Therefore, the costs for the related activities shall be calculated for each calendar year and distributed evenly on the invoices for the Services under the Service Agreement, issued by Service Provider to Purchaser during said calendar year.

*[The remainder of this page is intentionally left blank.]*

- 4.2.3 The table below shows the running operation cost categories and the estimated costs based on January 2022 cost levels.

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- 4.2.4 The table below shows the running operation cost categories and the estimated costs based on January 2023 cost levels.

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- 4.2.5 The table below shows the 2024 estimated running operation cost categories based on the 2024 hourly rates.

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4.2.6 The tables below show costs associated with yard handling in Ghent, BE and Gothenburg, SE, based on January 2022 cost levels.

**VCDG YARD, GHENT, BE**

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TÅ YARD, GOTHENBURG, SE  
[\*\*\*]

4.2.7 In the event that Service Provider needs to perform any kind of work on behalf of Purchaser, which is not part of the running operation activities, Purchaser shall compensate Service Provider for the time spent based on the hourly rates agreed between the Parties at the time. Before any such work is started, Service Provider shall present to Purchaser an estimation of the required hours, which Purchaser must approve. If the Parties cannot agree, the work shall not be carried out and Purchaser is responsible for any potential consequences.

**4.3 Charges related to Customs administration**

4.3.1 Examples of the activities related to Customs administration services are listed in Appendix 1f.

4.3.2 The costs for these activities are mainly directly influenced by the actually shipped volume of Vehicles since Service Provider must process each imported Vehicle.

4.3.3 The tables below shows the Customs administration services and the estimated costs based on January 2022 to 2024 cost levels.

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**4.4 Charges related to Damage Claims administration**

4.4.1 Examples of the activities related to Damage Claims administration services are listed in Appendix 1g.

4.4.2 The costs for the services related Damage Claims administration and produced by Service Provider's staff are not directly influenced by the actually shipped volume of Vehicles since Service Provider must uphold a certain capacity on behalf of Purchaser. Therefore, the costs for the related activities shall be calculated for each calendar year and distributed evenly on the invoices for the Services under the Service Agreement, issued by Service Provider to Purchaser during said calendar year.

4.4.3 The costs for the services related to Damage Claims administration and produced by external providers are a mix of fixed costs and variable costs. These fees, as listed in the table in Section 4.4.4 below, are regulated in Service Provider's contract with a third party provider and will be updated from time to time, normally once per year. The costs for externally produced services presented below are based on a contract valid until 31 March 2021. The base for allocation of these costs is shown in the table in Section 4.4.4 below.

4.4.4 The tables below show the cost categories and the estimated costs based on September 2022 cost levels.

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## **Appendix 4a - Geographical Scope of VCC (EMEA) Services for Polestar 2, Polestar 3 & Polestar 4**

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## **Appendix 4b - Geographical Scope of VCC (EMEA) Services for Polestar 2, Polestar 3 & Polestar 4**

[\*\*\*]

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Certain identified information marked with "[\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

## AMENDMENT AGREEMENT 1 POLESTAR ENGINEERED LICENSCE AGREEMENT

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This Amendment Agreement 1 to the License Agreement for Polestar Engineered for Volvo Vehicle Models (the "**Amendment**") is between **Polestar Performance AB**, Reg. No. 556653-3096 a corporation organized and existing under the laws of Sweden (the "**Licensor**" or "**Polestar**"). And **Volvo Car Corporation** Reg. No 556074-3089 a corporation organized and existing under the laws of Sweden (the "**Licensee**" or "**VCC**") and

Each of Supplier and Licensee is hereinafter referred to as a "**Party**" and jointly as the "**Parties**".

### BACKGROUND

- A. The Parties have entered into the License Agreement for Polestar Engineered for Volvo Vehicle Models on 23 December 2020 (PS20-017), (the "**Agreement**").
- B. Under the Agreement Licensor has granted Licensee a license to use the Licensed Intellectual Property for the sole purpose of make, and have made, market, sell and make available Polestar Engineered Vehicles during the Term. The Parties have now agreed to extend the term of the Agreement and also make certain clarifications and amendments to the Agreement to the extent as set out below.
- C. Now, therefore, the Parties agree as follows:

### 1. SCOPE OF AMENDMENTAL AGREEMENT

- 1.1 The Agreement will be deemed amended to the extent herein provided and will, except as specifically amended, continue in full force and effect in accordance with its original terms. In case of any discrepancy between the provisions of this Amendment Agreement and the Agreement, the provisions of this Amendment Agreement shall prevail. Any definitions used in this Amendment Agreement shall, unless otherwise is stated herein, have the respective meanings set forth in the Agreement.
- 1.2 The amendments to the provisions in the Agreement as stated in Section 2 below, such provisions highlighted for ease of reference in bold italics, shall come into force upon signing by duly authorised signatories of each Party and be effective as of Model Year 2025.

### 2. AMENDMENTS

- 2.1 ***Section 1.14. of the Agreement*** shall be amended and restated in its entirety as follows:

"Polestar Engineered Vehicle means Volvo branded vehicles model [\*\*] based on the [\*\*] platform which contains all the hardware and software components listed in Section 1-3 (Core Content, Other Content and Specification Adjustments ) in Appendix 1.  
"

- 2.2 The term of Agreement shall be extended and **Section 9.1. of the Agreement** shall be amended and restated in its entirety as follows:

"This License Agreement shall become effective when it is signed by duly authorized signatories of each party and shall, unless terminated in accordance with this Section 9 below, remain in force up until and including Model Year 2027 ("**Term**")". Six months prior the expiration of the Term the Parties should in good faith discuss the need for an extension of the Term."

- 2.3 A new **Section 2.6** shall be added to the Agreement as follows:

"The Parties agree that the Licensed Intellectual Property as described in Appendix 1 of the Agreement shall be reviewed and an updated content and Licensed Intellectual Property shall be agreed and implemented as of [\*\*\*]. The Parties recognize that an updated content and Licensed Intellectual Property may require an adjustment of the Licensee Fee."

- 2.4 **Section 4 of Appendix 1 (Specification)** shall be amended and restated in its entirety as follows:

### 3. EXTERIOR AND INTERIOR COLOURS

Exterior and Interior Colours	
Exterior Colours	[***]
Interior Colours	[***]

- 3.1 **Appendix 2 (Fee)** shall be replaced in its entirety by Appendix 2 attached to this Amendment.

### 4. GENERAL PROVISIONS

- 4.1 This Amendment is and should be regarded and interpreted as an Amendment to the Agreement. The validity of this Amendment is therefore dependent upon the validity of the Agreement.
- 4.2 No amendment of this Amendment will be effective unless it is in writing and signed by both Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Amendment.
- 4.3 Sections 8, 10, 11, 12 and 13 of the Agreement shall be deemed restated herein and applicable to this Amendment, *mutandis mutatis*.
- 4.4 The Parties may execute this Amendment in counterparts, including electronic copies, which taken together will constitute one instrument.

\_\_\_\_\_

**POLESTAR PERFORMANCE AB**

By: /s/ Jonas Engström  
Printed Name: Jonas Engström  
Title: Head of Operations  
Date: 2024-07-15

By: /s/ Anna Rudensjö  
Printed Name: Anna Rudensjö  
Title: General Counsel Date: 2024-07-17

**VOLVO CAR CORPORATION**

By: /s/ Helen Hu  
Printed Name: Helen Hu  
Title: General Counsel  
Date: 2024-08-30

By: /s/ Johan Ekdahl  
Printed Name: Johan Ekdahl  
Title: CFO  
Date: 2024-08-30

**LICENSE AGREEMENT**  
**APPENDIX 2**  
**FEE**

---

**PRICE MODEL COST CALCULATION**

Licensor will grant Licensee a License to use the Licensed Intellectual Property for Polestar Engineered Vehicles pursuant to the terms and conditions set out in this Agreement and the License Fee payable by Licensee to Licensor shall be calculated according to what is set out below.

The additional revenue generated by Licensee through use of the Licensed Intellectual Property is estimated to [\*\*\*] per sold vehicle Polestar Engineered Vehicle.

The additional estimated revenue generated by spare parts sold outside warranty for Polestar Engineered Vehicles is [\*\*\*] per sold vehicle, during the estimated lifetime of the vehicle.

The License Fee to Licensor is based on this additional revenue, with [\*\*\*] royalty for use of technology and [\*\*\*] for use of the Polestar Trademark. The additional revenue is subject to review and update on a yearly basis, if needed, at the start of a new modelyear.

The License Fee is calculated to [\*\*\*] compensation per sold Polestar Engineered vehicle.

Licensee will provide the global sales numbers of Polestar Engineered Vehicles to Licensor every quarter, within ten days after the end of the quarter.

Licensor will invoice Volvo [\*\*\*] \* number of sold Polestar Engineered Vehicles according to the terms set forth in Section 4 of this License Agreement.

Licensee will not guarantee a minimum sale of Polestar Engineered Vehicles but the annual forecasted volumes for Polestar Engineered Vehicles is:

Year 2025	Year 2026	Total
[***]	[***]	[***]



## AMENDMENT AGREEMENT

Certain identified information marked with "[\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

This Amendment Agreement to the service agreement "Outbound logistics on behalf of Polestar – VCC Services, USA and Canada" ("**Amendment**") is between

**Volvo Cars USA LLC**, with offices located at 1800 Volvo Place, Mahwah, NJ 07430, a Delaware limited liability company ("**Service Provider**"), and  
**Polestar Automotive USA Inc.**, with offices located at 1800 Volvo Place, Mahwah, NJ 0743, a Delaware corporation ("**Purchaser**").

Each of Service Provider and Purchaser is hereinafter referred to as a "**Party**" and jointly as the "**Parties**".

### BACKGROUND

- A. The Parties have entered into a service agreement Outbound logistics on behalf of Polestar – VCC Services, USA and Canada (Agreement No. PS20-092) on 28 January 2021 (the "**Agreement**").
- B. The Parties now wish to amend the Agreement to the extent set out below.
- C. Now, therefore, the Parties agree as follows:

### 1. SCOPE OF AMENDMENT

- 1.1 The Agreement will be deemed amended to the extent herein provided and will, except as specifically amended, continue in full force and effect in accordance with its original terms. In case of any discrepancy between the provisions of this Amendment and the Agreement, the provisions of this Amendment shall prevail. Any definitions used in this Amendment shall, unless otherwise is stated herein, have the respective meanings set forth in the Agreement.
- 1.2 The amendments to the provisions in the Agreement as stated in Section 2 below, such provisions highlighted for ease of reference in bold italics, shall come into force on 21 June 2022.

### 2. AMENDMENTS

- 2.1 ***Section 3.1 of the Individual Terms*** shall be amended and restated in its entirety as follows:

"Affiliate shall for the purpose of this Service Agreement have the following meaning:

**"Affiliate"** means any other legal entity that, directly or indirectly, is controlled by Volvo Car Corporation or Polestar Automotive Holding UK PLC; and control means the possession, directly or indirectly, by agreement or otherwise, of (i) at least 50% of the voting stock, partnership interest or other ownership interest, or (ii) the power (a) to appoint or remove

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a majority of the board of directors or other governing body of an entity, or (b) to cause the direction of the management of an entity."

- 2.2 ***Section 6.2 in the Main Document of the Agreement*** shall be amended and restated in its entirety as follows:

"Above the operational level, the next level of governance forum for handling the co-operation between the Parties in various matters, handling management, prioritisation of development activities etc. under the Service Agreement shall be the "**Steering Committee**", which regarding cooperation between Service Provider and Purchaser is the so called Volvo Polestar Engineering & Operations Steering Committee. The Steering Committee shall be the first level of governance forum established by the Parties for handling the cooperation between them to which an issue shall be escalated if the Parties fail to agree upon a solution on the operational level."



- 2.3 **Section 2.6 in Appendix 1 of the Agreement** shall be amended and restated in its entirety as follows:
- “**Vehicles** – Purchaser’s factory new Polestar 1, Polestar 2, Polestar 3, Polestar 4 and [\*\*\*] vehicles. Any “in-use” and/or “used” vehicles are not in scope of this Agreement.”
- 2.4 A new **Section 3.5 in Appendix 1 of the Agreement** shall be added to the Agreement as follows:
- “The scope of work upon which this agreement stands assumes Purchaser follows Service Provider’s finished vehicle distribution network. Any volume flows, stock locations, providers or operational setups that differ from Service Provider’s fall outside of the agreed scope and would necessitate a separate request for support from Purchaser to Service Provider.”
- 2.5 A new **Section 5.1.1 in Appendix 1 of the Agreement** shall be added to the Agreement as follows:
- “As it concerns [\*\*\*], the scope shall be limited to activities (items) #1 to #16 in Appendix 1a, as may be relevant. Daily operations are currently out of scope and will require an amendment of this Service Agreement when added.”
- 2.6 A new **Section 5.5 in Appendix 1 of the Agreement** shall be added to the Agreement as follows:
- “The Parties agree that all Services related to customs support, and as specified in Appendices 1b and 1e, shall end on 31 December 2023. However, during a transitional period of 6 months thereafter (i.e., until 30 June 2024), Purchaser may from Service Provider request consultative support, and Service Provider shall upon such request use reasonable effort to provide relevant support to Purchaser. Any such support will be charged to Purchaser, in case of provision through Service Provider's staff per hour based on the corresponding hourly rate, and in the case of support provided through Third-party service providers (e.g. broker or similar) based on actual cost plus a [\*\*\*] arm’s length mark-up.”
- 2.7 **Appendix 1b to the Agreement** shall be replaced in its entirety by Appendix 1b attached to this Amendment.

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- 2.8 **Appendix 1d to the Agreement** shall be replaced in its entirety by Appendix 1d attached to this Amendment.
- 2.9 **Appendix 1e to the Agreement** shall be replaced in its entirety by Appendix 1e attached to this Amendment.
- 2.10 **Section 7.4 in Appendix 2 of the Agreement** shall be amended and restated in its entirety as follows:
- “Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on the one month applicable interbank rate, depending on invoice and currency, with an addition of [\*\*\*] per annum.”
- 2.11 **Section 11.2 in Appendix 2 of the Agreement** shall be amended and restated in its entirety as follows:
- “Each Party’s aggregate liability for any direct damage arising out of or in connection with this Service Agreement shall be limited to [\*\*\*] of the Service Charges paid by Purchaser to Service Provider within the preceding [\*\*\*] period.”
- 2.12 **Appendix 3 to the Agreement** shall be replaced in its entirety by Appendix 3 attached to this Amendment.
- 2.13 **Appendix 4 to the Agreement** shall be replaced in its entirety by Appendices 4a, 4b, 4c and 4d attached to this Amendment.
3. **GENERAL PROVISIONS**
- 3.1 This Amendment is and should be regarded and interpreted as an amendment to the Agreement. The validity of this Amendment is therefore dependent upon the validity of the Agreement.
- 3.2 No amendment of this Amendment will be effective unless it is in writing and signed by both Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Amendment.
- 3.3 Sections 16 and 17 in Appendix 2 of the Agreement shall apply to this Amendment as well.

[SIGNATURE PAGE FOLLOWS]

Amendment Agreement Template v20190325

Agreement No.: PS22-023

This Amendment has been signed electronically by both Parties.

**VOLVO CAR USA LLC**

August 16, 2024

By: /s/Robert Manna

Title: CFO

August 17, 2024

By: /s/ Michael Cottone

Title: CEO

**POLESTAR AUTOMOTIVE USA INC.**

August 26, 2024

By: /s/ Ola Sjölander

Title: Head of Finance Commercial Polestar

September 5, 2024

By: /s/ Anders Gustafsson

Title: President

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## Appendix 1b Service Specification - RACI, Division of High Level responsibilities - US and Canada

### Customs administration & related Export/Import matters

Item #	Activity/Action	Remark	Responsible	Accountable/ Approver	Consulted	Informed
#32	Provide required data, timeously and in requested format, enabling the preparation & performance of Customs administration		PS	PS	VCC	-
#33	Obtain required Customs licences and set up necessary processes & systems. Not applicable for destination market USA		VCC	VCC	PS	-
#34	Appoint & maintain relevant regional PS "SPOCs" vs. VCC for Customs administration & related Export/Import matters	- "SPOC" = Single Point of Contact - To be defined & kept updated in a joint/mutual Contact list	PS	PS	-	VCC
#35	Appoint & maintain relevant regional VCC "SPOCs" vs. PS for Customs administration & related Export/Import matters	- "SPOC" = Single Point of Contact - To be defined & kept updated in a joint/mutual Contact list	VCC	VCC	-	PS
#37	<b>Manage daily administration of Customs for Import</b>	- On behalf of PS, with PS stated as "Declarant" - With own or appointed external resources	VCC	VCC	-	PS
#38	Pay customs duties, VAT fees and other costs & charges directly to relevant authorities or parties. Not applicable for destination market USA		PS	PS	-	VCC
#41	Pay VCC for daily Customs administration for Import. Not applicable for destination market USA		PS	PS	-	VCC
#42	Obtain & maintain Import licence and any other required permits for Import. Not applicable for destination market USA		PS	PS	VCC	-
#43	Provide, as agreed, any consultation services related to Customs administration		VCC	VCC	PS	-
#44	Pay VCC for any provided consultation services related to Customs administration		PS	PS	-	VCC
#45	Provide specific Customs administration activities as exemplified in <b>Appendix 1e</b> . Not applicable for destination market USA		VCC	VCC	-	PS

R Responsible = Who is responsible for the execution of the task  
A Accountable/Approver = Who is accountable for the task and signs off the work  
C Consulted = Who is/are the subject matter expert(s) who shall be consulted?  
I Informed = Who is/are the person/people that need to be updated of progress/results?

VCC = Service Provider  
PS = Purchaser

Internal Information - Polestar

## Appendix 1d - VCC Services, US and Canada

### Admin./Operation of OB Transport & related Logistics

#### Examples of Activities/Actions - Office/WC

##### Forecast admin. and capacity planning

Forecast and distribution plan  
Forecast to Carriers  
Lead time management

##### Transport Planning & Carrier Management

Carrier confirmation of capacity  
Booking and monitoring planned distribution start and late cars  
Deviation handling  
Market contact for PS  
WHLs planning and follow up  
Real Time Management  
KPI creation and follow up  
Action plans  
Escalation process for non-performance  
Wholesale planning activities  
Sustainability targets  
Monthly carrier performance review meetings

##### Support Network design/Logistic engineering and RFQ

Define network  
Set up RFQ volumes/destinations  
Active RFQ work as stakeholder to IDP  
Implementation of new Carriers/contracts  
Updating/Re-evaluating network setup

##### RAM function

North American SPOC function to PS  
Coordinate KPIs and deliverables  
Action plans and follow up  
Change management

#### **Business IT**

Maintenance of contracts, pricing, fuel surcharges, VAT  
Deviation handling  
EDI set up  
Change management

#### **Port Processing**

Processing throughput and plan  
Ensure throughput satisfies Polestar's objectives

#### **IDP Procurement**

Sourcing & Contract creation

Internal Information - Polestar

Page

PS20-092

(Amended through PS22-023)

## **Appendix 1e - VCC Services, Canada**

### **Customs administration**

#### **Examples of Activities/Actions**

Oversee all aspects of Polestar's CA Customs import process  
Review CA classification daily, resolve any issues  
Review CA imports daily and resolve any vehicle and part invoice/document issues prior to arrival  
Oversee CA duty payment  
Continuously seek out duty savings opportunities  
Implement internal audit process and oversight activities.  
Focus on CA issue prevention to minimize post summary corrections.  
Implement internal shipment tracking database  
Track CA temporary shipments and ensure timely resolution  
Manage yearly transfer price adjustments and CETA refund claims  
CA service provider performance tracking and KPIs  
Partnering Government Agencies and Other Government Departments and Agencies compliance monitoring  
Implement and manage applicable drawback programs

Internal Information - Polestar

PS20-092

(Amended through PS22-023)

### **APPENDIX 3 SERVICE CHARGES**

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#### **1. GENERAL**

- 1.1 This Appendix 3 stipulates the rules and principles for the Service Charges payable by Purchaser to Service Provider for Services delivered under the Service Agreement.

- 1.2 The Parties agree that the Service Charges shall be updated for each new calendar year based on changes in required resources, costs and forecasted volumes.
- 2. DEFINITIONS**
- 2.1 Any capitalised terms used but not specifically defined herein shall have the meanings set out for such terms in the Service Agreement. In addition, the capitalised terms set out below in this Section 2 shall for the purposes of this Service Specification have the meanings described herein. All capitalised terms in singular in the list of definitions shall have the same meaning in plural and vice versa.
- 2.2 “**Common Costs**” shall have the meaning as set out in Section 3.3 below.
- 2.3 “**OBL**” means Outbound Logistics.
- 3. COST SHARING PRINCIPLES**
- 3.1 Purchaser shall, based on “Arm’s Length” principle, fully compensate Service Provider for all costs occurring related to activities under this Service Agreement which are executed on behalf of Purchaser.
- 3.2 The general principle is that costs that can be identified as directly arising from activities related to one Party’s Vehicles shall also be fully covered by that Party.
- 3.3 In cases when the distinction described in Section 3.2 above is not possible to make, i.e. when an activity adds value to both Parties’ outbound logistics flow, the costs for such activities (“Common Costs”) will be distributed between the Parties based on forecasted production volume (unless otherwise stated in the following) and, where applicable, its market distribution.
- 3.3.1 To establish the costs for a calendar year, the Parties’ combined volume forecast plan made available in November, preceding year, shall be used to determine each Parties’ share of the Common Costs.
- 3.3.2 In the event that Purchaser during a calendar year adds an additional car model, manufacturing plant (pick-up location) and/or new market (destinations) which was not known at the time for the planning described in Section 3.3.1 above, the Common Costs will be adjusted based on a new volume forecast which is determined in good faith between the Parties. The updated Common Costs shall be applied from the first day of the calendar month when the changed condition is effective.

**4. SERVICE CHARGES**

**4.1 Rates, general**

- 4.1.1 The rates that are used for charging service costs to Purchaser shall be determined by Service Provider on an, at least, annual basis in compliance with applicable tax legislation, including but not limited to the principle of "Arm's Length" between the Parties.
- 4.1.2 The hourly rates, used at the time of preparation of this Service Agreement, represents the level of the actual year. The Parties agree that the Service Charges related to this Service Agreement will be continuously updated whenever the hourly rates are updated according to Section 4.1.1 above.
- 4.1.3 The Parties agree that one Full Time Employee ("FTE") represents [\*\*\*] working hours per year.

**4.2 Charges related to Administration and Operation**

- 4.2.1 Examples of the activities related to Administration and Operations of the outbound transports and related logistic services are listed in Appendix 1d.
- 4.2.2 The costs for these activities are not directly influenced by the actually shipped volume of Vehicles since Service Provider must uphold a certain capacity on behalf of Purchaser. Therefore, the costs for the related activities shall be calculated for each calendar year and distributed evenly on the invoices for the Services under the Service Agreement, issued by Service Provider to Purchaser during said calendar year.
- 4.2.3 The table below shows the running operation cost categories and the estimated costs based on 2022 cost level.  
[\*\*\*]
- 4.2.4 The table below shows the running operation cost categories and the estimated costs based on 2023 cost level.  
[\*\*\*]
- 4.2.5 The table below shows the 2024 estimated running operation cost categories based on the 2024 hourly rates.  
[\*\*\*]
- 4.2.6 In the event that Service Provider needs to perform any kind of work on behalf of Purchaser, which is not part of the running operation activities, Purchaser shall compensate Service Provider for the time spent based on the hourly rates agreed between the Parties at the time. Before any such work is started, Service Provider shall present to Purchaser an estimation of the required hours, which Purchaser must approve. If the Parties cannot agree, the work shall not be carried out and Purchaser is responsible for any potential consequences.
- 4.2.7 If the Purchaser and the Service Provider agrees to add the Purchaser to an existing Frame Agreement / retainer agency made by the Service Provider, the Purchaser, will, besides the

2

worktime it may for the activities needed, be charged a lump sum according to the following thresholds. The thresholds are based on the Purchaser's contract value with the supplier:

1. [\*\*\*] per supplier contracts up to the value of [\*\*\*]
2. [\*\*\*] per supplier contracts to the value between [\*\*\*]
3. [\*\*\*] per supplier contract to the value between [\*\*\*]
4. [\*\*\*] per supplier contracts over [\*\*\*]

**4.3 Charges related to Customs administration**

- 4.3.1 Examples of the activities related to Customs administration services are listed in Appendix 1e.
- 4.3.2 The costs for these activities are mainly directly influenced by the actually shipped volume of Vehicles since Service Provider must process each imported Vehicle

of vehicles since Service Provider must process each imported vehicle.

4.3.3 The table below shows the estimated costs for Customs administration services .

[[[

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## Appendix 4a - Geographical Scope of VCC (China to USA) Services for Polestar

[[[

## **Appendix 4b - Geographical Scope of VCC (Americas - Canada & USA) Services for Polestar**

[\*\*]





#### **Appendix 4c - Geographical Scope of VCC (VCCH production to USA & Canada) Services for Polestar 3**

[\*\*\*]

#### **Appendix 4d - Geographical Scope of VCC (VCCH production to markets *other than* USA & Canada) Services for Polestar 3**

[\*\*\*]





Certain identified information marked with "[\*\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

[\*\*\*][\*\*\*] MANUFACTURING AGREEMENT

Volvo Car USA LLC  
And  
Polestar Performance AB

Manufacturing of [\*\*\*][\*\*\*] in the Volvo Cars Charleston Plant

Agreement no.: PS22-052

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## LIST OF EXHIBITS

**Exhibit 1 – Volume planning procedures**

**Exhibit 2 – Car pricing principles and procedures**

**Exhibit 3 – Technical Specification**

**Exhibit 4A - Sustainability requirements**

**Exhibit 4B – Manufacturing Sustainability requirements**

Agreement no.: PS22-052

This **MANUFACTURING AGREEMENT** (this “**Agreement**”) is entered into on the date indicated below and made between:

- (1) **Volvo Car USA LLC.**, a limited liability company incorporated under the laws of United States of America having its principle place of business at 1800 Volvo Place, Mahwah, NJ 07430, USA (the “**Supplier**” or “**VCCH**”); and

**Polestar Performance AB**, Reg. No. 556653-3096, a limited liability company incorporated under the laws of Sweden with (the “**Buyer**” or “**Polestar**”).

Supplier and Buyer are referred to individually as a “**Party**” and jointly as the “**Parties**”.

## BACKGROUND

- A. Volvo Car Corporation (“**Volvo Cars**”) owns and operates, through its subsidiary Volvo Car USA LLC. (“**VCCH**”) a plant for manufacturing of cars in Charleston in the United States of America (the “**Plant**”). Land, building and facilities, as well as certain equipment and tooling, of the Plant are owned or possessed by VCCH.
- B. Polestar is engaged in the development, manufacturing and sale of Polestar branded high-end electric performance cars.
- C. The Supplier has the financial and industrial capacity required to manufacture vehicles in the quality and quantity that has been agreed between the Parties and the Supplier has agreed to supply to Polestar in accordance with the terms set out in this agreement.
- D. The Volvo and Polestar Engineering & Operations Steering Committee has been established for inter alia governance of the contract manufacturing services provided by the Plant. The Buyer now wishes that the Supplier shall manufacture and sell completed [\*\*\*] vehicles (the “**Contract Product**”) to the Buyer.
- E. The terms and conditions that shall apply to the manufacturing and assembly of cars in the Plant are set forth in this Agreement.
- F. As a general principle, the Parties agree that transactions amongst all relevant entities involved shall be conducted on arm’s length terms.
- G. In light of the foregoing, the Parties have agreed to execute this Agreement.

Agreement no.: PS22-052

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## 1. DEFINITIONS

The following terms shall have the meanings ascribed to them below. All defined terms in singular in the list of definitions shall have the same meaning in plural and *vice versa*.

“**VCCH**” shall have the meaning set out in Background A above.

“**Affiliates**” means (i) for Supplier, any other legal entity that directly or indirectly is controlled by Volvo Cars and (ii) for Buyer, any other legal entity that, directly or indirectly, is controlled by Polestar Automotive Holding UK PLC, “control” means the possession, directly or indirectly, by agreement or otherwise, of (i) at least 50% of the voting stock, partnership interest or other ownership interest, or (ii) the power (a) to appoint or remove a majority of the board of directors or other governing body of an entity, or (b) to cause the direction of the management of an entity.. The Parties, however, agree to renegotiate this definition of “Affiliates” in good faith if it in the future does not reflect the Parties’ intention at the time of signing this Agreement due to a restructuring or reorganization in relation to either of the Parties.

“**Agreement**” means this [\*\*\*] Manufacturing Agreement and its Exhibits.

“**Actual Volume**” means the total amount of vehicles produced in the Plant and achieved Factory complete status annually for each brand respectively references could be made to Polestar Actual Volumes.

“**Buyer**” shall have the meaning set out under (2) above.

“**CIR [\*\*\*] Investment**” means the additional investments made by Supplier in Common Type Bound Tooling and Equipment ([\*\*\*]) to meet Buyer’s capacity increase request (CIR) for an additional production of [\*\*\*] units per annum of [\*\*\*] vehicles in the Plant.

“**Common Equipment**” means equipment owned by the Supplier that is stored at the premises of the Plant and used for production of any type of vehicle.

“**Common Type Bound Tooling and Equipment**” means tooling and equipment owned by the Supplier that is stored at the premises of the Plant and used for production of [\*\*\*] vehicles for both Volvo Cars and its Affiliates and the Buyer and its Affiliates.

“**Common Vendor Tooling**” means tooling owned by the Supplier that is used and stored at the premises of a Third Party but used for the production of [\*\*\*] vehicles (and/or components therein) for Volvo Cars and its Affiliates and Buyer and its Affiliates.

“**Components**” means all the components (including software) and parts included in the Contract Product according to the Technical Specification.

“**Confidential Information**” means any and all information regarding the Parties and their respective businesses, whether commercial or technical, in whatever form or media, including but not limited to, the Technical Information and other information relating to Contract Products, intellectual property rights, concepts, technologies, processes, commercial figures, techniques, strategic plans and budgets, investments, customers and sales, designs, graphics, CAD models, CAE data, targets, test plans/reports, technical performance data and engineering sign-off documents and other information of a sensitive nature, that a Party learns from or about the other Party prior to, during or after the execution of the [\*\*\*] Manufacturing Agreement.

**"Contract Products"** shall have the meaning set out under Background D. above.

**"CoP"** means Conformity of Production. CoP is a means of evidencing the ability to produce a series of products that exactly match the specification, performance and marking requirements outlined in the type approval documentation.

**"Disclosing Party"** means the Party disclosing Confidential Information to the Receiving Party.

**"End of Production"** or **"EOP"** means the end of production of the Contract Product i.e. 7 years after Job1, unless otherwise agreed between the Parties.

**"Exit"** means [\*\*\*]

**"Factory Complete"** means when a Contract Product fulfils and complies with all the Supplier's inspections and quality assurance processes, being in a deliverable condition and checked according to Supplier's standard procedures to be in compliance with the Buyer's demands and requirements in accordance with this Agreement, including the Technical Specification.

**"HPV"** means Hours Per Vehicle which is the estimated time that is required to manufacture a vehicle of a certain car model.

**"Industry Standard"** means the exercise of such professionalism, skill, diligence, prudence and foresight which would normally be expected at any given time from a skilled and experienced actor engaged in a similar type of undertaking as under this Agreement.

**"Initial [\*\*\*] Investment"** means the initially decided investments made by Supplier in Common Type Bound Tooling and Equipment ([\*\*\*]) for production of [\*\*\*] units per annum of [\*\*\*] vehicles in the Plant.

**"Job1"** means in relation to this Agreement and the Contract Product, the date on which the production of the Contract Product starts.

**"Know-How"** means the technical information, knowledge and experience related to the Technical Specification or conveyed through the technical assistance rendered under this Agreement incorporating, if any, industrial and/or intellectual property rights.

**"KPI"** means Key Performance Indicator. KPI is a quantifiable measure used to track progress toward a specific objective.

**"LTIV"** means the long-term investment volumes as elaborated on in Exhibit I.

**"Lifetime [\*\*\*] Volumes"** means the total amount of [\*\*\*] volume planned between the Parties to be manufactured in the plant at the effective date of this agreement.

**"Permits"** shall mean as set out in Section 10.1.

**"Personal Data"** means all information that a Party obtains from the other Party as a result of the Agreement (i) relating to an identified or identifiable natural person, including the other Party's employees and customers, that directly or indirectly can identify that person, or (ii) deemed personal data according to applicable national, federal, state, and international laws and regulations now or hereafter in effect.

**"Plant"** shall have the meaning set out in Background A above.

**"Polestar"** shall have the meaning set out in (2) above.

**"Receiving Party"** means the Party receiving Confidential Information from the Disclosing Party.

**"Reserved Volumes"** shall have the meaning set out in Exhibit I.

**"Requested Volumes"** shall have the meaning set out in Exhibit I.

**"Restricted Party"** means a person that is: (i) listed on, or owned or controlled by a person listed on, or acting on behalf or at the direction of, a person listed on, any Sanctions

List; (ii) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a Sanctioned Territory; or (iii) otherwise a target of Sanctions ("target of Sanctions" signifying a person with whom the Three Parties, respectively under applicable law, would be prohibited or restricted by Sanctions from engaging in trade, business or other activities).

**"Sanctioned Party"** means, at any time, an individual or entity that is: (a) any person specifically listed in any Sanctions List; or (b) any person controlled or owned by any such person referred to in (a) above.

**"Sanctioned Territory"** means a country, region or territory that is the subject of comprehensive country-wide, region-wide or territory-wide Sanctions, or whose government is the target of comprehensive Sanctions.

**"Sanctions"** means the economic or financial sanctions laws, regulations, trade embargoes, export controls or other restrictive measures enacted, administered, implemented and/or enforced from time to time by the United Nations Security Council, the United States of America, the United Kingdom, the European Union and/or member state of the European Union, the Kingdom of Norway, the respective governmental institutions and agencies of any of the foregoing which are duly appointed, empowered or authorized to enact, administer, implement and/or enforce Sanctions, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (OFAC), the United States Department of State, and Her Majesty's Treasury (HMT), and other governmental institution or agency with responsibility for imposing, administering or enforcing Sanctions with jurisdiction over the Parties or performance of this Agreement.

**"Sanctions Authority"** means:

- (a) the United Nations Security Council;
- (b) the United States of America;
- (c) the United Kingdom;
- (d) the European Union and/or a member state of the European Union;
- (e) the Kingdom of Norway;
- (f) the respective governmental institutions and agencies of any of the foregoing which are duly appointed, empowered or authorized to enact, administer, implement and/or enforce Sanctions, including, without limitation, the Office of Foreign Assets Control of the US Department of Treasury (OFAC), the United States Department of State, and Her Majesty's Treasury (HMT); and

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(g) any other governmental institution or agency with responsibility for imposing, administering or enforcing Sanctions with jurisdiction over the Buyer or its Affiliates or performance of this Agreement.

**"Sanctions List"** means the following lists of designated sanctions targets maintained by a Sanctions Authority from time to time:

- (a) in the case of the United Nations Security Council, the United Nations Security Council Consolidated List;
- (b) in the case of OFAC: the Specially Designated Nationals and Blocked Persons List;
- (c) in the case of HMT: the Consolidated List of Financial Sanctions Targets;
- (d) in the case of the European Union, the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions; and
- (e) or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities, where such list or public announcement purports to block the property or interests in property of, or prohibit the provision of funds or economic resources to, the designated persons.

**"[\*\*\*] vehicle"** means both Volvo and Polestar vehicles built on the [\*\*\*] modular product architecture.

**"Steering Committee"** means the first level of governance forum for handling the cooperation between the Parties in various matters, under this Agreement which regarding cooperation between the Parties is the Volvo and Polestar Engineering & Operations Steering Committee.

**"Strategic Board"** means the highest level of governance forum established by the Parties for handling the cooperation between the Parties in respect of various matters which regarding cooperation between the Parties under this Agreement is the Volvo Cars Polestar Executive Alignment Meeting.

**"Supplier"** shall have the meaning set out in (1) above.

**"Technical Information"** means all Technical Specification and Know-How and all other written or printed technical information or software stored in any media or materials or prototypes communicated to the Supplier by the Buyer and all reproductions, excerpts and summaries thereof, and all modifications and/or improvements to the Technical



Specification and Know-How made by or for the Supplier.

“**Technical Specification**” means necessary product drawings, material lists, assembly instructions and quality requirements on paper or in electronic form provided by the Buyer for the assembly of the Contract Product in accordance with the terms and conditions of this Agreement and that shall be attached to this Agreement as Exhibit 3.

“**Third Party**” means a party other than any of the Parties and/or an Affiliate of one of the Parties to this Agreement

“**Unique Type Bound Tooling and Equipment**” means tooling and equipment owned by the Supplier that is stored at the premises of the Plant and that are specific to Buyer’s Contract Products and that are unique to the Buyer and its Affiliates.

“**Unique Vendor Tooling**” means tooling owned by the Buyer that is used and stored at the premises of a Third Party but used for the production of Contract Products (and/or components therein) for the Buyer and its Affiliates.

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“**United States of America**” means the 50 states, the District of Columbia, and Puerto Rico.

“**US Market**” means the market in the United States of America.

“**VCPA**” means Volvo Consumer Product Audit. VCPA is the Volvo method to assess and evaluate the quality of the products.

“**Volvo Cars**” shall have the meaning set out in Background A. above.

## **2. SCOPE AND ORDER OF PRIORITY**

- 2.1 This Agreement sets out the specific terms that shall apply to the manufacturing, assembly and sales to the Buyer of the Contract Product.
- 2.2 In the event there are any contradictions or inconsistencies between the terms of this Agreement and the exhibits hereto, the Parties agree that they shall prevail over each other in the following order if not specifically stated otherwise in such document or the context or circumstances clearly suggest otherwise:
  - (a) this Agreement
  - (b) Exhibit 3 – Technical Specifications
  - (c) Exhibit 4A - Sustainability requirements
  - (d) Exhibit 4B – Manufacturing Sustainability Requirements
  - (e) Exhibit 1 – Volume planning procedures
  - (f) Exhibit 2 – Car pricing principles and procedures

## **3. THE CONTRACT PRODUCTS**

- 3.1 The Contract Products shall be manufactured in accordance with the Technical Specifications.
- 3.2 The Buyer shall provide the Supplier with such Technical Information as set out in this Agreement. The Technical Specifications for the Contract Product are attached hereto as Exhibit 3.
- 3.3 Any changes to the Technical Specifications that affect the Contract Product shall be notified by the Buyer to the Supplier according to the change management procedures for the Contract Products set out in Section 16.2.

## **4. SALE AND PURCHASE**

- 4.1 The Supplier agrees to supply to the Buyer, and the Buyer agrees to purchase, the Contract Products ordered in accordance with and under the terms and conditions of this Agreement.



4.2 The Supplier acknowledges that any of the Buyer's designated Affiliates should be allowed to order and purchase the Contract Product from the Supplier under the terms of this Agreement.

4.3 The Parties acknowledge that other car model manufacturing agreements may be entered into for the production of vehicles in the Plant other than the Contract Products. The Buyer shall not only cooperate with the Supplier but shall also cooperate with Volvo Cars as well as buyers under such other car model manufacturing agreements in order to facilitate the operation of the Plant and the overall production of vehicles in the Plant as well as of the Contract Products.

## 5. VOLUME FORECASTS AND ORDER PROCESS

5.1 The procedures for planning the manufacturing and assembly of the Contract Products in the Plant, including forecasted volumes and orders for Contract Products, are attached hereto as Exhibit 1.

5.2 The Buyer will order and the Supplier will supply the Contract Products in accordance with the order process set out in Exhibit 1.

## 6. PRICE AND PAYMENT

### 6.1 Price

6.1.1 The Contract Products shall be priced based on the full cost of production for such Contract Products plus a mark-up. The pricing is based on the total estimated fixed and variable costs for producing vehicles in the Plant, which are apportioned out on all vehicles produced in the Plant. The principles and procedures for calculating the full cost of production and for setting the price of the Contract Products, on an 'arm's length' basis, are attached hereto as Exhibit 2.

6.1.2 The Parties agree to further discuss the mark-up with the ambition to reach a decision on a mark-up by 30 September 2024 (the "**Final Mark-Up**") and once agreed, amend this Agreement accordingly. Until the Parties have agreed on the Final Mark-Up, however at least until 30 September 2024, a mark-up of [\*\*\*] (the "**Preliminary Mark-Up**") shall apply, provided that the Preliminary Mark-Up continues to be arm's length. Any difference between the Preliminary Mark-Up and the Final Mark-Up shall be compensated between the Parties retroactively for Contract Products invoiced as of 1 October 2024.

6.1.3 In addition to Contract Products, also service/spare parts manufactured in the Plant being parts in a Contract Product shall be possible to order under this Agreement. In such case the principles relating to Contract Products in this Agreement shall also apply to such service/spare parts as far as reasonably possible, unless the context or circumstances clearly suggests otherwise.

### 6.2 Payment and Invoice

6.2.1 Invoice for a Contract Product, , with the exception of what is set forth in Section 6.2.2 below (Canada), shall be issued by the Supplier to the Buyer when the Contract Product has been delivered in accordance with Section 8.1.1 (invoice trigger loaded on carrier at VCCH Outbound Yard ). Invoices may be generated electronically. However, the Buyer may request hard-copy summary invoices that summarises total batches of individual

invoices over a specified period, in order to satisfy VAT and customs reporting requirements.

6.2.2 Invoice for a Contract Product intended for sales in Canada, shall be issued by the Supplier to the Buyer when the Contract Product has been delivered in accordance with Section 8.1.2 (invoice trigger loaded on carrier at VCCH Outbound Yard). Invoices may be generated electronically. However, the Buyer may request hard-copy summary invoices that summarises total batches of individual invoices over a specified period, in order to satisfy VAT and customs reporting requirements.

6.2.3 For Contract Products , the Supplier reserves the right to invoice for such products before delivery has taken place in accordance with Section 8.1.1 or 8.1.2 if the Buyer has failed to arrange for the transport of the Contract Products within [\*\*\*]after Factory Complete.

After such time, the Supplier will notify the Buyer of its intent to invoice and may invoice after [\*\*\*]after the notice has been sent should the transport of the Contracted Products not yet have occurred.

- 6.2.4 Invoice from the Supplier to the Buyer shall be paid at the latest [\*\*\*]days after an invoice has been issued. Payment shall be made in USD or such other currency that the Supplier and the Buyer may agree, in a timely manner and in accordance with the payment terms set forth in this Section 6.2.
- 6.2.5 All amounts and payments referred to in this Agreement are exclusive of VAT only. VAT is chargeable on all invoiced amounts only when required by local law and shall be borne by the Buyer. Buyer may appoint an Affiliate or Third Party to handle the requisite VAT registration and recovery.
- 6.2.6 Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on [\*\*\*].
- 6.2.7 Any bank charges in connection with payment by the Buyer to the Supplier shall be paid or reimbursed by the Buyer.
- 6.2.8 If the Buyer is in default in making any payment, which is not insignificant, of any undisputed invoices, the Supplier shall notify the Buyer of such default after [\*\*\*]of default have passed. If Buyer has not remedied the default within [\*\*\*]of such notice, the Supplier has the right to postpone its obligations under this Agreement until payment is received. Any postponement or termination of the Supplier's obligations under this Agreement shall have no effect on the Supplier's obligations or commitments under any other agreement or understanding between the Parties.

## **7. MANUFACTURING**

### **7.1 Assembly**

- 7.1.1 The Supplier shall assemble the Contract Products in the Plant. The Supplier shall during the Term maintain capacity to manufacture, assemble and supply to the Buyer Contract Products in quantities ordered by the Buyer up to the volumes agreed between the Parties, and such capacity will in relation to the Buyer never exceed such volumes dedicated to the Buyer as decided by the Steering Committee. The Parties thus acknowledge that the capacity in the Plant is limited and shared between the Buyer and the Supplier who also has vehicles produced in the Plant.

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- 7.1.2 The Buyer shall provide the Supplier with the Technical Specification and relevant Know-How for the manufacturing of the Contract Product. The Buyer may also, subject to separate agreement between the Parties, provide technical assistance to a reasonable level at the cost of the Supplier.
- 7.1.3 The Supplier undertakes to assemble the Contract Product in strict conformity with the Technical Specification, Know-How and/or as otherwise instructed by the Buyer from time to time and shall never implement any product changes, modification or substitutions of Component(s) unless authorized thereto in writing by the Buyer in each case, subject to the change management procedures set forth in Section 16.2. When producing and assembling the Contract Product the work shall be carried out to the same standard of care that is done for Suppliers own products in the Plant. Such standard of care and professionalism shall at all times correspond to Industry standard.
- 7.1.4 The Supplier shall provide to the Buyer necessary and agreed built data of the Contract Product by the time of Factory Complete in order for the Buyer to maintain and follow-up the Contract Product in the aftermarket, reflecting both the hardware as well as the software configuration. The built data should contain all data needed to meet legal requirements as well as any other data agreed between the Supplier and the Buyer.
- 7.1.5 The Supplier will strive to meet Buyer's sustainability standards where applicable and will keep the Buyer informed, as set forth in Exhibit 4A and 4B.

### **7.2 Equipment and tooling**

- 7.2.1 The Supplier undertakes to maintain in its ownership and possession all tooling and equipment for vehicles to be produced in the Plant (e.g. Common Equipment, Common Type Bound Tooling and Equipment, Common Vendor Tooling, Unique Type Bound Tooling and Equipment) except for Unique Vendor Tooling which the Buyer shall remain the owner of. Normal tooling maintenance will be commenced by the Supplier and related costs charged as part of the price for the Contract Products, including update and replacement of the Unique Type Bound Tooling and Equipment.
- 7.2.2 The Supplier undertakes to acquire or have acquired, all such necessary tooling, equipment and systems, including but not limited to jigs, fixtures, tools and welding equipment, necessary for the assembly of the Contract Product, except for Unique Vendor

tooling mentioned in Section 7.2.1.

- 7.2.3 Any tooling and equipment acquired in accordance with Section 7.2.1–7.2.2 shall meet the Supplier's quality requirements, as aligned with Industry Standard.
- 7.2.4 Contract Product specific tooling and equipment acquired in accordance herewith shall be used solely for the purpose of the assembly of the Contract Product and its Components.
- 7.2.5 All plant tooling and equipment used by Supplier for the production of the Contract Products shall be maintained in proper working condition by the Supplier in accordance with applicable maintenance instructions for said tooling and equipment or by using industry practice if there are no specific instructions.
- 7.2.6 Purchase, maintenance and repair of Unique Vendor Tooling, which is used only in relation to the Buyer's Contract Products, is not covered by this Agreement. The Buyer is responsible for providing and maintaining such Unique Vendor Tooling. The Parties may

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enter into separate tooling agreements in order to regulate any details around tooling, which is not regulated herein.

- 7.2.7 The Supplier should assist the Buyer in phase out projects related to the Unique Type Bound Tooling and Equipment if necessary. Cost of carving out Unique Type Bound Tooling and Equipment is upon the Buyer. Buyer and Supplier must agree on process and timing for handling Unique Type Bound Tooling and Equipment no later than 12 months before EOP. Agreed timing and process must not interfere with the manufacturing of any other product at the Plant.
- 7.2.8 If any tooling mentioned in Section 7.2.1 above is wrongly owned by the Supplier that should be owned by the Buyer or vice versa, such ownership shall be transferred to the other Party using the a tooling sale and transfer agreement.
- 7.2.9 The Buyer has the right to, by itself or through any of its Affiliates, purchase the Unique Type Bound Tooling and Equipment (or a part thereof) at the book value. If Buyer elects to do so by serving notice to Supplier in writing, the Parties shall cooperate with each other and takes all necessary actions, including but not limited to signing necessary transfer documentation and taking all other actions, to complete such transfer.
- 7.2.10 For Unique Vendor Tooling the Buyer or Buyer's Affiliates shall grant the Supplier the right to use such assets for the manufacturing of the Contract Product under a User Right Agreement to be entered into between the Supplier and Buyer or Buyer's Affiliate.
- 7.2.11 The Buyer shall pay Supplier for its share of Common Equipment, Common Type Bound Tooling and Equipment and Unique Type Bound Tooling and Equipment and Common Vendor Tooling and compensate Supplier for its cost incurred under the User Right Agreement related to Unique Vendor Tooling according to the car pricing principles set forth in Exhibit 2.
- 7.3 **Components**
  - 7.3.1 The Buyer and its Affiliates have entered into a service agreement for procurement services dated June 30, 2019 with Volvo Cars (PS19-032) and Volvo Cars Investment Co. Ltd (PS19-031)., Further, the Buyer has in conjunction with this Agreement entered in to service agreements for procurement services 2023 with Volvo Cars (PS21-071) and Volvo Cars (China) Investment Co. Ltd (PS21-072), under which Volvo Cars and its Affiliates provide Manufacturing Engineer, Supply Chain Management, R&D and Procurement Services relating specifically to manufacturing in the Plant. The Buyer utilises these services in order to fulfil its obligations and responsibilities under this Section 7.3
  - 7.3.2 The Buyer is responsible for ensuring that the Supplier is able to order Components for the production of Contract Products by calling-off such Components from Component suppliers procured by the Buyer.
  - 7.3.3 Components will be called-off from Component suppliers directly by the Supplier. The Buyer shall ensure that the Supplier is provided with information required to be able to call-off Components from such suppliers.
  - 7.3.4 The Supplier is responsible for managing inbound logistics including but not limited to transportation from Component suppliers to plant, custom clearance and to pay related logistic cost including customs duties.



- 7.3.5 The Supplier shall pay all Component suppliers' invoices directly to the Component suppliers. The costs for such Components shall be included in the prices for the Contract Products.
- 7.4 **License grant**
- 7.4.1 The Buyer hereby grants to the Supplier a limited, non-exclusive, license to the Buyer's intellectual property rights which are necessary for the production of the Contract Products and solely for the purpose of producing the Contract Products under and during the term of this Agreement. The license granted hereunder does not give the Supplier any right whatsoever to use the Buyer's intellectual property rights for any purpose other than as stated in this Section 7.4 and for the production of the Contract Products.
- 7.4.2 Ownership of existing Intellectual Property Rights.
- 7.4.2.1 All Intellectual Property Rights that were either developed or otherwise acquired by a Party before entering into this Agreement, or are developed or otherwise acquired by a Party outside of, but during the term of, this Agreement, will continue to be owned by such Party.
- 7.4.3 Ownership of Results.
- 7.4.3.1 In the event any Results are created under this Agreement, and the ownership of such Result is not regulated by the License, License Assignment or Service Agreements (PS19-022), License Agreement (PS19-030), Service Agreement (PS19-031), Service Agreement (PS19-032), Service Agreement (PS21-071) and Service agreement (PS21-072), then Volvo Cars shall be the exclusive owner of such Results. Volvo Cars hereby grants to the Buyer a limited, non-exclusive, fully paid-up license to such Results but only in so far as necessary for the performance under, and only for the term of, this Agreement.
- 7.5 **Insurance**
- 7.5.1 The Supplier is responsible to ensure that the equipment owned by the Supplier and used in the Plant is properly insured.
- 7.5.2 The Supplier shall hold necessary insurance protection.
8. **DELIVERY, TITLE AND RISK**
- 8.1 **Delivery of Contract Product**
- 8.1.1 For Factory Complete Contract Products , with the exception for what is set forth in Section 8.1.2 below (Canada), the delivery shall take place Ex Works Incoterms 2020 VCCH Outbound Yard at the time of handover inspection between Supplier and the Buyer or an external party assigned by the Buyer.
- 8.1.2 For Factory Complete Contract Products intended for sales in Canada, delivery shall take place at FCA Incoterms 2020 at the time of handover inspection between Supplier and the Buyer or an external party assigned by the Buyer.
- 8.1.3 The Supplier shall notify the Buyer when a Contract Product is Factory Complete by registering the Contract Product as Factory Complete in the system used by the Parties for such communication.

- 8.1.4 The Supplier shall deliver to the Buyer the Factory Complete Contract Products within the timeframe decided during the volume planning procedures as set forth in Exhibit 1.
- 8.1.5 Title and risk of loss or damage of Contract Product with respect to each Contract Product passes to the Buyer at the time of invoicing in accordance with Section 6.2.1 or 6.2.2, without prejudice for the Buyer's right to reject Contract Products under Section 9. [\*\*\*]
- 8.1.6 If the Supplier is in delay of delivery of Contract Products, it shall without delay perform a root cause analysis[\*\*\*].
- 8.1.7 For Contract Products, the outbound logistics working procedure shall be agreed separately by the Parties.

## 8.2 Distribution and outbound logistic

- 8.2.1 The Contract Products will be distributed by the Buyer through the distribution network managed by the Buyer.
- 8.2.2 The Supplier is not responsible for any matters in relation to the distribution of the Contract Product, except for:
- (a) manufacturing and selling the Contract Product directly to the Buyer at the price established under this Agreement;
  - (b) reporting any quality-related defect of the Contract Product to the Buyer for recall or other measures required by applicable law where the Contract Product is sold; and
  - (c) supporting the Buyer or any company listed by the Buyer as a company that needs this support, regarding warranty claims and after-sales services.
- 8.2.3 Once handover inspection between Supplier and the transporter, assigned by the Buyer, of the Contract Product has been completed, outbound logistic of the Contract Product is the responsibility of the Buyer. The Supplier's obligations end when delivery has taken place, as explained above in Section 8.1 (FCA Incoterms 2020).

For Contract Products purchased for sales outside of US Market, the Supplier is obligated to support with all necessary documents required by Buyer to export the Contract Products

## 8.3 Customs

- 8.3.1 The Buyer, or where relevant an Affiliate of the Buyer, is responsible for the export of any Contract Product intended for sale outside of the US market.
- 8.3.2 The Supplier is responsible to obtain and maintain any customs licenses in the United States of America necessary to facilitate the performance of this Agreement, including but not limited to license for bonded manufacturing. Currently, bonded manufacturing is beneficial to both Parties. However, the Supplier's bonded manufacturing operations may cease due to regulatory changes or should it no longer be commercially feasible (e.g., due

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to localization of parts, etc.). The Supplier will consult the Buyer should there be any changes to the bonded manufacturing operations status of the Plant.

- 8.3.3 For the avoidance of any doubt, the Supplier is the only party which may appoint a customs agent to support the facilitation of customs processes in the United States of America for import of components for the Contract Product supplied under this Agreement. The Supplier shall carry out necessary due diligence regarding compliance risks, including corruption risk before appointing such customs agent.
- 8.3.4 To the extent that a Contract Product supplied under this Agreement qualifies as originating goods under the rules of origin provisions in a preferential trade agreement to which the United States of America is party to during the term of the Agreement, the Supplier shall be responsible to facilitate the provision of a preferential certificate of origin to the Buyer in alignment with the legal provisions provided for under the relevant agreement. For the avoidance of any doubt, this provision does not provide an obligation on the Supplier to provide preferential qualifying the Contract Product to the Buyer nor does it provide any obligation for the Supplier to compensate the Buyer for any consequential import duty impact in the destination market the Contract Product is destined for.

## 8.4 Export Controls

- 8.4.1 Each Party shall comply with all applicable export control and trade sanction laws and regulations when performing their obligations under this Agreement.

## 9. MANUFACTURING QUALITY, INSPECTION AND RIGHT TO REJECT PRODUCTS

### 9.1 Volvo Cars Manufacturing Quality General Way of Working:

- 9.1.1 The Parties shall comply with Volvo Cars Manufacturing's general way of working, including but not limited to the overall description of the Volvo Cars plant quality operating system (Plant-QOS).
- 9.1.2 The purpose of Plant-QOS is to have a systematic approach in how the Supplier manage quality, in daily manufacturing operations. This helps the Supplier to work standardized,



systematic and disciplined and is also a base for strengthening problem solving and continuous improvement.

- 9.1.3 The Plant- QOS is based on the manufacturing quality strategy and is mainly relying on the principle that the best product is built in the intended process with the best process conditions known.
- 9.1.4 Principles to secure quality in plant operations:
  - Built in quality is a responsibility of plant production organisation
  - Customer expectations are confirmed by plant quality organisation
  - Any internal/external deviations found are fed back, cut off and worked towards the production organisation
  - Based on problem solving finding(s) (root cause(s)) - learnings are spread/implemented broad in the manufacturing operation.
- 9.1.5 Plant-QOS is built upon four different subject areas that all contains certain elements:
  - Quality planning (eg of element; ideal bill of process)

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- Quality defect prevention (eg of elements; control plan execution/ confirmation, real time management process)
- Quality defect detection (eg of elements; standard inspection point, quality feedback/feed forward)
- Quality concern resolution (eg of elements; problem solving & escalation, critical concern action process, lessons learned process)

- 9.1.6 All supporting functions supporting the plant operation are following the same principles.

## 9.2 **Volvo Cars Manufacturing quality data sharing:**

- 9.2.1 The Parties shall engage in the sharing of quality-related data for Customer's products as defined by Volvo Cars manufacturing quality & academy Department, specifying the nature of the data, timing, and Key Performance Indicator (KPI) definitions. [\*\*\*]

## 9.3 **Volvo Cars Manufacturing Product Audit (VCPA):**

- 9.3.1 The Parties shall adhere to the Volvo Cars Product Audit (VCPA) process, which encompasses the description of the current process and baseline handling.
- 9.3.2 Product Audit is performed in running production, to review cars ready to be shipped to customers.
- 9.3.3 The Audit is to be carried out on a random selection of cars, approved for delivery, with no open known remarks.
- 9.3.4 Certified product auditors assess the product as a critical customer/trained observer against the set quality standards and specifications.
- 9.3.5 Each concern is to be captured (nature and location) and classified.
- 9.3.6 Manning at the plant audit department must be in line with the sample size demands.

## 9.4 **Operational Governance:**

- 9.4.1 The Parties shall establish and maintain operational governance for the purpose of follow-up and alignment.
- 9.4.2 For certain matters, as agreed upon by both Parties from time to time, the Parties may decide to start up a specific joint quality fora for follow up purposes of specific items.
- 9.4.3 Suppliers representative in joint foras is Global Manufacturing Quality & Academy.
- 9.4.4 The VCPA quality metrics requirements will apply to all Contract Products. The Supplier and the Plant shall meet the standards of VCPA and the Supplier shall maintain such



standards. For the sake of clarity this involve that the sample size for VCPA process should be same as for Volvo branded products.

- 9.4.5 The Supplier shall regularly submit quality control, test reports and records as agreed by the Parties.
- 9.4.6 The assembly or any other activity connected to preparation or inspection of the Contract Products under this Agreement shall take place at the Plant by fully trained and qualified personnel allocated for the Contract Product.
- 9.4.7 The Supplier is responsible for conducting internal and external CoP testing of complete Contract Product stipulated by legal requirements applicable to related market regulations. For the avoidance of doubt, the Supplier is not responsible for CoP testing on component level. The Supplier is responsible for facilitating, coordinate and prove conformity in CoP Audits conducted by Third Party appointed by legislating authorities.
- 9.4.8 The Buyer is responsible for providing the CoP testing requirements to the Plant. The Buyer and Volvo Car Corporation AB have entered into a License, License Assignment and Service Agreement for development services (agreement number PS19-022 dated June 30, 2019) and will enter into a Change management agreement, under which Volvo Car Corporation AB provides development services which includes to document all CoP testing needed to fulfil legal requirements on the related markets. The Buyer utilizes these services in order to fulfil its obligations and responsibilities under this Section 9.4.8

## 9.5 Inspection

- 9.5.1 When the Supplier has completed its work on the Contract Product it shall pass through the test line, where the Supplier will inspect the Contract Product and decide whether it fulfils the Technical Specification and is Factory Complete. The test line shall consist of a thorough inspection and, if the Buyer so requires, road tests, and otherwise in accordance with VCPA.
- 9.5.2 The Buyer shall be entitled, at its own expense and upon reasonable notice, to inspect during regular business hours the assembly of the Contract Products and may carry out tests on the Contract Products that have been parked at the last point of rest, in order to ascertain that the Contract Products meet the product and process quality requirements and complies with the Technical Specification.

## 9.6 Right to reject, defects and repair

- 9.6.1 The Contract Products delivered by the Supplier to the Buyer shall be Factory Complete and free from defects i.e. in conformity with the Technical Specifications and free from defects in materials and workmanship including manufacturing and assembly. [\*\*\*]
- 9.6.2 [\*\*\*]
- 9.6.3 For avoidance of doubt, the Supplier shall physically correct any defects found either prior to delivery of the Contract Products or while they are parked on the yard of the Plant. The Buyer shall not be obliged to accept Contract Products if such have defects that have not been properly corrected.
- 9.6.4 [\*\*\*]

- 9.6.5 [\*\*\*].
- 9.6.6 Where the Buyer has rejected Contract Products under this Section 9, the Buyer shall have the right to determine the order of priority in which such Contract Products shall be repaired.

## 10. PERMITS

- 10.1 The Supplier is responsible for the operation of the Plant and shall hold all necessary permits required by all applicable laws and regulations for the Plant, including, but not limited to, to operate the Plant and to produce and sell the Contract Products under this Agreement (the "Permits").

10.2 All Permits shall be valid so that the Supplier can produce and sell the Contract Products during the term of this Agreement.

## **11. WARRANTY, PRODUCT LIABILITY, RECALL AND OTHER CLAIMS**

11.1 Other than as provided for in Section 9 above, the Supplier is not responsible for any warranty claims or similar in relation to the Contract Products. The Supplier warrants that the Contract Products are in conformity with the Technical Specifications and free from defects in materials and workmanship including manufacturing and assembly. In addition to this Section 11.1, what is set out below in this Section 11 shall apply.

11.2 If a defect is found in a Contract Product after delivery of a Contract Product, initial inspection should be carried out by the Buyer. If the Buyer finds that the defect is caused by Component quality, and thus the Buyer's responsibility (which in turn may be the Component supplier's responsibility under the Buyer's agreement with such supplier), the Supplier shall together with the supplier of the Component carry out the final inspection and make joint decision with regard to the cause of the defect and action to be taken. If it is confirmed finally that the defect is caused by Component quality, the Buyer shall bear all the damage and cost incurred from the whole event (which in turn may be the Component supplier's responsibility under the Buyer's agreement with such supplier, which governs the relationship between the Buyer and the Component supplier). If the Buyer under the agreement with the Component supplier has the right to claim compensation, VCCH shall actively support the Buyer with the relevant supplier recovery activities. If the Buyer finds that the defect is due to product design, the Buyer shall carry out the final inspection and make decision with regard to the cause of the defect and action to be taken. If it is confirmed finally that the defect is due to product design, the Buyer shall bear all the damage and cost incurred from the whole event. If the Buyer finds that the defect is the Supplier's responsibility in accordance with this Agreement, the Buyer shall together with VCCH carry out the final inspection and make joint decision with regard to the cause of the defect and action to be taken. If it is confirmed finally that the defect is the Supplier's responsibility, the Supplier shall bear all the damage and cost incurred from the whole event. If the Parties cannot agree on the cause of the defect, the issue shall be escalated in accordance with what is set out in Section 16.1. This Section 11.2 is at all times subject to Section 9.

11.3 [\*\*\*].

11.4 [\*\*\*].

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## **12. AUDIT RIGHTS**

12.1 During the term of the Agreement, Buyer shall have the right to, upon reasonable notice in writing to Supplier, inspect Supplier's books and records related to the deliverables under this Agreement and the premises where the deliverables under this Agreement are performed, in order to conduct quality controls and otherwise verify the statements rendered under this Agreement.

12.2 Audits shall be made during regular business hours and be conducted by Buyer or by an independent auditor appointed by Buyer. Should Buyer during any inspection find that Supplier or the deliverables does/do not fulfil the requirements set forth herein, Buyer is entitled to comment on the identified deviations. Supplier shall, upon notice from Buyer, take reasonable efforts to take the actions required in order to fulfil the requirements. In the event the Parties cannot agree upon measures to be taken in respect of the audit, each Party shall be entitled to escalate such issue to the Steering Committee.

12.3 Supplier may withhold information if Supplier demonstrates that disclosing that information would be unlawful, would violate stock exchange regulations, or would breach a confidentiality obligation contained in a contract between Supplier and anyone other than one of its Affiliates.

## **13. TRADEMARKS**

### **13.1 General**

For the avoidance of doubt, this Agreement shall in no way be construed as to give any of the Parties any right whatsoever to use any registered or unregistered trademarks or brand names owned or licensed by another Party or its Affiliates, except in the manner and to the extent set forth in this Agreement or expressly consented to in writing by that other Party.

### **13.2 Volvo Cars brand name**

13.2.1 For sake of clarity, it is especially noted that this Agreement does not include any right to use the 'Volvo brand name or trademarks, or refer to 'Volvo in communications or official documents of whatever kind.

13.2.2 This means that this Agreement does not include any rights to directly or indirectly use

13.2.2 This means that this Agreement does not include any rights to directly or indirectly use the 'Volvo brand name or 'Volvo' trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, *e.g.* in presentations, business cards and correspondence. The Parties acknowledge that the 'Volvo' Trademarks as well as the 'Volvo' name is owned by Volvo Trademark Holding AB and that the right to use the name and the 'Volvo' Trademarks is subject to a license agreement, which stipulates that the name, Trademarks and all thereto related intellectual property can only be used by Volvo Cars and its Affiliates in relation to Volvo products.

### 13.3 Polestar brand name

13.3.1 Correspondingly, it is especially noted that this Agreement does not include any right to use the 'Polestar' brand name, or Trademarks, or refer to 'Polestar' in communications or official documents of whatever kind.

13.3.2 This means that this Agreement does not include any rights to directly or indirectly use the 'Polestar brand name or 'Polestar Trademarks, on or for any products or when

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marketing, promoting and/or selling such products, or in any other contacts with Third Parties, *e.g.* in presentations, business cards and correspondence.

### 13.4 Trademark on Contract Products

13.4.1 Notwithstanding the above, the Supplier is hereby granted the right to use the Buyer's trademarks but solely to apply such trademark on the Contract Product in accordance with the Technical Specification or as otherwise instructed by the Buyer.

13.4.2 Any other use of the Buyer's trademark, including the one on the Contract Products, is subject to the Parties entering into a trademark license agreement.

## 14. LIMITATION OF LIABILITY

14.1 Neither Party shall be responsible for any indirect, incidental or consequential damage or any losses of production or profit caused by it under this Agreement.

14.2 Each Party's aggregate liability for any damage arising out of or in connection with this Agreement shall be limited to [\*\*\*]

14.3 Any damage paid under this Agreement from the Supplier to the Buyer shall never become part of the cost base for the Contract Products.

14.4 The limitations of liability set out in this Section 14 shall not apply in respect of damage;

- (a) caused by wilful misconduct or gross negligence,
- (b) caused by a Party's breach of the confidentiality undertakings in Section 17 below,
- (c) caused by a Party's exit subject to Section 18.4 below.

14.5 The limitations of liability set out in Sections 14.1-14.2 shall not apply in respect of Section 15 below, with the exception of any Third Party claims on Intellectual Property Rights infringement to which Section 14.1-14.2 shall apply.

## 15. INDEMNIFICATION

15.1 Buyer shall indemnify and hold harmless Supplier from and against any and all direct losses, liabilities, damages, costs, expenses (including all interest, penalties, reasonable legal and other professional fees, costs and expenses), actions, charges, fines, claims and proceedings sustained by any of them, arising from any Third Party with respect to the death or injury to any person, or damage to property, by whomsoever suffered, resulting or claimed to have resulted from any fault or defect in the Contract Products or any Third Party claims on Intellectual Property Rights infringement.

15.2 Supplier shall after receipt of notice of a claim which may reasonably be indemnifiable pursuant to Section 15.1 above, promptly notify Buyer of such claim in writing and Buyer shall following receipt of such notice, to the extent permitted under applicable law, at its own cost conduct negotiations with the Third Party presenting the claim and/or intervene in any suit or action. Buyer shall at all times keep Supplier informed of the status and progress of the claim and consult with Supplier on appropriate actions to take. If Buyer



fails to or chooses not to take actions to defend Supplier within a reasonable time, or at any time ceases to make such efforts, Supplier shall be entitled to assume control over the defence against such claim and /or over any settlement negotiation at Buyer's cost. Any settlement proposed by Buyer on its own account must take account of potential implications for Supplier and shall therefore be agreed in writing with Supplier before settlement. Each Party will at no cost furnish to the other Party all data, records, and assistance within that Party's control that are of importance in order to properly defend against a claim.

- 15.3 Supplier and Buyer acknowledge that Supplier may only be indemnified once for each event.
- 15.4 Buyer is responsible to obtain and maintain an insurance to cover its obligations under Section 15.1 of this Agreement, with the exception of Third Party claims on Intellectual Property Rights infringement.
- 15.5 This clause shall not limit or prevent any rights or remedies available for the Buyer to claim damages from the Supplier under this Agreement.

## **16. GOVERNANCE AND CHANGES**

### **16.1 Governance**

- 16.1.1 The Parties shall act in good faith in all matters and shall at all times co-operate in respect of changes to this Agreement as well as issues and/or disputes arising under this Agreement.
- 16.1.2 The governance and co-operation between the Parties in respect of this Agreement shall primarily be administered on an operational level.
- 16.1.3 In the event the Parties on an operational level cannot agree upon aspects relating to the co-operation between the Parties, each Party shall be entitled to escalate such issue to the Steering Committee.
- 16.1.4 If the Steering Committee fails to agree upon a solution of the disagreement the relevant issue should be escalated to the Strategic Board for decision.

### **16.2 Change management**

- 16.2.1 For any changes or updates of the Technical Specifications, the Buyer shall notify the Supplier of its requested change and the Supplier shall provide feedback to the Buyer of potential consequences of the requested change regarding both cost and effect on delivery time. Details regarding change management should follow the change management procedure used by the Parties.
- 16.2.2 The Supplier undertakes to immediately incorporate any changes in the Components, in the Contract Products or in manufacturing engineering processes related thereto in accordance with strict batch sequence orders and plans as agreed by the Parties. The Supplier shall bear the costs for all the described work. All related work performed by the Supplier shall be charged back to the Buyer as part of the price for the Contract Products.

## **17. CONFIDENTIALITY**

- 17.1 The Parties shall take any and all necessary measures to comply with the security and confidentiality procedures of the other Parties.
- 17.2 All Confidential Information shall only be used for the purposes comprised by the fulfilment of this Agreement. Each Party will keep in confidence any Confidential Information obtained in relation to this Agreement and will not divulge the same to any Third Party, unless the exceptions specifically set forth below in this Section 17.2 below apply or when approved by the other Party in writing, and with the exception of their own officers, employees, consultants or sub-contractors with a need to know as to enable such personnel to perform their duties hereunder, as well as with the exception of such personnel of Volvo Cars and Polestar with a need to know as for the Parties to perform their duties



hereunder and in relation to the operation of the Plant. This provision will not apply to Confidential Information which the Receiving Party can demonstrate:

- (a) was in the public domain other than by breach of this undertaking, or by another confidentiality undertaking;
- (b) was already in the possession of the Receiving Party before its receipt from the Disclosing Party;
- (c) is obtained from a Third Party who is free to divulge the same;
- (d) is required to be disclosed by mandatory law, court order, lawful government action or applicable stock exchange regulations; or
- (e) is developed or created by one Party independently of the other, without any part thereof having been developed or created with assistance or information received from the other Party.

17.3 The Receiving Party shall protect the disclosed Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the dissemination to Third Parties or publication of the Confidential Information, as the Receiving Party uses to protect its own Confidential Information of similar nature. Further, each Party shall ensure that its employees and consultants are bound by a similar duty of confidentiality and that any subcontractors taking part in the fulfilment of that Party's obligations hereunder, enters into a confidentiality undertaking containing in essence similar provisions as those set forth in this Section 17.

17.4 Any tangible materials that disclose or embody Confidential Information should be marked by the Disclosing Party as "Confidential," "Proprietary" or the substantial equivalent thereof. Confidential Information that is disclosed orally or visually shall be identified by the Disclosing Party as confidential at the time of disclosure, with subsequent confirmation in writing within thirty (30) days after disclosure. However, the lack of marking or subsequent confirmation that the disclosed information shall be regarded as "Confidential", "Proprietary" or the substantial equivalent thereof does not disqualify the disclosed information from being classified as Confidential Information.

17.5 If any Party violates any of its obligations described in this Section 16.2 17.2, the violating Party shall, upon notification from the other Party, (i) immediately cease to proceed such harmful violation and take all actions needed to rectify said behaviour and (ii) financially compensate for the harm suffered as determined by an arbitral tribunal pursuant to Section

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22.2 below. All legal remedies (compensatory but not punitive in nature) according to law shall apply.

17.6 This confidentiality provision shall survive the expiration or termination of this Agreement without limitation in time.

## **18. TERM AND TERMINATION**

### **18.1 Term and termination**

18.1.1 This Agreement shall become effective when signed by duly authorised signatories of each Party, and shall, unless terminated in accordance with the principles set forth in this Agreement, remain in force for a period of seven years after start of production, Job1. Should Buyer wish to continue production after seven years the Parties shall, in good faith, negotiate a possible prolongation of this Agreement. This Agreement may be terminated in accordance with what is set out below in this Section 18.1.

18.1.2 Either Party shall be entitled to terminate this Agreement with immediate effect, in the event;

- (a) the other Party commits a material breach of the terms of this Agreement, which has not been remedied within sixty (60) days from written notice from the other Party to remedy such breach (if capable of being remedied); or
- (b) the other Party breaches any of its representations or warranties under Section 19.2.3, 19.2.4 or 19.3, or any representations or warranties set forth in Section 19.2.3, 19.2.4 or 19.3 has failed to be true and correct at any time;
- (c) a Party's ability to fulfil its obligations under this agreement is materially affected by the imposition of economic sanctions or export control laws and regulations; or
- (d) if the other Party should become insolvent or enter into negotiations on composition with its creditors or a petition in bankruptcy should be filed by it or it should make an assignment for the benefit of its creditors.

18.1.3 [\*\*\*].



18.1.4 Upon termination in accordance with this Section 18, the Parties should agree on how to handle supply of spare parts for the period after termination.

18.2 **Change of Control**

A Party shall be entitled to terminate this Agreement in the event that any Change of Control (as defined below) has occurred in the other Party, unless the other Party's prior written consent has been obtained. "**Change of Control**" means (a) in the case of the Buyer, the Buyer ceasing to be controlled Polestar Automotive Holding UK PLC or (b) in the case of the Supplier, the Supplier ceasing to be controlled by Volvo Car AB (publ).

18.3 **Consequences of termination**

18.3.1 Termination of this Agreement shall be without prejudice to the accrued rights and liabilities of the Parties on the date of termination, unless expressly waived in writing by the Parties.

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18.3.2 Unless otherwise agreed by the Parties, upon expiry or termination of this Agreement, the rights of the Supplier referred to in this Agreement hereof shall cease and the Supplier shall forthwith cease to assemble the Contract Product or any Components thereof.

18.3.3 The Supplier shall upon expiry or termination of this Agreement make no further use of the Technical Information and Know-How owned or associated with the Buyer and shall return to the Buyer, at the Supplier's expense, the Technical Information in tangible form and any reproductions or copies thereof or, at the Buyer's option, present acceptable evidence that the same have been completely destroyed.

18.3.4 The Supplier shall forthwith take all action necessary to transfer all licenses or registrations issued by the relevant authorities for the Contract Product to the Buyer or, if this is not possible, to arrange for cancellation of such licenses or registrations.

18.3.5 Upon termination of this Agreement, the Buyer shall within sixty (60) days after expiry, purchase at fair market value any non-defective Contract Product and/or Components and non-cancellable orders regarding supply to the Buyer.

18.3.6 Neither Party is entitled to claim compensation for goodwill, indemnities for loss of profit or of clientele, or consequential loss by reason of termination of this Agreement.

18.3.7 In case of a termination in accordance with Section 18.1, however not in case Section **Error! Reference source not found.** applies, Section 18.5 shall apply.

18.3.8 [\*\*\*].

18.3.9 [\*\*\*].

18.4 **Exit**

18.4.1 [\*\*\*].

18.4.2 [\*\*\*].

18.4.3 [\*\*\*].

18.4.4 [\*\*\*].

18.4.5 [\*\*\*].

18.5 **End of Production**

18.5.1 [\*\*\*].

18.5.2 [\*\*\*].

18.5.3 [\*\*\*].

18.5.4 [\*\*\*].



**19. RESPONSIBLE BUSINESS**

**19.1 Compliance with laws, internationally recognized principles concerning business and human rights and Code of Conduct**

- 19.1.1 Each Party shall comply with the laws, and regulations of the country/countries where it operates and all other laws and regulations of any other jurisdiction which are, at the time for signing the Agreement or later during the validity of this Agreement become, applicable to the business and the activities of the Three Party in connection with this Agreement.
- 19.1.2 Without limiting the generality of the foregoing, Three Party shall at all times follow:
- (i) all applicable laws, regulations and statutory requirements applicable to the Three Party when performing their respective obligations under this Agreement. This includes, but is not limited to those relating to the protection of people's free enjoyment of labor laws, i.e. such national laws regulating working conditions, work place health and safety, discrimination;
  - (ii) internationally recognized human rights contained in the International Bill of Human Rights (i.e. the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights); UN Guiding Principles on Business and Human Rights; Ten Principles of the United Nations Global Compact (UNGC) covering human rights, labor standards, the environment and anti-corruption; the eight core ILO conventions as set out in the ILO Declaration of Fundamental principles and Rights at Work; where relevant, United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP);
  - (iii) and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- 19.1.3 Volvo Car Group has adopted a corporate Code of Conduct for its business called *Our Code – How we act* (the "Volvo Cars Code of Conduct") available at [group.volvocars.com/sustainability](http://group.volvocars.com/sustainability), to which Supplier and its affiliates are bound. Polestar has adopted a Code of Conduct for its business (the "Polestar Code of Conduct") available at [legal.polestar.com/ethics](http://legal.polestar.com/ethics), to which Buyer and its affiliates are bound. Three Party agree that these two documents are expressions of the same or similar principles of good conduct, and hereby declare to each other that they shall adhere to, and shall cause their directors, officers, employees and contractors to adhere to, their respective Code of Conduct or similar principles, in their performance of their respective obligations under this Agreement.
- 19.1.4 Volvo Car Group has adopted a Code of Conduct for Business Partners ("the Volvo Cars Code of Conduct for Business Partners") available at [group.volvocars.com/sustainability](http://group.volvocars.com/sustainability). Polestar has adopted a Code of Conduct for Business Partners ("the Polestar Code of Conduct for Business Partners"). Three Party agree that these two documents are expressions of the same or similar principles of good conduct. The Three Party agree to make commercially reasonable efforts to ensure that their respective Business Partners (as defined in the applicable Code of Conduct for Business Partners), to the extent

relevant for the performance under this Agreement, are committed to follow the applicable Code of Conduct for Business Partners, or similar principles.

- 19.1.5 If Buyer reasonably suspects that Supplier does not adhere to (i) Volvo Cars Code of Conduct, and (ii) internationally recognized principles concerning business and human rights as described in Section 19.1.2 (i) and (ii) when performing its obligations under this Agreement, then Buyer shall have the right, either directly or through an independent third-party auditor appointed by Buyer, to conduct an on-site inspection. Any such inspection is subject to prior reasonable notice in writing from Buyer to Supplier. All information obtained during such an inspection shall be considered Confidential Information and be subject to the confidentiality undertaking in Section 17, unless the Parties agree otherwise Buyer shall ensure that any independent third-party auditor undertakes the same confidentiality undertakings and obligations as those applicable to

19.2 **Export control, sanctions and customs rules**

- 19.2.1 Supplier shall obtain and maintain any export license(s) required to sell Contract Products to Buyer.
- 19.2.2 Supplier shall, upon request, provide Buyer with all information and documentation necessary or useful for Buyer to comply with laws relating to export or re-export of the Contract Products to Europe and any other country agreed between the Parties.
- 19.2.3 Buyer and Supplier hereby represent and warrant respectively that, neither it nor any of its Affiliates, officers, directors or employees (to the best of its knowledge):

(i) Is, has been or will be a Restricted Party, and

(ii) shall not, when performing its obligations under this Agreement (a) conduct any business activity, directly or indirectly, with any Restricted Party, including by supplying to Buyer items sourced from a Restricted Party, (b) conduct any business activity involving any Sanctioned Territory, (c) conduct any business activity that is prohibited or restricted under trade sanctions or export control laws applicable to the Parties when performing under this Agreement, or (d) engage in any transaction that evades or attempts to violate restrictions under any trade sanctions or export control laws referenced in (a)-(c) above.

- 19.2.4 Buyer represents and warrants that the Buyer will not sell, provide, or transfer the Contract Products to any person located in a Sanctioned Territory, Russia, Belarus or to any Restricted Party.

19.3 **Anti-Corruption**

- 19.3.1 Three Party represents and warrants that it and its directors and officers:

(i) will, when performing under this Agreement, conduct their operations and transactions in compliance with all applicable laws, regulations and rules relating to anti-money laundering, anti-bribery and anti-corruption, including the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010, and all other applicable laws

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prohibiting bribing government officials and private persons (the "Anti-Corruption Laws"), and

(ii) are not and have not been within a five-year period prior to the date of this Agreement condemned or sentenced by any judicial or administrative authority for any corrupt or illegal practice under the Anti-Corruption Laws.

- 19.4 Each Party represents and warrants that it has implemented policies and procedures aiming at preventing corruption and bribery, including effective sanctions against any activity of its directors, officers and employees that might be considered a corrupt or illegal practice under the Anti-Corruption Laws.

19.5 **Cybersecurity**

- 19.5.1 In addition to its compliance with applicable laws and regulations in accordance with Section 19.1.1., and in particular with respect to cyber security, Supplier will follow such standards, regulations and requirements, which in Supplier's sole discretion, are deemed relevant and applicable for the manufacturing of the Contract Products.

20. **MISCELLAENOUS**

20.1 **Force majeure**

- 20.1.1 Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement to the extent that such failure or delay is caused by a Force Majeure Event. A "Force Majeure Event" means any event beyond a Party's reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, including strikes, (whether involving its own workforce or a Third Party's), failure of general energy sources delivering energy to the plant, restrictions concerning motive force, acts of God, war, terrorism, insurgencies and riots, civil commotion, mobilization or extensive call ups, interference by civil or military authorities, national or international calamity, currency restrictions, requisitions, confiscation, armed conflict, malicious damage, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, stroke of lightning, earthquakes, loss at sea, epidemics or similar events, natural disasters or extreme adverse weather conditions.

- 20.1.2 A non-performing Party, which claims there is a Force Majeure Event, and cannot perform its obligations under this Agreement as a consequence thereof, shall use all commercially reasonable efforts to continue to perform or to mitigate the impact of its non-performance notwithstanding the Force Majeure Event and shall continue the performance of its obligations as soon as the Force Majeure Event ceases to exist.

20.2 **Notices**

- 20.2.1 All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Agreement must be in legible writing in the English language delivered by personal delivery, facsimile, email transmission or prepaid overnight courier using an internationally recognized courier service and shall be effective upon receipt, which shall be deemed to have occurred:

- (a) in case of personal delivery, at the time and on the date of personal delivery;

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- (b) if sent by facsimile or email transmission, at the time and on the date indicated on a confirmation of successful transmission page relating to such facsimile transmission or at the time and date indicated on a response confirming such successful email transmission;
- (c) if delivered by courier, at the time and on the date of delivery as confirmed in the records of such courier service; or
- (d) at such time and date as delivery by personal delivery or courier is refused by the addressee upon presentation;

in each case provided that if such receipt occurred on a non-business day, then notice shall be deemed to have been received on the next following business day; and provided further that where any notice, demand, request or other communication is provided by any party by email, such party shall also provide a copy of such notice, demand, request or other communication by using one of the other methods.

- 20.2.2 All such notices, demands, requests and other communications shall be sent to:

- (a) To Supplier:

Volvo Car USA LLC  
Attention: [\*\*\*]Email: [\*\*\*]

With a copy not constituting notice to:

Volvo Car Corporation  
Attention: Legal Department  
Email: [\*\*\*]

- (b) To Buyer:

Polestar Performance AB  
Attention: [\*\*\*]  
Email: [\*\*\*]

With a copy not constituting notice to:

Polestar Performance AB  
Attention: Legal Department  
Email: [\*\*\*]

20.3 **Assignment**

Neither Party may, wholly or partly, assign, pledge or otherwise dispose of its rights and/or obligations under this Agreement without the other Party's prior written consent.

20.4 **Waiver**

Neither Party shall be deprived of any right under this Agreement because of its failure to exercise any right under this Agreement or failure to notify the infringing party of a breach



in connection with the Agreement. Notwithstanding the foregoing, rules on complaints and limitation periods shall apply.

**20.5 Severability**

In the event any provision of this Agreement is wholly or partly invalid, the validity of the Agreement as a whole shall not be affected and the remaining provisions of the Agreement shall remain valid. To the extent that such invalidity materially affects a Party's benefit from, or performance under, the Agreement, it shall be reasonably amended.

**20.6 Entire Agreement**

All arrangements, commitments and undertakings in connection with the subject matter of this Agreement (whether written or oral) made before the date of this Agreement are superseded by this Agreement.

**20.7 Amendments**

Any amendment or addition to this Agreement must be made in writing and signed by the Parties to be valid.

**20.8 Survival**

If this Agreement is terminated or expires pursuant to Section 18 above, Section 17 (*Confidential Information*), Section 21 (*Governing Law*), Section 22 (*Dispute Resolution*) as well as this Section 20.8, shall survive any termination or expiration and remain in force as between the Parties after such termination or expiration.

**20.9 Protection of Personal Data**

The Parties shall conduct any processing of Personal Data in compliance with applicable national, federal, state, and international laws and regulations relating to such Personal Data now or hereafter in effect. The Parties acknowledge that the intention is that neither Party will process Personal Data on behalf of the other Party under or in connection with this Agreement.

Notwithstanding this Section 20.9 if either Party anticipates that a Party will process Personal Data on behalf of the other Party in connection with this Agreement, that Party shall promptly notify the other Party of that fact. To the extent necessary, the Parties to this Agreement shall then negotiate in good faith amending this Agreement to permit the processing of Personal Data is performed in a way that complies with applicable laws, and neither Party shall process Personal Data on behalf of the other until this Agreement has been so amended or supplemented.

**21. GOVERNING LAW**

This Agreement and all non-contractual obligations in connection with this Agreement shall be governed by the substantive laws of the United States of America without giving regard to its conflict of laws principles.

**22. DISPUTE RESOLUTION**

**22.1 Escalation principles**

- 22.1.1 In case the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and each Party shall notify the other Party hereof by the means of a deadlock notice and simultaneously send a copy of the notice to the Steering Committee. Upon the receipt of such a deadlock notice, the receiving Party shall within ten (10) days of receipt, prepare and circulate to the other Party a statement setting out its position on the matter in dispute and reasons for adopting such position, and simultaneously send a copy of its statement to the Steering Committee. Each such statement shall be considered by the next regular meeting held by the Steering Committee or in a forum meeting specifically called upon by either Party for the

settlement of the issue.

- 22.1.2 The members of the Steering Committee shall use reasonable endeavours to resolve a deadlock situation in good faith. As part thereof, the Steering Committee may request the Parties to in good faith develop and agree on a plan to resolve or address the breach, to be presented for the Steering Committee without undue delay. If the Steering Committee agrees upon a resolution or disposition of the matter, the Parties shall agree in writing on terms of such resolution or disposition and the Parties shall procure that such resolution or disposition is fully and promptly carried into effect.
- 22.1.3 If the Steering Committee cannot settle the deadlock within thirty (30) days from the deadlock notice pursuant to the section above, despite using reasonable endeavours to do so, such deadlock will be referred to the Strategic Board for decision. Should the matter not have been resolved by the Strategic Board within thirty (30) days counting from when the matter was referred to them, despite using reasonable endeavours to do so, the matter shall be resolved in accordance with Section 22.2 below. If no Steering Committee has been established between the Parties, the relevant issue shall be referred to the Strategic Board immediately and Section 22.1.2 above shall not apply.
- 22.1.4 All notices and communications exchanged in the course of a deadlock resolution proceeding shall be considered Confidential Information of each Party and be subject to the confidentiality undertaking in Section 17 above.
- 22.1.5 Notwithstanding the above, the Parties agree that either Party may disregard the time frames set forth in this Section 22.1 and apply shorter time frames and/or escalate an issue directly to the Strategic Board in the event the escalated issue is of an urgent character and where the applicable time frames set out above are not appropriate.

**22.2 Arbitration**

- 22.2.1 Any unresolved dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, will , be brought in the federal or state court of jurisdiction in New Jersey. The language to be used in the proceedings shall be English.
- 22.2.2 Irrespective of any discussions or disputes between the Parties, each Party shall always continue to fulfil its undertakings under this Agreement unless an arbitral tribunal or court (as the case may be) decides otherwise.

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- 22.2.3 In any arbitration proceeding, any legal proceeding to enforce any arbitration award, or any other legal proceedings between the Parties relating to this Agreement, each Party expressly waives the defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state. Such waiver includes a waiver of any defence of sovereign immunity in respect of enforcement of arbitral awards and/or sovereign immunity from execution over any of its assets.
- 22.2.4 All arbitral proceedings as well as any and all information, documentation and materials in any form disclosed in the proceedings shall be strictly confidential.

[SIGNATURE PAGE FOLLOWS]



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This Agreement may be signed electronically and in counterparts, which together will constitute one instrument. The Parties agree that a scanned or electronic copy of this Agreement signed by both Parties' authorized signatories will constitute a binding agreement.

**VOLVO CARS US LLC**

By: /s/ Helen Hu

Printed Name: Helen Hu

Title: General Counsel

Date: Sep 6, 2024

By: /s/ Johan Ekdahl

Printed Name: Johan Ekdahl

Title: CFO

Date: Sep 6, 2024

**POLESTAR PERFORMANCE AB**

By: /s/ Anna Rudensjö

Printed Name: Anna Rudensjö

Title: General Counsel

Date: 6 Sep, 2024

By: /s/ Per Ansgar

Printed Name: Per Ansgar

Title: CFO

Date: Sep 6, 2024



**EXHIBIT 1**

**VOLUME PLANNING PROCEDURES**

[\*\*\*]

**EXHIBIT 2**

**CAR PRICING PRINCIPLES AND PROCEDURES**

[\*\*\*]

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**EXHIBIT 3**

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**EXHIBIT 4A**  
**SUSTAINABILITY REQUIREMENTS**

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**1. REQUIREMENTS**

- 1.1 **This appendix aim to secure Polestar sustainability requirements, the appendix is written in a collaborative manner. It's focusing on securing data transfer and sustainability reporting.**
  - 1.1.1 Polestar's sustainability requirements are sectioned according to the four main areas of focus - climate neutrality (2), transparency (3), inclusion (4) & circularity (5).
  - 1.1.2 In all cases, these requirements are subject to change if deemed necessary.
- 1.2 **Change Management**
  - 1.2.1 Changes affecting the initial sustainability targets detailed in these requirements shall be handled in line with the change management strategy for the vehicle. Cost and Sustainability upgrades and related Model Year (MY) changes should be undertaken collaboratively and implemented in a timely manner to support Polestars sustainability roadmap.

**2. CLIMATE NEUTRALITY**

**2.1 Greenhouse Gas Emissions – Manufacturing**

- 2.1.1 Energy use in the manufacturing plant (electricity, fuels, over the fence heating and cooling) aim to be 100 % climate neutral no later than 2025.

**2.2 Greenhouse Gas Emissions – Supply Chain**

- 2.2.1 Joint ambition to actively work towards and achieve climate neutral electricity for all sourced Tier 1 (T1) suppliers.
- 2.2.2 To ensure this, the turnkey supplier shall contact all active T1 suppliers in order for them to disclose their own emissions in scope 1 and 2, according to the GHG protocol starting



from 2024. Suppliers shall also disclose whether they also report on scope 3, and if that is the case, disclose their full climate reporting according to GHG protocol (scope 1, 2, 3).

- 2.2.3 Where Polestar have expertise & technical data to support GHG emission reduction on common platform, collaborative working should be undertaken to support the implementation of these solutions for mutual benefit.
- 2.2.4 Renewable electricity should be accompanied by a certification or have the means to substantiate any claims in that regard.

### 2.3 **Life Cycle Analysis (LCA)**

- 2.3.1 The turnkey supplier shall provide Polestar with an updated cradle-to-gate carbon footprint, including battery, calculation for the main variants of requested MY, work to be initiated by a service request.

## 3. **TRANSPARENCY**

### 3.1 **Blockchain Material Traceability**

- 3.1.1 The following materials used in battery pack and modules shall/must be traced using blockchain technology:

3.1.1.1 *Lithium, Nickel, Cobalt, natural graphite & Mica.*

### 3.2 **Supply chain transparency**

- 3.2.1 The parties recognize the need to have a traceable supply chain in order to comply with current (UFLPA) and coming (such as the EU battery act, Corporate sustainability directive, EU proposal for a regulation on prohibiting products made with forced labour on the Union market) regulations. Volvo agrees, to the best of its effort, to ensure mapping of the supply chain in order with regulation requirements.

### 3.3 **Conflict Mineral Reporting**

- 3.3.1 The following materials shall continue to be reported according to the Responsible Minerals Initiative (RMI) Conflict Mineral Reporting template standards:

3.3.1.1 *Tin, Tantalum, Tungsten & Gold (3TG).*

- 3.3.2 Tin, Tantalum, Tungsten & Gold (3TG). Polestar requires company-specific reporting for with disclosure of smelters, their status, and their country of origin through campaigning towards suppliers in each project with aim of increasing numbers of conformant smelters.

### 3.4 **Data Sharing**

- 3.4.1 The parties recognize that ensuring compliance, fighting corruption and integrating environmental, social, and governance (ESG) topics into corporate strategy, operations

and supply chain are a common effort, and best results can be achieved by sharing data on due diligence activities conducted on Tier 1 suppliers.

- 3.4.2 In this regard, Volvo shall:
  - 3.4.2.1 *conduct sanction screening during selection stage of Tier 1 DM suppliers for new sourcing, and monitor the existing suppliers against the below sanctions lists during the program :*

3.4.2.1.1 *EU sanctions lists.*

3.4.2.1.2 *UK sanctions lists*

- 3.4.2.1.3 *US lists: (1) OFAC Specially Designated National and Blocked Persons list, (2) OFAC Sectoral Sanctions Identifications List, (3) BIS Entity List, (4) BIS Denied Persons List, and (5) BIS Unverified List, OFAC - Non-SDN Chinese Military-Industrial Complex Companies List*
- 3.4.2.1.4 *UN Security Council Consolidated List*
- 3.4.2.1.5 *any other sanction list that would be applicable*
- 3.4.2.2 *Inform Polestar, without undue delay, and at minimum quarterly, of any Red flag related to Sanction and Sanction ownership and control*
- 3.4.2.3 *Assess corruption, reputation, and human rights risks, during selection stage of Tier 1 DM suppliers, and monitor such risks during the program*
- 3.4.2.4 *Promptly/ when such red flags arise, inform Polestar of material findings /Red flags, and on a quarterly basis*
- 3.4.3 The parties agree to cooperate to define appropriate risk mitigation actions, and transparently report on progress and issues.
- 3.5 **Sustainability reporting requirements**
- 3.5.1 Polestar require documentation and supporting material related to sustainability reporting requirements such as, but not limited to, EU Taxonomy regulation (EU) 2020/852 and Corporate Sustainability Reporting Directive 2022/2464/EU on an annual basis.

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- Documentation requirements in accordance with the implementing and delegated acts of the regulations.
- 3.5.2 Prompt communication/reporting to Polestar's C&E team in case of material finding.
- 3.6 **Supply chain data**
- 3.6.1 In order to enable Polestar to comply with due diligence and reporting obligations, Volvo shall make the data (name, address and country) of Tier 1 DM suppliers connected to Polestar products available to Polestar and provide such data on Polestar's request.
- 4. **INCLUSION**
- 4.1 **Agreed Code of Conduct for Business Partner for the manufacturing of the vehicle as well as by Direct Material (DM) suppliers and their components to be used. Revisions of the CoC for Business Partners must be agreed and aligned.**
- 4.2 **Due Diligence**
- 4.2.1 Due diligence practices should be put in place according to OECD due diligence guidelines. These practices include how to embed responsible business conduct, identifying and assessing adverse impact, how to cease, prevent or mitigate and track impact on human rights and this must be transparently communicated so that corrective action plans can be implemented in manufacturing and in our common supply chains effectively.
- 4.2.2 The supplier shall put processes in place to avoid incompliance with laws and regulations during manufacturing of parts and components and for adhering to the laws and regulations on our sales markets.
- 4.2.3 During onboarding of Tier 1 suppliers:
- 4.2.3.1 *Ensure Self-Assessment Questionnaire (SAQ) is completed in NQC platform*
- 4.2.3.2 *Only select suppliers with >70% rating before SOP, or has an agreed roadmap*
- 4.2.3.3 *In case the supplier does not meet the 70 score consult with Polestar to align if supplier*



in case the supplier does not meet the requirements, supplier shall be asked to supply supplier can still be selected and define corrective actions.

#### 4.3 Social third-party onsite audits

- 4.3.1 Existing Tier 1 suppliers, as selected through Turnkey supplier's risk-based audit strategy program, to undergo third-party social audits. New Tier 1 suppliers shall undergo the

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Turnkey supplier self-initiated audit program, Polestar to gain access to valid and updated audit report data and Corrective Action Plan (CAP) during the production phase.

- 4.3.2 Possibility for Polestar to perform own audits unless already performed by Volvo Cars. These should be planned and performed in discussions with Volvo cars.
- 4.3.3 For materials used in battery pack and modules transparently implement third-party on-site social audits down the supply chain in high-risk markets.

#### 4.4 Protecting Animal welfare

- 4.4.1 Animal based products, nappa leather and wool, must live up to the standards on Animal Welfare and the Five Freedoms. Polestar should be able to request and obtain access to



information about adherence and follow up on animal welfare status during production. Standards and certificates to be aligned between both parties.

## 5. CIRCULARITY

### 5.1 Raw Material Use

- 5.1.1 The recycled content (PCR and PIR) for the following materials in the vehicle shall be identified and disclosed, and where possible, increased until end of production:
  - 5.1.1.1 *Aluminium*
  - 5.1.1.2 *Steel*
  - 5.1.1.3 *Plastics*
  - 5.1.1.4 *Copper*
  - 5.1.1.5 *REEs (e-machine) – (target 50% PCR)*
- 5.1.2 The recycled content (PCR and PIR) for the risk minerals in the batteries shall be identified and disclosed, and where possible, increased until end of production.
- 5.1.3 Where bio-based materials are used (e.g. in the interior), the quantity and type of biomaterial shall be identified and disclosed.
- 5.1.4 The supplier shall work continuously through model year improvements to reach the highest technically feasible recycled content for all materials throughout the vehicle lifetime.
- 5.1.5 The supplier shall work continuously through model year improvements to identify material substitutions where fossil-based and virgin materials can be replaced with more circular materials.
- 5.1.6 All materials containing recycled content and/or bio content should preferably be accompanied by a valid third-party certification or as a minimum have the means to substantiate any claims in that regard.

### 5.2 Hazardous substances

- 5.2.1 The supplier shall support Polestars goal of minimising the use of EU Candidate List substances (Candidate List of substances of very high concern for Authorisation (published in accordance with Article 59(10) of the REACH Regulation) and per- and polyfluoroalkyl substances (PFAS), used in both the product and the manufacturing processes. The cars shall be compliant with Volvo cars RSMS.
- 5.2.2 Candidate List substances and PFAS shall be identified and disclosed to Polestar on a yearly basis. In addition, data on Candidate List substances shall be disclosed and reported to Polestar at every update of the EU Candidate List, if the update concerns substances present in the cars. The information shall at least include substance name, CAS-number (if applicable), amount (w/w), material/component name, alternatives

assessment (yes/no), outcome of alternatives assessment (if applicable), expected phase out date (if applicable) and date for next alternatives assessment.

### 5.3 IMDS substance data to mitigate future supply chain and compliance risks

- 5.3.1 The supplier commits to support Polestar in gathering and to disclose information on substances and substance groups, used in materials/components that are material to Polestar to be able to mitigate future supply chain and compliance risks.

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**EXHIBIT 4B**  
**MANUFACTURING SUSTAINABILITY REQUIREMENTS**

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Certain identified information marked with "[\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

**SUPPLEMENT AGREEMENT NO. 1 TO  
THE [\*\*] MANUFACTURING AND VEHICLE SUPPLY AGREEMENT  
(DOMESTIC)**

This Supplemental Agreement No.1 to the Manufacturing and Vehicle Supply Agreement (agreement no.: GEE23-015) ("**Supplement**") is made on 1 January 2024 ("**Effective Date**") by and between:

- (1) Polestar Automotive China Distribution Co., Ltd., Reg. No. 91510112MA6D05KT88, a limited liability company incorporated under the laws of PRC (the "Buyer" or "Polestar")
- (2) Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd., Reg. No. 91330201MA2CHD0427, a limited liability company incorporated under the laws of People's Republic of China ("**Plant**"); and
- (3) Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory, Reg. No. 913302015638837911, a limited liability company incorporated under the laws of People's Republic of China (the "**Catalogue Company**"); and

The Plant and the Catalogue Company are referred to individually and collectively as the "**Supplier**". The Plant and the Catalogue Company are referred to individually and collectively as a "**Party**" on the one hand (save that the specific entity should be determined based on the context hereunder) and the Buyer as a "**Party**" on the other hand, and jointly as the "**Parties**".

**BACKGROUND**

- A. The Parties have entered into the P417 Manufacturing and Vehicle Supply Agreement (domestic) (Agreement No.: GEE23-015) (the "**Agreement**")
  - B. The Parties now wish to make certain amendments and supplements to the Original Agreement to the extent set out below.
  - C. Now therefore the Parties hereby agree as follows:
-

## 1. SCOPE OF SUPPLEMENT

- 1.1. The Agreement will be deemed supplemented and amended to the extent herein provided and will, except as specifically supplemented and amended, continue in full force and effect in accordance with its original terms. In case of any discrepancy between the provisions of this Supplement and the Agreement, the provisions of this Supplement shall prevail. Any definitions used in this Supplement shall, unless otherwise is stated herein, have the respective meanings set forth in the Agreement.

## 2. SUPPLEMENTS AND AMENDMENTS

- 2.1. Appendix 1 attached to this Amendment shall be added to the Agreement as a ***new Appendix 6 [\*\*\*]***.
- 2.2. Appendix 2 attached to this Amendment shall be added to the Agreement as a ***new Appendix 7 [\*\*\*]***.
- 2.3. ***Appendix 1 to the Agreement*** shall be replaced its entirety by Appendix 3 attached to this Supplement.

## 3. GENERAL PROVISIONS

- 3.1. This Supplemental Agreement shall be an integral part of the Agreement. All provisions of the Agreement, except to the extent as expressly amended in this Supplement Agreement, shall remain unaffected and in full force and effect. The validity of this Supplement is therefore dependent upon the validity of the Agreement Unless the context requires otherwise, the terms defined in the Agreement shall have the same meaning in this Supplemental Agreement.
- 3.2. No amendment of this Supplement will be effective unless it is in writing and signed by both Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Supplement.
- 3.3. The Clause 26 (Governing law) and Clause 27 (Dispute Resolution) of the Original Agreement shall apply to this Supplemental Agreement as if it had been set out in full herein *mutatis mutandis*.
- 3.4. This Supplemental Agreement shall become effective from the Effective Date and shall remain in effect until the expiration or termination of the Original Agreement.
- 3.5. This Supplemental Agreement shall be executed in five (5) originals, of which Buyer shall keep one (1) and Supplier shall keep four (4).

[execution page]

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POLESTAR AUTOMOTIVE CHINA  
DISTRIBUTION CO., LTD.

NINGBO HANGZHOU BAY GEELY  
AUTOMOTIVE PARTS CO., LTD.

By: /Ellie Wu

By: /Zhao Chunlin

Printed Name: Ellie Wu

Printed Name: Zhao Chunlin

Title: Legal Signatory

Title: VP

Date: 2024.9.26

Date: 2024.10.01

By:

By:

Printed Name:

Printed Name:

Title:

Title:

Date:

Date:

ZHEJIANG GEELY AUTOMOBILE CO., LTD.  
NINGBO HANGZHOU BAY FACTORY

By: / Zhao Chunlin

By:

Printed Name: Zhao Chunlin

Printed Name:

Title: VP

Title:

Date: 2024.10.01

Date:

**APPENDIX 6**

[\*\*\*]

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**APPENDIX 2**  
**SUPPLEMENT AGREEMENT TO THE [\*\*\*] MANUFACTURING AND VEHICLE  
SUPPLY AGREEMENT**

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**APPENDIX 7**

[\*\*\*]

**APPENDIX 3**

**SUPPLEMENT AGREEMENT TO THE [\*\*\*] MANUFACTURING AND VEHICLE SUPPLY  
AGREEMENT**

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**APPENDIX 1**

**PRICING PRINCIPLES AND PROCEDURES**

[\*\*\*]

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Certain identified information marked with "[\*\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

**SUPPLEMENT AGREEMENT NO. 1 TO  
THE [\*\*\*] MANUFACTURING AND VEHICLE SUPPLY AGREEMENT  
(EXPORT)**

This Supplemental Agreement No.1 to the Manufacturing and Vehicle Supply Agreement (agreement no.: GEE23-016) ("**Supplement**") is made on 1 January 2024 ("**Effective Date**") by and between:

- (1) Polestar Performance AB, Reg. No. 5566533096, a limited liability company incorporated under the laws of Sweden (the "**Buyer**" or "**Polestar**").
- (2) Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd., Reg. No. 91330201MA2CHD0427, a limited liability company incorporated under the laws of People's Republic of China ("**Plant**"); and
- (3) Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory, Reg. No. 913302015638837911, a limited liability company incorporated under the laws of People's Republic of China (the "**Catalogue Company**"); and
- (4) Shanghai Global Trading Corporation, Reg. No. 9131010769577129XR, a limited liability company incorporated under the laws of People's Republic of China (the "**Export Company**")

The Plant, Catalogue Company and Export Company are referred to individually and collectively as the "**Supplier**". The Plant, the Catalogue Company and the Export Company are referred to individually and collectively as a "**Party**" on the one hand (save that the specific entity should be determined based on the context hereunder) and the Buyer as a "**Party**" on the other hand, and jointly as the "**Parties**".

**BACKGROUND**

- A. The Parties have entered into the [\*\*\*] Manufacturing and Vehicle Supply Agreement (export) (Agreement No.: GEE23-016) (the "**Agreement**")
  - B. The Parties now wish to make certain amendments and supplements to the Original Agreement to the extent set out below.
-

C. Now therefore the Parties hereby agree as follows:

## **1. SCOPE OF SUPPLEMENT**

- 1.1. The Agreement will be deemed supplemented and amended to the extent herein provided and will, except as specifically supplemented and amended, continue in full force and effect in accordance with its original terms. In case of any discrepancy between the provisions of this Supplement and the Agreement, the provisions of this Supplement shall prevail. Any definitions used in this Supplement shall, unless otherwise is stated herein, have the respective meanings set forth in the Agreement.

## **2. SUPPLEMENTS AND AMENDMENTS**

- 2.1. Appendix 1 attached to this Amendment shall be added to the Agreement as a ***new Appendix 6 [\*\*\*]***
- 2.2. Appendix 2 attached to this Amendment shall be added to the Agreement as a ***new Appendix 7 [\*\*\*]***.
- 2.3. ***Appendix 1 to the Agreement*** shall be replaced its entirety by Appendix 3 attached to this Supplement.

## **3. GENERAL PROVISIONS**

- 3.1. This Supplemental Agreement shall be an integral part of the Agreement. All provisions of the Agreement, except to the extent as expressly amended in this Supplement Agreement, shall remain unaffected and in full force and effect. The validity of this Supplement is therefore dependent upon the validity of the Agreement Unless the context requires otherwise, the terms defined in the Agreement shall have the same meaning in this Supplemental Agreement.
  - 3.2. No amendment of this Supplement will be effective unless it is in writing and signed by both Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Supplement.
  - 3.3. The Clause 26 (Governing law) and Clause 27 (Dispute Resolution) of the Original Agreement shall apply to this Supplemental Agreement as if it had been set out in full herein *mutatis mutandis*.
  - 3.4. This Supplemental Agreement shall become effective from the Effective Date and shall remain in effect until the expiration or termination of the Original Agreement.
  - 3.5. This Supplemental Agreement shall be executed in five (5) originals, of which Buyer shall keep one (1) and Supplier shall keep four (4).
-

[execution page]

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**POLESTAR PERFORMANCE AB**

**NINGBO HANGZHOU BAY GEELY  
AUTOMOTIVE PARTS CO., LTD.**

By: /Jonas Engström

By: /Zhao Chunlin

Printed Name: Jonas Engström

Printed Name: Zhao Chunlin

Title: Head of Operations

Title: VP

Date: Sept 26, 2024

Date: 2024.10.01

By: /Anna Rudensjö

By: \_\_\_\_\_

Printed Name: Anna Rudensjö

Printed Name: \_\_\_\_\_

Title: General Counsel

Title: \_\_\_\_\_

Date: Sept 26, 2024

Date: \_\_\_\_\_

**ZHEJIANG GEELY AUTOMOBILE CO., LTD.  
NINGBO HANGZHOU BAY FACTORY**

**SHANGHAI GLOBAL TRADING  
CORPORATION**

By: / Zhao Chunlin

By: / Xiong Yinghui

Printed Name: Zhao Chunlin

Printed Name: Xiong Yinghui

Title: VP

Title: Operational Director

Date: 2024.10.01

Date: 2024.10.8

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX 6**

[\*\*\*]

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**APPENDIX 2**

**SUPPLEMENT AGREEMENT TO THE [\*\*\*] MANUFACTURING AND VEHICLE  
SUPPLY AGREEMENT**

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**APPENDIX 7**

[\*\*\*]

**APPENDIX 3**

**SUPPLEMENT AGREEMENT TO THE [\*\*\*] MANUFACTURING AND VEHICLE SUPPLY  
AGREEMENT**

---

**APPENDIX 1**

**PRICING PRINCIPLES AND PROCEDURES**

[\*\*\*]

---



Certain identified information marked with “[\*\*\*]” has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

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**SUPPLEMENT AGREEMENT NO 2 TO SERVICE  
AGREEMENT, [\*\*\*] VEHICLE DEVELOPMENT**

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**[\*\*\*] MODEL YEAR [\*\*\*]**

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Zhejiang Geely Automobile Engineering Technology Development Co., Ltd.

and

POLESTAR PERFORMANCE AB

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Changes to content of the [\*\*\*] Vehicle performed after Job1  
as executed as supplement of SERVICE AGREEMENT, [\*\*\*] Vehicle Development

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This Supplement Agreement No. 2 to the Service Agreement, [\*\*\*] ([\*\*]) development (this “**Model Year Agreement**”) shall be retroactively effective as from Sept. 1st, 2024 (the “**Effective Date**”) when duly signed by both Parties, between:

- (1) **Zhejiang Geely Automobile Engineering Technology Development Co., Ltd.**, Reg. No. 91330201MACRMC3J0P, a limited liability company incorporated under the laws of China (“**Service Provider**”); and
- (2) **POLESTAR PERFORMANCE AB**, (Reg. No. 556653-3096), a limited liability company incorporated under the laws of Sweden whose registered office is at Assar Gabrielssons Väg 9, 405 31, Gothenburg, Sweden (“**Purchaser**”).

Each of Service Provider and Purchaser is hereinafter referred to as a “**Party**” and jointly as the “**Parties**”.

#### **BACKGROUND**

- A. The Parties have entered into a Service Agreement, [\*\*\*] ([\*\*]) development (agreement number: GEE21-012 on December 28, 2021 (the “**Agreement**”) as further amended by Three Parties Agreement entered into on November 30, 2023 and Amendment Agreement No. 2 to the “Service Agreement [\*\*\*] Vehicle Development to be entered into before signing of this Model Year Agreement.
- B. The Parties now wish to supplement the Agreement with model year [\*\*\*] to the extent set out below.
- C. Now, therefore, the Parties agree as follows:

#### **1. CONTRACTUAL SETUP**

- 1.1 The general terms and conditions set out under the SERVICE AGREEMENT, [\*\*\*] Vehicle Development that shall apply to this Model Year Agreement, which together with the other appendices to this Model Year Agreement form an integral part of this Model Year Agreement.

#### **2. GENERAL**

- 2.1 This Model Year Agreement sets out the scope and the specification of the activities that shall be performed under the Model Year Agreement, the division of responsibilities between Service Provider and Purchaser and the applicable time plan for the performance of the activities.

#### **3. DEFINITIONS**

- 3.1 Any capitalised terms used but not specifically defined herein shall have the meanings set out for such terms in the SERVICE AGREEMENT, [\*\*\*] Vehicle Development.



**4. GENERAL DESCRIPTION**

- 4.1 The Service Provider agrees to provide the development service for [\*\*\*]Program pre-based on [\*\*\*] and [\*\*\*]for the Markets agreed between the parties in PPGM forum unless otherwise agreed between the Parties.
- 4.2 The Parties now wish to make specific changes and have agreed that the overall objectives of the activities are to upgrade configuration, optimized functions based on Model Year [\*\*\*] of [\*\*\*]according to Appendix 1A.
- 4.3 The RASIC for this Model Year Agreement is included in Appendix 1A.

**5. ASSUMPTIONS/PRE-REQUISITES**

- 5.1.1 During the term of this Model Year Agreement, Purchaser can request changes to the which shall be handled in accordance with Section 12.1 and the governance procedure set forth in Section 12.2 in the Agreement. Both Parties agree to act in good faith to address and respond to any change request within a reasonable period of time.

**6. DESCRIPTION OF THE ACTIVITIES**

- 6.1 The Service Provider is responsible to carry out the development of the completely-built up vehicle according to product definitions, technical specifications, legal requirement, sustainability requirements and quality targets set forth **Appendix 1.01 – 1.15** in the Agreement unless modified by this Model Year Agreement and further specified in **Appendix 1A-1F** to this Model Year Agreement. The Service Provider is also responsible to carry out the development of the completely-built up vehicle according to the agreed Software update management interface agreement (SIA) agreed by the Parties on June 21, 2023 as set forth in Appendix 1G and the Cyber security interface development agreement (CIAD) as agreed between the Parties on April 6, 2023 as set forth in Appendix 1H.
- 6.2 For the sake of clarity, the Service Provider is responsible for the activities needed to introduce the changes related to the model year program [\*\*\*] both regarding Manufacturing engineering and Logistics Engineering services needed, as further described in Section a-c below, as well as to perform any sourcing activities needed related to both production material as well as spare parts for aftermarket:
  - a. product and process related activities, in the areas of stamping, body in white, paint shop, final plant, geometry & logistics;
  - b. Release Process Inspection Instructions and script updates for the Hardware and Software introductions; and
  - c. Perform the product, process, and logistics engineering work according to the Geely Product Development System (NPDS) pre-requisites.
- 6.3 The Parties acknowledge that the specifications are objectives of the development work and that some properties may deviate during the course of the project.
- 6.4 The Parties agree that in addition to the service scope as set forth in the above Clause 6.1 to 6.3, the Purchase may request, and the Service Provider may provide accordingly certain

service for additional changes of the technical specifications under the Agreement related to this Model Year (the “**Additional FCR Changes**”) during the course of the project.

## **7. INTELLECTUAL PROPERTY RIGHTS**

- 7.1 Ownership of existing Intellectual Property Rights as well as ownership to the Result related to this Model Year Agreement shall follow what is set forth in the Agreement (GEE21-012), particular Section 5 in Appendix 2 General Terms.
- 7.2 Service Provider is the owner of (i) the technology related to [\*\*\*] which is used by Purchaser as well as other brands as specified in Appendix 1H (Intellectual Property related to [\*\*\*]), (ii) as well as any modifications, amendments or derivatives of such technology which constitutes part of the Results under this Agreement (item (ii) referred to as the “[\*\*\*]”). Service Provider hereby grants to Purchaser a non-exclusive, irrevocable, perpetual (however at least 50 years long (however, in no event shall such time exceed the validity period of any Intellectual Property Right contained in the Technology), fully paid-up (subject to the due payment of relevant fees by Purchaser hereunder), non-sublicensable (however sublicensable to Purchaser’s Affiliates pursuant to the terms and conditions in Section 7.4) license to use the [\*\*\*] for the following purposes, solely in relation to the Polestar Vehicle,
- (a) Markets in the world, for the purpose of manufacturing the Polestar Vehicle, Use, in whole or in part, the Licensed Intellectual Property;
  - (b) Markets within the Territory (Territory means all countries in the world except the People’s Republic of China, but including Hong Kong Special Administrative Region), sell and make available the Polestar Vehicle
  - (c) Markets in the world, sell and make available spare parts and/or providing after-sale services (including repair service) based on, incorporating or using the Licensed Intellectual Property, in whole or in part, and
  - (d) upon separate approval by the Service Provider the Purchaser should also have the right to use (including in a process, such as use in designing, engineering, testing or assembling products or in their research or development), create derivative works of, modify, adapt, improve, enhance, and develop the Licensed Intellectual Property,
- 7.3 Notwithstanding anything to the contrary, nothing in this Model Year Agreement shall be construed as to give Purchaser any rights, including but not limited to any license rights (express or implied), to the Result other than those expressly stated in this Model Year Agreement.
- 7.4 The License granted to Purchaser under this Section 7 shall be fully sublicensable to Purchaser’s Affiliates within the Polestar group, and Purchaser shall procure its Affiliates to, comply with all the terms and conditions of this Model Year Agreement. But the License shall not be sublicensable by Purchaser to any Third Party without prior written approval from Licensor.
- 7.5 The Purchaser may have an option to a license in relation to the Licensed Intellectual Property on other Polestar branded vehicles subject to a separate agreement(s) to be agreed on an at arms’ length basis between the Parties.

**8. TIMING AND DELIVERABLES**

- 8.1 The activities shall commence on [\*\*\*]. The project shall follow the [\*\*\*] project time plan as set forth in Appendix 1C (VPP).

**9. ESTIMATED FEE**

9.1 Service Fee

Both Parties acknowledge and agree that, in consideration of the service provided by the Service Provider under Clause 6.1 to 6.3 of this Model Year Agreement, the service fee for the development work to be performed by the Service Provider under this Model Year shall consist of: (i) [\*\*\*].

The Parties acknowledge and agree that the Purchaser shall pay an additional fee in addition to the Service Fee as set forth above in consideration of the Additional FCR Changes as agreed by Service Provider and the Purchaser under the Agreement after the Effective Date. Any additional fee related to such Additional FCR Changes, shall then be invoiced by Service Provider on a quarterly basis, at the end of each calendar quarter and payable within [\*\*\*] after the date of invoice.

9.2 Invoices

9.2.1 [\*\*\*]

9.2.2 [\*\*\*]

Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on [\*\*\*].

“Job1” means in relation to the Agreement and any amendment and supplement thereof, including this Model Year Agreement, the date on which the production of the Polestar Vehicles (now with the code of [\*\*\*]) starts.

**10. FURTHER APPENDICES TO THIS MODEL YEAR AGREEMENT**

10.1 The Parties have further aligned on the follow appendices in relation to this Model Year Agreement, which shall be executed together with or referred to in this Model Year Agreement:

- (1) Appendix 1A, Program Specifications
- (2) Appendix 1B Vehicle program plan VPP
- (3) Appendix 1C PPWW 3.1
- (4) Appendix 1D, Governance Structure
- (5) Appendix 1E Quality targets
- (6) Appendix 1F Software update management interface agreement (SIA)
- (7) Appendix 1G Cyber security interface development agreement (CIAD)
- (8) Appendix 1H [\*\*\*]Licensed Intellectual Property
- (9) Appendix 2, Appendix 1.11 [\*\*\*] Sustainability Requirements V2 Nov 2021 as an appendix to the Service Agreement, [\*\*\*] Vehicle Development (signed copy)

**11. ORDER OF PRIORITY**

11.1 In the event there are any contradictions or inconsistencies between this Model Year Agreement and any of the Sub-Appendices as described under Section 19.1 above, the Parties agree that the following order of priority shall apply:

- (1) Model Year Agreement (this main document)
- (2) Appendix 2, Appendix 1.11 [\*\*\*] Sustainability Requirements V2 Nov 2021 as an appendix to the Service Agreement, [\*\*\*] Vehicle Development (signed copy), to the extent not amended by this Model Year Agreement;
- (3) Appendix 1A, Program Specifications  
Appendix 1B Vehicle program plan VPP  
Appendix 1C PPWW 3.1  
Appendix 1D, Governance Structure  
Appendix 1E Quality targets  
Appendix 1F Software update management interface agreement (SIA)  
Appendix 1G Cyber security interface development agreement (CIAD)  
Appendix 1H Intellectual Property Related to [\*\*\*]

**12. SURVIVAL**

A In addition to what is set forth in Section 15.8 Survival in the Agreement, the License granted in Section 7.2-7.5 in the Model Year Agreement shall survive any termination or

expiration and remain in force as between the Parties after such termination or expiration.

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*[Signature page follows]*

This Model Year Agreement has been signed in three (3) originals, of which Service Provider has received two (2) and Purchaser have received one (1).

**ZHEJIANG GEELY AUTOMOBILE ENGINEERING TECHNOLOGY DEVELOPMENT CO., LTD.**

By: // Yang Guang_____	By: _____
Printed Name: Yang Guang_____	Printed Name: _____
Title: Legal Signatory_____	Title: _____
Date: 2024.10.25_____	Date: _____

**POLESTAR PERFORMANCE AB**

By: //Jonas Engström_____	By: //Anna Rudensjö_____
Printed Name: Jonas Engström_____	Printed Name: Anna Rudensjö_____
Title: Head of Operations_____	Title: General Counsel_____
Date: Oct 25, 2024_____	Date: Oct 25, 2024_____

Appendix 1A Program Specification

[\*\*\*]

Appendix 1B Vehicle program plan VPP

[\*\*\*]

Appendix 1C PPWW

[\*\*\*]

Appendix 1 D Governance Structure

[\*\*\*]

Appendix 1E Appendix 1.08 Quality Targets , Warranty Coverage

[\*\*\*]

Appendix 1F Software update management interface agreement (SIA)

[\*\*\*]

Appendix 1G Cyber security interface development agreement (CIAD)

[\*\*\*]

Appendix 1H [\*\*\*] Licensed Intellectual Property

[\*\*\*]

Appendix 2, Appendix 1.11 [\*\*\*] Sustainability Requirements V2 Nov 2021

[\*\*\*]

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Certain identified information marked with "[\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

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## **SUPPLEMENTARY AGREEMENT No. 1 to the [\*\*] Vehicle Development Service Agreement**

### **MAIN DOCUMENT**

---

- (1) **Zhejiang Geely Automobile Engineering Technology Development Co., Ltd.** (浙江吉利汽车工程技术有限公司), Reg. No. 91330201MACRMC3J0P, a limited liability company incorporated under the laws of the People's Republic of China, with its registered address at: 918 Fourth Binhai Road, Hangzhou Bay New Zone, Ningbo Zhejiang Province, China (the "**Seller**" or "**GRI**");
- (2) **POLESTAR PERFORMANCE AB**, (Reg. No. 556653-3096), a limited liability company incorporated under the laws of Sweden whose registered office is at Assar Gabrielssons Väg 9, 405 31, Gothenburg, Sweden (the "**Buyer A**" or "**PPAB**"); and
- (3) **Polestar Automotive China Distribution Co., Ltd.**, Reg. No. 91510112MA6D05KT88, a limited liability company incorporated under the laws of PRC (the "**Buyer B**" or "**PACD**").

Buyer A and Buyer B are hereby collectively referred to as the "**Buyers**", and individually as a "**Buyer**". The Buyers shall be referred to as a "**Party**" on one hand, and the Seller shall be the other "**Party**" on the other hand, and collectively as the "**Parties**".

### **BACKGROUND**

- A. The Parties have entered into the *SERVICE AGREEMENT, [\*\*]Vehicle Development* dated December 28, 2021, Contract No [GEE21-012] (as amended from time to time, the "**Original Agreement**"), under which the Seller is obligated to provide certain development service of [\*\*] Vehicles to PPAB.
  - B. The Buyer now wishes to buy supplementary and additional VP, TT and PP Vehicles (as defined below) from the Seller which are developed under or based on the Original Agreement. The Seller has agreed to, subject to the Purchase Order to sell and supply such VP, TT and PP Vehicles to the Buyer and the Buyer has agreed to buy such VP, TT and PP Vehicles on the terms set out in this Agreement.
  - C. The Seller is fully responsible for this Agreement and the Buyers' single point of contact in delivery of the VP, TT and PP Vehicles including any preparation activities performed by Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory or other entity as agreed between by the Parties.
-

- D. In light of the foregoing, the Parties have agreed to supplement the Original Agreement as follows:

**1. DEFINITIONS**

**1.1 "Affiliate" means**

(a) For Seller, any other legal entity that, directly or indirectly, is controlled by or is under common control with Zhejiang Geely Holding Group Co., Ltd., however excluding Buyer, and Buyer's Affiliates; and

(b) For Buyer, any legal entity that, directly or indirectly, is controlled by Polestar Automotive Holding UK PLC.

"**control**" for this purpose means the possession, directly or indirectly, by agreement or otherwise, of (i) at least 50% of the voting stock, partnership interest or other ownership interest, or (ii) the power (a) to appoint or remove a majority of the board of directors or other governing body of an entity, or (b) to cause the direction of the management of an entity.

"**Agreement**" means this main document together with all of its Appendices and their schedules as amended from time to time.

"**General Terms**" means the general terms and conditions applicable to the supply and purchase of the VP, TT and PP Vehicles under this Agreement set forth in Appendix 2.

"**Individual Terms**" means this main document of this Agreement.

"**PP Vehicles**" means vehicles built during pilot production phase and the products set forth in Appendix 1, and together with TT Vehicles and VP Vehicles, collectively referred to as "**VP, TT and PP Vehicles**".

"**Prices**" means the individual unit price of each VP, TT and PP Vehicle as further set out in Appendix 1.

"**Project**" means the [\*\*\*] project which includes inter alia development (including licenses), manufacturing, and certain aftermarket services and change management of the vehicles by Geely Auto Group Co. Ltd. and its Affiliates.

"**Purchase Order**" shall have the meaning ascribed to it in the General Terms.

"**Steering Committee**" means the first level of governance forum for handling the co-operation between the Parties regarding [\*\*\*] project in various matters, under this Agreement which regarding cooperation between the Parties is the so called Geely and Polestar 417 Steering Committee.

"**Strategic Board**" means the highest level governance forum established by the Parties for handling the cooperation between the Parties regarding [\*\*\*] project in respect of various matters.

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**“Third Party”** means a party other than any of the Parties and/or an Affiliate of one of the Parties to this Agreement.

**“Trademarks”** means trademarks (including part numbers that are trademarks), service marks, logos, trade names, business names, assumed names, trade dress and get-up, and domain names, in each case whether registered or unregistered, including all applications, registrations, renewals and the like, in each case to the extent they constitute rights that are enforceable against third parties.

**“TT Vehicles”** means vehicles built during test trial phase and the products set forth in Appendix 1, and collectively with VP Vehicles and PP Vehicles, referred to as **“VP, TT and PP Vehicles”**.

**“VP Vehicles”** means vehicles built during verification prototype phase and the products set forth in Appendix 1, and collectively with PP Vehicles and TT Vehicles, referred to as **“VP, TT and PP Vehicles”**.

## **2. AGREEMENT**

### **2.1 General**

2.1.1 The Individual Terms of this Agreement sets out the specific terms that shall apply to the supply of the VP, TT and PP Vehicles to the Buyer.

2.1.2 In the event there are any contradictions or inconsistencies between the terms of these Individual Terms and its schedules, the Parties agree that they shall prevail in the following order if not specifically stated otherwise in such document or the context or circumstances clearly suggest otherwise:

- (a) These Individual Terms
- (b) Appendix 1 – List of VP, PP and TT Vehicles, Price and delivery term
- (c) Appendix 2 – General Terms

### **2.2 Scope**

2.2.1 The Parties have agreed upon the VP, TT and PP Vehicles as set forth in the Appendix 1 that the Seller shall supply to the Buyer under this Agreement. The Parties may, through mutual written agreement, add or remove VP, TT and PP Vehicles to/from Appendix 1 from time to time as a going concern. Any such additional VP, TT and PP Vehicles shall thereafter be covered by this Agreement and considered as VP, TT and PP Vehicles.

### **2.3 Seller’s Obligations**

2.3.1 Seller shall provide the VP, TT and PP Vehicles complying with the following provisions of this Clause 2.3, and will, through other companies within Geely Group, arrange for the actual manufacturing and quality assurance of the VP, TT and PP Vehicles.

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2.3.2 **Quality level requirements for each series.**

**VP and TT Vehicles**

[\*\*\*]

**PP Vehicles**

[\*\*\*]

2.3.3 Seller shall provide necessary documents that the Seller can provide needed relating to any VP, TT and PP Vehicles being exported including proforma invoice and support with documents with special requirements per Market for example NUFT documentation for Australia. "**Markets**" shall mean the markets listed in the Appendix 1.09 of Development Service Agreement entered into by Ningbo Geely Automobile Research & Development Co., Ltd and Polestar Performance AB (contract number: GEE21-012) or as otherwise updated and agreed between the Parties. The VP, TT and PP Vehicles supplied by Seller shall only be sold, exported, re-exported, transferred, assigned, and transported in "**Markets**".

2.3.4 The Seller shall also provide documents required by mandatory laws in the related Markets to which the VP, TT and PP Vehicles will be exported, including but not limited to dangerous goods, battery certification, product specification.

**3. VP, TT AND PP VEHICLE ORDER AND SUPPLY**

3.1 Subject to Purchase Orders being placed by Buyer, the Seller agrees to sell and supply to the Buyer, and the Buyer agrees to purchase from the Seller, the VP, TT and PP Vehicles in accordance with the terms of this Agreement and, in particular, the Appendix 1.

**4. PRICES AND PAYMENT TERMS**

4.1 The Prices and payment terms for the VP, TT and PP Vehicles purchased under this Agreement will be determined on "arm's length terms" applying the cost-plus method and is set forth in or determined as set forth in Appendix 1.

4.2 Seller will invoice Buyer when the VP, TT and PP Vehicle has been delivered in accordance with Section 2, Appendix 1. Invoices may be generated electronically. However, Buyer may request hard-copy summary invoices that summarises total batches of individual invoices over a specified period, in order to satisfy VAT and customs reporting requirements.

4.3 Payment of all invoiced amounts will be in CNY. The payment shall be made at the latest [\*\*\*] days after the invoice date.

4.4 All amounts and payments referred to in this Agreement are exclusive of VAT only. VAT is chargeable on all invoiced amounts only when required by local law and shall be borne by the Buyer. For the sake of clarity, no VAT will be charged on the invoices from the Seller related to VP, TT and PP vehicles being exported. Buyer may appoint an Affiliate or Third Party to handle the requisite VAT registration and recovery.

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- 4.5 Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on [\*\*\*].
- 4.6 If Seller, pursuant to the General Terms, appoints its Affiliates and/or subcontractors to perform its obligations under this Agreement, Seller shall include the costs relating to such work in the invoices to Buyer.
- 4.7 As a general principle, the Parties agree that transactions between all relevant entities involved shall be conducted on arm's length terms.
- 5. INTELLECTUAL PROPERTY RIGHTS**
- 5.1 Ownership of existing Intellectual Property Rights.**
- 5.1.1 Nothing in this Agreement shall be deemed to constitute an assignment of, or license to use, any Trademarks of the other Party.
- 5.1.2 Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall be construed as to give the other Party any rights, including but not limited to any license rights (express or implied), to any intellectual property rights, except as expressly stated herein.
- 5.2 Use of brand name.**
- 5.2.1 For the avoidance of doubt, this Agreement shall in no way be construed as to give any of the Parties any right whatsoever to use any registered or unregistered trademarks or brand names owned or licensed by another Party or its Affiliates, except in the manner and to the extent set forth in this Agreement or expressly consented to in writing by that other Party.
- 5.2.2 For the sake of clarity, it is especially noted that this Agreement does not include any right for Geely or its Affiliates to use the "Polestar" brand name, or Trademarks, or refer to "Polestar" in communications or official documents of whatever kind. This means that this Agreement does not include any rights for Geely or its Affiliates to directly or indirectly use the "Polestar" brand name or "Polestar" Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, e.g. in presentations, business cards and correspondence.
- 5.2.3 Correspondingly, it is especially noted that this Agreement does not include any right for Polestar or its Affiliates to use the "Geely" brand name or Trademarks, or refer to "Geely" in communications or official documents of whatever kind. This means that this Agreement does not include any rights for Polestar or its Affiliates to directly or indirectly use the "Geely" brand name or "Geely" Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, e.g. in presentations, business cards and correspondence.
- 5.3 Trademarks on VP, TT and PP Vehicles**
- 5.3.1 Notwithstanding the above, the Seller is hereby granted the right to use the Buyer's Trademarks but solely to apply such Trademark on the VP, TT and PP Vehicles in accordance with the instructions provided by the Buyer.
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- 5.3.2 Any other use of the Buyer's Trademark, including on the VP, TT and PP Vehicles, is subject to the Parties entering into a trademark license agreement.

## **6. TERM AND TERMINATION**

- 6.1 Each Party agree that regardless of the actual dates on which both parties sign this Agreement, this Agreement shall become retroactively effective as of April 2023 (the "Effective Date") and shall remain in force unless terminated in accordance with this Section 6. Both Parties acknowledge and agree that the VP, TT and PP Vehicles shall only be supplied by the Seller to the Buyer during certain corresponding phases of the corresponding models in accordance with the development milestones.
- 6.2 Either Party shall be entitled to terminate this Agreement with immediate effect in the event:
- (a) the other Party commits a material breach of the terms of this Agreement (including the Buyer failing to pay the Prices without any legal or contractual ground), which has not been remedied within sixty (60) days from written notice from the other Party to remedy such breach (if capable of being remedied); or
  - (b) if the other Party should become insolvent or enter into negotiations on composition with its creditors or a petition in bankruptcy should be filed by it or it should make an assignment for the benefit of its creditors.
- 6.3 Buyer shall in addition be entitled to terminate the Agreement for convenience upon sixty (60) days' written notice to the Seller.
- 6.4 Should the Buyer terminate this Agreement without any legal or contractual ground, the Buyer shall reimburse the Seller for any actual costs and expenses incurred by the Seller due to the Buyer's cancellation and which the Seller is unable to mitigate.
- 6.5 After expiry or termination of this Agreement (except for situations where the Seller has terminated this Agreement due to material breach by the Buyer), the Seller shall continue to supply the VP, TT and PP Vehicles to the Buyer in accordance with the terms of this Agreement, but only to the extent required to fulfil any Purchase Orders and call-offs executed prior to the termination of this Agreement.
- 6.6 After expiry or termination of this Agreement, the Buyer shall continue to, in accordance with the terms of this Agreement, fulfill its payment obligations of such Purchase Orders and call-offs executed prior to the termination of this Agreement.

## **7. COMPLIANCE**

- 7.1 Section 21 (Compliance with Laws) under the [\*\*\*] Manufacturing and Vehicle Supply Agreement (Domestic) entered into among Polestar Automotive China Distribution Co. Ltd., Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd., Zhejiang Geely Automobile Co., Ltd. Ningbo Hangzhou Bay Factory (agreement no.: GEE23-015) shall be deemed as restated herein and be applicable to this Agreement, mutatis mutandis."
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**8. GENERAL PROVISIONS**

- 8.1 This Agreement is and should be regarded and interpreted as a supplement agreement to the Original Agreement. The validity of this Agreement is therefore dependent upon the validity of the Original Agreement. The terms and conditions of the Original Agreement, except as expressly amended by this Agreement, shall remain in full force and effect.
- 8.2 No amendment of this Agreement will be effective unless it is in writing and signed by both Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Agreement.

**9. NOTICES**

All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Agreement shall be sent to following addresses and shall otherwise be sent in accordance with the terms in the Terms:

(a) To Seller:

**Zhejiang Geely Automobile Engineering Technology Development Co., Ltd.**

Attention: [\*\*\*]

Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. 918 Fourth Binhai Road, Hangzhou Bay New Zone, Ningbo Zhejiang Province, China

Telephone: [\*\*\*]

Email: [\*\*\*]

(b) To Buyer:

**Polestar Performance AB**

**Polestar Automotive China Distribution Co., Ltd.**

Attention: [\*\*\*]

Polestar HQ,

Assar Gabrielssons Väg 9,

418 78 Göteborg

Sweden

Email: [\*\*\*]

With a copy to:

Polestar Performance AB

Attention: Legal Department

Assar Gabrielssons väg 9

418 78 Göteborg

Sweden

Email: [\*\*\*]

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[SIGNATURE PAGE FOLLOWS]

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This Agreement has been signed in four (4) originals, of which the Seller have received two (2) and PACD and PPAB have received one (1) each.

**POLESTAR PERFORMANCE AB**

**Polestar Automotive China Distribution Co., Ltd**

By: //Anna Rudensjö \_\_\_\_\_

By: // Ellie Wu \_\_\_\_\_

Printed Name: Anna Rudensjö \_\_\_\_\_

Printed Name: Ellie Wu \_\_\_\_\_

Title: General Counsel \_\_\_\_\_

Title: General Manager \_\_\_\_\_

Date: August 28, 2024 \_\_\_\_\_

Date: Sept 19, 2024 \_\_\_\_\_

By: //Ola Sjölander \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: Ola Sjölander \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: Head of Commercial Control \_\_\_\_\_

Title: \_\_\_\_\_

Date: August 28, 2024 \_\_\_\_\_

Date: \_\_\_\_\_

**Zhejiang Geely Automobile Engineering Technology Development Co., Ltd.**

By: // Yang Guang \_\_\_\_\_

Printed Name: Yang Guang \_\_\_\_\_

Title: Legal Signatory \_\_\_\_\_

Date: December 23, 2024 \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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## **APPENDIX 1 – List of VP, PP and TT Vehicles**

### **1. List and Price of ordered VP, TT and PP Vehicles**

- 1.1. The cost for any preparation activities of the VP, TT and PP Vehicles, and transportation cost (including the port charges, customs clearance, agency fee) according to the specific delivery terms, are included in the list in Section 1 below and will be included in the invoices when invoiced from Seller to the Buyer when applicable.

*Table 1 -List of VP, TT and PP vehicles to be purchased by PPAB*

[\*\*\*]

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***Table 2 -List of VP, TT and PP vehicle to be purchased by PACD***

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**2. Delivery term**

2.1 Delivery terms of the VP, TT and PP Vehicles are as further specified in Table 1 and Table 2.

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## **APPENDIX 2 - GENERAL TERMS AND CONDITIONS**

### **For the supply and purchase of VP, TT and PP Vehicles**

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## BACKGROUND

These general terms and conditions constitute a schedule to the Agreement and are an integral part of the Agreement.

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definition

“**Confidential Information**” means any and all information regarding the Parties and their respective businesses, whether commercial or technical, in whatever form or media, including but not limited to information relating to Launch Vehicles, intellectual property rights, concepts, technologies, processes, commercial figures, techniques, strategic plans and budgets, investments, customers and sales, designs, graphics, CAD models, CAE data, targets, test plans/reports, technical performance data and engineering sign-off documents and other information of a sensitive nature, that a Party learns from or about the other Party prior to, during or after the execution of the Agreement.

“**Disclosing Party**” means the party disclosing Confidential Information to the Receiving Party.

“**Facility**” means a building, Plant, premise, machine, equipment, fixture, or fitting required to build and store the VP, TT and PP Vehicles.

“**Force Majeure Event**” shall mean as set out in Section 13.1.1.

“**General Terms**” means these general terms and conditions, which are applicable to the supply and purchase of VP, TT and PP Vehicles under the Agreement.

“**Individual Terms**” means the main document of the Agreement, *i.e.* the contract document named ‘VP, TT and PP Vehicles Supply Agreement’ executed and entered into between the Buyer and the Seller, to which these General Terms are a schedule.

“**Purchase Order**” means a purchase order by the Buyer for the supply by the Seller of a finished (completely built) VP, TT and PP Vehicles, containing (as the transaction, context, circumstance, or case may be) the detailed specifications and commercial data, transmitted electronically by the Buyer to the Seller.

“**Party/ies**” shall have the meaning ascribed to it in the Individual Terms.

“**Personal Data**” means all information that a Party obtains from the other Party as a result of this Agreement (i) relating to an identified or identifiable natural person, including the other Party’s employees and customers, that directly or indirectly can identify that person, or (ii) deemed personal data according to applicable national, federal, state, and international laws and regulations now or hereafter in effect.

“**Plant**” or “**Plant Facility**” means a specific Facility in which the manufacture or assembly of a VP, TT and PP Vehicles or VP, TT and PP Vehicles takes place.

“**Receiving Party**” means the Party receiving Confidential Information from the Disclosing Party.

“**Seller’s Plant Quality Standards**” means those quality standards that are in place (and as amended in the future) in relation to Seller’s Plant Facilities.

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**“Technical Specification”** means all the required vehicle specifications as agreed between GRI and Buyer that are necessary to manufacture the VP, TT and PP Vehicles.

**1.2 Interpretation**

Any capitalised term not defined in these General Terms shall have the same meaning ascribed to them in the Individual Terms.

**2. VP, TT AND PP VEHICLE SUPPLY**

2.1 Subject to Purchase Orders being placed by the Buyer, the Seller agrees to sell and supply to the Buyer, and the Buyer agrees to purchase from the Seller, the VP, TT and PP Vehicles in accordance with the terms of the Agreement including, but not limited to, these General Terms.

2.2 The Parties acknowledge that Seller may use its Affiliates to perform its obligations under this Agreement, provided that Seller informs Buyer thereof. Seller shall however remain responsible for the performance, and any omission to perform or comply with the provisions of this Agreement, by any Affiliate to Seller to the same extent as if such performance or omission was made by Seller itself. Seller shall also remain Buyer's sole point of contact unless otherwise agreed.

**3. PURCHASE ORDERS AND VOLUMES**

3.1 When desiring to purchase any of the VP, TT and PP Vehicles, the Buyer shall issue an Purchase Order and submit it to the Seller. The Purchase Order shall state the ordered VP, TT and PP Vehicles, quantity, price (based on the Prices) and time of delivery.

3.2 The Purchase Order shall be confirmed by the Seller or declined in writing within five (5) Business Days from receipt. If a Purchase Order has not been confirmed or been declined within such time, the Purchase Order shall be considered confirmed by the Seller. The Seller shall not unreasonably withhold confirmation of, or decline, a Purchase Order. No terms and conditions in any Purchase Order or confirmation of a Purchase Order or similar that deviate from the terms and conditions of this Agreement shall be valid or binding unless expressly agreed between the Parties. **“Business Days”** means any day other than Sunday, Saturday or any public holiday in mainland China.

3.3 The Buyer may cancel a Purchase Order in whole or in part. In this event, the Buyer shall reimburse the Seller for any proven actual costs and expenses incurred by the Seller due to the Buyer's cancellation and which the Seller is unable to mitigate by delivering the Vehicles, under the relevant order to another buyer or in any other financially acceptable way. The Seller shall produce reasonable documentation on the incurred costs and expenses for which the Seller claims reimbursement. For the sake of clarity, Seller may only sell the VP, TT and PP vehicles to Buyer or Buyer's Affiliate or Seller and Seller's Affiliate.

3.4 The Buyer will order and the Seller will supply VP, TT and PP Vehicles in accordance with ordering processes that are in current operation between the Parties, and as amended in the future. Purchase Orders shall be submitted, collected, segmented and scheduled using such systems as the Parties may agree upon from time to time.

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**4. MANUFACTURING****4.1 Assembly**

- 4.1.1 The Seller undertakes to assemble the VP, TT and PP Vehicles in strict conformity with the Technical Specification and/or as otherwise instructed by GRI subject to existing processes.

**5. DELIVERY, LOGISTICS, TITLE AND RISK**

- 5.1 The Seller will deliver the VP, TT and PP Vehicles on the dates that the Buyer specifies in the Purchase Orders, or any mutually agreed extended date. If the Buyer does not specify a date for any specific Purchase Order, the Seller shall deliver the VP, TT and PP Vehicles within a commercially reasonable time.
- 5.2 The VP, TT and PP Vehicles shall, unless otherwise agreed between the Parties in writing, be delivered to the Buyer in according to the delivery term set forth in Appendix 1.
- 5.3 The Buyer will issue packaging instructions for the VP, TT and PP Vehicles, suitable for the selected transportation method. Should such packaging instruction not be available, the Seller may select packaging method.
- 5.4 The Seller shall cooperate with the Buyer in the latter's arrangement of the outbound logistics and transportation of the VP, TT and PP Vehicles from its Facility to market destinations specified by the Buyer (and Buyer Affiliates).
- 5.5 Title and risk of loss or damage with respect to each VP, TT and PP Vehicle passes to the Buyer when the Seller has delivered the VP, TT and PP Vehicles to the Buyer in accordance the delivery term set forth in Appendix 1, without prejudice to the Buyer's right to reject VP, TT and PP Vehicles under Section 7.
- 5.6 If the Seller finds that it will not be able to deliver the VP, TT and PP Vehicles at the agreed time or if delay on its part seems likely, the Seller shall immediately notify the Buyer thereof in writing, stating the reasons for the delay and, if possible, the time when delivery can be expected.

**6. QUALITY**

- 6.1 When producing the VP, TT and PP Vehicles, the Seller shall use professional and skilled personnel, reasonably experienced for the production. The Seller shall work according to the same standard of care and professionalism that is done in the Seller's internal business and production.
- 6.2 The Seller's quality metrics requirements applicable to its Plant Facilities will apply to all finished VP, TT and PP Vehicles. The Seller shall meet the objective standards of the Seller's Plant Quality Standards and the Seller will maintain such standards.
- 6.3 The VP, TT and PP Vehicles shall conform to the Technical Specification.

**7. DEFECTS, MISBUILDS AND RIGHT TO REJECT**

- 7.1 Notwithstanding the incoterms selected as set forth as in the Appendix 1,
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- (1) the Buyer will inspect and check the VP, TT and PP Vehicles on site at Seller's premises before they will be shipped to Buyer, and this inspection is a final approval of the VP, TT and PP Vehicles;
- (2) The VP, TT and PP Vehicles shall be deemed as accepted by the Buyer if the Buyer or Buyer's designated person has signed the acceptance letter provided by the Seller (the "Acceptance"); and
- (3) The Acceptance shall discharge and release the Seller from any liability to the Buyer in connection with any defects or non-conformity (including any non-conformity of the Clause 8.1) of the VP, TT and PP Vehicles. The Seller may ship the VP, TT and PP Vehicles after the Acceptance.

## **8. WARRANTY**

- 8.1 The Seller warrants that the VP, TT and PP Vehicles are in conformity with the Technical Specifications and fitness for the particular purposes described in this Agreement.
- 8.2 Other than the above-mentioned Warranty, Seller expressly disclaims any warranty of VP, TT and PP Vehicles or any parts thereof, express or implied, including any implied warranty of quality, merchantability or fitness for a particular purpose or any liability for losses based on negligence, manufacturer's strict liability, product liability, after-sales services or otherwise. Additionally, Seller does not provide any warranty in respect of any intellectual property rights (including but not limited to trademarks, patents, copyrights, know-hows) related to the VP, TT and PP Vehicles or any parts thereof and shall not be liable for any loss suffered by Buyer resulting therefrom.

## **9. INTELLECTUAL PROPERTY RIGHTS**

Except as expressly stated in this Agreement, nothing in this Agreement shall be construed as an assignment of ownership of, or license to, any intellectual property rights.

## **10. LIMITATION OF LIABILITY**

- 10.1 Neither Party shall be responsible for any indirect, incidental or consequential damage or any losses of production or profit caused by it under this Agreement.
- 10.2 Each Party's aggregate liability for any direct damage arising out of or in connection with this Agreement shall be limited to [\*\*\*].
- 10.3 The limitations of liability set out in this Section 10 shall not apply in respect of damage;
  - (a) [\*\*\*]

## **11. GOVERNANCE AND CHANGES**

- 11.1 The Parties shall act in good faith in all matters and shall at all times co-operate in respect of changes to this Agreement as well as issues and/or disputes arising under this Agreement.
  - 11.2 The governance and co-operation between the Parties in respect of this Agreement shall primarily be administered on an operational level. In the event the Parties on an operational level cannot agree upon aspects relating to the co-operation between the Parties, each Party shall be entitled to escalate such issue to the Steering Committee.
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- 11.3 If the Steering Committee fails to agree upon a solution of the disagreement the relevant issue should be escalated to the Strategic Board for decision.

**12. CONFIDENTIALITY**

- 12.1 The Parties shall take any and all necessary measures to comply with the security and confidentiality procedures of the other Parties.

- 12.2 All Confidential Information shall only be used for the purposes comprised by the fulfilment of this Agreement. Each Party will keep in confidence any Confidential Information obtained in relation to this Agreement and will not divulge the same to any Third Party, unless the exceptions specifically set forth below in this Section 12.2 below apply or when approved by the other Party in writing, and with the exception of their own officers, employees, consultants or sub-contractors with a need to know as to enable such personnel to perform their duties hereunder, as well as with the exception of such personnel of the Parties and its Affiliates with a need to know as for the Parties to perform their duties hereunder and in relation to the operation of the Plant.

- 12.3 This provision will not apply to Confidential Information which the Receiving Party can demonstrate:

- (a) was in the public domain other than by breach of this undertaking, or by another confidentiality undertaking;
- (b) was already in the possession of the Receiving Party before its receipt from the Disclosing Party;
- (c) is obtained from a Third Party who is free to divulge the same;
- (d) is required to be disclosed by mandatory law, court order, lawful government action or applicable stock exchange regulations; or
- (e) is developed or created by one Party independently of the other, without any part thereof having been developed or created with assistance or information received from the other Party.

- 12.4 The Receiving Party shall protect the disclosed Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the dissemination to Third Parties or publication of the Confidential Information, as the Receiving Party uses to protect its own Confidential Information of similar nature. Further, each Party shall ensure that its employees and consultants are bound by a similar duty of confidentiality and that any subcontractors taking part in the fulfilment of that Party's obligations hereunder, enters into a confidentiality undertaking containing in essence similar provisions as those set forth in this Section 12.2.

- 12.5 Any tangible materials that disclose or embody Confidential Information should be marked by the Disclosing Party as "Confidential," "Proprietary" or the substantial equivalent thereof. Confidential Information that is disclosed orally or visually shall be identified by the Disclosing Party as confidential at the time of disclosure, with subsequent confirmation in writing within thirty (30) days after disclosure. However, the lack of marking or subsequent confirmation that the disclosed information shall be regarded as "Confidential", "Proprietary" or the substantial equivalent thereof does not disqualify the disclosed information from being classified as Confidential Information.
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- 12.6 If any Party violates any of its obligations described in this Section 12, the violating Party shall, upon notification from the other Party, (i) immediately cease to proceed such harmful violation and take all actions needed to rectify said behaviour and (ii) financially compensate for the harm suffered as determined by an arbitral tribunal pursuant to Section 15.2 below. All legal remedies (compensatory but not punitive in nature) according to law shall apply.
- 12.7 This confidentiality provision shall survive the expiration or termination of this Agreement without limitation in time.
- 13. MISCELLANEOUS**
- 13.1 Force majeure**
- 13.1.1 Neither Party shall be liable for any failure or delay in performing its obligations under the Agreement to the extent that such failure or delay is caused by a Force Majeure Event. A **“Force Majeure Event”** means any event beyond a Party's reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, for example; strikes, lock-outs or other industrial disputes (whether involving its own workforce or a Third Party's), politically enforced decision regarding pandemic isolation, core raw material shortage, governmental behaviour (e.g restriction on supply of electricity, change of laws, regulations and policies), failure of general energy sources or transport network, restrictions concerning motive force, acts of God, war, terrorism, insurgencies and riots, civil commotion, mobilization or extensive call ups, interference by civil or military authorities, national or international calamity, currency restrictions, requisitions, confiscation, armed conflict, malicious damage, breakdown of plant or machinery, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, stroke of lightning, earthquakes, loss at sea, epidemics or similar events, natural disasters or extreme adverse weather conditions, or default or delays of the plant's suppliers or subcontractors if such default or delay has been caused by one of the foregoing Event.
- 13.1.2 A Party shall not be considered in breach of this Agreement to the extent that such Party's performance of its obligations under this Agreement is prevented by a Force Majeure Event.
- 13.1.3 A non-performing Party, which claims there is a Force Majeure Event, and cannot perform its obligations under this Agreement as a consequence thereof, shall promptly inform the other Party in writing and use all commercially reasonable efforts to continue to perform or to mitigate the impact of its non-performance notwithstanding the Force Majeure Event and shall continue the performance of its obligations as soon as the Force Majeure Event ceases to exist.
- 13.1.4 If the consequences of the Force Majeure Event continue for a period of ninety (90) days without a solution acceptable to both Parties which materially affect or jeopardize the performance and/or fulfilment of any material responsibilities and/or liabilities of one Party according to this Agreement, the other Party shall be entitled to terminate this Agreement without accruing any liability for such termination.
- 13.2 Notices**
- 13.2.1 All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Agreement must be in legible writing in the English language delivered by personal delivery, facsimile, email transmission or prepaid overnight courier using an internationally recognized courier service and shall be effective upon receipt, which shall be deemed to have occurred:
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- (a) in case of personal delivery, at the time and on the date of personal delivery;
- (b) if sent by facsimile or email transmission, at the time and on the date indicated on a confirmation of successful transmission page relating to such facsimile transmission or at the time and date indicated on a response confirming such successful email transmission;
- (c) if delivered by courier, at the time and on the date of delivery as confirmed in the records of such courier service; or
- (d) at such time and date as delivery by personal delivery or courier is refused by the addressee upon presentation;

in each case provided that if such receipt occurred on a non-business day, then notice shall be deemed to have been received on the next following business day; and provided further that where any notice, demand, request or other communication is provided by any party by email, such party shall also provide a copy of such notice, demand, request or other communication by using one of the other methods.

- 13.2.2 All such notices, demands, requests and other communications shall be sent to the addresses set out in the Individual Terms.

13.3 **Assignment**

- 13.3.1 Neither Party may, wholly or partly, assign, pledge or otherwise dispose of its rights and/or obligations under this Agreement without the other Party's prior written consent.

13.4 **Waiver**

Neither Party shall be deprived of any right under this Agreement because of its failure to exercise any right under this Agreement or failure to notify the infringing party of a breach in connection with the Agreement. Notwithstanding the foregoing, rules on complaints and limitation periods shall apply.

13.5 **Severability**

In the event any provision of this Agreement is wholly or partly invalid, the validity of the Agreement as a whole shall not be affected and the remaining provisions of the Agreement shall remain valid. To the extent that such invalidity materially affects a Party's benefit from, or performance under, the Agreement, it shall be reasonably amended.

13.6 **Entire Agreement**

All arrangements, commitments and undertakings in connection with the subject matter of this Agreement (whether written or oral) made before the date of this Agreement are superseded by this Agreement.

13.7 **Amendments**

Any amendment or addition to this Agreement must be made in writing and signed by the Parties to be valid.

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**13.8 Survival**

If this Agreement is terminated or expires pursuant to the terms in the Individual Terms, Section 12 (*Confidential Information*), Section 13.9 (*Protection of Personal Data*), Section 14 (*Governing Law*), Section 15 (*Dispute Resolution*) as well as this Section 13.8, shall survive any termination or expiration and remain in force as between the Parties after such termination or expiration.

**13.9 Protection of Personal Data**

The Parties shall conduct any processing of Personal Data in compliance with applicable national, federal, state, and international laws and regulations of the intended markets (markets listed in the Appendix 1.09 of Development Service Agreement entered into by Ningbo Geely Automobile Research & Development Co., Ltd and Polestar Performance AB with contract number: GEE21-012) relating to such Personal Data now or hereafter in effect. The Parties acknowledge that the intention is that neither Party will process Personal Data on behalf of the other Party under or in connection with this Agreement.

Notwithstanding this Section 13.9 if either Party anticipates that a Party will process Personal Data on behalf of the other Party in connection with this Agreement, that Party shall promptly notify the other Party of that fact. To the extent necessary, the Parties to this Agreement shall then negotiate in good faith amending this Agreement to permit the processing of Personal Data is performed in a way that complies with applicable laws, and neither Party shall process Personal Data on behalf of the other until this Agreement has been so amended or supplemented.

**14. GOVERNING LAW**

This Agreement and all non-contractual obligations in connection with this Agreement shall be governed by the substantive laws of the People's Republic of China, without giving regard to its conflict of laws principles.

**15. DISPUTE RESOLUTION****15.1 Escalation principles**

15.1.1 In case the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and each Party shall notify the other Party hereof by the means of a deadlock notice and simultaneously send a copy of the notice to the Steering Committee. Upon the receipt of such a deadlock notice, the receiving Party shall within ten (10) days of receipt, prepare and circulate to the other Party a statement setting out its position on the matter in dispute and reasons for adopting such position, and simultaneously send a copy of its statement to the Steering Committee. Each such statement shall be considered by the next regular meeting held by the Steering Committee or in a forum meeting specifically called upon by either Party for the settlement of the issue.

15.1.2 The members of the Steering Committee shall use reasonable endeavours to resolve a deadlock situation in good faith. As part thereof, the Steering Committee may request the Parties to in good faith develop and agree on a plan to resolve or address the breach, to be presented for the Steering Committee without undue delay. If the Steering Committee agrees upon a resolution or disposition of the matter, the Parties shall agree in writing on terms of such resolution or disposition and the Parties shall procure that such resolution or disposition is fully and promptly carried into effect.

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- 15.1.3 If the Steering Committee cannot settle the deadlock within thirty (30) days from the deadlock notice pursuant to the section above, despite using reasonable endeavours to do so, such deadlock will be referred to the Strategic Board for decision. Should the matter not have been resolved by the Strategic Board within thirty (30) days counting from when the matter was referred to them, despite using reasonable endeavours to do so, the matter shall be resolved in accordance with Section 15.2 below. If no Steering Committee has been established between the Parties, the relevant issue shall be referred to the General Counsels of each Party immediately and Section 15.1.2 above shall not apply.
- 15.1.4 If the General Counsels of each Party cannot settle the deadlock within 30 days from the deadlock notice pursuant to the section above, despite using reasonable endeavours to do so, such deadlock will be referred to the Strategic Board for decision. Should the matter not have been resolved by the Strategic Board within 30 days counting from when the matter was referred to them, despite using reasonable endeavours to do so, the matter shall be resolved in accordance with Section 15.2 below.
- 15.1.5 All notices and communications exchanged in the course of a deadlock resolution proceeding shall be considered Confidential Information of each Party and be subject to the confidentiality undertaking in Section 12 above.
- 15.1.6 Notwithstanding the above, the Parties agree that either Party may disregard the time frames set forth in this Section 15.1 and apply shorter time frames and/or escalate an issue directly to the Strategic Board in the event the escalated issue is of an urgent character and where the applicable time frames set out above are not appropriate.
- 15.2 **Arbitration**
- 15.1.1 Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall, be submitted to China International Economic and Trade Arbitration Committee (“CIETAC”) for arbitration, which shall be held in Shanghai and conducted in accordance with the CIETAC’s arbitration rules in effect at the time of applying for arbitration, whereas the language to be used in the arbitral proceedings shall be English and Chinese. The arbitral tribunal shall be composed of three arbitrators.
- 15.2.1 Irrespective of any discussions or disputes between the Parties, each Party shall always continue to fulfil its undertakings under this Agreement unless an arbitral tribunal or court (as the case may be) decides otherwise.
- 15.2.2 In any arbitration proceeding, any legal proceeding to enforce any arbitration award, or any other legal proceedings between the Parties relating to this Agreement, each Party expressly waives the defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state. Such waiver includes a waiver of any defence of sovereign immunity in respect of enforcement of arbitral awards and/or sovereign immunity from execution over any of its assets.
- 15.2.3 All arbitral proceedings as well as any and all information, documentation and materials in any form disclosed in the proceedings shall be strictly confidential.
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Certain identified information marked with "[\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

## AMENDMENT AGREEMENT NO.2

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This Amendment Agreement 2 to the License, License Assignment and Service Agreement PS19-022 ("**Amendment**") is between **Volvo Car Corporation**, 556074-3089, a corporation organized and existing under the laws of Sweden ("**Licensor**") and **Polestar Performance AB**, 556653-3096, a corporation organized and existing under the laws of Sweden ("**Licensee**").

Each of Licensor and Licensee is hereinafter referred to as a "**Party**" and jointly as the "**Parties**".

### BACKGROUND

- A. The Parties have entered into a License, License Assignment and Service Agreement on 30<sup>th</sup> of June 2019 (the "**Agreement**").
- B. The Parties now wish to amend the Agreement to the extent set out below.
- C. Now, therefore, the Parties agree as follows:

### 1. SCOPE OF AMENDMENT

- 1.1 The Agreement will be deemed amended to the extent herein provided and will, except as specifically amended, continue in full force and effect in accordance with its original terms. In case of any discrepancy between the provisions of this Amendment and the Agreement, the provisions of this Amendment shall prevail. Any definitions used in this Amendment shall, unless otherwise is stated herein, have the respective meanings set forth in the Agreement.
- 1.2 The amendments to the provisions in the Agreement as stated in Section 2 below, such provisions highlighted for ease of reference in bold italics, shall come into force on the date this Amendment is signed by the last Party to sign it (as indicated by the date associated with that Party's signature).

### 2. AMENDMENTS

- 2.1 ***Appendix 1 of the Agreement*** shall be updated according to below:
  - 2.1.1 Page 3 – GENERAL DESCRIPTION, second chapter: A new sentence shall be added at the end of the second chapter:

"For the avoidance of doubt, work conducted by the product streams to secure cyber security and documentation in SUMS is considered to be an integral part of work conducted and delivered thru this agreement".
  - 2.1.2 Page 13 – [\*\*]

Amendment Agreement Template v20190325

Internal Information - Polestar

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- 2.1.3 Page 19 – [\*\*\*]
- 2.1.4 Page 41 – [\*\*\*]
- 2.1.5 Page 49 – [\*\*\*]
- 2.1.6 Page 61 – [\*\*\*]
- 2.1.7 Page 64 – [\*\*\*]
- 2.1.8 Page 66 – [\*\*\*]
- 2.1.9 Page 68 – [\*\*\*]
- 2.1.10 Page 68 – [\*\*\*]

### **3. SUPPLEMENTS**

- 3.1 The Parties have agreed that the accumulated cost for the updated content in 2.1.1 – 2.1.10 amount is [\*\*\*]. This cost is to be invoiced by Licensor to Licensee upon signature of this Amendment and is payable by Polestar according to the payment terms set out in Appendix 2, Section 6 of the Agreement.
- 3.2 Licensor recognizes that deliveries connected to [\*\*\*] covered by the Agreement have been delivered in the [\*\*\*] program for the [\*\*\*] and services amounting to [\*\*\*] have incorrectly been invoiced by Licensor to Licensee under [\*\*\*] Model Year Program License, License Assignment and Service Agreement (PS21-007 amended through PS22-012). Thus, the Parties have agreed that Licensor shall credit an amount of [\*\*\*] to Licensee upon signature of this Amendment with payment term of 30 days.
- 3.3 The Complete Electrical System Architecture delivered under the Agreement (Page 23 – 1.3 BASE SW – TECHNICAL CONTENT BY ARTS, row 9) is a technical solution based on [\*\*\*]. The Parties have agreed that [\*\*\*] solution, is not covered by the Agreement but shall be developed and delivered under a separate applicable model year agreement (currently planned for [\*\*\*]). However, the Parties have agreed that the development cost for [\*\*\*] payable by Licensee is [\*\*\*]. The Parties have also agreed that [\*\*\*].

### **4. GENERAL PROVISIONS**

- 4.1 This Amendment is and should be regarded and interpreted as an amendment to the Agreement. The validity of this Amendment is therefore dependent upon the validity of the Agreement.
- 4.2 No amendment of this Amendment will be effective unless it is in writing and signed by both Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Amendment.
- 4.3 Sections 17 and 18 of the Agreement shall apply to this Amendment as well.
- 4.4 The Parties may execute this Amendment in counterparts, including electronic copies, which taken together will constitute one instrument. This Amendment may be executed and delivered by email and upon such delivery the portable document format signature will be

deemed to have the same effect as if the original signature had been delivered to the other Party.

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[SIGNATURE PAGE FOLLOWS]



This Amendment has been signed electronically by both Parties.

**VOLVO CAR CORPORATION**

**POLESTAR PERFORMANCE AB**

By: /s/ Helen Hu  
Printed Name: Helen Hu  
Title: General Counsel  
Date: Dec 19, 2024

By: /s/ Anna Rudensjö  
Printed Name: Anna Rudensjö  
Title: General Counsel  
Date: Dec 24, 2024

By: /s/ Johan Ekdahl  
Printed Name: Johan Ekdahl  
Title: CFO  
Date: Dec 21, 2024

By: /s/ Jonas Engström  
Printed Name: Jonas Engström  
Title: COO  
Date: Dec 24, 2024



Certain identified information marked with "[\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

## US FEDERAL GHG EMISSION CREDITS MY23 AND MY24 PAYMENT AGREEMENT

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This US Federal Green House Gas (GHG) Emission Credits MY23 to MY24 Payment Agreement is between

### 1. PARTIES

Volvo Car Corporation, reg. no. 556074-3089, a corporation organized and existing under the laws of Sweden ("**Volvo Cars**"), and

Polestar Performance AB, reg. no. 556653-3096, a corporation organized and existing under the laws of Sweden ("**Polestar**").

### 2. BACKGROUND

- A. Volvo Cars and Polestar have reduced their joint GHG Emissions for Model Year (MY) 23 and 24, resulting in a surplus of GHG credits that can be traded with other carmakers. The Regulation enable sales of GHG credits for over-achieving manufacturers to create an income for the GHG credits by offering credits to companies that are falling short of their own target.
- B. Since Volvo Cars, Polestar and Lotus Cars Ltd., with reg. no 895091 ("**Lotus Cars**") forms an entity (hereafter called "**the Entity**") defined by Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA) and the Parties contribute to the GHG credits jointly. The GHG credits will be shared according to the amount of credits contributed by each Party. Polestar's share of the contribution will be compensated by Volvo Cars according to the terms and conditions set forth in this Agreement.
- C. Now, therefore, the Parties agree as follows:

### 3. DEFINITIONS

**Front page definitions.** The terms **Volvo Cars** and **Polestar** shall have the meaning as set out in Section 1 of this Agreement.

- 3.1 **Agreement** means this agreement.
  - 3.2 **Confidential Information** means any and all non-public information regarding the Parties and their respective businesses, whether commercial or technical, in whatever form or media, including but not limited to the existence, content and subject matter of this Agreement that a Party learns from or about the other Party prior to or after the execution of this Agreement.
  - 3.3 **Disclosing Party** means the Party disclosing Confidential Information to the Receiving Party.
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- 3.4 **GHG Credits Agreement** means the agreement stipulating sell and trade of GHG credits between **the Entity** to external Original Equipment Manufacturer ("**OEM**").
- 3.5 **GHG Emission Credits** are permits allowing the OEM to emit a certain amount of e.g., carbon dioxide according to EPA's regulation at 40 C.F.R. 86.1865-12(k). Generated by an OEM when reducing the amount of GHG emissions during a MY, this results in a surplus of GHG credits which can be sold in the US market to other OEMs.
- 3.6 **Parties** means Volvo Cars and Polestar and **Party** means either Volvo Cars or Polestar.
- 3.7 **Polestar Share** means the proportional contribution of GHG Emission Credits from Polestar branded vehicles to the Parties' total amount of GHG Emission Credits.
- 3.8 **Receiving Party** means the Party receiving Confidential Information from the Disclosing Party.
- 3.9 **Regulation** refers to EPA's regulation at 40 C.F.R. Part 85, 86 and/or 600 as applicable to GHG Credits, as such regulations may be amended, superseded or replaced from time to time.
- 3.10 **Steering Committee** means the Volvo Polestar Emission Credit Sales Report Steering Committee. The Steering Committee shall be the first level of governance forum established by the Parties for handling the cooperation between them in respect of various matters.
- 3.11 **Strategic Board** means the so called Volvo Polestar Executive Meeting. The Strategic Board shall be the highest level of governance forum established by the Parties for handling the cooperation between them in respect of various matters.
- 3.12 **Third Party** means a party other than any of the Parties.
- 3.13 **Volvo Cars Credits** means the GHG Emission Credits, generated by Volvo Cars and, for MY 23 and MY24 that Volvo Cars will make available.
- 3.14 **Polestar Credits** means the GHG Emission Credits, generated by Polestar branded vehicles, for MY 23 and MY 24 that Polestar will make available.

#### 4. POLESTAR COMPENSATION

- 4.1 Since the Entity's Credits include Polestar's contribution, Volvo Cars and Polestar have agreed that Volvo Cars shall pay a compensation to Polestar for its contribution of GHG Emission Credits (the "**Polestar Compensation**").
- 4.2 The Polestar Compensation will be calculated based on **\*\*\*** and the Polestar Share (as defined in Section 4.3 below) thereof.
- 4.3 The calculation of the Polestar Share is based on the **\*\*\*** of GHG Emission Credits from Polestar branded vehicles to the **\*\*\*** of GHG Emission Credits. The calculation below is showing an estimation of the Polestar Share and the Polestar Compensation for MY 23:

- 4.4 [\*\*\*]The calculation of the Polestar Share is based on [\*\*\*]of GHG Emission Credits from Polestar branded vehicles to [\*\*\*]GHG Emission Credits. The calculation below is showing an estimation of the Polestar Share and the Polestar Compensation for MY24:
- 4.5 [\*\*\*]The estimated Polestar Share takes into consideration, [\*\*\*]Provisional and final calculation and settlement
- 4.6 This section sets out the conditions and process for the preliminary and final calculation of the Volvo Cars Credits and their monetary value as well the calculation and settlement of the provisional and final Polestar Compensation.
- 4.7 Volvo Cars will inform Polestar about the outcome of the preliminary calculation of the Polestar Compensation and the potential final adjustment without undue delay. Any questions or comments Polestar may have on the information received under this section may be brought forward in accordance with the escalation principles in Section 9.1 below.
- 4.8 For the sake of clarity the calculation of the Polestar Share according to Section 4.3 will involve that in the event that [\*\*\*]should have a deficit in GHG Emission Credits affecting the Entity, Volvo Cars and Polestar will [\*\*\*]In the event that Lotus Cars needs to reimburse Volvo Cars and Polestar due to a GHG Emission Credits deficit, [\*\*\*]of GHG Emission Credits for MY23 and MY24.
- 4.8.1 As being responsible of GHG Emission Credits reporting, Volvo Cars will pursue both Volvo Cars' and Polestar's interest in an [\*\*\*]from Lotus Cars. Volvo Cars will inform Polestar of the status in the ongoing alignment between Volvo Cars and Lotus Cars prior to finalizing the agreement with Lotus Cars.
- 4.9 Polestar Provisional Compensation
- 4.9.1 The preliminary calculation of the Volvo Cars Credits and their preliminary monetary value is estimated to be finalized in Q4 2024. The outcome of this calculation will be the **"Provisional Settlement Amount"**.
- 4.9.2 Volvo Cars will calculate the preliminary Polestar Compensation (the **"Polestar Provisional Compensation"**) based on the preliminary Polestar Share of the Provisional Settlement Amount.
- 4.9.3 Volvo Cars shall inform Polestar about the Provisional Settlement Amount and the Polestar Provisional Compensation within [\*\*\*] business days after it has received the Provisional Settlement Amount on its account. Volvo Cars shall [\*\*\*] pay to Polestar the Polestar Provisional Compensation in accordance with Section 5.1 below.
- 4.10 Polestar Final Compensation
- 4.10.1 It is understood between the Parties that the Provisional Settlement Amount is only a preliminary amount that is subject to adjustment (up or down) and such adjustment is estimated to be finalized in Q2 2025. This adjusted Provisional Settlement Amount will be the **"Final Settlement Amount"**. The adjustment will be based on the final GHG report, reported to EPA.

- 4.10.2 Volvo Cars will calculate the final Polestar Compensation (the "**Polestar Final Compensation**") based on the final Polestar Share of the Final Settlement Amount.
- 4.10.3 If the Polestar Final Compensation is more than the Polestar Provisional Compensation, Volvo Cars shall pay to Polestar, in accordance with Section 5.2 below, the difference between the Polestar Provisional Compensation and the Polestar Final Compensation (the "**Polestar Surplus Amount**"). Volvo Cars shall inform Polestar about the Final Settlement Amount and the Polestar Surplus Amount within five business days after it has received the Final Settlement Amount on its account.
- 4.10.4 If the Polestar Final Compensation is less than the Polestar Provisional Compensation, Polestar shall pay to Volvo Cars in accordance with Section 5.3 below, the difference between the Polestar Provisional Compensation and the Polestar Final Compensation (the "**Polestar Shortfall Amount**"). Volvo Cars shall inform Polestar about the Final Settlement Amount and the Polestar Shortfall Amount within **\*\*\*** business days after it has received notice of the Final Settlement Amount.
- 4.11 Payments

As further specified in this Section 4.5, the Volvo Cars Credits are subject to potential adjustments and because of that, the Polestar Share might be adjusted as well. Therefore, the payments to be made under this Agreement are divided into a provisional and a final amount. Furthermore, the monetary value of the Volvo Cars Credits is not yet set on the date of this Agreement and therefore it is not possible to state any amounts in this Agreement.

## 5. PAYMENT TERMS

- 5.1 Polestar shall invoice the Polestar Provisional Compensation to Volvo Cars **\*\*\*** following the date that Volvo Cars has informed Polestar in accordance with Section 5.4.3 above.
- 5.2 If there is a Polestar Surplus Amount, Polestar shall invoice this Polestar Surplus Amount to Volvo Cars **\*\*\*** following the date that Volvo Cars has informed Polestar in accordance with Section 5.4.3 above.
- 5.3 If there is a Polestar Shortfall Amount, Volvo Cars shall invoice this Polestar Shortfall Amount to Polestar **\*\*\*** following the date that Volvo Cars has informed Polestar in accordance with Section 4.10.4 above.
- 5.4 All payments shall be made by the respective Party upon receipt of an invoice issued by the other Party.
- 5.5 All invoices issued by Polestar shall be send directly and only to: **\*\*\*** All invoices issued by Volvo Cars shall be send directly and only to: **\*\*\*** All invoices and payments shall be made in the currency: **\*\*\***.
- 5.6 All payments under this Agreement are exclusive of Value Added Tax and should not be considered as subject to Value Added Tax. Polestar shall disclose the transaction by submitting a notification describing the transaction to the Swedish Tax Agency once Polestar has received the first payment.

- 5.7 Any amount invoiced shall be paid without undue delay, however at the latest within **\*\*\*** after the invoice date.
- 5.8 Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid, and the interest shall be based on the **\*\*\***.

## **6. AUDIT**

- 6.1 Polestar shall have the right to, upon reasonable notice in writing to Volvo Cars, inspect Volvo Cars' books and records related to the Provisional Settlement Amount and the Final Settlement Amount in order to verify the calculations and statements rendered under this Agreement.
- 6.2 Audits shall be made during regular business hours and be conducted by Polestar or by an independent auditor appointed by Polestar. Should Polestar during any inspection find that Volvo Cars did not fulfil the requirements set forth herein, Polestar is entitled to comment on the identified deviations and escalate such issues to the Steering Committee.

## **7. CONFIDENTIAL INFORMATION**

- 7.1 The Parties shall take any and all necessary measures to comply with the security and confidentiality procedures of the other Party.
- 7.2 All Confidential Information shall only be used for the purposes comprised by the fulfilment of this Agreement. Each Party will keep in confidence any Confidential Information obtained in relation to this Agreement and will not divulge the same to any Third Party, unless the exceptions specifically set forth below in this Section 7.2 below apply or when approved by the other Party in writing, and with the exception of their own officers, employees, consultants or sub-contractors with a need to know as to enable such personnel to perform their duties hereunder. This provision will not apply to Confidential Information which the Receiving Party can demonstrate:
- (a) was in the public domain other than by breach of this undertaking, or by another confidentiality undertaking;
  - (b) was already in the possession of the Receiving Party before its receipt from the Disclosing Party;
  - (c) is obtained from a Third Party who is free to divulge the same; or
  - (d) is required to be disclosed by mandatory law, court order, lawful government action or applicable stock exchange regulations.
- 7.3 The Receiving Party shall protect the disclosed Confidential Information by using the same degree of care, but no less than a reasonable degree of care, as the Receiving Party uses to protect its own Confidential Information of similar nature, to prevent the dissemination to Third Parties or publication of the Confidential Information. Further, each Party shall ensure that its employees and consultants are bound by a similar duty of confidentiality and that any subcontractors taking part in the fulfilment of that Party's obligations hereunder, enters into a confidentiality undertaking containing in essence similar provisions as those set forth in this Section 7.

- 7.4 Any tangible materials that disclose or embody Confidential Information should be marked by the Disclosing Party as “Confidential,” “Proprietary” or the substantial equivalent thereof. Confidential Information that is disclosed orally or visually shall be identified by the Disclosing Party as confidential at the time of disclosure, with subsequent confirmation in writing within 30 days after disclosure. However, the lack of marking or subsequent confirmation that the disclosed information shall be regarded as “Confidential”, “Proprietary” or the substantial equivalent thereof does not disqualify the disclosed information from being classified as Confidential Information.
- 7.5 If any Party violates any of its obligations described in this Section 7, the violating Party shall, upon notification from the other Party, (i) immediately cease to proceed such harmful violation and take all actions needed to rectify said behaviour and (ii) financially compensate for the harm suffered as determined by an arbitral tribunal pursuant to Section 8 and 9.2 below. All legal remedies (compensatory but not punitive in nature) according to law shall apply.
- 7.6 This confidentiality provision shall survive the expiration or termination of this Agreement without limitation in time.

## **8. GOVERNING LAW**

- 8.1 This Agreement and all non-contractual obligations in connection with this Agreement shall be governed by the substantive laws of Sweden without giving regard to its conflict of laws principles.

## **9. DISPUTE RESOLUTION**

- 9.1 Escalation principles.
- 9.1.1 In case the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and each Party shall notify the other Party hereof by the means of a deadlock notice and simultaneously send a copy of the notice to the Steering Committee. Upon the receipt of such a deadlock notice, the receiving Party shall within ten days of receipt, prepare and circulate to the other Party a statement setting out its position on the matter in dispute and reasons for adopting such position, and simultaneously send a copy of its statement to the Steering Committee. Each such statement shall be considered by the next regular meeting held by the Steering Committee or in a forum meeting specifically called upon by either Party for the settlement of the issue.
- 9.1.2 The members of the Steering Committee shall use reasonable endeavours to resolve a deadlock situation in good faith. As part thereof, the Steering Committee may request the Parties to in good faith develop and agree on a plan to resolve or address the breach, to be presented for the Steering Committee without undue delay. If the Steering Committee agrees upon a resolution or disposition of the matter, the Parties shall agree in writing on terms of such resolution or disposition and the Parties shall procure that such resolution or disposition is fully and promptly carried into effect.
- 9.1.3 If the Steering Committee cannot settle the deadlock within 30 days from the deadlock notice pursuant to the section above, despite using reasonable endeavours to do so, such deadlock will be referred to the Strategic Board for decision. If no Steering Committee has been established between the Parties, the relevant issue shall be referred to the Strategic Board. Should the matter not have been resolved by the Strategic Board within 30 days



counting from when the matter was referred to them, despite using reasonable endeavours to do so, the matter shall be resolved in accordance with Section 9.2 below.

- 9.1.4 All notices and communications exchanged in the course of a deadlock resolution proceeding shall be considered Confidential Information of each Party and be subject to the confidentiality undertaking in Section 7 above.
- 9.1.5 Notwithstanding the above, the Parties agree that either Party may disregard the time frames set forth in this Section 9.1 and apply shorter time frames and/or escalate an issue directly to the Strategic Board in the event the escalated issue is of an urgent character and where the applicable time frames set out above are not appropriate.
- 9.2 Arbitration.
- 9.2.1 Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce, whereas the seat of arbitration shall be Gothenburg, Sweden, the language to be used in the arbitral proceedings shall be English, and the arbitral tribunal shall be composed of three arbitrators.
- 9.2.2 Irrespective of any discussions or disputes between the Parties, each Party shall always continue to fulfil its undertakings under this Agreement unless an arbitral tribunal or court (as the case may be) decides otherwise.
- 9.2.3 In any arbitration proceeding, any legal proceeding to enforce any arbitration award, or any other legal proceedings between the Parties relating to this Agreement, each Party expressly waives the defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state. Such waiver includes a waiver of any defence of sovereign immunity in respect of enforcement of arbitral awards and/or sovereign immunity from execution over any of its assets.
- 9.2.4 All arbitral proceedings as well as any and all information, documentation and materials in any form disclosed in the proceedings shall be strictly confidential.

## 10. GENERAL PROVISIONS

- 10.1 **Notices.** All notices and other communications under this Agreement will be in writing and in English and must be delivered by personal delivery, email transmission or prepaid overnight courier using an internationally recognized courier service at the following addresses (or at such other address as any Party may provide by notice in accordance with this Section 10.1):

If to Volvo Cars:

Volvo Car Corporation  
Attention: [\*\*\*]  
Dept. 80530, 405 31 Göteborg Sweden  
Email: [\*\*\*]  
With a copy not constituting notice to:

Volvo Car Corporation

Attention: SVP General Counsel  
Dept. 50090, SE 405 31 Göteborg, Sweden  
Email: [legal@volvocars.com](mailto:legal@volvocars.com)

If to Polestar:

Polestar Performance AB  
Attention: [\*\*\*]SE-405 31 Gothenburg, SWEDEN  
Email: [\*\*\*]  
With a copy not constituting notice to:  
  
Polestar Performance AB  
Legal Department  
SE-405 31 Gothenburg, Sweden  
Email: [legal@polestar.com](mailto:legal@polestar.com)

All notices and shall be effective upon receipt, which shall be deemed to have occurred:

- (a) at the time and on the date of personal delivery;
- (b) if sent by e-mail, at the time and on the date indicated on a confirmation of receipt relating to such e-mail;
- (c) at the time and on the date of delivery if delivered by courier as confirmed in the records of such courier service; or
- (d) at such time and date as delivery by personal delivery or courier is refused by the addressee upon presentation,

in each case provided that such receipt occurred on a business day at the location of receipt. A written notice sent by e-mail will be deemed to have been duly given, only if the recipient has confirmed receipt of such e-mail within three business days calculated from the time of sending such e-mail. An automatic e-mail reply shall not be construed as a confirmation hereunder.

- 10.2 **No Third Party Beneficiaries.** This Agreement does not confer any benefits on any third party.
- 10.3 **Announcements.** Neither Party may make any public statement regarding this Agreement without the other Party's written approval.
- 10.4 **Entire agreement.** This Agreement states all terms agreed between the Parties and supersedes all other agreements between the Parties relating to its subject matter.
- 10.5 **Amendment and Waiver.** No amendment of this Agreement will be effective unless it is in writing and signed by both Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Agreement.
- 10.6 **Relationship.** The Parties are independent contractors. This Agreement does not create any agency, partnership or joint venture between the Parties.

- 10.7 **Assignment.** Neither Party may assign any rights or delegate any obligations under these terms without the other Party's written consent.
- 10.8 **Severability.** Unenforceable terms of this Agreement will be modified to reflect the Parties' intention and only to the extent necessary to make them enforceable. The other terms will remain in effect without change.
- 10.9 **Counterparts.** The parties may execute this Agreement in counterparts, including electronic copies, which taken together will constitute one instrument.

---

[SIGNATURE PAGE FOLLOWS]

This agreement has been signed electronically by both Parties.

**VOLVO CAR CORPORATION**

**POLESTAR PERFORMANCE AB**

By: /s/ Helen Hu

By: /s/ Anna Rudensjö

Printed Name: Helen Hu

Printed Name: Anna Rudensjö

Title: General Counsel

Title: General Counsel

Date: Dec 18 2024

Date: Jan 15 2025

By: /s/ Johan Ekdahl

By: /s/ Jonas Engström

Printed Name: Johan Ekdahl

Printed Name: Jonas Engström

Title: CFO

Title: COO

Date: Dec 19 2024

Date: Jan 15 2025



Certain identified information marked with "[\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

**AMENDMENT AGREEMENT No 1 to [\*\*] MANUFACTURING AGREEMENT  
(PS22-052)**

This Amendment Agreement No 1 to the [\*\*] Manufacturing Agreement ("**Amendment**") is between:

**Volvo Car USA LLC**, a limited liability company incorporated under the laws of United States of America having its principle place of business at 1800 Volvo Place, Mahwah, NJ 07430, USA, (the "**Supplier**" or "**VCCH**") and

**Polestar Performance AB**, Reg. No. 556653-3096, a limited liability company incorporated under the laws of Sweden ("**Buyer**" or "**Polestar**")

Each of Supplier and Buyer is hereinafter referred to as a "**Party**" and jointly as the "**Parties**".

**BACKGROUND**

- A. The Parties have entered into the [\*\*] Manufacturing Agreement on 6<sup>th</sup> of September 2024 (the "**Agreement**").
- B. The Parties now wish to amend the Agreement to the extent set out below.
- C. Now, therefore, the Parties agree as follows:

**1. SCOPE OF AMENDMENT**

- 1.1 The Agreement will be deemed amended to the extent herein provided and will, except as specifically amended, continue in full force and effect in accordance with its original terms. In case of any discrepancy between the provisions of this Amendment and the Agreement, the provisions of this Amendment shall prevail. Any definitions used in this Amendment shall, unless otherwise is stated herein, have the respective meanings set forth in the Agreement.
- 1.2 The amendments to the provisions in the Agreement as stated in Section 2 below, such provisions highlighted for ease of reference in bold italics, shall come into force on the date this Amendment is signed by the last Party to sign it (as indicated by the date associated with that Party's signature).

**2. AMENDMENTS**

A new **Section 6.1.4** shall be added to the Agreement as follows:

**6.1.4 Final Mark-Up**

The Final Mark-Up shall [\*\*]. The difference between the Preliminary Mark-up and the Final Mark-up for Contract Products invoiced between 1 October 2024 and 31 January

2025 shall be settled through adjustment of the price of the Contract Products during 2025 in accordance with the Agreement Exhibit 2.

**3. GENERAL PROVISIONS**

- 3.1 This Amendment is and should be regarded and interpreted as an amendment to the Agreement. The validity of this Amendment is therefore dependent upon the validity of the Agreement.
- 3.2 No amendment of this Amendment will be effective unless it is in writing and signed by both Parties. A waiver of any default is not a waiver of any later default and will not affect the validity of this Amendment.
- 3.3 Sections 21 and 22 of the Agreement shall apply to this Amendment as well.
- 3.4 The Parties may execute this Amendment in counterparts, including electronic copies, which taken together will constitute one instrument.

---

[SIGNATURE PAGE FOLLOWS]

**VOLVO CAR USA LLC**

**POLESTAR PERFORMANCE AB**

By: /s/ Michael Cottone

By: /s/ Jonas Engström

Printed Name: Michael Cottone

Printed Name: Jonas Engström

Title: President Volvo Cars US

Title: COO

Date: Feb. 5, 2025

Date: Feb 5, 2025

By: /s/ Robert Manna

By: /s/ Anna Rudensjö

Printed Name: Robert Manna

Printed Name: Anna Rudensjö

Title: CFO

Title: General Counsel

Date: Feb 5, 2025

Date: Feb 10, 2025





Certain identified information marked with "[\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

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**SERVICE AGREEMENT, [\*] CONCEPT DEVELOPMENT  
MAIN DOCUMENT**

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Name of Project: [\*] Pre-Study from [\*] milestone until [\*] milestone.

Short description of activities under this Service Agreement: The Service Provider will provide a pre study services for [\*] pursuant to terms and conditions of this Agreement.

This Service Agreement is between Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. ( "浙江吉利汽车工程技术开发有限公司" in Chinese) Reg. No. 91330201MACRMC3J0P, a limited liability company incorporated under the laws of People's Republic of China, with its registered address: 918 Fourth Binhai Road, Hangzhou Bay New Zone, Ningbo Zhejiang Province, China("Service Provider"), and Polestar Performance AB, a limited liability company incorporated in Sweden under company registration number 556653-3096 ("Purchaser").

Each of Service Provider and Purchaser is hereinafter referred to as a "Party" and jointly as the "Parties".

**BACKGROUND**

- A. The Parties have determined that Service Provider shall provide to Purchaser certain Services (as defined in the General Terms), which are further described in the Service Specification in Appendix 1. The provision of the Services shall be performed in accordance with the terms in this service agreement, main document together with its appendices (the "Service Agreement").
- B. Purchaser now wishes to enter into this Service Agreement for the purpose of receiving the Services and Service Provider wishes to provide the Services in accordance with the terms set forth in this Service Agreement.
- C. In light of the foregoing, the Parties have agreed to execute this Service Agreement.

**AGREEMENT**

**1. GENERAL**

- 1.1. This Service Agreement consists of this main document (the "Main Document") and its appendices. This Main Document sets out the specific terms in respect of the provision of the Services, whereas Appendix 2 sets out certain general terms and conditions applicable to the Parties' rights, obligations and the performance of the Parties' activities hereunder (the "General Terms").
- 1.2. All capitalized terms used, but not specifically defined in this Main Document, shall have the meaning ascribed to them in the General Terms.

## 2. SERVICE SPECIFICATION

- 2.1. The Parties have agreed upon the scope and specification for the Services as specified in the Service Specification in Appendix 1.
- 2.2 The Services will be conducted in China.

## 3. AFFILIATE

- 3.1. Affiliate shall for the purpose of this Service Agreement have the following meaning:  
"Affiliate" means (i) for the Service Provider, any other legal entity that directly or indirectly controls, is controlled by or is under common control with Geely Auto and (ii) for Purchaser, any other legal entity that, directly or indirectly, is controlled by Polestar Automotive Holding UK PLC, "control" means the possession, directly or indirectly, of (i) at least fifty per cent (50%) of the voting stock, partnership interest or other ownership interest, or (ii) the power (a) to appoint or remove a majority of the board of directors or other governing body of an entity, or (b) to cause the direction of the management of an entity. The Parties, however, agree to renegotiate this definition of "Affiliates" in good faith if it in the future does not reflect the Parties' intention at the time of signing this Service Agreement due to a restructuring or reorganization in relation to either of the Parties.

## 4. INTELLECTUAL PROPERTY RIGHTS

- 4.1. The Parties agree that the Party stated in Section 5.2 in the General Terms in Appendix 2 shall be the exclusive owner of corresponding Results (as defined in the General Terms in Appendix 2).

## 5. SERVICE CHARGES

- 5.1. In consideration of Service Provider's performance of the Services under this Service Agreement, Purchaser shall pay to Service Provider the service charges as set forth in this Clause 5 (the "Service Charges").
- 5.2. The Service Charges [\*\*\*] for the Services to be performed by Service Provider as set forth in the Service Specification in Appendix 1, which is RMB [\*\*\*] for [\*\*\*] project.
- 5.3. The Service Charges shall be paid by telegraphic transfer in the currency: CNY.
- 5.4. If the Purchase or the Service Provider propose any change to the Services, which could be reasonably expected to affect cost or timing for provision of the Services, the Parties will negotiate in good faith in order to reach an equitable price adjustment or other appropriate adjustment

## 6. PAYMENT

- 6.1. If Service Provider, pursuant to the General Terms, appoints its Affiliates and/or subcontractors to perform the Services under this Service Agreement, Service Provider shall include the costs relating to such work in the invoices to Purchaser.

6.2. The Service Charges shall be invoiced by the Service Provider and paid by the Purchaser in accordance with what is set forth in the payment plan below in this section 6.2. and in accordance with what is set out in the General Terms.

6.3.  
[\*\*\*]

6.4. The Purchaser shall pay each valid invoice issued by the Service Provider under this Service Agreement within [\*\*\*] calendar days from the invoice date of the invoice.

## 7. GOVERNANCE FORUM

7.1. The Parties agree that governance in respect of this Service Agreement shall be handled in accordance with what is set out in the General Terms in [Appendix 2](#). When reference is made to a relevant governance forum, it shall for the purpose of this Service Agreement have the meaning set out below in this Section 7.

7.2. The first level of governance forum for handling the co-operation between the Parties in various matters, handling management, prioritisation of development activities etc. under the Service Agreement shall be the “**Steering Committee**”, which regarding cooperation between Service Provider and Purchaser is the so called Geely and Polestar [\*\*\*] Steering Committee. The Steering Committee shall be the first level of governance forum established by the Parties for handling the cooperation between them in respect of various matters.

7.3. The higher level of governance forum, to which an issue shall be escalated if the Steering Committee fails to agree upon a solution shall be the “Strategic Board”. The Strategic Board shall be the highest level of governance forum established by the Parties for handling the cooperation between them in respect of various matters.

## 8. ORDER OF PRIORITY

8.1. In the event there are any contradictions or inconsistencies between the terms of this Main Document and any of the Appendices hereto, the Parties agree that the following order of priority shall apply:

- (1) This Main Document
- (2) Appendix 2, General Terms – Service Agreement
- (3) Appendix 1, Service Specification
- (4) Appendix 1.2, CCR process

## 9. NOTICES

9.1. All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Service Agreement shall be sent to the following addresses and shall otherwise be sent in accordance with the terms in the General Terms:

(a) To Service Provider:

Zhejiang Geely Automobile Engineering Technology Development Co., Ltd. No. 818,  
Binhai 4nd Rd  
Hangzhou Bay New District,  
Ningbo  
Attention: [\*\*\*]  
Email: [\*\*\*]

With a copy to:  
Attention: [\*\*\*]  
Email: [\*\*\*]

(b) To Purchaser:

Polestar Performance AB  
Assar Gabrielssons väg 9  
405 31 Göteborg  
Sweden  
Attention: [\*\*\*]  
[\*\*\*]

With a copy to:  
Polestar Performance AB  
Assar Gabrielssons väg 9  
405 31 Göteborg  
Sweden  
Attention: General Counsel  
[\*\*\*]

---

[SIGNATURE PAGE FOLLOWS]

This Service Agreement has been signed in five (5) originals, one (1) to the Purchaser and four (4) to the Service Provider.

**ZHEJIANG GEELY AUTOMOBILE ENGINEERING  
TECHNOLOGY DEVELOPMENT CO. LTD.**

**POLESTAR PERFORMANCE AB**

By: Guang Yang

By: Jonas Engström

Printed Name: Guang Yang

Printed Name: Jonas Engström

Title: Project lead/Authorized signatory

Title: COO

Date: February 11, 2025

Date: January 24, 2025

By: \_\_\_\_\_

By: Anna Rudensjö

Printed Name: \_\_\_\_\_

Printed Name: Anna Rudensjö

Title: \_\_\_\_\_

Title: General Counsel

Date: \_\_\_\_\_

Date: January 24, 2025

**SERVICE AGREEMENT - [\*\*\*]  
CONCEPT DEVELOPMENT  
APPENDIX 1  
SERVICE SPECIFICATION**

---

**1. GENERAL**

- 1.1 This Service Specification is a part of the Service Agreement executed between Service Provider and Purchaser. This Service Specification sets out the scope and the specification of the activities that shall be performed under the Service Agreement, the division of responsibilities between Service Provider and Purchaser and the applicable time plan for the performance of the activities.

**2. DEFINITIONS**

- 2.1 Any capitalised terms used but not specifically defined herein shall have the meanings set out for such terms in the Main Document. In addition, the capitalised terms set out below in this Section 2 shall for the purposes of this Service Specification have the meanings described herein. All capitalised terms in singular in the list of definitions shall have the same meaning in plural and vice versa.

**3. GENERAL DESCRIPTION**

- 3.1 The Parties have agreed that the Service Provider will provide research and development services for the concept phase of the [\*\*\*] project up to the [\*\*\*] milestone.
- 3.2 **Change Management/Content Change Request ("CCR"):** The Content Change Request process (CCR) during the project up to PS shall be handled in accordance with the process described in Appendix 1.2, and changes shall be agreed by the Parties in writing based on the template which separately agreed by the Parties.

**4. DELIVERABLES AND TIMING**

- 4.1 [\*\*\*] shall be based on [\*\*\*]. The design and engineering of the [\*\*\*] should be designed to be fully compliant with US and EU standards and legal regulations.
- 4.2 The Parties intend to enter into the Further Development Agreement for the research and development services of [\*\*\*] covering the phases from [\*\*\*] (the "**Full Service**"), in which provisions of the scope, timing, [\*\*\*] service charge and payment plan for such Further Services will be included.
- 4.3 The activities covered by this Service Agreement shall commence upon signing of this Service Agreement and end at [\*\*\*] Milestone. Both Parties acknowledge and agree that the estimated time of the [\*\*\*].
- 4.3.1 The following deliverables should be provided before [\*\*\*] milestone of [\*\*\*] Project.  
[\*\*\*]

50419 T Haraldsson MPV 2020-11-05

**SERVICE AGREEMENT**  
**\*\*\*] CONCEPT DEVELOPMENT**  
**APPENDIX 2**  
**GENERAL TERMS**

---

**1. BACKGROUND**

- 1.1. This Appendix 2, General Terms – Service Agreement, (the “**General Terms**”) is an Appendix to the Main Document and is an integrated part of the Service Agreement entered into between the Parties.

**2. DEFINITIONS**

- 2.1 For the purpose of these General Terms, the following terms shall have the meanings assigned to them below. All capitalized terms in singular in the list of definitions shall have the same meaning in plural and vice versa. Any capitalized terms used, but not specifically defined below in this Section 2, shall have the meaning ascribed to them in the Main Document.

- 2.2 “**Appendix**” means an appendix to the Main Document.

- 2.3 “**Background IP**” means the Intellectual Property Rights either:

- (a) owned by either of the Parties;
- (b) created, developed or invented by directors, managers, employees or consultants of either of the Parties;
- (c) to which the Party has licensed rights instead of ownership and the right to grant a sublicense

prior to the execution of this Service Agreement, and any Intellectual Property Rights developed or otherwise acquired independently of this Service Agreement.

- 2.4 “**Confidential Information**” means any and all non-public information regarding the Parties and their respective businesses, whether commercial or technical, in whatever form or media, including but not limited to the existence, content and subject matter of this Service Agreement, information relating to Intellectual Property Rights, concepts, technologies, processes, commercial figures, techniques, algorithms, formulas, methodologies, know-how, strategic plans and budgets, investments, customers and sales, designs, graphics, CAD models, CAE data, statement of works (including engineering statement of works and any high level specification), targets, test plans/reports, technical performance data and engineering sign-off documents and other information of a sensitive nature, that a Party



learns from or about the other Party prior to or after the execution of this Service Agreement.

- 2.5 **"Data Room"** means the secure environment personal approved access information sharing platform agreed to be used between the Parties for making available the Results to Purchaser.
- 2.6 **"Disclosing Party"** means the Party disclosing Confidential Information to the Receiving Party.
- 2.7 **"Data Protection Laws"** shall mean collectively, any applicable privacy, personal data, and data security or similar laws, regulations and statutes along with any other legislation applicable in each jurisdiction to the Processing carried out in accordance with this DPA, however at all times including the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016) and e-Privacy Directive 2002/58/EC (and any supplementing laws in each jurisdiction). In case of discrepancies or contradictions between different rules or regulations, the one which provides the highest degree of privacy and/or information security shall apply.
- 2.8 **"Force Majeure Event"** shall have the meaning set out in Section 16.1.1.
- 2.9 **"FSR"** means the Final Status Report milestone where all agreed deliverables will be finally specified.
- 2.10 **"Industry Standard"** means the exercise of such professionalism, skill, diligence, prudence and foresight that would normally be expected at any given time from a skilled and experienced actor engaged in a similar type of undertaking as under this Service Agreement.
- 2.11 **"Intellectual Property Rights"** or **"IP"** means Patents, Non-patented IP, rights in Confidential Information and Know-How to the extent protected under applicable laws anywhere in the world. For the avoidance of doubt, Trademarks are not comprised by this definition.
- 2.12 **"Know-How"** means confidential and proprietary industrial, technical and commercial information and techniques in any form including (without limitation) drawings, formulae, test results, reports, project reports and testing procedures, instruction and training

manuals, tables of operating conditions, specifications, component lists, market forecasts, lists and particulars of customers and suppliers.

- 2.13 **“Listed person”** means
- (I) any individual, company, entity or organization designated on:
    - (a) the Consolidated List of Persons, Groups, and Entities Subject to EU Financial Sanctions,
    - (b) the following US lists:
      - (i) the List of Specially Designated Nationals and Blocked Persons maintained by the US Department of the Treasury’s Office of Foreign Assets Control (**“OFAC”**),
      - (ii) the Sectoral Sanctions Identifications List maintained by OFAC,
      - (iii) the Entity List, Denied Persons List, the List of Statutorily Debarred Parties, the Terrorist Exclusion List and Unverified List maintained by the US Department of Commerce’s Bureau of Industry and Security (**“BIS”**),
    - (c) the UK’s Consolidated List of Financial Sanctions Targets – Asset Freeze Targets, and the List of Persons Subject to the Restrictive Measures in View of Russia’s Actions Destabilising the Situation in Ukraine, maintained by His Majesty’s Treasury,
    - (d) the UN Security Council Consolidated List, or
    - (e) any other equivalent list that would be applicable to any of the Parties and relevant for Supplier’s performance under this Service Agreement,
  - (II) companies, entities or organizations that are owned 50% or greater or controlled by any combination of persons stated in (I) (a), (b)(i)-(ii), (c) as applicable under laws and regulations pursuant to which the above lists are published.
  - (III) The government of a Sanctioned Country or a member of the government of a Sanctioned Country.
- 2.14 **“Main Document”** means the contract document (with the heading “Main Document - Service Agreement”), which is signed by Service Provider and Purchaser, to which these General Terms are an Appendix.
- 2.15 **“Milestone”** means an event or milestone based on NPDS and the deadlines for such event according to the Vehicle Program Planner (VPP) set out in the relevant Change Agreement. For clarity, the Parties have agreed to follow the NPDS.
- 2.16 **“Non-patented IP”** means copyrights (including rights in computer software), database rights, semiconductor topography rights, rights in designs, and other intellectual property rights (other than Trademarks and Patents) and all rights or forms of protection having equivalent or similar effect anywhere in the world, in each case whether registered or

unregistered, and registered includes registrations, applications for registration and renewals whether made before, on or after execution of this Service Agreement.

- 2.17 **"PS"** means the Program Start milestone according to NDPS, with target date of [\*\*\*].
- 2.18 **"Patent"** means any patent, patent application, or utility model, whether filed before, on or after execution of this Service Agreement, along with any continuation, continuation-in-part, divisional, re-examined or re-issued patent, foreign counterpart or renewal or extension of any of the foregoing.
- 2.19 **"Personal Data"** has the meaning set out in the Data Protection Laws.
- 2.20 **"Receiving Party"** means the Party receiving Confidential Information from the Disclosing Party.
- 2.21 **"Results"** shall mean any outcome of the Services provided to Purchaser under this Service Agreement (including but not limited to any IP, technology, software, methods, processes, deliverables, objects, products, documentation, modifications, improvements, and/or amendments to be carried out by Service Provider under the Service Specification) and any other outcome or result of the Services to be performed by Service Provider as described in the relevant Service Specification, irrespective of whether the performance of the Services has been completed or not.
- 2.22 **"Results Owner"** shall mean the Party which shall be the owner of the Results in accordance with what is set forth in Section 5.2.
- 2.23 **"Sanctioned Country"** means any country or territory which is, or whose government is, the subject of comprehensive sanctions (as at the date hereof consisting of Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk, Luhansk, Kherson and Zaporizhzhia regions of Ukraine. For the purpose of this Service Agreement, Belarus, Russia and Venezuela are deemed as Sanctioned Country.
- 2.24 **"Services"** shall mean the services to be performed by Service Provider to Purchaser hereunder, including all services under the Appendices attached hereto.
- 2.25 **"Service Agreement"** means the Main Document including all of its Appendices and their Schedules as amended from time to time.
- 2.26 **"Service Charges"** means the service charges as set forth or referenced to in the Main Document.
- 2.27 **"Service Specification"** describes the Services to be provided by Service Provider to Purchaser hereunder including (if applicable) a time plan for the provision of the Services, which is included as Appendix 1 in this Service Agreement.
- 2.28 **"Third Party"** means a party other than any of the Parties and/or an Affiliate of one of the Parties to this Service Agreement.
- 2.29 **"Trademarks"** means trademarks (including part numbers that are trademarks), service marks, logos, trade names, business names, assumed names, trade dress and get-up, and domain names, in each case whether registered or unregistered, including all applications,

registrations, renewals and the like, in each case to the extent they constitute rights that are enforceable against Third Parties.

- 2.30 **“Use”** means to make, have made, use (including in a process, such as use in designing, engineering, testing or assembling products or in their research or development), keep, install, integrate, extract, assemble, reproduce, incorporate, create derivative works of, modify, adapt, improve, enhance, develop, service or repair, including in the case of installation, integration, assembly, service or repair, the right to have a subcontractor of any tier carry out any of these activities on behalf of Purchaser.
- 2.31 The right to **“have made”** is the right of Purchaser to have another person (or their subcontractor of any tier) make for Purchaser and does not include the right to grant sublicenses to another person to make for such person’s own use or use other than for Purchaser.

### 3. PROVISION OF SERVICES

- 3.1 **Service Specification.** The Parties have agreed upon the scope and specification of the Services provided under this Service Agreement in the Service Specification.
- 3.2 Making available the Results.
  - 3.2.1 Service Provider shall make the Results (or if not finalised, any part of the Results that has been finalised) available to Purchaser within the timeframes specified in the Service Specification, but under all circumstances promptly after any part of the Results has been finalised. The Results shall only be made available in a Data Room.
  - 3.2.2 The Results (or any finalised part thereof) shall be deemed made available by Service Provider to Purchaser if such files have been electronically loaded into and made accessible by Service Provider in the Data Room agreed upon.
- 3.3 **Service Recipients.** In addition to Purchaser, all of Purchaser’s Affiliates shall be entitled to receive and use the Services under this Service Agreement. Nevertheless, Purchaser shall be Service Provider’s sole point of contact and shall be responsible for payment of the Service Charges as set forth in this Service Agreement, irrespectively of whether it is Purchaser or any of Purchaser’s Affiliates that in reality received and used the Services.
- 3.4 **Subcontractors.**
  - 3.4.1 The Parties acknowledge that Service Provider may appoint its Affiliates and/or subcontractors to perform the Services under this Service Agreement, provided that Service Provider informs Purchaser thereof.
  - 3.4.2 Service Provider shall however remain responsible for the performance, and any omission to perform or comply with the provisions of this Service Agreement, by any Affiliate to Service Provider and/or any subcontractor to the same extent as if such performance or

omittance was made by Service Provider itself. Service Provider shall also remain Purchaser's sole point of contact unless otherwise agreed.

**3.5 Relationship between the Parties.**

3.6 The Parties are acting as independent contractors when performing each Party's respective obligations under the Service Agreement. Neither Party nor its Affiliates are agents for the other Party or its Affiliates and have no authority to represent them in relation to any matters. Nothing in these General Terms or the Service Agreement shall be construed as to constitute a partnership or joint venture between the Parties.

**4. SERVICE REQUIREMENTS**

4.1 All Services shall be performed in accordance with the requirements set forth in this Service Agreement, including the Service Specification, and otherwise in a professional manner.

4.2 When providing the Services, Service Provider shall use professional and skilled personnel, reasonably experienced for the Services to be performed, Service Provider shall work according to the same standard of care and professionalism that is done in Service Provider's internal business and development projects. Such standard of care and professionalism, shall however at all times correspond to Industry Standard. For the avoidance of doubt, Service Provider is responsible for all necessary recruiting and hiring costs associated with employing appropriate personnel as well as all necessary training costs.

4.3 Service Provider acknowledges that time is of essence and Service Provider agrees to strictly respect and adhere to the deadline set out in the Service Specification in Appendix 1. In the event Service Provider risks not to meet an agreed deadline or is otherwise in delay with the performance of the Services, Service Provider shall appoint additional resources in order to avoid the effects of the anticipated delay or the delay (as the case may be).

4.4 In the event the Services or any part thereof, more than insignificantly deviate from the requirements set forth in the Service Specification, or if Service Provider otherwise does not meet or ceases to meet the requirements set forth in this Service Agreement (except for minor faults and defects, which do not affect the provision of the Services), Service Provider shall remedy such incompliance, fault or defect as soon as reasonably possible.

4.5 In the event Service Provider fails to act in accordance with Section 4.3 and 4.4 above, such failure shall be escalated in accordance with the escalation principles set forth in Section 18.1 and eventually give Purchaser the right to terminate the Service Agreement in accordance with Section 15.4.

4.6 Purchaser shall provide Service Provider with instructions as reasonably required for Service Provider to be able to carry out the Services. Service Provider must continuously inform Purchaser of any needs of additional instructions or specifications required to perform the Services.

4.7 Service Provider shall ensure that it has sufficient resources to perform its undertakings under this Service Agreement. Further, Service Provider undertakes to ensure that the

performance of the Services will not be given lower priority than other of Service Provider's internal similar projects.

## **5. INTELLECTUAL PROPERTY RIGHTS**

### **5.1 Ownership of existing Intellectual Property Rights.**

5.1.1 Each Party remains the sole and exclusive owner of (i) any Intellectual Property Rights owned prior to the execution of this License Agreement, (ii) any Intellectual Property Rights developed or otherwise acquired independently of this License Agreement, and (iii) any Intellectual Property Rights which are modifications, amendments or derivatives of any Intellectual Property Rights already owned by such Party.

5.1.2 Nothing in this Service Agreement shall be deemed to constitute an assignment of, or license to use, any Trademarks of the other Party.

### **5.2 Ownership of Results.**

5.2.1 In the event the Results (including all modifications, amendments and developments thereof) are created as a result of the Services provided by Service Provider (or if applicable, any of its appointed Affiliates or subcontractors) under this Service Agreement, the Parties agree that Purchaser shall be the exclusive owner of such Results, except to the extent such Results (i) constitute supplier IP, or (ii) are created based on or incorporated with Background IP of Service Provider or its Affiliates. Upon Purchaser's due and full payment of the Service Charges in accordance with Section 6 in Main Document, the IP ownership of such Results shall be transferred from Service Provider to Purchaser. Purchaser shall further have the right to transfer, sublicense, modify and otherwise freely dispose of the Results, however with the restrictions set forth in Section 5.3 License Grant below.

### **5.3 License grant.**

5.3.1 Purchaser shall be entitled to use the Results only for its own internal evaluations with respect to the [\*\*\*] (the "Pre-Study Purpose"), [\*\*\*].

5.3.2 Notwithstanding anything to the contrary in the Service Agreement, nothing in these General Terms or otherwise in the Service Agreement shall be construed as to give the other Party any rights, including but not limited to any license rights (express or implied), to any Background IP, except as expressly stated herein. Parties shall enter into a separate license agreement with regards to the use of Service Provider's and/or its Affiliates' Background IP, except as expressly stated herein.

### **5.4 Suspected infringement.**

5.4.1 For the avoidance of doubt, neither Party shall have any responsibility towards the other Party in the event the Results are alleged to infringe in any Third Party's Intellectual Property

Rights and neither Party shall have any obligation to defend and hold the other Party harmless from and against any alleged infringements.

- 5.5 Polestar Brand name.
  - 5.5.1 For the sake of clarity, it is especially noted that this Service Agreement does not include any right to use the "Polestar" brand name, or Trademarks, or refer to "Polestar" in communications or official documents of whatever kind.
  - 5.5.2 This means that this Service Agreement does not include any rights to directly or indirectly use the "Polestar" brand name or "Polestar" Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, e.g. in presentations, business cards and correspondence.
- 5.6 Geely brand name.
  - 5.6.1 Correspondingly, it is especially noted that this Service Agreement does not include any right to use the "Geely" brand name or Trademarks, or refer to "Geely" in communications or official documents of whatever kind.
  - 5.6.2 This means that this Service Agreement does not include any rights to directly or indirectly use "Geely" brand name or "Geely" Trademarks, on or for any products or when marketing,

promoting and/or selling such products, or in any other contacts with Third Parties, e.g. in presentations, business cards and correspondence.

**6. SERVICE CHARGES**

- 6.1 In consideration of Service Provider's performance of the Services under this Service Agreement, Purchaser agrees to pay to Service Provider the Service Charges as set forth or referenced to in the Main Document.

**7. PAYMENT TERMS**

- 7.1 The Service Charges shall be paid in the currency set forth in the Main Document, in a timely manner and in accordance with the payment terms set forth in this Section 7.
- 7.2 Purchaser shall bear the VAT and surtaxes, and Service Provider shall bear the Withholding Tax, which are applicable in accordance with local legislation to amounts and payments referred to in this Service Agreement.
- 7.3 Upon tax authority request, Service Provider should provide the supporting documents to help Purchaser prove the arm's length nature of the payment.
- 7.4 Any amount of the Service Charges invoiced by Service Provider to Purchaser shall be paid by Purchaser within [\*\*\*] days after the invoice date.
- 7.5 Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on [\*\*\*].
- 7.6 Any paid portion of the Service Charges is non-refundable, with the exception set forth in the Main Document.

**8. INSPECTION RIGHTS**

- 8.1 During the term of the Agreement, Polestar shall have the right to, upon reasonable prior notice in writing to Service Provider, inspect the Service Provider's books and records related to the Results, and the premises where the Service is carried out, in order to conduct quality controls and otherwise verify Service Provider's compliance with the obligations stated in this Agreement.
- 8.2 Inspection shall be made during regular business hours and be conducted by Purchaser or by an independent auditor appointed by Purchaser. Should Purchaser during any inspection find that Service Provider or the Services does/do not fulfil the requirements set forth herein, Purchaser is entitled to comment on the identified deviations. Service Provider shall, upon notice from Purchaser, take reasonable efforts to take the actions required in order to fulfil the requirements. In the event the Parties cannot agree upon measures to be taken in respect of the inspection, each Party shall be entitled to escalate such issue to the Steering Committee.



**9. REPRESENTATIONS**

9.1 Each Party warrants and represents to the other Party that:

- (a) it is duly organized, validly existing, and in good standing under the laws of its respective jurisdiction of incorporation or formation, as applicable;
- (b) it has full corporate power and authority to execute and deliver this Service Agreement and to perform its obligations hereunder;
- (c) the execution, delivery and performance of this Service Agreement have been duly authorized and approved, with such authorization and approval in full force and effect, and do not and will not (i) violate any laws or regulations applicable to it or (ii) violate its organization documents or any agreement to which it is a party; and
- (d) this Service Agreement is a legal and binding obligation of it, enforceable against it in accordance with its terms.

9.2 To the extent any Background IP is embedded, or otherwise included, in the Results and subject to the Section 5.3 above, the Parties acknowledge that such Background IP shall be licensed on an "as is" basis and solely for facilitating Purchaser's internal evaluation of the Results for Pre-Study Purpose as agreed hereunder, without any warranties or representations of any kind (except for the warranties in Section 9.1 above), whether implied or express, and in particular any warranties of suitability, merchantability, description, design and fitness for a particular purpose, non-infringement, completeness, systems integration and accuracy are expressly excluded to the maximum extent permissible

**10. SERVICE WARRANTY**

10.1 When performing the Services, Service Provider shall provide professional and skilled personnel, reasonably experienced for the Services to be performed at the best of their knowledge.

10.2 Service Provider provides the Services "as is". Service Provider does neither warrant nor represent that any Services, provided or delivered to Purchaser hereunder are functional for the business needs of Purchaser or otherwise suitable for any specific purpose, nor that the Services, are not infringing any Intellectual Property of any third party. Service Provider does neither give any representations or warranties as regards the merchantability of the deliverables to be delivered hereunder nor any other representations or warranties of any kind whatsoever concerning the Services. Purchaser acknowledges that the price of the Services to be performed and other deliverables to be delivered by Service Provider are set in consideration of the foregoing.

10.3 Service Provider shall after receipt of notice of a claim related to Purchaser's use of the Services notify Purchaser of such claim in writing and Purchaser shall following receipt of such notice, to the extent permitted under applicable law, at its own cost conduct negotiations with the third party presenting the claim and/or intervene in any suit or action. Purchaser shall at all times keep Service Provider informed of the status and progress of the claim and consult with Service Provider on appropriate actions to take. If Purchaser fails to

or chooses not to take actions to defend Service Provider within a reasonable time, or at any time ceases to make such efforts, Service Provider shall be entitled to assume control over the defence against such claim and/ or over any settlement negotiation at Purchaser's cost. Any settlement proposed by Purchaser on its own account must take account of potential implications for Service Provider and shall therefore be agreed with Service Provider before settlement. Each Party will at no cost furnish to the other Party all data, records, and assistance within that Party's control that are of importance in order to properly defend against a claim.

#### **11. LIMITATION OF LIABILITY**

- 11.1 Neither Party shall be responsible for any indirect, incidental or consequential damage or any losses of production or profit caused by it under this Service Agreement.
- 11.2 Each Party's aggregate liability for any direct damage arising out of or in connection with this Service Agreement shall be limited to [\*\*\*].
- 11.3 The limitations of liability set forth in this Section 11 shall not apply in respect of:

[\*\*\*]

#### **12. GOVERNANCE AND CHANGES**

- 12.1 Governance.
  - 12.1.1 The Parties shall act in good faith in all matters and shall at all times co-operate in respect of changes to this Service Agreement as well as issues and/or disputes arising under this Service Agreement.
  - 12.1.2 The governance and co-operation between the Parties in respect of this Service Agreement shall primarily be administered on an operational level. In the event the Parties on an operational level cannot agree upon inter alia the prioritisation of development activities or other aspects relating to the co-operation between the Parties, each Party shall be entitled to escalate such issue to the Steering Committee.
  - 12.1.3 If the Steering Committee fails to agree upon a solution of the disagreement the relevant issue should be escalated to the Strategic Board for decision.
- 12.2 Changes.
  - 12.2.1 During the term of this Service Agreement, Purchaser can request changes to the Service Specification, which shall be handled in accordance with the governance procedure set forth in Section 12.1 above and in Appendix 1.2. Both Parties agree to act in good faith to address and respond to any change request within a reasonable period of time.
  - 12.2.2 The Parties acknowledge that Service Provider will not perform in accordance with such change request until agreed in writing between the Parties. For the avoidance of any doubt,

until there is agreement about the requested change, all work shall continue in accordance with the existing Service Specification.

**13. CONFIDENTIAL INFORMATION**

13.1 The Parties shall take any and all necessary measures to comply with the security and confidentiality procedures of the other Party.

13.2 All Confidential Information shall only be used for the purposes comprised by the fulfilment of this Service Agreement. Each Party will keep in confidence any Confidential Information obtained in relation to this Service Agreement and will not divulge the same to any Third Party, unless the exceptions specifically set forth below in this Section 13.2 below apply, in order to obtain patent protection or when approved by the other Party in writing, and with the exception of their own officers, employees, consultants or sub-contractors with a need to know as to enable such personnel to perform their duties hereunder. This provision will not apply to Confidential Information which the Receiving Party can demonstrate:

- (a) was in the public domain other than by breach of this undertaking, or by another confidentiality undertaking;
- (b) was already in the possession of the Receiving Party before its receipt from the Disclosing Party;
- (c) is obtained from a Third Party who is free to divulge the same;
- (d) is required to be disclosed by mandatory law, court order, lawful government action or applicable stock exchange regulations;
- (e) is reasonably necessary for either Party to utilize its rights and use of its Intellectual Property Rights; or
- (f) is developed or created by one Party independently of the other, without any part thereof having been developed or created with assistance or information received from the other Party.

13.3 The Receiving Party shall protect the disclosed Confidential Information by using the same degree of care, but no less than a reasonable degree of care, as the Receiving Party uses to protect its own Confidential Information of similar nature, to prevent the dissemination to Third Parties or publication of the Confidential Information. Further, each Party shall ensure that its employees and consultants are bound by a similar duty of confidentiality and that any subcontractors taking part in the fulfilment of that Party's obligations hereunder, enters into a confidentiality undertaking containing in essence similar provisions as those set forth in this Section 13.

13.4 Any tangible materials that disclose or embody Confidential Information should be marked by the Disclosing Party as "Confidential," "Proprietary" or the substantial equivalent thereof. Confidential Information that is disclosed orally or visually shall be identified by the Disclosing Party as confidential at the time of disclosure, with subsequent confirmation in writing within 30 days after disclosure. However, the lack of marking or subsequent

confirmation that the disclosed information shall be regarded as "Confidential", "Proprietary" or the substantial equivalent thereof does not disqualify the disclosed information from being classified as Confidential Information.

- 13.5 If any Party violates any of its obligations described in this Section 13, the violating Party shall, upon notification from the other Party, (i) immediately cease to proceed such harmful violation and take all actions needed to rectify said behaviour and (ii) financially compensate for the harm suffered as determined by an arbitral tribunal pursuant to 18.1.6 below. All legal remedies (compensatory but not punitive in nature) according to law shall apply.
- 13.6 For the avoidance of doubt, this Section 13 does not permit disclosure of source code to software, and/or any substantial parts of design documents to software, included in the Results, to any Third Party, notwithstanding what it set forth above in this Section 13. Any such disclosure to any Third Party is permitted only if approved in writing by Service Provider.
- 13.7 This confidentiality provision shall survive the expiration or termination of this Service Agreement without limitation in time.

#### **14. RESPONSIBLE BUSINESS**

##### **14.1 COMPLIANCE WITH LAWS AND CODE OF CONDUCT**

Each Party shall comply with all applicable laws, rules and regulations when performing their obligations under this Service Agreement. Without limiting the generality of the foregoing, Service Provider shall, and shall take reasonable efforts to procure its contracted Third Parties to, comply with all applicable laws, regulations and statutory requirements, including but not limited to those relating to human rights, labor, environment, competition, data privacy and data protection, anti-corruption and bribery, export control and trade sanctions.

Without limiting the generality of the foregoing, Service Provider shall, at its own expense, obtain and maintain all certifications, authorizations, licenses and permits necessary for it to perform its obligations under the Service Agreement.

Service Provider has been provided with and reviewed a copy of Polestar's Code of Conduct for Business Partners, available on the website <https://www.polestar.com/global/legal/ethics/>, which is fundamental to Polestar's business and values, and agrees that it and its officers, directors, and employees shall comply with the provisions of Polestar's Code of Conduct for Business Partners in connection with the conduct of this Service Agreement. Service Provider shall ensure that Polestar's Code of Conduct for Business Partners is communicated to contracted Third Parties who are involved in connection with this Service Agreement.

##### **14.2 ANTI CORRUPTION AND BRIBERY**

Each Party shall comply with the anti-bribery, anti-corruption and anti-money laundering laws, rules, and regulations of the United States, PRC, and all other laws, rules, and regulations of any other jurisdiction which is applicable to the business and the activities of the Parties under this Service Agreement.

The Parties represent and warrant respectively that they have implemented policies and procedures aiming at preventing corruption and bribery, including effective sanctions against any activity of its directors, officers and employees that might be considered a corrupt or illegal practice under relevant anti-corruption and anti-bribery laws.

#### 14.3 **SANCTIONS AND EXPORT CONTROL**

14.3.1 Each Party represents and warrants that, any of its Affiliates, officers, directors, or employees

- (a) is not or has not been a Listed Person, and
- (b) shall not, when performing its obligations under this Service Agreement,
  - a. conduct any business activity, directly or indirectly, with or involving any Listed Person or Sanctioned Country, including by supplying to Purchaser the items sourced from a Listed Person or a Sanctioned Country, or
  - b. conduct any business activity that is prohibited or restricted under trade sanctions or export control laws applicable to any of the Parties when performing under this Agreement, or
  - c. engage in any transaction that evades or attempts to violate restrictions under any applicable trade sanctions or export control laws.

Notwithstanding Section 14.3.1 above, Service Provider may, when performing its obligations under this Service Agreement, conduct business activity with Listed Persons described in Section 2.13(l)(b)(ii) and (iii), to the extent that such business activity a) would not be prohibited under the United States applicable laws and regulations pursuant to which such lists are published and b) does not relate to any [\*\*\*] Vehicle to be sold or operated in the United States, or any parts, components or software applications therefore.

14.3.2 The Parties undertake to abide by all applicable laws and regulations with regard to the limitation and prohibition of the use of the Results under this Service Agreement. the Parties undertakes that it shall not use the Results for weapons of mass destruction, the development or production of chemical and biological weapons, activities related to nuclear explosion or other dangerous nuclear fuel, to support the activities of serious human rights abuses, or for military-related activities, or other end use prohibited or restricted by applicable laws and regulations, or resale or transfer the Results to institutions or individuals engaged in the aforementioned activities.

#### 14.4 **DATA PROTECTION**

14.4.1 The Parties shall conduct any processing of Personal Data in compliance with applicable Data Protection Laws relating to such Personal Data now or hereafter in effect. And the Parties acknowledge that the intention is that neither Party will process Personal Data on behalf of the other Party under or in connection with this Service Agreement.

14.4.2 If either Party anticipates that a Party will process Personal Data on behalf of the other Party when performing this Service Agreement, that Party shall promptly notify the other Party of that fact. To the extent necessary, the Parties to this Service Agreement shall then negotiate in good faith a Data Processing Agreement to permit that the processing of Personal Data is

performed in a way that complies with applicable Data Protection Laws, and neither Party shall process Personal Data on behalf of the other until this such Data Processing Agreement has been entered into.

**14.5 WORKING CONDITIONS AND IMPACT ON PEOPLES AND PLANET**

The Parties shall, when performing their obligations under this Service Agreement, follow all applicable laws and regulations relating to the protection of people's free enjoyment of labour laws, i.e. such national laws regulating working conditions, workplace health and safety, discrimination and the right to freedom of association and collective bargaining and internationally recognised human rights.

- 14.6 The Parties commit to, in good faith, negotiate a compliance protocol, which includes compliance principles and detailed compliance requirements for Polestar and Geely's cooperation projects, and to enter into as soon as practical. The Parties agree that the provisions of this Compliance Protocol shall become applicable to this Service Agreement.
- 14.7 Any and all extra cost related to the Service Provider for fulfilling the obligations as set forth in this Section 14 Responsible Business shall be escalated and discussed in the Steering Committee.

**15. TERM AND TERMINATION**

- 15.1 This Service Agreement shall become effective when the Main Document is signed by duly authorised signatories of each Party and shall, unless terminated in accordance with this Section 14 below, remain in force until the Services are completed.
- 15.2 Either Party shall be entitled to terminate this Service Agreement with immediate effect in the event:
  - (a) the other Party commits a material breach of the terms of this Service Agreement, which has not been remedied within 30 days from written notice from the other Party to remedy such breach (if capable of being remedied); or
  - (b) if the other Party should become insolvent or enter into negotiations on composition with its creditors or a petition in bankruptcy should be filed by it or it should make an assignment for the benefit of its creditors.
- 15.3 For avoidance of doubt, Purchaser not paying the Service Charges, without legitimate reasons for withholding payment, shall be considered in material breach for the purpose of this Service Agreement.
- 15.4 Furthermore, Purchaser is entitled to terminate this Service Agreement with immediate effect in case Service Provider acts in breach, which is not insignificant, of what is set forth in Section 4.3 and 4.4 provided that the issue first has been escalated in accordance with Section 18.1.
- 15.5 Purchaser shall in addition be entitled to cancel the Services performed by Service Provider and terminate this Service Agreement for convenience upon 30 days written notice to Service Provider. In such event, Service Provider shall, upon request from Purchaser,

promptly make available in the Data Room (if applicable) any and all parts of the Results which have been finalised on the effective date of the cancellation. Moreover, the "Results" shall for the purposes of this Service Agreement be considered such parts of the Results that Service Provider has finalised on the effective date of the cancellation.

- 15.6 In the event Purchaser cancels the Services in accordance with Section 15.5 above, the Service Charges shall, instead of what is set out in the Main Document, correspond to Service Provider's costs for the Services performed up, until and including the effective date of the cancellation, including the mark-up otherwise applied to calculate the Service Charges in accordance with the Main Document and any other reasonable proven costs Service Provider has incurred.

## **16. MISCELLANEOUS**

- 16.1 Force majeure.

- 16.1.1 Neither Party shall be liable for any failure or delay in performing its obligations under the Service Agreement to the extent that such failure or delay is caused by a Force Majeure Event. A "Force Majeure Event" means any event beyond a Party's reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, including strikes, lock-outs or other industrial disputes (whether involving its own workforce or a Third Party's), failure of energy sources or transport network, restrictions concerning motive force, acts of God, war, terrorism, insurgencies and riots, civil commotion, mobilization or extensive call ups, interference by civil or military authorities, national or international calamity, currency restrictions, requisitions, confiscation, armed conflict, malicious damage, breakdown of plant or machinery, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, stroke of lightning, earthquakes, loss at sea, epidemics or similar events, natural disasters or extreme adverse weather conditions, or default or delays of suppliers or subcontractors if such default or delay has been caused by a Force Majeure Event.

- 16.1.2 A non-performing Party, which claims there is a Force Majeure Event, and cannot perform its obligations under the Service Agreement as a consequence thereof, shall use all commercially reasonable efforts to continue to perform or to mitigate the impact of its non-performance notwithstanding the Force Majeure Event and shall continue the performance of its obligations as soon as the Force Majeure Event ceases to exist.

- 16.2 **Notices.** All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Service Agreement must be in legible writing in the English language delivered by personal delivery, email transmission or prepaid overnight courier using an internationally recognized courier service and shall be effective upon receipt, which shall be deemed to have occurred:

- (a) in case of personal delivery, at the time and on the date of personal delivery;
- (b) if sent by email transmission, at the time and date indicated on a response confirming such successful email transmission;

(c) if delivered by courier, at the time and on the date of delivery as confirmed in the records of such courier service; or

(d) at such time and date as delivery by personal delivery or courier is refused by the addressee upon presentation;

in each case provided that if such receipt occurred on a non-business day, then notice shall be deemed to have been received on the next following business day; and provided further that where any notice, demand, request or other communication is provided by any party by email, such party shall also provide a copy of such notice, demand, request or other communication by using one of the other methods. All such notices, demands, requests and other communications shall be addressed to the address, and with the attention, as set forth in the Main Document, or to such other address, number or email address as a Party may designate.

16.3 Assignment.

16.3.1 Neither Party may, wholly or partly, assign, pledge or otherwise dispose of its rights and/or obligations under this Service Agreement without the other Party's prior written consent.

16.4 **Waiver.** Neither Party shall be deprived of any right under this Service Agreement because of its failure to exercise any right under this Service Agreement or failure to notify the infringing party of a breach in connection with the Service Agreement. Notwithstanding the foregoing, rules on complaints and limitation periods shall apply.

16.5 **Severability.** In the event any provision of this Service Agreement is wholly or partly invalid, the validity of the Service Agreement as a whole shall not be affected and the remaining provisions of the Service Agreement shall remain valid. To the extent that such invalidity materially affects a Party's benefit from, or performance under, the Service Agreement, it shall be reasonably amended.

16.6 **Entire agreement.** All arrangements, commitments and undertakings in connection with the subject matter of this Service Agreement (whether written or oral) made before the date of this Service Agreement are superseded by this Service Agreement and its Appendices.

16.7 **Amendments.** Any amendment or addition to this Service Agreement must be made in writing and signed by the Parties to be valid.

16.8 Survival.

16.8.1 If this Service Agreement is terminated or expires pursuant to Section 14 above, Section 5.3 (License grant), Section 13 (Confidentiality), Section 17 (Governing Law), Section 18 (Dispute Resolution) as well as this Section 16.8, shall survive any termination or expiration and remain in force as between the Parties after such termination or expiration.

16.8.2 Notwithstanding Section 16.8.1 above, if this Service Agreement is terminated due to Purchaser not paying the Service Charges, without legitimate reasons for withholding payment, pursuant to Section 14 above, Section 5.3 (License Grant) shall not survive termination or remain in force as between the Parties after such termination. For the avoidance of doubt, what is stated in this Section 16.8.2 shall only apply in relation to such



licenses granted to Purchaser pursuant to Section 5.3 above and any licenses granted to Service Provider under Section 5.3 shall thus nevertheless remain in force after such termination.

**17. GOVERNING LAW**

- 17.1 This Service Agreement and all non-contractual obligations in connection with this Service Agreement shall be governed by the substantive laws of the People's Republic of China without giving regard to its conflict of laws principles.

**18. DISPUTE RESOLUTION**

- 18.1 Escalation principles.

- 18.1.1 In case the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and each Party shall notify the other Party hereof by the means of a deadlock notice and simultaneously send a copy of the notice to the Steering Committee. Upon the receipt of such a deadlock notice, the receiving Party shall within ten days of receipt, prepare and circulate to the other Party a statement setting out its position on the matter in dispute and reasons for adopting such position, and simultaneously send a copy of its statement to the Steering Committee. Each such statement shall be considered by the next regular meeting held by the Steering Committee or in a forum meeting specifically called upon by either Party for the settlement of the issue.

- 18.1.2 The members of the Steering Committee shall use reasonable endeavours to resolve a deadlock situation in good faith. As part thereof, the Steering Committee may request the Parties to in good faith develop and agree on a plan to resolve or address the breach, to be presented for the Steering Committee without undue delay. If the Steering Committee agrees upon a resolution or disposition of the matter, the Parties shall agree in writing on terms of such resolution or disposition and the Parties shall procure that such resolution or disposition is fully and promptly carried into effect.

- 18.1.3 If the Steering Committee cannot settle the deadlock within 30 days from the deadlock notice served pursuant to Section 18.1.1 above, such deadlock will be referred to the CEO's of each Party, which shall use reasonable endeavours to resolve the situation in the same way as indicated above. If no Steering Committee has been established between the Parties, the relevant issue shall be referred to the General Counsels of each Party immediately and Section 18.1.2 above shall not apply.

- 18.1.4 If the General Counsels of each Party cannot settle the deadlock within 30 days from the deadlock notice pursuant to the section above, despite using reasonable endeavours to do so, such deadlock will be referred to the Strategic Board for decision. Should the matter not have been resolved by the Strategic Board within 30 days counting from when the matter

was referred to them, despite using reasonable endeavours to do so, the matter shall be resolved in accordance with Section 18.1.6 below.

- 18.1.5 All notices and communications exchanged in the course of a deadlock resolution proceeding shall be considered Confidential Information of each Party and be subject to the confidentiality undertaking in Section 13 above.
- 18.1.6 Notwithstanding the above, the Parties agree that either Party may disregard the time frames set forth in this Section 18.1 and apply shorter time frames and/or escalate an issue directly to the Strategic Board in the event the escalated issue is of an urgent character and where the applicable time frames set out above are not appropriate.
- 18.2 Arbitration.
- 18.2.1 Any dispute, controversy or claim arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof, shall be submitted to China International Economic and Trade Arbitration Committee ("CIETAC") for arbitration, which shall be held in Shanghai and conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration, whereas the language to be used in the arbitral proceedings shall be English and Chinese;
- Irrespective of any discussions or disputes between the Parties, each Party shall always continue to fulfil its undertakings under the Agreement unless an arbitral tribunal or court (as the case may be) decides otherwise.
- 18.2.2 In any arbitration proceeding, any legal proceeding to enforce any arbitration award, or any other legal proceedings between the Parties relating to the Agreement, each Party expressly waives the defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state. Such waiver includes a waiver of any defence of sovereign immunity in respect of enforcement of arbitral awards and/or sovereign immunity from execution over any of its assets.
- 18.2.3 All arbitral proceedings as well as any and all information, documentation and materials in any form disclosed in the proceedings shall be strictly confidential.
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Content Change Process (CCR)  
Version 20250113

Appendix 1.2 to Agreement no.: GEE25-001

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Certain identified information marked with “\*\*\*” has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

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## **TOOLING USER RIGHT AGREEMENT**

dated 13 March 2025

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Volvo Car USA LLC

and

Polestar Performance AB

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Regarding use of Tooling

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**LIST OF APPENDICES**

- A. Tooling Specification**
- B. Fee**

This **TOOLING USER RIGHT AGREEMENT** is made between:

- (1) **Polestar Performance AB**, with registration number 556653-3096, a limited liability company incorporated under the laws of Sweden, ("**Owner**")
- (2) **Volvo Car USA LLC**, with company registration number 47-4903750, a limited liability company incorporated under the laws of United States of America, its principal place of business at 1800 Volvo Place, Mahwah, NJ 07430, USA ("**User**");

Each of the Owner and the User is hereinafter referred to as a "**Party**" and, jointly, as the "**Parties**".

#### **BACKGROUND**

- A. The User will manufacture the [\*\*\*] vehicle for Owner in the User's plant in Charleston, USA. The manufacturing of the [\*\*\*] vehicle requires certain tooling, including the tooling that is further described in Appendix A, Tooling Specification.
- B. The Owner is or will be the exclusive owner of the relevant Tooling (as defined in Section 1 below) and the User wishes to have such Tooling used in the production of the [\*\*\*] vehicle. For efficiency reasons, the Parties have now agreed that User shall be entitled to use the Tooling and that the User accordingly shall compensate the Owner for its right to use the Tooling.
- C. In the light of the foregoing, the Parties have executed this Agreement (as defined in Section 1 below).

#### **1. DEFINITIONS**

For the purpose of this Agreement, the following terms shall have the meanings assigned to them below. Capitalised terms in this Agreement are defined in the way described below. All capitalised terms in singular in the list of definitions shall have the same meaning in plural and *vice versa*.

"**Affiliate**" means (i) for User, any other legal entity that directly or indirectly is controlled by User and (ii) for Owner, any other legal entity that, directly or indirectly, is controlled by or under common control with owner, "control" for this purpose meaning ownership or control of at least fifty per cent (50%) of the voting stock, partnership interest or other ownership interest or (ii) the power (a) to appoint or remove a majority of the board of directors or other governing body of an entity, or (b) to cause the direction of the management of an entity. The Parties, however, agree to renegotiate this definition of "Affiliates" in good faith if it in the future does not reflect the Parties' intention at the time of signing this Agreement due to a restructuring or reorganization in relation to either of the Parties.

"**Agreement**" means this Tooling User right agreement including the Appendices as amended and agreed from time to time.

"**Appendix**" means all appendices to this Agreement.

"**Confidential Information**" means any and all information regarding the Parties and their respective businesses, whether commercial or technical, in whatever form or media, including but not limited to information relating to Intellectual Property Rights, concepts, technologies, processes, commercial figures, techniques, strategic plans and budgets,

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investments, customers and sales, designs, graphics, CAD models, CAE data, statement of works (including engineering statement of works and any such specifications), targets, test plans/reports, technical performance data and engineering sign-off documents and other information of a sensitive nature, that a Party learns from or about the other Party prior to or after the execution of this Agreement.

**“Disclosing Party”** means the Party disclosing Confidential Information to the Receiving Party.

**“Effective Date”** shall have the meaning ascribed to it in Section 10.1

**“Fee”** shall have the meaning ascribed to it in Section 4.1.1.

**“Force Majeure Event”** shall have the meaning ascribed to it in Section 11.1.1.

**“Intellectual Property Rights”** means any and all intellectual property rights, including but not limited to patents, patent applications, Trademarks, software, designs, utility models, copyrights, database rights, ideas, concepts, techniques, inventions, technologies, tools, processes and methodologies, know-how and trade secrets and any similar rights in any jurisdiction, regardless of whether registered or not, and all rights under licenses or otherwise in relation to any of the foregoing.

**“Owner”** shall have the meaning ascribed to it in the beginning of this Agreement.

**“Receiving Party”** means the Party receiving Confidential Information from the Disclosing Party.

**“Steering Committee”** means the first level of governance forum established by the Parties for handling the cooperation between them in respect of various matters.

**“Strategic Board”** means the highest level of governance forum established by the Parties for handling the cooperation between them in respect of various matters which regarding cooperation between User and Owner is the so called Volvo Polestar Executive Meeting.

**“Term”** shall have the meaning ascribed to it in Section 10.1.

**“Third Party”** means a party other than any of the Parties and/or an Affiliate of one of the Parties to this Agreement.

**“Tooling”** means [\*\*\*] vehicle related tooling further specified in Appendix A as amended from time to time. Such tooling is owned by the Owner or its Affiliates or exclusively granted by the Vendors to the Owner or its Affiliates for use until the ownership thereof is transferred to the Owner or its Affiliates, but used and stored at the Vendor's site and used by the User or Vendor in relation to the production of components to the [\*\*\*] vehicle manufactured by the User Group.

**“Trademarks”** means trademarks (including part numbers that are trademarks), service marks, logos, trade names, business names, assumed names, trade dress and get-up, and domain names, in each case whether registered or unregistered, including all applications, registrations, renewals and the like, in each case to the extent they constitute rights that are enforceable against third parties.

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“User” shall have the meaning ascribed to it in the beginning of this Agreement.

“User Group” means User and its Affiliates.

“Vendor” means the Third Party supplier keeping the Tooling at its site on behalf of the Owner and for the production of components to the [\*\*\*] vehicle manufactured by the User Group.

## **2. AGREEMENT**

### **2.1 Scope**

- 2.1.1 By entering into this Agreement, the Parties initiate a co-operation, where the User will be given a right to Use the Tooling, subject *inter alia* to the User compensating Owner for such use, under the terms and conditions of this Agreement.
- 2.1.2 This Agreement sets out the terms and conditions that shall apply to the User’s use of the Tooling, where Owner is the owner of the relevant Tooling.

### **2.2 Legal relationship and right to benefit from this Agreement**

- 2.2.1 The legal relationship under this Agreement and the right to benefit from this Agreement is between the Owner and the User only.

## **3. RIGHT TO USE TOOLING**

- 3.1 The Tooling shall at all times be owned by Owner or its Affiliates, or exclusively granted by the Vendors to the Owner or its Affiliates for use until the ownership thereof is transferred to the Owner or its Affiliates. By this Agreement, the Owner grants to User a right to use the Tooling during the Term of this Agreement for the sole purpose of [\*\*\*] vehicle related production. User undertakes not to use the Tooling for any other purpose other than as stated herein.
  - 3.2 User has no right to ask the Vendor for any changes to or modifications of the Tooling, nor ask the Vendor for any repairs or other work on the Tooling, without Owner’s prior written consent.
  - 3.3 The Tooling is located at Vendor’s premises on behalf of the Owner. The Owner has no responsibility for the premises in which the Tooling is located, unless specified otherwise in this agreement. The Tooling may not be relocated without the Owner’s prior written consent. Owner shall take all reasonable steps to ensure the Vendor lets the User benefit from its right to use the Tooling through the Vendor. If the Owner has taken such reasonable steps, the Owner shall not be responsible in the event the Vendor does not let the User benefit from its right to make use of the Tooling through the Vendor.
  - 3.4 The right to use the Tooling is further subject to the payment obligations set forth in Section 4 below. If the User is in delay with its payment more than [\*\*\*] days from date of invoice, the Owner is entitled to temporarily cease the User’s right to use the Tooling.
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#### **4. FEE AND PAYMENT TERMS**

##### **4.1 Fee**

- 4.1.1 In consideration of User's use of the Tooling hereunder, the User agrees to pay the Fee to the Owner, calculated based on the [\*\*\*], and as further detailed in Appendix B(Fee) as amended and updated as the case may be, (the "**Fee**").

##### **4.2 Payment Terms**

- 4.2.1 The Fee shall be paid by the User to the Owner in a timely manner and otherwise in accordance with the payment terms in this section 4.2. The Fee shall be invoiced and paid in USD.
- 4.2.2 Any amount invoiced by Owner to User shall be paid within [\*\*\*]days from date of invoice.
- 4.2.3 The Fee shall be invoiced quarterly at the end of each quarter, *i.e.* in April for the period January-March and in July for the period April-June. The invoices shall include a detailed specification on what is charged.
- 4.2.4 All amounts referred to in this agreement are exclusive of any applicable sales and use tax/VAT, and other taxes. The User shall bear the taxes and surcharges that are applicable according to local tax regulations. The quarterly invoices issued by the Owner shall therefore include applicable taxes and relevant surcharges.
- 4.2.5 Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on the applicable interbank rate, with an addition of four per cent ([\*\*\*]%) per annum.
- 4.2.6 Any paid portion of the Fee is non-refundable.

#### **5. WARRANTIES**

- 5.1 Each Party warrants and represents to the other Party that:

- (a) it is duly organized, validly existing, and in good standing under the laws of its respective jurisdiction of incorporation or formation, as applicable;
- (b) it has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder;
- (c) the execution, delivery and performance of this Agreement have been duly authorized and approved, with such authorization and approval in full force and effect, and do not and will not (i) violate any laws or regulations applicable to it or (ii) violate its organization documents or any agreement to which it is a party; and
- (d) this Agreement is a legal and binding obligation of it, enforceable against it in accordance with its terms.

- 5.2 The Parties acknowledge that the Tooling are provided on an "as is" basis without any warranties or representations of any kind, whether implied or express. Owner takes no
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responsibility and expressly disclaims any and all liability and claims of any kind in case of errors or defects in the Tooling as well as any damage caused as a result of or in relation to the User's use/misuse of the Tooling (as well as User's indirect use of the Tooling through *e.g.* the Vendor's care).

## **6. INTELLECTUAL PROPERTY**

### **6.1 Ownership and license grant**

- 6.1.1 The Parties agree that any and all Intellectual Property Rights in and to the Tooling shall at all times be and remain fully vested with the Owner and/or its Affiliates. Owner however grants User a non-exclusive, non-assignable, sub-licensable (however only to User's Affiliates, unless otherwise agreed upon by both parties), limited license to any Intellectual Property Rights in and to the Tooling, to the extent necessary for User to utilize the Tooling as contemplated herein, for the Term of this Agreement.
- 6.1.2 Nothing in this Agreement shall be deemed an assignment of ownership of any Intellectual Property Rights, including in the Tooling, from the Owner to the User, except if and to the extent expressly set out herein.
- 6.1.3 In the event any new Intellectual Property Rights in and to the Tooling are created (including in relation to changes during maintenance of the Tooling) under this Agreement, the Parties agree that the Owner shall be the exclusive owner of such Intellectual Property Rights including all modifications, amendments and developments thereof. Hence all such Intellectual Property Rights shall automatically and immediately upon their creation stay with and/or be transferred to the Owner. The Owner shall further have the right to transfer, sublicense, modify and otherwise freely dispose of such Intellectual Property Rights.

### **6.2 Volvo brand name**

- 6.2.1 Correspondingly, it is especially noted that this Agreement does not include any right to use the "Volvo" brand name, or Trademarks, or refer to "Volvo" in communications or official documents of whatever kind. The Parties acknowledge that the "Volvo" Trademarks as well as the "Volvo" name is owned by Volvo Trademark Holding AB and that the right to use the name and the "Volvo" Trademarks is subject to a license agreement, which stipulates that the name, Trademarks and all thereto related Intellectual Property can only be used by Volvo Car Corporation and its Affiliates in relation to Volvo products.
- 6.2.2 This means that this Agreement does not include any rights to directly or indirectly use the "Volvo" brand name or "Volvo" Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, *e.g.* in presentations, business cards and correspondence.

### **6.3 Polestar brand name**

- 6.3.1 For sake of clarity, it is especially noted that this Agreement does not include any right to use the "Polestar" brand name or Trademarks, or refer to "Polestar" in communications or official documents of whatever kind.
- 6.3.2 This means that this Agreement does not include any rights to directly or indirectly use the "Polestar" brand name or "Polestar" Trademarks, on or for any products or when
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marketing, promoting and/or selling such products, or in any other contacts with Third Parties, e.g. in presentations, business cards and correspondence.

## **7. LIMITATION OF LIABILITY**

- 7.1 Neither Party shall be responsible for any indirect, incidental or consequential damage or any losses of production or profit caused by it under this Agreement.
- 7.2 Each Party's aggregate liability for any damage arising out of or in connection with this Agreement shall be limited to [\*\*\*]% of the Owner's total acquisition value of the Tooling for which the right to use is provided under this Agreement.
- 7.3 The limitations of liability set out in this Section 7 shall not apply in respect of;
- (a) claims related to death or bodily injury;
  - (b) damage caused by wilful misconduct or gross negligence,
  - (c) damage caused by a Party's breach of the confidentiality undertakings in Section 9 below, or
  - (d) damage arising out of an infringement, alleged infringement, of the other Party's or any third party's Intellectual Property.

## **8. GOVERNANCE AND CHANGE MANAGEMENT**

### **8.1 Governance**

- 8.1.1 The Parties shall act in good faith in all matters and shall at all times co-operate in respect of changes to this Agreement as well as issues and/or disputes arising under this Agreement.
- 8.1.2 The governance and co-operation between the Parties in respect of this Agreement shall primarily be administered on an operational level. In the event the Parties on an operational level cannot agree upon *inter alia* the prioritisation of development activities or other aspects relating to the co-operation between the Parties, each Party shall be entitled to escalate such issue to the Steering Committee.
- 8.1.3 If the Steering Committee fails to agree upon a solution of the disagreement the relevant issue should be escalated to the Strategic Board for decision.

### **8.2 Changes**

- 8.2.1 During the term of this Agreement, the User can request changes to the Tooling Specification, which shall be handled in accordance with the governance procedure set forth in Section 8.1 above. Both Parties agree to act in good faith to address and respond to any change request within a reasonable period of time.
- 8.2.2 The Parties acknowledge that the Owner will not make any changes in accordance with such change request until agreed in writing between the Parties. For the avoidance of any
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doubt, until there is agreement about the requested change, the existing Tooling Specification shall be valid.

## **9. CONFIDENTIALITY**

- 9.1 The Parties shall take any and all necessary measures to comply with the security and confidentiality procedures of the other Party.
- 9.2 All Confidential Information shall only be used for the purposes set forth in this Agreement. Each Party will keep in confidence any Confidential Information obtained in relation to this Agreement and will not divulge the same to any Third Party, unless the exceptions specifically set forth below in this Section 9.2 below apply, in order to obtain patent protection or when approved by the other Party in writing, and with the exception of their own, or the User Group's, officers, employees, consultants or sub-contractors with a need to know as to enable such personnel to perform their duties hereunder. This provision will not apply to Confidential Information which the Receiving Party can demonstrate:
- (a) was in the public domain other than by breach of this undertaking, or by another confidentiality undertaking;
  - (b) was already in the possession of the Receiving Party before its receipt from the Disclosing Party;
  - (c) is obtained from a Third Party who is free to divulge the same;
  - (d) is required to be disclosed by mandatory law, court order, lawful government action or applicable stock exchange regulations; or
  - (e) is developed or created by one Party independently of the other, without any part thereof having been developed or created with assistance or information received from the other Party.
- 9.3 The Receiving Party shall protect the disclosed Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the dissemination to third parties or publication of the Confidential Information, as the Receiving Party uses to protect its own Confidential Information of similar nature. Further, each Party shall ensure that its employees and consultants are bound by a similar duty of confidentiality and that any subcontractors taking part in the fulfilment of that Party's obligations hereunder, enters into a confidentiality undertaking containing in essence similar provisions as those set forth in this Section 9.
- 9.4 Any tangible materials that disclose or embody Confidential Information should be marked by the Disclosing Party as "Confidential," "Proprietary" or the substantial equivalent thereof. Confidential Information that is disclosed orally or visually shall be identified by the Disclosing Party as confidential at the time of disclosure, with subsequent confirmation in writing within thirty (30) days after disclosure. However, the lack of marking or subsequent confirmation that the disclosed information shall be regarded as "Confidential" does not disqualify the disclosed information from being classified as Confidential Information.
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- 9.5 If any Party violates any of its obligations described in this Section 9, the violating Party shall, upon notification from the other Party, (i) immediately cease to proceed such harmful violation and take all actions needed to rectify said behaviour and (ii) financially compensate for the harm suffered as determined by an arbitral tribunal pursuant to Section 13.2 below. All legal remedies (compensatory but not punitive in nature) according to law shall apply.
- 9.6 This Section 9 shall survive the expiration or termination of this Agreement without limitation in time.

## **10. TERM AND TERMINATION**

- 10.1 This Agreement shall become effective when signed by duly authorised signatories of each Party (the “**Effective Date**”) and shall remain in force until terminated in accordance with what is set out below in this Section 10 (the “**Term**”).
- 10.2 Either Party may terminate this Agreement by giving the other Party twenty-four (24) months’ prior written notice. The Party calling upon termination in accordance with this Section 10.2 shall not be obliged to compensate the other Party in any way whatsoever unless if expressly stated otherwise in the Appendices.
- 10.3 This Agreement may be terminated, in whole or in part (including for the avoidance of doubt any of its Appendices), with immediate effect:
- (a) by either Party if the other Party is in material breach of any of its obligations under this Agreement and such breach (if remediable) is not remedied within thirty (30) days of written notice thereof;
  - (b) by either Party if the other Party should become insolvent or enter into negotiations on composition with its creditors or a petition in bankruptcy should be filed by it or it should make an assignment for the benefit of its creditors; or
  - (c) by Owner if User is in delay with its payment more than ninety (90) days to pay any invoice when due.
- 10.4 For the avoidance of doubt, if this Agreement has expired or has been terminated in accordance with this Section 10, then all Appendices to this Agreement shall automatically and immediately terminate.

## **11. MISCELLANEOUS**

### **11.1 Force majeure**

- 11.1.1 Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement to the extent that such failure or delay is caused by a Force Majeure Event. A “**Force Majeure Event**” means any event beyond a Party’s reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, including strikes (whether involving its own workforce or a Third Party’s), failure of general energy sources delivering energy to the plant, restrictions concerning motive force, acts of God, war, terrorism, insurgencies and riots, civil commotion,
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mobilization or extensive call ups, interference by civil or military authorities, national or international calamity, currency restrictions, requisitions, confiscation, armed conflict, malicious damage, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, stroke of lightning, earthquakes, loss at sea, epidemics or similar events, natural disasters or extreme adverse weather conditions.

- 11.1.2 A non-performing Party, which claims there is a Force Majeure Event, and cannot perform its obligations under the Agreement as a consequence thereof, shall use all commercially reasonable efforts to continue to perform or to mitigate the impact of its non-performance notwithstanding the Force Majeure Event and shall continue the performance of its obligations as soon as the Force Majeure Event ceases to exist.

## 11.2 Notices

- 11.2.1 All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Agreement must be in legible writing in the English language delivered by personal delivery, facsimile, email transmission or prepaid overnight courier using an internationally recognized courier service and shall be effective upon receipt, which shall be deemed to have occurred:

- (a) in case of personal delivery, at the time and on the date of personal delivery;
- (b) if sent by facsimile or email transmission, at the time and on the date indicated on a confirmation of successful transmission page relating to such facsimile transmission or at the time and date indicated on a response confirming such successful email transmission;
- (c) if delivered by courier, at the time and on the date of delivery as confirmed in the records of such courier service; or
- (d) at such time and date as delivery by personal delivery or courier is refused by the addressee upon presentation;

in each case provided that if such receipt occurred on a non-business day, then notice shall be deemed to have been received on the next following business day; and provided further that where any notice, demand, request or other communication is provided by any party by email, such party shall also provide a copy of such notice, demand, request or other communication by using one of the other methods.

- 11.2.2 All such notices, demands, requests and other communications shall be sent to following addresses:

To Owner: Polestar Performance AB  
Attention: [\*\*\*]

Email: [\*\*\*]

With a copy not constituting notice to:

Polestar Performance AB  
Attention: [\*\*\*]

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Email: [\*\*\*]

To User: Volvo Car Corporation  
Attention: [\*\*\*]Email: [\*\*\*]

With a copy not constituting notice to:  
Volvo Car Corporation  
Attention: [\*\*\*]  
[\*\*\*]

**11.3 Assignment**

Neither Party may, wholly or partly, assign, pledge or otherwise dispose of its rights and/or obligations under this Agreement without the other Party's prior written consent.

**11.4 Waiver**

Neither Party shall be deprived of any right under this Agreement because of its failure to exercise any right under this Agreement or failure to notify the infringing party of a breach in connection with the Agreement. Notwithstanding the foregoing, rules on complaints and limitation periods shall apply.

**11.5 Severability**

In the event that any provision of this Agreement conflicts with applicable law or if any such provision is held invalid by an arbitrator or a competent court, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the Parties in accordance with applicable law. The remainder of the Agreement shall at all times remain in full force and effect.

**11.6 Entire Agreement**

All arrangements, commitments and undertakings in connection with the subject matter of this Agreement (whether written or oral) made before the date of this Agreement are superseded by this Agreement.

**11.7 Amendments**

Any amendment or addition to this Agreement must be made in writing and signed by the Parties to be valid.

**11.8 Survival**

If this Agreement is terminated or expires pursuant to Section 10 above, Section 9 (*Confidentiality*), Section 12 (*Governing Law*), Section 13 (*Dispute resolution*) as well as this Section 11.8, shall survive any termination or expiration and remain in force as between the Parties after such termination or expiration.

**12. GOVERNING LAW**

**12.1** This Agreement and all non-contractual obligations in connection with this Agreement shall be governed by the substantive laws of Sweden without giving regard to its conflict of laws principles.

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### **13. DISPUTE RESOLUTION**

#### **13.1 Escalation principles**

- 13.1.1 In case the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and each Party shall notify the other Party hereof by the means of a deadlock notice and simultaneously send a copy of the notice to the Steering Committee. Upon the receipt of such a deadlock notice, the receiving Party shall within ten (10) days of receipt, prepare and circulate to the other Party a statement setting out its position on the matter in dispute and reasons for adopting such position, and simultaneously send a copy of its statement to the Steering Committee. Each such statement shall be considered by the next regular meeting held by the Steering Committee or in a forum meeting specifically called upon by either Party for the settlement of the issue.
- 13.1.2 The members of the Steering Committee shall use reasonable endeavours to resolve a deadlock situation in good faith. As part thereof, the Steering Committee may request the Parties to in good faith develop and agree on a plan to resolve or address the breach, to be presented for the Steering Committee without undue delay. If the Steering Committee agrees upon a resolution or disposition of the matter, the Parties shall agree in writing on terms of such resolution or disposition and the Parties shall procure that such resolution or disposition is fully and promptly carried into effect.
- 13.1.3 If the Steering Committee cannot settle the deadlock within thirty (30) days from the deadlock notice served pursuant to Section 18.1.1 above, such deadlock will be referred to the Strategic Board for decision. Should the matter not have been resolved by the Strategic Board within thirty (30) days counting from when the matter was referred to them, despite using reasonable endeavours to do so, the matter shall be resolved in accordance with Section 13.2 below. If no Steering Committee has been established between the Parties, the relevant issue shall be referred to the Strategic Board immediately and Section 13.1.2 above shall not apply.
- 13.1.4 All notices and communications exchanged in the course of a deadlock resolution proceeding shall be considered Confidential Information of each Party and be subject to the confidentiality undertaking in Section 9 above.
- 13.1.5 Notwithstanding the above, the Parties agree that either Party may disregard the time frames set forth in this Section 13.1 and apply shorter time frames and/or escalate an issue directly to the Strategic Board in the event the escalated issue is of an urgent character and where the applicable time frames set out above are not appropriate.

#### **13.2 Arbitration**

- 13.2.1 Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof shall be submitted to Stockholm Chamber of Commerce ("SCC") for arbitration, which shall be held in Gothenburg and conducted in accordance with the SCC arbitration rules in effect at the time of applying for arbitration, whereas the language to be used in the arbitral proceedings shall be English.
- 13.2.2 Irrespective of any discussions or disputes between the Parties, each Party shall always continue to fulfil its undertakings under the Agreement unless an arbitral tribunal or court (as the case may be) decides otherwise.
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- 13.2.3 In any arbitration proceeding, any legal proceeding to enforce any arbitration award, or any other legal proceedings between the Parties relating to this Agreement, each Party expressly waives the defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state. Such waiver includes a waiver of any defence of sovereign immunity in respect of enforcement of arbitral awards and/or sovereign immunity from execution over any of its assets.
- 13.2.4 All arbitral proceedings as well as any and all information, documentation and materials in any form disclosed in the proceedings shall be strictly confidential.

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*[Signature page follows]*

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**IN WITNESS WHEREOF**, this Agreement has been signed digitally by the Parties.

Place:  
Date:2025-03-20

Place:  
Date:2025-03-12

**Volvo Car USA LLC**

**Polestar Performance AB**

\_\_\_\_\_  
Robert Manna  
Printed name:Robert Manna  
Title:CFO Volvo Car USA

\_\_\_\_\_  
Jonas Engström  
Printed name: Jonas Engström  
Title:COO

\_\_\_\_\_  
Michael Cottone  
Printed name:Michael Cottone  
Title: CEO Volvo Car USA

\_\_\_\_\_  
Anna Rudensjö  
Printed name: Anna Rudensjö  
Title:General Counsel

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**APPENDIX A**  
**TOOLING SPECIFICATION**

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**APPENDIX B**

**FEE**

**[\*\*\*]**

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Certain identified information marked with “\*\*\*” has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

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## **TOOLING USER RIGHT AGREEMENT**

dated 13 March 2025

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Volvo Car USA LLC

and

Polestar Automotive USA Inc.

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Regarding use of Tooling

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**LIST OF APPENDICES**

- A. Tooling Specification
- B. Fee



This **TOOLING USER RIGHT AGREEMENT** is made between:

- (1) **Polestar Automotive USA Inc.**, a limited liability company incorporated under the laws of United States of America, having its principal place of business at 777 Macarthur Boulevard, Mahwah, NJ 07430 ("**Owner**")
- (2) **Volvo Car USA LLC**, with company registration number 47-4903750, a limited liability company incorporated under the laws of United States of America, its principal place of business at 1800 Volvo Place, Mahwah, NJ 07430, USA ("**User**");

Each of the Owner and the User is hereinafter referred to as a "**Party**" and, jointly, as the "**Parties**".

#### **BACKGROUND**

- A. The User will manufacture the [\*\*\*] vehicle for Owner in the User's plant in Charleston, USA. The manufacturing of the [\*\*\*] vehicle requires certain tooling, including the tooling that is further described in Appendix A, Tooling Specification.
- B. The Owner is or will be the exclusive owner of the relevant Tooling (as defined in Section 1 below) and the User wishes to have such Tooling used in the production of the [\*\*\*] vehicle. For efficiency reasons, the Parties have now agreed that User shall be entitled to use the Tooling and that the User accordingly shall compensate the Owner for its right to use the Tooling.
- C. In the light of the foregoing, the Parties have executed this Agreement (as defined in Section 1 below).

#### **1. DEFINITIONS**

For the purpose of this Agreement, the following terms shall have the meanings assigned to them below. Capitalized terms in this Agreement are defined in the way described below. All capitalised terms in singular in the list of definitions shall have the same meaning in plural and *vice versa*.

"**Affiliate**" means (i) for User, any other legal entity that directly or indirectly is controlled by User and (ii) for Owner, any other legal entity that, directly or indirectly, is controlled by or under common control with owner, "control" for this purpose meaning ownership or control of at least fifty per cent (50%) of the voting stock, partnership interest or other ownership interest or (ii) the power (a) to appoint or remove a majority of the board of directors or other governing body of an entity, or (b) to cause the direction of the management of an entity. The Parties, however, agree to renegotiate this definition of "Affiliates" in good faith if it in the future does not reflect the Parties' intention at the time of signing this Agreement due to a restructuring or reorganization in relation to either of the Parties.

"**Agreement**" means this Tooling User right agreement including the Appendices as amended and agreed from time to time.

"**Appendix**" means all appendices to this Agreement.

"**Confidential Information**" means any and all information regarding the Parties and their respective businesses, whether commercial or technical, in whatever form or media,

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including but not limited to information relating to Intellectual Property Rights, concepts, technologies, processes, commercial figures, techniques, strategic plans and budgets, investments, customers and sales, designs, graphics, CAD models, CAE data, statement of works (including engineering statement of works and any such specifications), targets, test plans/reports, technical performance data and engineering sign-off documents and other information of a sensitive nature, that a Party learns from or about the other Party prior to or after the execution of this Agreement.

**“Disclosing Party”** means the Party disclosing Confidential Information to the Receiving Party.

**“Effective Date”** shall have the meaning ascribed to it in Section 10.1

**“Fee”** shall have the meaning ascribed to it in Section 4.1.1.

**“Force Majeure Event”** shall have the meaning ascribed to it in Section 11.1.1.

**“Intellectual Property Rights”** means any and all intellectual property rights, including but not limited to patents, patent applications, Trademarks, software, designs, utility models, copyrights, database rights, ideas, concepts, techniques, inventions, technologies, tools, processes and methodologies, know-how and trade secrets and any similar rights in any jurisdiction, regardless of whether registered or not, and all rights under licenses or otherwise in relation to any of the foregoing.

**“Owner”** shall have the meaning ascribed to it in the beginning of this Agreement.

**“Receiving Party”** means the Party receiving Confidential Information from the Disclosing Party.

**“Steering Committee”** means the first level of governance forum established by the Parties for handling the cooperation between them in respect of various matters.

**“Strategic Board”** means the highest level of governance forum established by the Parties for handling the cooperation between them in respect of various matters which regarding cooperation between User and Owner is the so called Volvo Polestar Executive Meeting.

**“Term”** shall have the meaning ascribed to it in Section 10.1.

**“Third Party”** means a party other than any of the Parties and/or an Affiliate of one of the Parties to this Agreement.

**“Tooling”** means the [\*\*\*] vehicle related tooling further specified in Appendix A as amended from time to time. Such tooling is or will be owned by the Owner or its Affiliates or exclusively granted by the Vendors to the Owner or its Affiliates for use until the ownership thereof is transferred to the Owner or its Affiliates, but used and stored at the Vendor’s site and used by the User or Vendor in relation to the production of components to the [\*\*\*] vehicle manufactured by the User Group.

**“Trademarks”** means trademarks (including part numbers that are trademarks), service marks, logos, trade names, business names, assumed names, trade dress and get-up, and domain names, in each case whether registered or unregistered, including all applications, registrations, renewals and the like, in each case to the extent they constitute rights that are enforceable against third parties.

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“User” shall have the meaning ascribed to it in the beginning of this Agreement.

“User Group” means User and its Affiliates.

“Vendor” means the Third Party supplier keeping the Tooling at its site on behalf of the Owner and for the production of components to the [\*\*\*] vehicle manufactured by the User Group.

## **2. AGREEMENT**

### **2.1 Scope**

2.1.1 By entering into this Agreement, the Parties initiate a co-operation, where the User will be given a right to Use the Tooling, subject *inter alia* to the User compensating Owner for such use, under the terms and conditions of this Agreement.

2.1.2 This Agreement sets out the terms and conditions that shall apply to the User’s use of the Tooling, where Owner is the owner of the relevant Tooling.

### **2.2 Legal relationship and right to benefit from this Agreement**

2.2.1 The legal relationship under this Agreement and the right to benefit from this Agreement is between the Owner and the User only.

## **3. RIGHT TO USE TOOLING**

3.1 The Tooling shall at all times be owned by Owner or its Affiliates, or exclusively granted by the Vendors to the Owner or its Affiliates for use until the ownership thereof is transferred to the Owner or its Affiliates. By this Agreement, the Owner grants to User a right to use the Tooling during the Term of this Agreement for the sole purpose of [\*\*\*] vehicle related production. User undertakes not to use the Tooling for any other purpose other than as stated herein.

3.2 User has no right to ask the Vendor for any changes to or modifications of the Tooling, nor ask the Vendor for any repairs or other work on the Tooling, without Owner’s prior written consent.

3.3 The Tooling is located at Vendor’s premises on behalf of the Owner. The Owner has no responsibility for the premises in which the Tooling is located, unless specified otherwise in this agreement. The Tooling may not be relocated without the Owner’s prior written consent. Owner shall take all reasonable steps to ensure the Vendor lets the User benefit from its right to use the Tooling through the Vendor. If the Owner has taken such reasonable steps, the Owner shall not be responsible in the event the Vendor does not let the User benefit from its right to make use of the Tooling through the Vendor.

3.4 The right to use the Tooling is further subject to the payment obligations set forth in Section 4 below. If the User is in delay with its payment more than [\*\*\*] days from date of invoice, the Owner is entitled to temporarily cease the User’s right to use the Tooling.

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#### **4. FEE AND PAYMENT TERMS**

##### **4.1 Fee**

- 4.1.1 In consideration of User's use of the Tooling hereunder, the User agrees to pay the Fee to the Owner, calculated based on [\*\*\*], and as further detailed in Appendix B (Fee) as amended and updated as the case may be (the "Fee").

##### **4.2 Payment Terms**

- 4.2.1 The Fee shall be paid by the User to the Owner in a timely manner and otherwise in accordance with the payment terms in this section 4.2. The Fee shall be invoiced and paid in USD.
- 4.2.2 The User shall compensate the Owner for the cost of funding assumed by the Owner relating to the Tooling purchased by the Owner which will form part of the quarterly Fee to be charged to the User.
- 4.2.3 Any amount invoiced by Owner to User shall be paid within [\*\*\*]days from date of invoice.
- 4.2.4 The Fee shall be invoiced quarterly at the end of each quarter, *i.e.* in April for the period January-March and in July for the period April-June. The invoices shall include a detailed specification on what is charged.
- 4.2.5 All amounts referred to in this agreement are exclusive of any applicable sales and use tax /VAT and other taxes. The User shall bear the taxes and surcharges that are applicable according to local tax regulations. The quarterly invoices issued by Owner shall therefore include applicable taxes and relevant surcharges.
- 4.2.6 Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on the applicable interbank rate, with an addition of [\*\*\*]per annum.
- 4.2.7 Any paid portion of the Fee is non-refundable.

#### **5. WARRANTIES**

- 5.1 Each Party warrants and represents to the other Party that:
- (a) it is duly organized, validly existing, and in good standing under the laws of its respective jurisdiction of incorporation or formation, as applicable;
  - (b) it has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder;
  - (c) the execution, delivery and performance of this Agreement have been duly authorized and approved, with such authorization and approval in full force and effect, and do not and will not (i) violate any laws or regulations applicable to it or (ii) violate its organization documents or any agreement to which it is a party; and
  - (d) this Agreement is a legal and binding obligation of it, enforceable against it in accordance with its terms.
-

- 5.2 The Parties acknowledge that the Tooling are provided on an “as is” basis without any warranties or representations of any kind, whether implied or express. Owner takes no responsibility and expressly disclaims any and all liability and claims of any kind in case of errors or defects in the Tooling as well as any damage caused as a result of or in relation to the User’s use/misuse of the Tooling (as well as User’s indirect use of the Tooling through *e.g.* the Vendor’s care).

## **6. INTELLECTUAL PROPERTY**

### **6.1 Ownership and license grant**

- 6.1.1 The Parties agree that any and all Intellectual Property Rights in and to the Tooling shall at all times be and remain fully vested with the Owner and/or its Affiliates. Owner however grants User a non-exclusive, non-assignable, sub-licensable (however only to User’s Affiliates, unless otherwise agreed upon by both parties), limited license to any Intellectual Property Rights in and to the Tooling, to the extent necessary for User to utilize the Tooling as contemplated herein, for the Term of this Agreement.

- 6.1.2 Nothing in this Agreement shall be deemed an assignment of ownership of any Intellectual Property Rights, including in the Tooling, from the Owner to the User, except if and to the extent expressly set out herein.

- 6.1.3 In the event any new Intellectual Property Rights in and to the Tooling are created (including in relation to changes during maintenance of the Tooling) under this Agreement, the Parties agree that the Owner shall be the exclusive owner of such Intellectual Property Rights including all modifications, amendments and developments thereof. Hence all such Intellectual Property Rights shall automatically and immediately upon their creation stay with and/or be transferred to the Owner. The Owner shall further have the right to transfer, sublicense, modify and otherwise freely dispose of such Intellectual Property Rights.

### **6.2 Volvo brand name**

- 6.2.1 Correspondingly, it is especially noted that this Agreement does not include any right to use the “Volvo” brand name, or Trademarks, or refer to “Volvo” in communications or official documents of whatever kind. The Parties acknowledge that the “Volvo” Trademarks as well as the “Volvo” name is owned by Volvo Trademark Holding AB and that the right to use the name and the “Volvo” Trademarks is subject to a license agreement, which stipulates that the name, Trademarks and all thereto related Intellectual Property can only be used by Volvo Car Corporation and its Affiliates in relation to Volvo products.

- 6.2.2 This means that this Agreement does not include any rights to directly or indirectly use the “Volvo” brand name or “Volvo” Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, *e.g.* in presentations, business cards and correspondence.

### **6.3 Polestar brand name**

- 6.3.1 For sake of clarity, it is especially noted that this Agreement does not include any right to use the “Polestar” brand name or Trademarks, or refer to “Polestar” in communications or official documents of whatever kind.
-

- 6.3.2 This means that this Agreement does not include any rights to directly or indirectly use the "Polestar" brand name or "Polestar" Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, e.g. in presentations, business cards and correspondence.

## **7. LIMITATION OF LIABILITY**

- 7.1 Neither Party shall be responsible for any indirect, incidental or consequential damage or any losses of production or profit caused by it under this Agreement.
- 7.2 Each Party's aggregate liability for any damage arising out of or in connection with this Agreement shall be limited to [\*\*\*] of the Owner's total acquisition value of the Tooling for which the right to use is provided under this Agreement.
- 7.3 The limitations of liability set out in this Section 7 shall not apply in respect of;
- (a) claims related to death or bodily injury;
  - (b) damage caused by wilful misconduct or gross negligence,
  - (c) damage caused by a Party's breach of the confidentiality undertakings in Section 9 below, or
  - (d) damage arising out of an infringement, alleged infringement, of the other Party's or any third party's Intellectual Property.

## **8. GOVERNANCE AND CHANGE MANAGEMENT**

### **8.1 Governance**

- 8.1.1 The Parties shall act in good faith in all matters and shall at all times co-operate in respect of changes to this Agreement as well as issues and/or disputes arising under this Agreement.
- 8.1.2 The governance and co-operation between the Parties in respect of this Agreement shall primarily be administered on an operational level. In the event the Parties on an operational level cannot agree upon *inter alia* the prioritisation of development activities or other aspects relating to the co-operation between the Parties, each Party shall be entitled to escalate such issue to the Steering Committee.
- 8.1.3 If the Steering Committee fails to agree upon a solution of the disagreement the relevant issue should be escalated to the Strategic Board for decision.

### **8.2 Changes**

- 8.2.1 During the term of this Agreement, the User can request changes to the Tooling Specification, which shall be handled in accordance with the governance procedure set forth in Section 8.1 above. Both Parties agree to act in good faith to address and respond to any change request within a reasonable period of time.
- 8.2.2 The Parties acknowledge that the Owner will not make any changes in accordance with such change request until agreed in writing between the Parties. For the avoidance of any
-

doubt, until there is agreement about the requested change, the existing Tooling Specification shall be valid.

## **9. CONFIDENTIALITY**

- 9.1 The Parties shall take any and all necessary measures to comply with the security and confidentiality procedures of the other Party.
- 9.2 All Confidential Information shall only be used for the purposes set forth in this Agreement. Each Party will keep in confidence any Confidential Information obtained in relation to this Agreement and will not divulge the same to any Third Party, unless the exceptions specifically set forth below in this Section 9.2 below apply, in order to obtain patent protection or when approved by the other Party in writing, and with the exception of their own, or the User Group's, officers, employees, consultants or sub-contractors with a need to know as to enable such personnel to perform their duties hereunder. This provision will not apply to Confidential Information which the Receiving Party can demonstrate:
- (a) was in the public domain other than by breach of this undertaking, or by another confidentiality undertaking;
  - (b) was already in the possession of the Receiving Party before its receipt from the Disclosing Party;
  - (c) is obtained from a Third Party who is free to divulge the same;
  - (d) is required to be disclosed by mandatory law, court order, lawful government action or applicable stock exchange regulations; or
  - (e) is developed or created by one Party independently of the other, without any part thereof having been developed or created with assistance or information received from the other Party.
- 9.3 The Receiving Party shall protect the disclosed Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the dissemination to third parties or publication of the Confidential Information, as the Receiving Party uses to protect its own Confidential Information of similar nature. Further, each Party shall ensure that its employees and consultants are bound by a similar duty of confidentiality and that any subcontractors taking part in the fulfilment of that Party's obligations hereunder, enters into a confidentiality undertaking containing in essence similar provisions as those set forth in this Section 9.
- 9.4 Any tangible materials that disclose or embody Confidential Information should be marked by the Disclosing Party as "Confidential," "Proprietary" or the substantial equivalent thereof. Confidential Information that is disclosed orally or visually shall be identified by the Disclosing Party as confidential at the time of disclosure, with subsequent confirmation in writing within thirty (30) days after disclosure. However, the lack of marking or subsequent confirmation that the disclosed information shall be regarded as "Confidential" does not disqualify the disclosed information from being classified as Confidential Information.
- 9.5 If any Party violates any of its obligations described in this Section 9, the violating Party shall, upon notification from the other Party, (i) immediately cease to proceed such harmful violation and take all actions needed to rectify said behaviour and (ii) financially
-

compensate for the harm suffered as determined by an arbitral tribunal pursuant to Section 13.2 below. All legal remedies (compensatory but not punitive in nature) according to law shall apply.

- 9.6 This Section 9 shall survive the expiration or termination of this Agreement without limitation in time.

## **10. TERM AND TERMINATION**

- 10.1 This Agreement shall become effective when signed by duly authorised signatories of each Party (the “**Effective Date**”) and shall remain in force until terminated in accordance with what is set out below in this Section 10 (the “**Term**”).

- 10.2 Either Party may terminate this Agreement by giving the other Party twelve (12) months’ prior written notice. The Party calling upon termination in accordance with this Section 10.2 shall not be obliged to compensate the other Party in any way whatsoever unless if expressly stated otherwise in the Appendices.

- 10.3 This Agreement may be terminated, in whole or in part (including for the avoidance of doubt any of its Appendices), with immediate effect:

- (a) by either Party if the other Party is in material breach of any of its obligations under this Agreement and such breach (if remediable) is not remedied within thirty (30) days of written notice thereof;
- (b) by either Party if the other Party should become insolvent or enter into negotiations on composition with its creditors or a petition in bankruptcy should be filed by it or it should make an assignment for the benefit of its creditors; or
- (c) by Owner if User is in delay with its payment more than ninety [\*\*\*]days to pay any invoice when due.

- 10.4 For the avoidance of doubt, if this Agreement has expired or has been terminated in accordance with this Section 10, then all Appendices to this Agreement shall automatically and immediately terminate.

## **11. MISCELLANEOUS**

### **11.1 Force majeure**

- 11.1.1 Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement to the extent that such failure or delay is caused by a Force Majeure Event. A “**Force Majeure Event**” means any event beyond a Party’s reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, including strikes (whether involving its own workforce or a Third Party’s), failure of general energy sources delivering energy to the plant, restrictions concerning motive force, acts of God, war, terrorism, insurgencies and riots, civil commotion, mobilization or extensive call ups, interference by civil or military authorities, national or international calamity, currency restrictions, requisitions, confiscation, armed conflict, malicious damage, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, stroke of lightning, earthquakes, loss at sea, epidemics or similar events, natural disasters or extreme adverse weather conditions.
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- 11.1.2 A non-performing Party, which claims there is a Force Majeure Event, and cannot perform its obligations under the Agreement as a consequence thereof, shall use all commercially reasonable efforts to continue to perform or to mitigate the impact of its non-performance notwithstanding the Force Majeure Event and shall continue the performance of its obligations as soon as the Force Majeure Event ceases to exist.

11.2 **Notices**

- 11.2.1 All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Agreement must be in legible writing in the English language delivered by personal delivery, facsimile, email transmission or prepaid overnight courier using an internationally recognized courier service and shall be effective upon receipt, which shall be deemed to have occurred:

- (a) in case of personal delivery, at the time and on the date of personal delivery;
- (b) if sent by facsimile or email transmission, at the time and on the date indicated on a confirmation of successful transmission page relating to such facsimile transmission or at the time and date indicated on a response confirming such successful email transmission;
- (c) if delivered by courier, at the time and on the date of delivery as confirmed in the records of such courier service; or
- (d) at such time and date as delivery by personal delivery or courier is refused by the addressee upon presentation;

in each case provided that if such receipt occurred on a non-business day, then notice shall be deemed to have been received on the next following business day; and provided further that where any notice, demand, request or other communication is provided by any party by email, such party shall also provide a copy of such notice, demand, request or other communication by using one of the other methods.

- 11.2.2 All such notices, demands, requests and other communications shall be sent to following addresses:

To Owner: Polestar Automotive USA Inc.  
Attention: [\*\*\*]

Email: [\*\*\*]

With a copy not constituting notice to:

Polestar Automotive USA Inc.  
Attention: [\*\*\*]  
Email: [\*\*\*]

To User: Volvo Car USA LLC  
Attention: [\*\*\*]  
Email: [\*\*\*]

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With a copy not constituting notice to:  
Volvo Car USA LLC  
Attention: [\*\*\*]  
[\*\*\*]

**11.3 Assignment**

Neither Party may, wholly or partly, assign, pledge or otherwise dispose of its rights and/or obligations under this Agreement without the other Party's prior written consent.

**11.4 Waiver**

Neither Party shall be deprived of any right under this Agreement because of its failure to exercise any right under this Agreement or failure to notify the infringing party of a breach in connection with the Agreement. Notwithstanding the foregoing, rules on complaints and limitation periods shall apply.

**11.5 Severability**

In the event that any provision of this Agreement conflicts with applicable law or if any such provision is held invalid by an arbitrator or a competent court, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the Parties in accordance with applicable law. The remainder of the Agreement shall at all times remain in full force and effect.

**11.6 Entire Agreement**

All arrangements, commitments and undertakings in connection with the subject matter of this Agreement (whether written or oral) made before the date of this Agreement are superseded by this Agreement.

**11.7 Amendments**

Any amendment or addition to this Agreement must be made in writing and signed by the Parties to be valid.

**11.8 Survival**

If this Agreement is terminated or expires pursuant to Section 10 above, Section 9 (*Confidentiality*), Section 12 (*Governing Law*), Section 13 (*Dispute resolution*) as well as this Section 11.8, shall survive any termination or expiration and remain in force as between the Parties after such termination or expiration.

**12. GOVERNING LAW**

**12.1** This Agreement and all non-contractual obligations in connection with this Agreement shall be governed by the substantive laws of United States of America without giving regard to its conflict of laws principles.

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**13. DISPUTE RESOLUTION****13.1 Escalation principles**

- 13.1.1 In case the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and each Party shall notify the other Party hereof by the means of a deadlock notice and simultaneously send a copy of the notice to the Steering Committee. Upon the receipt of such a deadlock notice, the receiving Party shall within ten (10) days of receipt, prepare and circulate to the other Party a statement setting out its position on the matter in dispute and reasons for adopting such position, and simultaneously send a copy of its statement to the Steering Committee. Each such statement shall be considered by the next regular meeting held by the Steering Committee or in a forum meeting specifically called upon by either Party for the settlement of the issue.
- 13.1.2 The members of the Steering Committee shall use reasonable endeavours to resolve a deadlock situation in good faith. As part thereof, the Steering Committee may request the Parties to in good faith develop and agree on a plan to resolve or address the breach, to be presented for the Steering Committee without undue delay. If the Steering Committee agrees upon a resolution or disposition of the matter, the Parties shall agree in writing on terms of such resolution or disposition and the Parties shall procure that such resolution or disposition is fully and promptly carried into effect.
- 13.1.3 If the Steering Committee cannot settle the deadlock within thirty (30) days from the deadlock notice served pursuant to Section 18.1.1 above, such deadlock will be referred to the Strategic Board for decision. Should the matter not have been resolved by the Strategic Board within thirty (30) days counting from when the matter was referred to them, despite using reasonable endeavours to do so, the matter shall be resolved in accordance with Section 13.2 below. If no Steering Committee has been established between the Parties, the relevant issue shall be referred to the Strategic Board immediately and Section 13.1.2 above shall not apply.
- 13.1.4 All notices and communications exchanged in the course of a deadlock resolution proceeding shall be considered Confidential Information of each Party and be subject to the confidentiality undertaking in Section 9 above.
- 13.1.5 Notwithstanding the above, the Parties agree that either Party may disregard the time frames set forth in this Section 13.1 and apply shorter time frames and/or escalate an issue directly to the Strategic Board in the event the escalated issue is of an urgent character and where the applicable time frames set out above are not appropriate.

**13.2 Arbitration**

- 13.2.1 Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof shall be submitted to Stockholm Chamber of Commerce ("SCC") for arbitration, which shall be held in Gothenburg and conducted in accordance with the SCC arbitration rules in effect at the time of applying for arbitration, whereas the language to be used in the arbitral proceedings shall be English.
- 13.2.2 Irrespective of any discussions or disputes between the Parties, each Party shall always continue to fulfil its undertakings under the Agreement unless an arbitral tribunal or court (as the case may be) decides otherwise.
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- 13.2.3 In any arbitration proceeding, any legal proceeding to enforce any arbitration award, or any other legal proceedings between the Parties relating to this Agreement, each Party expressly waives the defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state. Such waiver includes a waiver of any defence of sovereign immunity in respect of enforcement of arbitral awards and/or sovereign immunity from execution over any of its assets.
- 13.2.4 All arbitral proceedings as well as any and all information, documentation and materials in any form disclosed in the proceedings shall be strictly confidential.

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*[Signature page follows]*

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**IN WITNESS WHEREOF**, this Agreement has been signed in two (2) originals, of which the Parties have received one (1) each.

Place:  
Date:2025-03-21

Place:  
Date:2025-03-20

**Volvo Car USA LLC**

**Polestar Automotive USA Inc.**

\_\_\_\_\_  
Robert Manna  
Printed name:Robert Manna  
Title:CFO Volvo Car USA

\_\_\_\_\_  
Ola Sjölander  
Printed name: Ola Sjölander  
Title: Head of Commercial Control

\_\_\_\_\_  
Printed name:Michel Cottone  
Title: CEO Volvo Car USA

\_\_\_\_\_  
Anders Gustafsson  
Printed name: Anders Gustafsson  
Title:Managing Director

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$$[***]$$
















































**APPENDIX B**

**FEE**

**[\*\*\*]**

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Certain identified information marked with “[\*\*\*]” has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

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## TOOLING AND EQUIPMENT USER RIGHT AGREEMENT

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Polestar Automotive China Distribution Co., Ltd

and

Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd.

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Regarding use of Tooling and Equipment

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LIST OF APPENDICES

- A. Tooling and equipment Specification

This **TOOLING AND EQUIPMENT USER RIGHT AGREEMENT** is made between:

- (1) Polestar Automotive China Distribution Co., Ltd., Reg. No. 91510112MA6D05KT88, a limited liability company incorporated under the laws of People's Republic of China ("**Owner**");
- (2) Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd., Reg. No. 91330201MA2CHD0427, a limited liability company incorporated under the laws of People's Republic of China ("**User**");

Each of the Owner and the User is hereinafter referred to as a "**Party**" and, jointly, as the "**Parties**".

#### **BACKGROUND**

- A. The Parties and other relevant parties have entered into two Manufacturing and Vehicle Supply Agreements dated July 24, 2023 (the "**Manufacturing Agreements**" or "**VSA**"), under which the User will manufacture the [\*\*\*] vehicle for Owner and Owner's Affiliate. The manufacturing of the [\*\*\*] vehicle requires certain tooling and equipment, including the tooling and equipment that is further described in Appendix A, Tooling and Equipment Specification.
- B. Polestar Automotive China Distribution Co., Ltd. and Ningbo Hangzhou Bay Geely Automotive Parts Co., Ltd. have entered into the Tooling and Equipment Agreement on January 27, 2022 (agreement no.: GEE21-013).
- C. Polestar Automotive China Distribution Co., Ltd., and Ningbo Geely Automobile Research & Development Co., Ltd. have entered into the Unique Vendor Tooling Agreement on December 23, 2021 (agreement no.: GEE21-016).
- D. Pursuant to the Manufacturing Agreements, the Owner is the exclusive owner of the relevant Tooling and Equipment (as defined in Section 1 below) and the User wishes to have such Tooling and Equipment used in the production of the [\*\*\*] vehicle. For efficiency reasons, the Parties have now agreed that User shall be entitled to use the Tooling and Equipment and that the User accordingly shall pay the Owner for its right to use the Tooling and Equipment.
- E. In the light of the foregoing, the Parties have executed this Agreement (as defined in Section 1 below).

#### **1. DEFINITIONS**

For the purpose of this Agreement, the following terms shall have the meanings assigned to them below. Capitalised terms in this Agreement are defined in the way described below. All capitalised terms in singular in the list of definitions shall have the same meaning in plural and *vice versa*.

"**Affiliate**" means (i) for User, any other legal entity that directly or indirectly controls, is controlled by Geely Auto Group Co. Ltd. and (ii) for Owner, any other legal entity that, directly or indirectly, is controlled by Polestar Automotive Holding UK PLC, "control" for this purpose meaning ownership or control, directly or indirectly, of (i) at least fifty per cent (50%) of the voting stock, partnership interest or other ownership interest or (ii) the power (a) to appoint or remove a majority of the board of directors or other governing body of an entity, or (b) to cause the direction of the management of an entity. The Parties, however, agree to renegotiate this definition of "Affiliates" in good faith if it in the future does not



reflect the Parties' intention at the time of signing this Agreement due to a restructuring or reorganization in relation to either of the Parties.

**“Agreement”** means this Tooling and Equipment User Right Agreement including the Appendices as amended and agreed from time to time.

**“Appendix”** means all appendices to this Agreement.

**“Confidential Information”** means any and all information regarding the Parties and their respective businesses, whether commercial or technical, in whatever form or media, including but not limited to the existence, content and subject matter of this Agreement information relating to Intellectual Property Rights, concepts, technologies, processes, commercial figures, techniques, strategic plans and budgets, investments, customers and sales, designs, graphics, CAD models, CAE data, statement of works (including engineering statement of works and any such specifications), targets, test plans/reports, technical performance data and engineering sign-off documents and other information of a sensitive nature, that a Party learns from or about the other Party prior to or after the execution of this Agreement.

**“Disclosing Party”** means the Party disclosing Confidential Information to the Receiving Party.

**“Effective Date”** shall have the meaning ascribed to it in Section 10.1.

**“Fee”** shall have the meaning ascribed to it in Section 4.1.1.

**“Force Majeure Event”** shall have the meaning ascribed to it in Section 11.1.1.

**“Intellectual Property Rights”** means any and all intellectual property rights, including but not limited to patents, patent applications, software, designs, utility models, copyrights, database rights, ideas, concepts, techniques, inventions, technologies, tools, processes and methodologies, know-how and trade secrets and any similar rights in any jurisdiction, regardless of whether registered or not, and all rights under licenses or otherwise in relation to any of the foregoing. For the avoidance of doubt, Trademarks are not comprised by this definition.

**“Owner”** shall have the meaning ascribed to it in the beginning of this Agreement.

**“Receiving Party”** means the Party receiving Confidential Information from the Disclosing Party.

**“Steering Committee”** means the first level of governance forum for handling the co-operation between the Parties regarding [\*\*\*] vehicle in various matters, under this Agreement which regarding cooperation between the Parties is the so called Geely and Polestar [\*\*\*] Steering Committee.

**“Strategic Board”** means the highest-level governance forum established by the Parties for handling the cooperation between the Parties regarding [\*\*\*] Vehicle in respect of various matters.

**“Term”** shall have the meaning ascribed to it in Section 10.1.

**“Third Party”** means a party other than any of the Parties to this Agreement.

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“**Tooling and Equipment**” means [\*\*\*] vehicle related tooling and equipment purchased by Owner under the agreements specified above in section B and C in background and further specified in Appendix A as amended from time to time. Such tooling and equipment is owned by the Owner but used and stored at the User’s or the Vendor’s site and used by the User or Vendor in relation to the production of [\*\*\*] vehicle and/or components to the [\*\*\*] vehicle manufactured by the User Group.

“**Trademarks**” means trademarks (including part numbers that are trademarks), service marks, logos, trade names, business names, assumed names, trade dress and get-up, and domain names, in each case whether registered or unregistered, including all applications, registrations, renewals and the like, in each case to the extent they constitute rights that are enforceable against third parties.

“**User**” shall have the meaning ascribed to it in the beginning of this Agreement.

“**User Group**” means User and its Affiliates.

“**Vendor**” means the Third Party supplier keeping certain Tooling and Equipment at its site on behalf of the Owner and for the production of components to the [\*\*\*] vehicle manufactured by the User Group.

## **2. AGREEMENT**

### **2.1 Scope**

- 2.1.1 By entering into this Agreement, the Parties initiate a co-operation, where the User will be given a right to use the Tooling and Equipment, subject *inter alia* to the User compensating Owner for such use, under the terms and conditions of this Agreement.
- 2.1.2 This Agreement sets out the terms and conditions that shall apply to the User’s use of the Tooling and Equipment, where Owner is the owner of the relevant Tooling and Equipment.

### **2.2 Legal relationship and right to benefit from this Agreement**

- 2.2.1 The legal relationship under this Agreement and the right to benefit from this Agreement is between the Owner and the User only.

## **3. RIGHT TO USE TOOLING AND EQUIPMENT**

- 3.1 The Tooling and Equipment shall at all times be owned by Owner. By this Agreement, the Owner grants to User a right to use the Tooling and Equipment during the Term of this Agreement for the sole purpose of [\*\*\*] vehicle related production. User undertakes not to use the Tooling and Equipment for any other purpose other than as stated herein.
  - 3.2 User has no right to ask the Vendor for any changes to or modifications of the Tooling and Equipment, nor ask the Vendor for any repairs or other work on the Tooling and Equipment, without Owner’s prior written consent.
  - 3.3 The Tooling and Equipment is located at User’s or Vendor’s premises on behalf of the Owner. The Owner has no responsibility for the premises in which the Tooling and Equipment is located, unless specified otherwise in this Agreement. The Tooling and Equipment may not be relocated without the Owner’s prior written consent. Owner shall take all reasonable steps to ensure the Vendor lets the User benefit from its right to use the Tooling and Equipment through the Vendor. If the Owner has taken such reasonable steps,
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the Owner shall not be responsible in the event the Vendor does not let the User benefit from its right to make use of the Tooling through the Vendor.

- 3.4 The Tooling and Equipment shall be maintained in proper working condition by the User or Vendor in accordance with applicable maintenance instructions for said Tooling and Equipment or by using industry practice if there are no specific instructions.
- 3.5 The right to use the Tooling and Equipment is further subject to the payment obligations set forth in Section 4 below.

#### 4. FEE AND PAYMENT TERMS

##### 4.1 Fee

- 4.1.1 In consideration of User's use of the Tooling and Equipment hereunder, the User agrees to pay the Fee to the Owner, (the "Fee"). The Fee shall be [\*\*\*]. The Fee is calculated based on the [\*\*\*]
- 4.1.2 The Fee is a [\*\*\*]vehicle sold by User to Owner or an Affiliate of Owner. The Fee for 2025 for use of Tooling and Equipment amounts to [\*\*\*] CNY/vehicle.

##### 4.2 Payment Terms

- 4.2.1 The Fee shall be paid by the User to the Owner in a timely manner and otherwise in accordance with the payment terms in this section 4.2. The Fee shall be invoiced and paid in CNY.
- 4.2.2 Any amount invoiced by Owner to User shall be paid within [\*\*\*]days from date of invoice.
- 4.2.3 The Fee shall be invoiced monthly at the end of each month based on the delivered volume according to VSA. The invoices shall include a detailed specification on what is charged.
- 4.2.4 All amounts referred to in this agreement are exclusive of VAT and other taxes. The invoices issued by Owner shall include VAT and relevant surcharges. The User shall bear the VAT and surcharges that are applicable according to local tax regulations.
- 4.2.5 Payment made later than the due date will automatically be subject to interest for late payments for each day it is not paid and the interest shall be based on [\*\*\*]
- 4.2.6 Both parties acknowledge that if PPAB or PACD fails to pay the Vehicle fee to the Supplier in full by the due date according to VSA, [\*\*\*]
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**5. WARRANTIES**

5.1 Each Party warrants and represents to the other Party that:

- (a) it is duly organized, validly existing, and in good standing under the laws of its respective jurisdiction of incorporation or formation, as applicable;
- (b) it has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder;
- (c) the execution, delivery and performance of this Agreement have been duly authorized and approved, with such authorization and approval in full force and effect, and do not and will not (i) violate any laws or regulations applicable to it or (ii) violate its organization documents or any agreement to which it is a party; and
- (d) this Agreement is a legal and binding obligation of it, enforceable against it in accordance with its terms.

5.2 The Owner undertakes to procure and maintain appropriate and adequate insurance coverage for Inhouse Tooling under this Agreement, including without limitation property all risk insurance. If the Inhouse Tooling is damaged or destroyed, the Owner shall firstly contact its insurance company. For the avoidance of doubt, the Owner cannot receive double recovery from the User.

5.3 The Parties acknowledge that the Tooling and Equipment are provided on an "as is" basis without any warranties or representations of any kind, whether implied or express. Both Parties take no responsibility and expressly disclaims any and all liability and claims of any kind in case of errors or defects in the Tooling and Equipment (if there is any error or defect in the Tooling and Equipment, the Section 5 of Tooling and Equipment Agreement or the Section 4 of the Unique Vendor Tooling Agreement shall apply. Owner takes no responsibility for any damage caused as a result of or in relation to the User's use/misuse of the Tooling and Equipment (as well as User's indirect use of the Tooling through *e.g.* the Vendor's care).

**6. INTELLECTUAL PROPERTY****6.1 Ownership and license grant**

6.1.1 Owner grants User a non-exclusive, non-assignable, sub-licensable (however only to User's Affiliates and Vendors, unless otherwise agreed upon by both parties), limited license to any Intellectual Property Rights of the Tooling and Equipment owned or licensable by the Owner, to the extent necessary for User to utilize the Tooling and Equipment as contemplated herein, for the Term of this Agreement.

**6.2 Geely brand name**

6.2.1 Correspondingly, it is especially noted that this Agreement does not include any right to use the "Geely" brand name, or Trademarks, or refer to "Geely" in communications or official documents of whatever kind.

6.2.2 This means that this Agreement does not include any rights to directly or indirectly use the "Geely" brand name or "Geely" Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, *e.g.* in presentations, business cards and correspondence.

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**6.3 Polestar brand name**

- 6.3.1 For sake of clarity, it is especially noted that this Agreement does not include any right to use the "Polestar" brand name or Trademarks, or refer to "Polestar" in communications or official documents of whatever kind.
- 6.3.2 This means that this Agreement does not include any rights to directly or indirectly use the "Polestar" brand name or "Polestar" Trademarks, on or for any products or when marketing, promoting and/or selling such products, or in any other contacts with Third Parties, e.g. in presentations, business cards and correspondence.

**7. LIMITATION OF LIABILITY**

- 7.1 Neither Party shall be responsible for any indirect, incidental or consequential damage or any losses of production or profit caused by it under this Agreement.
- 7.2 Each Party's aggregate liability for any damage arising out of or in connection with this Agreement shall be limited to [\*\*\*]
- 7.3 The limitations of liability set out in this Section 7 shall not apply in respect of;
- (a) claims related to death or bodily injury;
  - (b) damage caused by wilful misconduct or gross negligence,
  - (c) damage caused by a Party's breach of the confidentiality undertakings in Section 9 below.

**8. GOVERNANCE AND CHANGE MANAGEMENT****8.1 Governance**

- 8.1.1 The Parties shall act in good faith in all matters and shall at all times co-operate in respect of changes to this Manufacturing Agreement as well as issues and/or disputes arising under this Manufacturing Agreement.
- 8.1.2 The governance and co-operation between the Parties in respect of this Manufacturing Agreement shall primarily be administered on an operational level. In the event the Parties on an operational level cannot agree upon aspects relating to the co-operation between the Parties, each Party shall be entitled to escalate such issue to the Steering Committee.
- 8.1.3 If the Steering Committee fails to agree upon a solution of the disagreement the relevant issue should be escalated to the Strategic Board for decision.

**8.2 Changes**

- 8.2.1 During the term of this Agreement, the User can request changes to the Tooling and Equipment Specification, which shall be handled in accordance with the governance procedure set forth in Section 8.1 above. Both Parties agree to act in good faith to address and respond to any change request within a reasonable period of time.
- 8.2.2 The Parties acknowledge that the Owner will not make any changes in accordance with such change request until agreed in writing between the Parties. For the avoidance of any doubt,
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until there is agreement about the requested change, the existing Tooling and Equipment Specification as described in Appendix A shall be valid.

**9. CONFIDENTIALITY**

9.1 The Parties shall take any and all necessary measures to comply with the security and confidentiality procedures of the other Party.

9.2 All Confidential Information shall only be used for the purposes set forth in this Agreement. Each Party will keep in confidence any Confidential Information obtained in relation to this Agreement and will not divulge the same to any Third Party, unless the exceptions specifically set forth below in this Section 9.2 below apply, in order to obtain patent protection or when approved by the other Party in writing, and with the exception of their own, or the User Group's, officers, employees, consultants or sub-contractors with a need to know as to enable such personnel to perform their duties hereunder. This provision will not apply to Confidential Information which the Receiving Party can demonstrate:

- (a) was in the public domain other than by breach of this undertaking, or by another confidentiality undertaking;
- (b) was already in the possession of the Receiving Party before its receipt from the Disclosing Party;
- (c) is obtained from a Third Party who is free to divulge the same;
- (d) is required to be disclosed by mandatory law, court order, lawful government action or applicable stock exchange regulations (In this case, the Receiving Party shall: (a) inform the other Parties before disclosure; (b) only disclose that Confidential Information reasonably necessary to comply with the same; and (c) use its best efforts to seek and secure confidential treatment of the disclosed Confidential Information to the fullest extent permitted); or
- (e) is developed or created by one Party independently of the other, without any part thereof having been developed or created with assistance or information received from the other Party.

9.3 The Receiving Party shall protect the disclosed Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the dissemination to third parties or publication of the Confidential Information, as the Receiving Party uses to protect its own Confidential Information of similar nature. Further, each Party shall ensure that its employees and consultants are bound by a similar duty of confidentiality and that any subcontractors taking part in the fulfilment of that Party's obligations hereunder, enters into a confidentiality undertaking containing in essence similar provisions as those set forth in this Section 9.

9.4 Any tangible materials that disclose or embody Confidential Information should be marked by the Disclosing Party as "Confidential," "Proprietary" or the substantial equivalent thereof. Confidential Information that is disclosed orally or visually shall be identified by the Disclosing Party as confidential at the time of disclosure, with subsequent confirmation in writing within thirty (30) days after disclosure. However, the lack of marking or subsequent confirmation that the disclosed information shall be regarded as "Confidential" does not disqualify the disclosed information from being classified as Confidential Information.

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9.5 If any Party violates any of its obligations described in this Section 9, the violating Party shall, upon notification from the other Party, (i) immediately cease to proceed such harmful violation and take all actions needed to rectify said behaviour and (ii) financially compensate for the harm suffered as determined by an arbitral tribunal pursuant to Section 13.3 below. All legal remedies (compensatory but not punitive in nature) according to law shall apply.

9.6 This Section 9 shall survive the expiration or termination of this Agreement without limitation in time.

## 10. TERM AND TERMINATION

10.1 This Agreement shall become effective when signed by duly authorised signatories of each Party (the “**Effective Date**”) and shall remain in force until terminated in accordance with what is set out below in this Section 10 (the “**Term**”).

10.2 The Parties may terminate this Agreement by mutual agreement.

10.3 This Agreement may be terminated, in whole or in part (including for the avoidance of doubt any of its Appendices), with immediate effect:

- (a) by either Party if the other Party is in material breach of any of its obligations under this Agreement and such breach (if remediable) is not remedied within thirty (30) days of written notice thereof; or
- (b) by either Party if the other Party should become insolvent or enter into negotiations on composition with its creditors or a petition in bankruptcy should be filed by it or it should make an assignment for the benefit of its creditors.

10.4 In the event the VSA is terminated, this Agreement shall only be terminated after the Owner's obligation under the Section 28.3.5 of VSA has been fulfilled.

10.5 For the avoidance of doubt, if this Agreement has expired or has been terminated in accordance with this Section 10, then all Appendices to this Agreement shall automatically and immediately terminate.

## 11. MISCELLANEOUS

### 11.1 Force majeure

11.1.1 Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement to the extent that such failure or delay is caused by a Force Majeure Event. A “**Force Majeure Event**” means any event beyond a Party's reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, including strikes, lock-outs or other industrial disputes (whether involving its own workforce or a Third Party's) politically enforced decision regarding pandemic isolation, core raw material shortage, governmental behaviour (e.g restriction on supply of electricity, change of laws, regulations and policies), failure of general energy sources or transport network, restrictions concerning motive force, acts of God, war, terrorism, insurgencies and riots, civil commotion, mobilization or extensive call ups, interference by civil or military authorities, national or international calamity, currency restrictions, requisitions, confiscation, armed conflict, malicious damage, breakdown of plant or machinery, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, stroke of lightning, earthquakes, loss at sea, epidemics or similar events,

natural disasters or extreme adverse weather conditions or default or delays of suppliers or subcontractors if such default or delay has been caused by one of the foregoing events.

- 11.1.2 A Party shall not be considered in breach of this Agreement to the extent that such Party's performance of its obligations under this Agreement is prevented by a Force Majeure Event.
- 11.1.3 A non-performing Party, which claims there is a Force Majeure Event, and cannot perform its obligations under the Agreement as a consequence thereof, shall promptly inform the other Party in writing and use all commercially reasonable efforts to continue to perform or to mitigate the impact of its non-performance notwithstanding the Force Majeure Event and shall continue the performance of its obligations as soon as the Force Majeure Event ceases to exist.
- 11.1.4 If the consequences of the Force Majeure Event continue for a period of ninety (90) days without a solution acceptable to both Parties which materially affect or jeopardize the performance and/or fulfilment of any material responsibilities and/or liabilities of one Party according to this Agreement, the other Party shall be entitled to terminate this Agreement without accruing any liability for such termination.

## 11.2 Notices

- 11.2.1 All notices, demands, requests and other communications to any Party as set forth in, or in any way relating to the subject matter of, this Agreement must be in legible writing in the English language delivered by personal delivery, facsimile, email transmission or prepaid overnight courier using an internationally recognized courier service and shall be effective upon receipt, which shall be deemed to have occurred:
  - (a) in case of personal delivery, at the time and on the date of personal delivery;
  - (b) if sent by facsimile or email transmission, at the time and on the date indicated on a confirmation of successful transmission page relating to such facsimile transmission or at the time and date indicated on a response confirming such successful email transmission;
  - (c) if delivered by courier, at the time and on the date of delivery as confirmed in the records of such courier service; or
  - (d) at such time and date as delivery by personal delivery or courier is refused by the addressee upon presentation;

in each case provided that if such receipt occurred on a non-business day, then notice shall be deemed to have been received on the next following business day; and provided further that where any notice, demand, request or other communication is provided by any party by email, such party shall also provide a copy of such notice, demand, request or other communication by using one of the other methods.

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11.2.2 All such notices, demands, requests and other communications shall be sent to following addresses:

To Owner: Polestar Automotive China Distribution Co., Ltd.,  
Attention: [\*\*\*]  
Email: [\*\*\*]

With a copy not constituting notice to:

POLESTAR PERFORMANCE AB  
Attention: [\*\*\*]  
Email: [\*\*\*]

To User: Ningbo Hangzhou Bay Geely Automotive Parts Company  
Limited  
Attention: [\*\*\*]  
Email: [\*\*\*]

11.3 **Assignment**

Neither Party may, wholly or partly, assign, pledge or otherwise dispose of its rights and/or obligations under this Agreement without the other Party's prior written consent.

11.4 **Waiver**

Neither Party shall be deprived of any right under this Agreement because of its failure to exercise any right under this Agreement or failure to notify the infringing party of a breach in connection with the Agreement. Notwithstanding the foregoing, rules on complaints and limitation periods shall apply.

11.5 **Severability**

In the event that any provision of this Agreement conflicts with applicable law or if any such provision is held invalid by an arbitrator or a competent court, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the Parties in accordance with applicable law. The remainder of the Agreement shall at all times remain in full force and effect.

11.6 **Entire Agreement**

All arrangements, commitments and undertakings in connection with the subject matter of this Agreement (whether written or oral) made before the date of this Agreement are superseded by this Agreement.

11.7 **Amendments**

Any amendment or addition to this Agreement must be made in writing and signed by the Parties to be valid.

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**11.8 Survival**

If this Agreement is terminated or expires pursuant to Section 10 above, Section 9 (*Confidentiality*), Section 12 (*Governing Law*), Section 13 (*Dispute resolution*) as well as this Section 11.8, shall survive any termination or expiration and remain in force as between the Parties after such termination or expiration.

**12. GOVERNING LAW**

- 12.1 This Agreement and all non-contractual obligations in connection with this Agreement shall be governed by the substantive laws of People's Republic of China without giving regard to its conflict of laws principles.

**13. DISPUTE RESOLUTION****13.1 Escalation principles**

- 13.1.1 In case the Parties cannot agree on a joint solution for handling disagreements or disputes, a deadlock situation shall be deemed to have occurred and each Party shall notify the other Party hereof by the means of a deadlock notice and simultaneously send a copy of the notice to the Steering Committee. Upon the receipt of such a deadlock notice, the receiving Party shall within ten (10) days of receipt, prepare and circulate to the other Party a statement setting out its position on the matter in dispute and reasons for adopting such position, and simultaneously send a copy of its statement to the Steering Committee. Each such statement shall be considered by the next regular meeting held by the Steering Committee or in a forum meeting specifically called upon by either Party for the settlement of the issue.
- 13.1.2 The members of the Steering Committee shall use reasonable endeavours to resolve a deadlock situation in good faith. As part thereof, the Steering Committee may request the Parties to in good faith develop and agree on a plan to resolve or address the breach, to be presented for the Steering Committee without undue delay. If the Steering Committee agrees upon a resolution or disposition of the matter, the Parties shall agree in writing on terms of such resolution or disposition and the Parties shall procure that such resolution or disposition is fully and promptly carried into effect.
- 13.2 If the Steering Committee cannot settle the deadlock within thirty (30) days from the deadlock notice pursuant to Section 13.1.13.1.1 above, such deadlock will be referred to the General Counsels of each Party, which shall use reasonable endeavours to resolve the situation in the same way as indicated above. If no Steering Committee has been established between the Parties, the relevant issue shall be referred to the General Counsels of each Party immediately and Section 13.1.2 above shall not apply.
- 13.2.1 If the General Counsels of each Party cannot settle the deadlock within 30 days from the deadlock notice pursuant to the section above, despite using reasonable endeavours to do so, such deadlock will be referred to the Strategic Board for decision. Should the matter not have been resolved by the Strategic Board within 30 days counting from when the matter was referred to them, despite using reasonable endeavours to do so, the matter shall be resolved in accordance with Section **Error! Reference source not found.** below.
- 13.2.2 All notices and communications exchanged in the course of a deadlock resolution proceeding shall be considered Confidential Information of each Party and be subject to the confidentiality undertaking in Section 9 above.
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- 13.2.3 Notwithstanding the above, the Parties agree that either Party may disregard the time frames set forth in this Section 13.1 and apply shorter time frames and/or escalate an issue directly to the Strategic Board in the event the escalated issue is of an urgent character and where the applicable time frames set out above are not appropriate.
- 13.3 **Arbitration**
- 13.3.1 Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof shall be finally settled by arbitration submitted to the China International Economic and Trade Arbitration Committee ("CIETAC") for arbitration, which shall be held in Shanghai and conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration, whereas the language to be used in the arbitral proceedings shall be English and Chinese. The arbitral tribunal shall be composed of three arbitrators.
- 13.3.2 Irrespective of any discussions or disputes between the Parties, each Party shall always continue to fulfil its undertakings under the Agreement unless an arbitral tribunal or court (as the case may be) decides otherwise.
- 13.3.3 In any arbitration proceeding, any legal proceeding to enforce any arbitration award, or any other legal proceedings between the Parties relating to this Agreement, each Party expressly waives the defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state. Such waiver includes a waiver of any defence of sovereign immunity in respect of enforcement of arbitral awards and/or sovereign immunity from execution over any of its assets.
- 13.3.4 All arbitral proceedings as well as any and all information, documentation and materials in any form disclosed in the proceedings shall be strictly confidential.

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[Signature page follows]

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IN WITNESS WHEREOF, this Agreement has been signed in three (3) originals, of which the User receive two (2) and the Owner receives one (1).

POLESTAR AUTOMOTIVE  
CHINA DISTRIBUTION CO., LTD.

NINGBO HANGZHOU BAY GEELY  
AUTOMOTIVE PARTS CO., LTD.

By: \_\_\_\_\_  
Printed Name: Huijing (Ellie) Wu \_\_\_\_\_  
Title: General Manager \_\_\_\_\_  
Date: March 13, 2025 \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: Zhao Chunlin \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: March 23 2025 \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[AAA]

[illegible]



2. Tooling and Equipment purchased by Owner under Agreement signed on January 27, 2022 (agreement no.: GEE21-013)  
[\*\*\*]





Certain identified information marked with "[\*\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

## EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into on this day.

BETWEEN:

- (1) Polestar Performance AB, Reg. No.556653-3096, a company duly incorporated and organized under the laws of Sweden, (the "Company"); and
- (2) Michael Lohscheller

### 1 Commencement date and term of employment

- 1.1 The employment shall commence on September 1, 2024, and is valid until terminated by either Party or until otherwise mutually agreed.
- 1.2 For the purposes of this Agreement, "associated company" means a legal entity directly or indirectly controlling or controlled by or under common control with the Company, irrespective of the country of registration of such legal entity.

### 2 Position

- 2.1 Mr Lohscheller shall during the period September 1, 2024-September 30, 2024, be employed as Deputy Chief Executive Officer of the Company and as of October 1, 2024, he will commence the role as Chief Executive Officer of the Company.
- 2.2 Given the senior nature of the position, the Company and Mr Lohscheller have a common view that in general the Swedish Employment Protection Act ( Sw. lagen om anställningsskydd (1982:80)) is not applied.
- 2.3 Mr Lohscheller shall furthermore accept appointment to the Company's or any associated company's board of directors if so requested. He is not entitled to any additional compensation for such assignments.

### 3 Power and responsibilities

- 3.1 Mr Lohscheller shall as Chief Executive Officer report to the Board of Directors, and he shall
  - (a) manage the business of the Company subject to the articles of association of the Company, the Instructions for the Managing Director adopted by the Board of Directors and the Company's guidelines and objectives as set out by the Board of Directors.
  - (b) ensure that the provisions of the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) and other legislation, as well as the Company's articles of association, are complied with;
  - (c) ensure that the management of the Company is conducted in accordance with sound principles with regards to both financial and personnel aspects of the Company.

### 4 Loyalty

This Agreement is based on mutual loyalty and trust. Mr Lohscheller shall always promote and protect the interests of the Company and devote all his working time to the Company and he shall not be engaged in any other employment or business, irrespective of whether such business competes with the Company's business or not without the prior written consent of the Board.

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## 5 Performance of duties

Mr Lohscheller shall perform his duties at the Company's current premises in Gothenburg or at any other premises in Sweden occupied by the Company in the future. Mr Lohscheller may be required to travel within and outside Sweden from time to time, to promote the Company's interests in the best possible way. For the performance of his duties hereunder, Mr Lohscheller is not entitled to any compensation in addition to the compensation provided for in this Agreement.

## 6 Compensation

- 6.1 Mr Lohscheller is entitled to an annual salary of [\*\*\*] which includes vacation pay. The salary shall be paid in accordance with the Company's policy, as applicable from time to time.
- 6.2 For the avoidance of doubt, Mr. Lohscheller is not entitled to separate compensation for overtime work. Rather, the fact that overtime work may be required of Mr Lohscheller has been taken into account in the determination of Mr Lohscheller's salary and benefits.
- 6.3 Incentive programmes are provided in accordance with the rules set out in Appendix 6.3. The Company reserves the right to amend or cancel the incentive programmes at its own discretion.
- 6.4 Mr Lohscheller will be entitled to personal benefits, details are set out in Appendix 6.4.

## 7 Company car

Mr Lohscheller is entitled to one company car for occupational and private use in accordance with the Company policy applicable from time to time. For the company car, a monthly fee will be deducted from the gross monthly salary which the Company will decide according to current policy. The Parties are aware and acknowledge that this benefit is subject to taxation under Swedish legislation.

## 8 Pension, retirement, death, and long-term disability benefits

Mr Lohscheller is insured for pension and insurance benefits according to the pension plan given by law, and the ITP-plan in Sweden. Mr Lohscheller will be provided a pension and insurance agreement separately.

## 9 Work equipment

For the performance of Mr Lohscheller's duties, the Company will provide such equipment that the Company deems is necessary for him to perform his duties from time to time.

## 10 Expenses

The Company shall reimburse Mr Lohscheller for all reasonable travel, hotel, entertainment, and other out-of-pocket expenses incurred in the discharge of his duties provided that he provides the Company with receipts or other supporting documentation where applicable.

## 11 Vacation

Mr Lohscheller is entitled to thirty (30) paid vacation days per year to be taken at such times as agreed with the Chairman of the Board of Directors. Vacation pay is calculated in accordance with Company policy as applicable from time to time. Vacation pay paid in advance may, upon termination of employment, be deducted from any salary and accrued vacation pay.

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## 12 Personal data and data security

12.1 Mr Lohscheller confirms that the Company has informed him of the Company's use of employees' personal data in accordance with the provisions of the Personal Data Protection Act (Sw. Personuppgiftslagen (1998:204)).

12.2 Mr Lohscheller agrees to comply with the Company's policies regarding the use of the Company's computers, e-mail system, Internet services and other software programs. Mr Lohscheller is aware and acknowledges that the Company has complete access to all material and e-mail correspondence and an overview of Internet usage that is saved in, or performed via, the Company's data system.

## 13 Compliance of Company policies

Mr Lohscheller agrees to comply with the Company's code of conduct and other applicable policies and regulations at the Company.

## 14 Intellectual property rights

14.1 All rights to any material and results, and all intellectual property rights related thereto which are made, written, designed, or produced by Mr Lohscheller the term of his employment shall vest in the Company. For the avoidance of doubt, the Company shall have a right to freely develop and alter such material, results, and intellectual property rights and to license and assign them to third parties.

14.2 Mr Lohscheller shall not be entitled to, directly or indirectly, use or exploit the material, results and intellectual property rights referred to in Section 14.1 in any manner whatsoever during the term of his employment or thereafter unless a written agreement regarding such use has been entered into with the Company.

14.3 Mr Lohscheller agrees and undertakes without any additional compensation to execute all such deeds and documents that, in the Company's sole discretion, are necessary or desirable in order for the Company to be able to protect, register, maintain and in any other way fully enjoy the Company's rights referred to under this Section 14.

## 15 Confidentiality

Mr Lohscheller shall not at any time during his employment or thereafter utilize or disclose to any person or firm or company (unless required by the performance of his duties under this Agreement or by law) any information in respect of the Company or any of its associated companies, that the Company reasonably wishes to keep confidential.

## 16 Non-competition

16.1 The parties agree that Mr Lohscheller in the course of his employment will gain access to Company specific knowledge and trade secrets, which may cause the Company considerable harm if used for the benefit of a competing business. The parties furthermore agree that it is a precondition for Mr Lohscheller's employment that the Company can disclose such information to him, in the knowledge that it will not be used to engage in or promote a business that competes with the Company's (or any associated company's) business. Mr Lohscheller thus agrees to refrain, during the term of this Agreement, directly or indirectly, whether alone or as a partner, officer, employee, director or executive or consultant, from engaging or having an interest in any business which directly or indirectly is engaged in business which is, in competition with the business of the Company or any associated company.

## 17 Non-solicitation

17.1 During the period referred to in Section 16.1 above, Mr Lohscheller shall not, directly, or indirectly, engage or participate in professional contacts with anyone who, during the twelve months preceding the termination of Mr Lohscheller employment, has been a customer or client of the Company or any of its associated companies. The Company may through written notification release Mr Lohscheller from this obligation in specific cases.

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17.2 During the period referred to in Section 16.1 above, Mr Lohscheller shall not directly or indirectly solicit or attempt to solicit employees of the Company, or any of its associated companies, or use their services for any means other than for the benefit of the Company. The Company may through written notification release Mr Lohscheller from this obligation in specific cases.

#### 18 Liquidated damages

If Mr Lohscheller fails to comply with the provisions of Section 14 (Intellectual Property Rights), Section 15 (Confidentiality), Section 16 (Non-Competition) or Section 17 (Non-Solicitation), Mr Lohscheller shall, in respect of every breach, pay liquidated damages to the Company amounting to six (6) times Mr Lohscheller's average monthly gross salary paid by the Company during the six months preceding the breach or, if his employment has expired, immediately prior to the expiry of his employment. In the event the breach is of a continuing nature during each month that the situation or action constituting the breach continues despite written objection from the Company to Mr Lohscheller, the breach shall be deemed to constitute one breach and give rise to an obligation to pay liquidated damages as above. In the event the actual loss caused to the Company exceeds this amount, the Company shall be entitled to damages in respect of such excess amount and/or to take other legal measures.

#### 19 Termination of employment

19.1 This Agreement may be terminated by the Company subject to 12 months' notice and by Mr Lohscheller subject to 6 months' notice. The Agreement expires without any prior notice in conjunction with Mr Lohscheller's retirement pursuant to Section 7.

19.2 In connection with either party's termination of this Agreement, the Company shall be entitled to relieve Mr Lohscheller of his duties. Mr Lohscheller shall, however, remain at the Company's disposal during the notice period to perform such duties, as the Board of Directors thinks fit. The Company is, however, entitled to permanently require Mr Lohscheller not to perform any work for the Company.

19.3 During the notice period, Mr Lohscheller may not commence new employment or start to conduct business without the prior written consent of the Board of Directors. In the event that the Company accepts a request by Mr Lohscheller to commence new employment or conduct business, any income from such employment or business shall be deducted from notice pay owed by the Company. For purposes of enabling the Company to calculate the correct notice pay, Mr Lohscheller is - as a prerequisite for receiving notice pay - obliged to monthly inform the Company about the level of income (if any) received from new employment or business.

19.4 If his employment is terminated by the Company, Mr Lohscheller shall be entitled to severance pay equivalent to 12 times the monthly base salary he had at the expiry of his employment. The severance pay shall be paid monthly during a period of 12 months in equal instalments starting in the month after the expiry of his employment. Any income that Mr Lohscheller earns, or reasonably should have earned, from any other employment or business during the period for which he receives severance pay shall be deducted from the severance pay.

Mr Lohscheller shall actively search for new employment and shall, not later than the 15<sup>th</sup> every month, inform the Company whether he has agreed to commence employment with a new employer.

19.5 Salary during a notice period or severance pay shall not be payable for any period commencing on Mr Lohscheller's retirement.

19.6 Mr Lohscheller is not entitled to any bonus distribution that may occur during the notice period.

19.7 In the event of Mr Lohscheller's material breach of the obligations under this Agreement, the Company shall be entitled to terminate the Agreement with immediate effect. Notwithstanding such termination, Mr Lohscheller's obligations pursuant to Section 14 (Intellectual Property Rights), Section 15 (Confidentiality), Section 16 (Non-Competition), Section 17 (Non-Solicitation), Section 18 (Liquidated Damages) and Section 21 (Governing Law and disputes) shall remain in full force and effect.

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19.8 Mr Lohscheller shall at the expiry of his employment deliver up to the Board of Directors all reports, papers, correspondence, documents and any other materials (including copies thereof) supplied, or entrusted to Mr Lohscheller or in Mr Lohscheller's possession in connection with this employment and/or relating to the Company, its associated companies and/or their businesses and the same shall at all times remain the sole property of the Company or the associated company as the case may be.

20 Company information

Mr Lohscheller shall at all times promptly provide the Board of Directors, or any person assigned by him, with such information and explanations as may be required in connection with matters relating to his employment under this Agreement or in connection with the business of the Company or any of its associated companies.

21 Amendments

This Agreement may only be amended by an instrument in writing duly executed by the Parties.

22 Governing law and disputes

22.1 This Agreement shall be governed by and construed in accordance with the laws of Sweden.

22.2 Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the Swedish Arbitration Act (Sw. lag (1999:116) om skiljeförfarande).

22.3 The Parties undertake and agree that all arbitral proceedings conducted by reference to this arbitration section will be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party without the written consent of both Parties hereto. Notwithstanding the foregoing, a Party shall not be prevented from disclosing such information to secure its interests against the other Party in connection with a dispute or if required to do so by law, any applicable stock exchange regulations, or the regulations of any other recognized marketplace.

22.4 The Company shall, unless the arbitrator holds that Mr Lohscheller has caused the initiation of arbitral proceedings without reasonable cause, pay the arbitrator's fees. Other costs, such as legal fees, shall be apportioned between the Parties in accordance with the provisions of the Swedish Code of Judicial Procedure (Sw. Rättegångsbalken (1942:740)).

This Agreement has been duly executed in two original counterparts, of which each of the Parties has taken one.

Company  
Chairman of the Board

/s/ Winfried Vahland  
.....  
Winfried Vahland  
Date: 2024-08-28

HR

/s/ Monika Franke  
.....  
Monika Franke  
Date: 2024-08-28

Employee

/s/ Michael Lohscheller  
.....  
Michael Lohscheller  
Date: 2024-08-28

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Certain identified information marked with "[\*\*\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

## Polestar

### Agreement of Employment

Employee  
Jean-Francois Mady

Company  
Polestar Performance AB  
Assar Gabrielssons Väg 9  
SE405 31 Gothenburg  
Sweden

Registered: Gothenburg, Sweden  
Registration no. 556653-3096

The parties (Employee and Company) have entered the following terms of employment. This employment contract, hereafter called the Employment Contract, is valid from 2024-09-01 and revokes all previous agreements between the Company and the Employee regarding the subject matter hereof.

Position	Chief Financial Officer
Department	Finance
Location	Göteborg, Sweden
Employment start date	2024-09-01 (final date to be agreed by the parties)

#### Employment type

The employment is permanent, starting from 2024-09-01 (final date to be agreed by the parties) and shall continue for an indefinite period.

#### Termination

Given the senior nature of the position, the Company and the Employee, (jointly the "Parties") has a common view that in general the Swedish Employment Protection Act (Sw. lagen om anställningsskydd (1982:80)) is not applied.

#### Working Hours

Full-time position, in accordance with collective agreement Teknikavtalet Unionen/Sveriges Ingenjörer/Ledarna. The Employee is exempted from the provisions of §§2–5 in the working time agreement. This means the Employee is not entitled to overtime or travel compensation.

#### Position

The Employee shall furthermore accept appointment to the Company's or any associated company's board of directors if so requested. The Employee is not entitled to any additional compensation for such assignments.

#### Salary

Gross monthly salary (12 pay periods/annum): [\*\*\*]  
The Salary will be reviewed yearly or otherwise in accordance with applicable collective agreement. The first salary review will take place in the year 2026.  
The monthly salary is adjusted to include compensation for overtime and travelling time.

#### Variable Pay Programme

The Employee participates in the Company's variable pay programme in accordance with current variable pay policy, details are set out in Appendix II.  
The Company reserves the right to, at its own discretion, alter the terms of the variable pay programme from year to year or to withdraw them altogether. All variable pay schemes are subject to approval from the Board of the Company.

#### Vacation

The Employee is entitled to thirty (30) vacation days per year. The vacation year is defined as the period from April 1st until March 31st. Vacation benefits are regulated in general according to applicable national and local collective agreements.

#### Company Car

The Employee is entitled to an individual company benefit car according to the current benefit car policy. Accordingly, if the Employee decides to get a company benefit car, a deduction from the monthly gross salary will be made according to the current benefit car policy. If the Employee chooses not to take the option of an individual benefit car within a year from this contract date, the continuation of the benefit will be reconsidered according to the benefit car policy.

#### Pension

The Employee shall receive pension benefits according to the pension plan "ITP 1" defined by Swedish law, collective agreements, and Polestar's pension regulations.

#### Other Conditions of Employment

The applicable collective agreement — either Teknikavtalet Unionen/Sveriges Ingenjörer/ Ledarna or an equivalent national collective agreement valid at the time — applies. In addition to the national collective agreement, the local collective agreement at the Company applies.



#### Personal Data

The Employee has been informed and agrees that personal data, regulated under GDPR (General Data Protection Regulation), may be registered by the Company. The Employee has also been informed and has agreed to that such information may be transferred to a third party for system management purposes.

#### Compliance of Company Policies and Regulations

The Employee shall comply with the Code of Conduct and other applicable policies and regulations at the Company.

#### Confidentiality and Loyalty

The Employee must exercise complete discretion and loyalty concerning the Company. Both during and after the employment, the Employee shall hold trade secrets, including without limitation, secret information contained in invention disclosures, unreleased product names and designs, strategic product and cycle plans, planned acquisitions, know-how, data, software code, specifications, manufacturing processes, supplier information etc. of the Company in strict confidence. The Employee shall not disclose these trade secrets to anyone except other Employees of the Company who have a need to know the trade secrets in connection with the Company's business. The Employee also agrees to not share with the Company any trade secrets belonging to third parties, such as a former employer, that may be in the Employee's possession. The Employee may be subject to legal proceedings for any misuse or unauthorized disclosure of any trade secrets and/or know-how both during and after employment within the Company.

#### Company information

The Employee shall at all times promptly provide the Chief Executive Officer, or any person assigned by the Chief Executive Officer, with such information and explanation as may be required in connection with matters relating to the employment under this Agreement or in connection with the business of the Company or any of its associated companies.

#### Non-Competition

- 1.1 The parties agree that the Employee in the course of their employment will gain access to Company specific knowledge and trade secrets, which may cause the Company considerable harm if used for the benefit of a competing business. The parties furthermore agree that it is a precondition for the Employee's employment that the Company can disclose such information to them, in the knowledge that it will not be used to engage in or promote a business that competes with the Company's (Polestar Legal Entity) business. The Employee thus agrees to refrain, during the term of this Agreement and for six (6) months after its termination, directly or indirectly, whether alone or as a partner, officer, employee, director or executive or consultant, from engaging or having an interest in any business which directly or indirectly is engaged in business which is, at the time of the expiry of their employment, in competition with the business of the Company or any associated company (Polestar Legal Entity).
- 1.2 Subject to the exceptions stated below in this section the Company shall, as compensation for the inconvenience that the existing non-competition covenant causes the Employee, pay the Employee the base salary paid by the Company at the time of the termination of the employment

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during the period the non-competition covenant last. However, the compensation payable by the Company shall not be paid during a period which exceeds the period of this non-competition covenant or in case of the Employee breach of this non-competition covenant. However, compensation shall not be paid during any period of which the Employee receives severance pay from the Company or where the employment is terminated (i) due to the Employee retirement or (ii) by the Company due to the Employee material breach of this Agreement.

- 1.3 The Company may subject to one month's prior written notice to release the Employee from the non-competition obligation pursuant to Section 1.1 under 'Non-competition' above. In such event, the Company shall be released from the obligation to pay compensation in accordance with Section 1.2 under 'Non-competition' above.

#### Non-Solicitation

- 2.1 During the period referred to in Section 1.1 under 'Non-competition' above, the Employee shall not, directly or indirectly, engage or participate in professional contacts with anyone who, during the twelve (12) months preceding the termination of the Employee's employment, has been a customer or client of the Company or any of its associated companies (Polestar Legal Entity). The Company may through written notification release the Employee from this obligation in specific cases.
- 2.2 During the period referred to in Section 1.1 under 'Non-competition' above, the Employee shall not directly or indirectly solicit or attempt to solicit employees of the Company, or any of its associated companies (Polestar Legal Entity) or use their services for any means other than for the benefit of the Company. The Company may through written notification release the Employee from this obligation in specific cases.

#### Intellectual Property

The Employee acknowledges that all intellectual property (IP) that the Employee generates, modifies or improves in the course of the Employment Contract shall be or remain assigned to the Company from its creation, without compensation other than that established within the scope of law or applicable collective agreement (i.e., reasonable compensation for ideas which constitute patentable inventions), within the legal or collective agreement limits. For purposes of this contract, IP includes, but is not limited to (i) inventions, innovations and discoveries (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto; (ii) know-how, ideas, concepts, creations, layouts, designs, drawings, patterns, models, compositions, architectures, protocols, formulas, algorithms, processes, programs, methods, computer software (including object code and source code and related documentation), and research and development; (iii) patents; (iv) trademarks; (v) copyrights; (vi) design rights; (vii) internet domain names and registrations and applications for registration or renewals thereof, and email addresses, telephone numbers, social media identifications and tags; (viii) all rights in databases and data collections; (ix) all moral and economic rights of authors and inventors, however denominated; (ix) topographies of semiconductor products; (x) confidential information; and (xi) trade secrets.



#### Liquidated damages

If the Employee fails to comply with the provisions of Section "Intellectual Property", Section "Confidentiality and Loyalty", Section "Non-Competition" or Section "Non-Solicitation", the Employee shall, in respect of every breach, pay liquidated damages to the Company amounting to six (6) times the Employee's average monthly gross salary paid by the Company during the six months preceding the breach or, if their employment has expired, immediately prior to the expiry of the employment. In the event the breach is of a continuing nature during each month that the situation or action constituting the breach continues despite written objection from the Company to the Employee, the breach shall be deemed to constitute one breach and give rise to an obligation to pay liquidated damages as above. In the event the actual loss caused to the Company exceed this amount, the Company shall be entitled to damages in respect of such excess amount and/or to take other legal measures.

#### Governing law and disputes

This Agreement shall be governed by and construed in accordance with the laws of Sweden. Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Swedish Arbitration Act (Sw. lag (1999:116) om skiljeförfarande).

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The Parties undertake and agree that all arbitral proceedings conducted by reference to this arbitration section will be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party without the written consent of both Parties thereto. Notwithstanding the foregoing, a Party shall not be prevented from disclosing such information in order to secure its interests against the other Party in connection with a dispute or if required to do so by law, any applicable stock exchange regulations or the regulations of any other recognised market place.

The Company shall, unless the arbitrator holds that the Employee has caused the initiation of arbitral proceedings without reasonable cause pay the arbitrator's fees. Other costs, such as legal fees, shall be apportioned between the Parties in accordance with the provisions of the Swedish Code of Judicial Procedure (Sw. Rättegångsbalken (1942:740)).

#### Termination of Employment

This Agreement may be terminated by the Company subject to 12 months' notice and by the Employee subject to 12 months' notice. The Agreement expires without any prior notice in conjunction with the Employee's retirement pursuant to section "Pension".

In connection with either party's termination of this Agreement, the Company shall be entitled to relieve the Employee of the Employee's duties. The Employee shall, however, remain at the Company's disposal during the notice period to carry out such duties, as the Chief Executive Officer thinks fit. The Company is, however, entitled to permanently require the Employee not to perform any work for the Company. During the notice period, the Employee may not commence a new employment or start to conduct business without the prior written consent of the Chief Executive Officer.

If the employment is terminated by the Company, the Employee shall be entitled to severance pay equivalent to 6 times the monthly base salary they had at the expiry of their employment. The severance pay shall be paid monthly during a period of 6 months in equal instalments starting in the month after the expiry of their employment.

Salary during a notice period or severance pay shall not be payable for any period commencing on the Employee's retirement.

The Employee will not earn bonus during the notice period but is entitled to bonus distribution (bonus pay-out pro rata) that may occur during the notice period (for bonus earned before the termination of the employment).

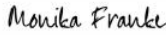
In the event of the Employee material breach of the obligations under this Agreement, the Company shall be entitled to terminate the Agreement with immediate effect. Notwithstanding such termination, the Employee's obligations pursuant to Section "Intellectual Property", Section "Confidentiality and Loyalty", Section "Non-Competition", Section "Non-Solicitation", Section "Liquidated Damages" and Section "Governing Law and disputes" shall remain in full force and effect.

The Employee shall at the expiry of their employment deliver up to the Chief Executive Officer all reports, papers, correspondence, documents and any other materials (including copies thereof) supplied, or entrusted to the Employee or in the Employee's possession in connection with this employment and/or relating to the Company, its associated companies and/or their businesses and the same shall at all times remain the sole property of the Company or the associated company as the case may be.

The above agreement is confirmed:

Company  
Manager, CEO

Head of HR



Thomas Ingenlath  
2024-07-02

Monika Franke  
2024-07-02

Employee



Jean-Francois Mady

Polestar

Appendix I  
Privacy Notice – HR, Polestar

Controller  
Polestar Performance AB, a Swedish legal entity with registration number 556653-3096, Assar Gabrielssons Väg 9, SE-405 31, Gothenburg, Sweden, hereinafter referred to as "Polestar", "we", "our" and "us", will as controller process your personal data as described below.

Purpose, Retention Time and Legal Basis for Processing

We process personal data such as your name, contact information and other personal data in order to manage basic HR processes as part of your employment, such as paying your salary and providing you with access to IT systems and Polestar premises. More information regarding the purpose of our processing, the categories of personal data, the legal grounds for doing so, the retention time, and with whom your personal data is shared can be found on our Intranet.

#### Disclosure / Recipients of Your Personal Data / Transfer

Your personal data will be disclosed to and processed by our IT suppliers and service providers. In relation to our IT suppliers and service providers located outside of EEA, we will transfer your personal data in accordance with the Standard Contractual Clauses adopted by the European Commission.

#### Your Rights and Contact Information

You have the right to request a copy of your personal data that we store about you. We want to make sure that your personal information is accurate and up to date. Please do not hesitate to ask us to correct or remove information you think is inaccurate. You also have the right to have your personal data deleted and to have our processing of your personal data restricted in certain circumstances. In addition, you have the right to object to our processing of your personal data as well as to receive your personal data, which you have provided to us, in a structured, commonly used and machine-readable format and to have these transmitted to another controller. If you feel that we are processing your personal data in violation of privacy laws and regulations, you have the right to lodge a complaint with the supervisory authority.

For our Global Data Protection Officer, please send an e-mail to: [\*\*\*] or send a letter to: [\*\*\*].

I have read and acknowledge the Privacy Notice.

Employee



Jean-Francois Mady

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Polestar

#### Appendix II Variable Pay programs

##### Variable Pay

The Employee will be entitled to participate in the Company's Incentive programs at Polestar Performance AB in accordance with Company policy applicable from time to time.

The annual cash Short-Term Incentive Program (Polestar Bonus Program) target is [\*\*\*]% and should not exceed [\*\*\*]% of the annual base salary.

The Employee will participate in the Long-Term Variable Pay program from time to time as decided by the Board of the Company.

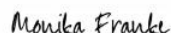
The Company reserves the right to amend or cancel the variable pay programs at its own discretion. All variable pay schemes should be subject of approval from the Board of the Company.

Company  
Manager, CEO



Thomas Ingenlath  
2024-07-02

Head of HR



Monika Franke  
2024-07-02

Employee

Jean-Francois Mady

Jean-Francois Mady

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Appendix III  
Directors and Officers insurance

**Directors and Officers (D&O) Insurance**

The Employee will be covered by the company's D&O liability insurance as applicable from time to time. Currently the D&O insurance borker is AoN.

Company

Manager, CEO

Head of HR



Thomas Ingenlath  
2024-07-02

Monika Franke

Monika Franke  
2024-07-02

Employee

Jean-Francois Mady

Jean-Francois Mady



Appendix IIII  
Offer letter

Dear Jean-Francois,

We are very pleased to offer you the position as *Polestar Chief Financial Officer*.

We offer you a local Swedish employment, including the Swedish "Expert tax" meaning that 25% of your income is exempt from tax for 7 years. Should the expert tax relief not be granted the company will cover the gap between the assumed expert tax relief level and the actual tax level.

The key details of the offer are as follows:

**Position: Chief Financial Officer (CFO)**  
**Reporting to: CEO**

**Annual Base salary:**

SEK [\*\*\*]

*Salary is based on 12 months, not entitled to separate compensation for overtime work.*

*Net calculation based on the Swedish "Expert tax" meaning that 25% of your income is exempt from tax for 7 years. (Estimated net on base salary: [\*\*\*] SEK monthly)*

**Short Term Incentive – Target [\*\*\*]%**

SEK [\*\*\*\*]

**Short Term Incentive – Max [\*\*\*]%**

SEK [\*\*\*\*]

**Total Target cash compensation**

SEK [\*\*\*\*]

**Housing allowance for 18 months: [\*\*\*] / month**  
(subject to taxation)

**Sign on cash bonus paid out in two instalments**  
(pay-out in 2024 is assuming start date in 2024)

SEK [\*\*\*\*], 2024

SEK [\*\*\*\*], 2025 April

**Pension contribution**

**ITP1 as per Swedish National Collective Agreement**

SEK [\*\*\*\*]

*(Estimated annual pension contribution)*

Old Age Pension according to legislation and mandatory National Collective Agreement.

Defined contribution pension ITP1 as per Swedish collective bargain agreement.

Current agreement:

- [\*\*\*] percent of the salary up to SEK [\*\*\*\*]/month
- [\*\*\*] percent of the portion of the salary over SEK [\*\*\*\*]/month up to SEK [\*\*\*\*]/Month

**Polestar Long Term Incentive - Target**

USD [\*\*\*\*] LTI 2025

*Additional one-time shares contribution for 2025 Program*

USD [\*\*\*\*] LTI 2025

- 3-year share based Long Term incentive program
- Cliff vesting after 3 years
- Performance period 2025-01 – 2027-12
- Future participation in the LTI program is subject to board approval.

**Insurances**

- Disability and Life insurance according to legislation and mandatory National Collective Agreement. (ITP & TGL)
- Travel Insurance for Company travel.

*JM TLMF*

**Tax**

The Company will provide Tax Specialist support (information in connection with the move to Sweden and thereafter support with tax returns each year). The company will apply for the Expert tax which is valid for 7 years.

**Cars**

Entitled to car benefit according to Swedish car policy applicable from time to time.

- Access to one "B-car" – a benefit car, 18-month contract. Can select any Polestar model, subject to availability. The employee pays a gross monthly salary deduction of 900 SEK and the benefit tax on the car. All running cost except charging and congestion charges are included in the cost.
- Access to one "E-car" – a car that is paid through net salary deduction, 24-month contract. Can select any Polestar 2 version, subject to availability. The employee pays the cost for the car through a monthly net salary deduction. All running cost except charging and congestion charges are included in the cost.

#### Holidays

30 days paid holiday according to Swedish collective agreement, plus 8 additional days in time bank ("Arbetstidsförkortning")

#### Schooling

The Company will fully reimburse any mandatory schooling tuition fee upon completing High School for two children.

#### Relocation support

One-time relocation allowance of [\*\*\*\*] SEK (tax free)

Move of household goods up to 40 feet container (according to Polestar International local hire policy)

Home search

Settling in support

Tax- and pension-support

Travel allowance of [\*\*\*\*] SEK/annum (gross allowance and subject to benefit tax)

#### Termination of employment

Termination by the Employee - 12 months' notice

Termination by the Company - 12 months' notice

I hope that this offer reflects our wish to have you joining us on the adventure that we have ahead of us at Polestar and illustrates that we are keen to have you join our company. Please note that an acceptance of the offer letter is considered binding, once we have agreed on a starting date, we will issue the terms in a formalized digital contract.

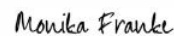
JM TCMF

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Best regards,



Thomas Ingenlath  
CEO



Monika Franke  
Head of HR

#### Additional information

##### **Polestar Annual Bonus Program (STI)**

All employees of Polestar, including each of the Company's executive officers, participate in the Polestar Bonus Program, a short-term cash incentive program, of which key performance indicators ("KPIs") and the pay-out are approved by the Board annually. Under the Polestar Bonus Program, employees are eligible to receive an annual cash bonus based on global KPIs. At the end of the applicable performance period, the Board determines the achievement of the relevant performance metrics. For fiscal year 2024, the Polestar Global Bonus Program is based on the following four KPIs:

- Net income [\*\*\*]
- Cash flow [\*\*\*\*]
- Cost management [\*\*\*]
- Customer experience [\*\*\*\*]

Historical pay-outs:

2020: [\*\*\*\*]

2021: [\*\*\*\*]

2022: [\*\*\*\*]

2023: [\*\*\*\*]

Your individual target level will be [\*\*\*\*] of your annual base salary. It is an annual program, following the calendar year, and the pay-out is normally taking place in April the following year.

##### **Polestar 3-year share based Long Term incentive program (LTI)**

The Polestar Share based long term incentive program aims to motivate and incentivize the delivery of sustained performance over the long-term, focusing on enterprise value creation, sustainability, and retention. The program aims to reward those employees who will have a major contribution to make Polestar a sustainable and successful company. The participation, target setting, and level of rewards are decided annually by the board. In this program you will receive [\*\*\*] Performance Share Units (PSUs) throughout a 3-year program with cliff vesting.

The program period is 1<sup>st</sup> January 2025 – 31<sup>st</sup> December 2027. The performance criteria in this program are: (i) [\*\*\*\*] value creation (Polestar value development compared to a peer group); (ii) [\*\*\*\*] EBIT (iii) [\*\*\*\*] ESG and (iv) [\*\*\*\*] Operational milestones.

Your target level is [\*\*\*]. Participants can earn up to [\*\*\*] of their target level (PSUs only). Your max level is thus [\*\*\*\*]. *Have in mind that the final size of the award will depend on the Share price of the Polestar share at the vesting date.*

Future participation in Long Term Incentive Programs is subject to board approval and there is no guarantee that future participation will be on the same target level.

*M* *TZ MF*







Certain identified information marked with "[\*]" has been omitted from this document because it is both (i) not material and (ii) the type that the registrant treats as private or confidential.

## Polestar

### Agreement of Employment

#### Employee

Jonas Engström  
[\*]

#### Company

Polestar Performance AB  
Assar Gabrielssons Väg 9  
SE405 31 Gothenburg  
Sweden

Registered: Gothenburg, Sweden  
Registration no. 556653-3096

The parties (Employee and Company) have entered the following terms of employment. This employment contract, hereafter called the Employment Contract, is valid from 2023-08-01 and revokes all previous agreements between the Company and the Employee regarding the subject matter hereof.

Position	Head of Operations
Department	Operations
Location	Göteborg, Sweden
Employment start date	2021-12-01

#### Employment type

The employment is permanent, starting from 2021-12-01 and shall continue for an indefinite period.

#### Termination

Given the senior nature of the position, the Company and the Employee, (jointly the "Parties") has a common view that in general the Swedish Employment Protection Act (Sw. lagen om anställningsskydd (1982:80)) is not applied.

#### Working Hours

Full-time position, in accordance with collective agreement Teknikavtalet Unionen/Sveriges Ingenjörer/Ledarna. The Employee is exempted from the provisions of §§2–5 in the working time agreement. This means the Employee is not entitled to overtime or travel compensation.

#### Position

The Employee shall furthermore accept appointment to the Company's or any associated company's board of directors if so requested. The Employee is not entitled to any additional compensation for such assignments.

#### Salary

Gross monthly salary (12 pay periods/annum): [\*] SEK

The Salary will be reviewed yearly or otherwise in accordance with applicable collective agreement.

This salary is applicable for the year 2023.

The monthly salary is adjusted to include compensation for overtime and travelling time.

#### Variable Pay Programme

The Employee participates in the Company's variable pay programme in accordance with current variable pay policy, details is set out in Appendix II.

The Company reserves the right to, at its own discretion, alter the terms of the variable pay programme from year to year or to withdraw them altogether. All variable pay schemes are subject to approval from the Board of the Company.

#### Vacation

The Employee is entitled to thirty (30) vacation days per year. The vacation year is defined as the period from April 1st until March 31st. Vacation benefits are regulated in general according to applicable national and local collective agreements.

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#### Company Car

The Employee is entitled to an individual company benefit car according to the current benefit car policy. Accordingly, if the Employee decides to get a company benefit car, a deduction from the monthly gross salary will be made according to the current benefit car policy. If the Employee chooses not to take the option of an individual benefit car within a year from this contract date, the continuation of the benefit will be reconsidered according to the benefit car policy.

#### Pension

The Employee shall receive pension benefits according to the ITP 2 pension plan defined by Swedish law, collective agreements, and Polestar's pension regulations. The employee will also receive pension contributions corresponding to [\*\*\*]% of the income (includes base salary and bonus) on income above [\*\*\*] (income base amount).

#### Other Conditions of Employment

The applicable collective agreement — either Teknikavtalet Unionen/Sveriges Ingenjörer/ Ledarna or an equivalent national collective agreement valid at the time — applies. In addition to the national collective agreement, the local collective agreement at the Company applies.

#### Personal Data

The Employee has been informed and agrees that personal data, regulated under GDPR (General Data Protection Regulation), may be registered by the Company. The Employee has also been informed and has agreed to that such information may be transferred to a third party for system management purposes.

#### Compliance of Company Policies and Regulations

The Employee shall comply with the Code of Conduct and other applicable policies and regulations at the Company.

#### Confidentiality and Loyalty

The Employee must exercise complete discretion and loyalty concerning the Company. Both during and after the employment, the Employee shall hold trade secrets, including without limitation, secret information contained in invention disclosures, unreleased product names and designs, strategic product and cycle plans, planned acquisitions, know-how, data, software code, specifications, manufacturing processes, supplier information etc. of the Company in strict confidence. The Employee shall not disclose these trade secrets to anyone except other Employees of the Company who have a need to know the trade secrets in connection with the Company's business. The Employee also agrees to not share with the Company any trade secrets belonging to third parties, such as a former employer, that may be in the Employee's possession. The Employee may be subject to legal proceedings for any misuse or unauthorised disclosure of any trade secrets and/or know-how both during and after employment within the Company.

#### Company information

The Employee shall at all times promptly provide the Chief Executive Officer, or any person assigned by her, with such information and explanations as may be required in connection with matters relating to her employment under this Agreement or in connection with the business of the Company or any of its associated companies.

#### Non-Competition

1.1 The parties agree that the Employee in the course of their employment will gain access to Company specific knowledge and trade secrets, which may cause the Company considerable harm if used for the benefit of a competing business. The parties furthermore agree that it is a precondition for the Employee's employment that the Company can disclose such information to them, in the knowledge that it will not be used to engage in or promote a business that competes with the Company's (or any associate company's) business. The Employee thus agrees to refrain, during the term of this Agreement and for six (6) months after its termination, directly or indirectly, whether alone or as a partner, officer, employee, director or executive or consultant, from engaging or having an interest in any business which directly or indirectly is engaged in business which is, at the time of the expiry of their employment, in competition with the business of the Company or any associated company.

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- 1.2 Subject to the exceptions stated below in this section the Company shall, as compensation for the inconvenience that the existing non-competition covenant causes the Employee, pay the Employee the difference between their base salary paid by the Company at the time of the termination of their employment and the (lower) salary which they earn from their new employment. However, the compensation payable by the Company shall not exceed sixty (60) percent of the Employee's monthly base salary at the time of the termination of their employment nor be paid during a period which exceeds the period of this non-competition covenant or in case of the Employee breach of this non-competition covenant. To enable the Company to calculate the appropriate compensation, the Employee is obliged to inform the Company of the level of their current salary from their new employment. However, compensation shall not be paid during any period of which the Employee receives severance pay from the Company or where the employment is terminated (i) due to the Employee retirement or (ii) by the Company due to the Employee material breach of this Agreement.
- 1.3 The Company may subject to one month's prior written notice to release the Employee from the non-competition obligation pursuant to Section 1.1 under 'Non-competition' above. In such event, the Company shall be released from the obligation to pay compensation in accordance with Section 1.2 under 'Non-competition' above.

#### Non-Solicitation

- 2.1 During the period referred to in Section 1.1 under 'Non-competition' above, the Employee shall not, directly or indirectly, engage or participate in professional contacts with anyone who, during the twelve (12) months preceding the termination of the Employee's employment, has been a customer or client of the Company or any of its associated companies. The Company may through written notification release the Employee from this obligation in specific cases.
- 2.2 During the period referred to in Section 1.1 under 'Non-competition' above, the Employee shall not directly or indirectly solicit or attempt to solicit employees of the Company, or any of its associated companies, or use their services for any means other than for the benefit of the Company. The Company may through written notification release the Employee from this obligation in specific cases.

#### Intellectual Property

The Employee acknowledges that all intellectual property (IP) that the Employee generates, modifies or improves in the course of the Employment Contract shall be or remain assigned to the Company from its creation, without compensation other than that established within the scope of law or applicable collective agreement (i.e., reasonable compensation for ideas which constitute patentable inventions), within the legal or collective agreement limits. For purposes of this contract, IP includes, but is not limited to (i) inventions, innovations and discoveries (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto; (ii) know-how, ideas, concepts, creations, layouts, designs, drawings, patterns, models, compositions, architectures, protocols, formulas, algorithms, processes, programs, methods, computer software (including object code and source code and related documentation), and research and development; (iii) patents; (iv) trademarks; (v) copyrights; (vi) design rights; (vii) internet domain names and registrations and applications for registration or renewals thereof, and email addresses, telephone numbers, social media identifications and tags; (viii) all rights in databases and data collections; (viii) all moral and economic rights of authors and inventors, however denominated; (ix) topographies of semiconductor products; (x) confidential information; and (xi) trade secrets.

#### Liquidated damages

If the Employee fails to comply with the provisions of Section "Intellectual Property", Section "Confidentiality and Loyalty", Section "Non-Competition" or Section "Non-Solicitation", the Employee shall, in respect of every breach, pay liquidated damages to the Company amounting to six (6) times the Employee's average monthly gross salary paid by the Company during the six months preceding the breach or, if their employment has expired, immediately prior to the expiry of the employment. In the event the breach is of a continuing nature during each month that the situation or action constituting the breach continues despite written objection from the Company to the Employee, the breach shall be deemed to constitute one breach and give rise to an obligation to pay liquidated damages as above. In the event the actual loss caused to the Company exceed this amount, the Company shall be entitled to damages in respect of such excess amount and/or to take other legal measures.

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#### Governing law and disputes

This Agreement shall be governed by and construed in accordance with the laws of Sweden. Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Swedish Arbitration Act (Sw. lag (1999:116) om skiljeförfarande).

The Parties undertake and agree that all arbitral proceedings conducted by reference to this arbitration section will be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party without the written consent of both Parties thereto. Notwithstanding the foregoing, a Party shall not be prevented from disclosing such information in order to secure its interests against the other Party in connection with a dispute or if required to do so by law, any applicable stock exchange regulations or the regulations of any other recognised market place.

The Company shall, unless the arbitrator holds that the Employee has caused the initiation of arbitral proceedings without reasonable cause pay the arbitrator's fees. Other costs, such as legal fees, shall be apportioned between the Parties in accordance with the provisions of the Swedish Code of Judicial Procedure (Sw. Rättegångsbalken (1942:740)).

#### Termination of Employment

This Agreement may be terminated by the Company subject to 6 months notice and by the Employee subject to 6 months notice. The Agreement expires without any prior notice in conjunction with the Employee's retirement pursuant to section "Pension".

In connection with either party's termination of this Agreement, the Company shall be entitled to relieve the Employee of their duties. The Employee shall, however, remain at the Company's disposal during the notice period to carry out such duties, as the Chief Executive Officer thinks fit. The Company is, however, entitled to permanently require the Employee not to perform any work for the Company. During the notice period, the Employee may not commence a new employment or start to conduct business without the prior written consent of the Chief Executive Officer.

If the employment is terminated by the Company, the Employee shall be entitled to severance pay equivalent to 12 times the monthly base salary they had at the expiry of their employment. The severance pay shall be paid monthly during a period of 12 months in equal instalments starting in the month after the expiry of their employment. Any income that the Employee earns, or reasonably should have earned, from any other employment or business during the period for which the Employee receives severance pay shall be deducted from the severance pay. The Employee shall actively search for new employment and shall, not later than the 15th every month, inform the Company whether or not they have agreed to commence employment with a new employer.

Salary during a notice period or severance pay shall not be payable for any period commencing on the Employee's retirement.

The Employee is not entitled to any bonus distribution that may occur during the notice period.

In the event of the Employee material breach of the obligations under this Agreement, the Company shall be entitled to terminate the Agreement with immediate effect. Notwithstanding such termination, the Employee's obligations pursuant to Section "Intellectual Property", Section "Confidentiality and Loyalty", Section "Non-Competition", Section "Non-Solicitation", Section "Liquidated Damages" and Section "Governing Law and disputes" shall remain in full force and effect.

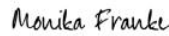
The Employee shall at the expiry of their employment deliver up to the Chief Executive Officer all reports, papers, correspondence, documents and any other materials (including copies thereof) supplied, or entrusted to the Employee or in the Employee's possession in connection with this employment and/or relating to the Company, its associated companies and/or their businesses and the same shall at all times remain the sole property of the Company or the associated company as the case may be.

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The above agreement is confirmed:

Company  
Manager, CEO

HR



Thomas Ingenlath  
2023-10-11

Monika Franke  
2023-10-11

Employee



Jonas Engström  
2023-10-11

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## Polestar

### Appendix I Privacy Notice – HR, Polestar

#### Controller

Polestar Performance AB, a Swedish legal entity with registration number 556653-3096, Assar Gabrielssons Väg 9, SE-405 31, Gothenburg, Sweden, hereinafter referred to as "Polestar", "we", "our" and "us", will as controller process your personal data as described below.

#### Purpose, Retention Time and Legal Basis for Processing

We process personal data such as your name, contact information and other personal data in order to manage basic HR processes as part of your employment, such as paying your salary and providing you with access to IT systems and Polestar premises. More information regarding the purpose of our processing, the categories of personal data, the legal grounds for doing so, the retention time, and with whom your personal data is shared can be found on our Intranet.

#### Disclosure / Recipients of Your Personal Data / Transfer

Your personal data will be disclosed to and processed by our IT suppliers and service providers. In relation to our IT suppliers and service providers located outside of EEA, we will transfer your personal data in accordance with the Standard Contractual Clauses adopted by the European Commission.

#### Your Rights and Contact Information

You have the right to request a copy of your personal data that we store about you. We want to make sure that your personal information is accurate and up to date. Please do not hesitate to ask us to correct or remove information you think is inaccurate. You also have the right to have your personal data deleted and to have our processing of your personal data restricted in certain circumstances. In addition, you have the right to object to our processing of your personal data as well as to receive your personal data, which you have provided to us, in a structured, commonly used and machine-readable format and to have these transmitted to another controller. If you feel that we are processing your personal data in violation of privacy laws and regulations, you have the right to lodge a complaint with the supervisory authority.

For our Global Data Protection Officer, please send an e-mail to: [\*\*\*] or send a letter to: [\*\*\*].

I have read and acknowledge the Privacy Notice.

#### Employee

*Jonas Engström*

Jonas Engström  
2023-10-11

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## Polestar

### Appendix II

#### Variable Pay programs

The Employee will be entitled to participate in the Company's Incentive programs at Polestar Performance AB in accordance with Company policy applicable from time to time.

From 2023, the annual cash Short-Term Incentive Program (Polestar Bonus Program) target is [\*\*\*]% and should not exceed [\*\*\*]% of the annual base salary.

The Employee may participate in a Long-Term Variable Pay program from time to time as decided by the Board of the Company.

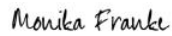
The Company reserves the right to amend or cancel the variable pay programs at its own discretion. All variable pay schemes should be subject of approval from the Board of the Company.

Company  
Manager, CEO

HR

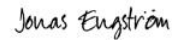


Thomas Ingenlath  
2023-10-11



Monika Franke  
2023-10-11

Employee



Jonas Engström  
2023-10-11

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Policy

Insider trading

Type	Corporate Policy		
Scope	Global (Polestar Automotive Holding UK PLC and all subsidiaries)		
Owner	Lisa Edblom, Head of Corporate Legal		
Version	2.0	Effective date	2023-04-05
Approved by	Board of Directors 2023-03-29	Last review	2023-03-29
What's new since last version	Updated SpeakUp reference		

The valid version of this policy is published on the Polestar intranet. Print-outs may be out of date – always check the intranet for latest version. Polestar Legal is responsible for publishing it on the Polestar intranet.

The original language of this document is English.

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## 1 Introduction and purpose

Polestar Automotive Holding UK PLC has securities listed and traded on the Nasdaq Stock Exchange (the “Securities”). As a consequence, Polestar undertakes to follow certain specific rules and regulations applicable to companies with listed securities.

This Policy is intended to ensure Polestar and Polestar employees comply with laws prohibiting insider trading.

All employees are required to understand and adhere to this Policy, and it is of even greater importance that those employees who face higher risk of access to Inside Information (as defined below) strictly follow the principles described herein. Employees are also expected to keep up to date with the latest version of this Policy.

This Policy should be read in conjunction with Polestar’s Code of Conduct, Confidentiality Policy, Fair Disclosure Directive, Communication Policy and Social Media Directive.

The Insider Trading Policy (the “Policy”) provides guidelines with respect to transactions in the securities of Polestar Automotive Holding UK PLC and the handling of confidential information about Polestar and the companies with which Polestar does business.

Polestar Automotive Holding UK PLC Board of Directors (the “Board”) has adopted this Policy to ensure compliance with U.S. federal, U.S. state and foreign securities laws that prohibit certain persons who are aware of Material Nonpublic Information (“MNPI”) about a company from: (i) trading in securities of that company; or (ii) providing Material Nonpublic Information to other persons who may trade on the basis of that information (Rule 10b-5)

Regulators, including the U.S. Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority, have adopted sophisticated surveillance techniques to identify insider trading transactions, and it is important to Polestar to avoid even the appearance of impropriety.

## 2 Commitments and expectations

### 2.1 Persons subject to the policy

The Policy applies to all employees of Polestar, including directors.

All Polestar’s employees, regardless of function, position or location, whether working full-time or part-time, under a permanent contract or on a temporary basis, are subject to this Policy. In addition, consultants and agency personnel who work at Polestar premises or under the direction of Polestar (who usually have a Polestar identification – or PDFID – and/or a @polestar.com email address).

Note that this Policy shall not be construed as an employment contract and does not give consultants or agency personnel any right to continued employment by Polestar or its subsidiaries

Polestar reserves the right to determine the other persons who should be subject to this Policy, such as other contractors or consultants who have access to Material Nonpublic Information.

This Policy also applies to family members, other members of a person's household and entities controlled by a person covered by this Policy, as described below.

## 2.2 Individual responsibility

Persons subject to the Policy have ethical and legal obligation to maintain the confidentiality of information about Polestar and not to engage in transactions in Polestar Securities while in possession of Material Nonpublic Information.

Each individual is responsible for their compliance with this Policy, and that any family member, household member or entity whose transactions are subject to the Policy, as discussed below, also comply with the Policy.

In all cases, the responsibility for determining whether an individual is in possession of MNPI rests with that individual, and any action on the part of Polestar, the General Counsel or any other employee or director pursuant to the Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.

**You could be subject to severe legal penalties and disciplinary action by Polestar for any conduct prohibited by the Policy or applicable securities laws, as described below in more detail under the heading "Consequences of violations of this Policy".**

## 2.3 Transactions subject to the policy

The Policy applies to transactions in Polestar's securities (collectively referred to as "Polestar Securities"), including Polestar's ordinary shares, options to purchase ordinary shares, warrants, or any other type of securities that Polestar may issue, including (but not limited to) preferred stock and convertible notes, as well as depositary and derivative securities that are not issued by Polestar, such as American depositary shares or receipts with respect to Polestar's ordinary shares or warrants, exchange-traded put or call options or swaps relating to Polestar Securities.

# 3 Statement of policy

It is the policy of Polestar that no employee (including directors) of Polestar (or any other person designated by this Policy or by Polestar's General Counsel as subject to the Policy) who is aware of MNPI relating to Polestar may, directly, or indirectly through family members or other persons or entities:

- Engage in transactions in Polestar Securities, except as otherwise specified in this Policy under the headings "Transactions Under Company Plans," "Transactions Not Involving a Purchase or Sale" and "Rule 10b5-1 Plans";
- Recommend the purchase or sale of any Polestar Securities;
- Disclose Material Nonpublic Information to persons within Polestar whose jobs do not require them to have that information, or outside of Polestar to other persons, including, but not limited to, family, friends, business associates, investors and expert consulting firms, unless any such disclosure is made in accordance with Polestar's policies regarding the protection or authorized external disclosure of information regarding Polestar; or

- Assist anyone engaged in the above activities.

In addition, it is the policy of Polestar that no director, or other employee of Polestar (or any other person designated as subject to this Policy) who, in the course of working for Polestar, learns of Material Nonpublic Information about a company with which Polestar does business, including a customer or supplier of Polestar, may trade in that company's securities until the information becomes public or is no longer material.

There are no exceptions to this Policy, except as specifically noted herein. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or small transactions, are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve Polestar's reputation for adhering to the highest standards of conduct as a listed company.

## 4 Material Nonpublic Information

"Material Nonpublic Information" (or "MNPI") is also known as "inside information" in some jurisdictions.

**If you are unsure whether information is material, or whether it is public (widely disseminated), you should:**

- (a) Consult with Legal before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates, or**
- (b) Assume that the information is material and nonpublic.**

### 4.1 Material Information

Information is considered "material" if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. Any information that could be expected to affect a company's securities price, whether it is positive or negative, should be considered material. There is no specific standard for assessing materiality – materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities retrospectively.

Possible material information or events include, but are not limited to:

- Projections of future earnings or losses, or other earnings guidance;
- Changes to previously announced earnings guidance, or the decision to suspend earnings guidance;
- A pending or proposed merger, acquisition or tender offer;



- A pending or proposed acquisition or disposition of a significant asset;
- A pending or proposed joint venture;
- A company restructuring;
- Material related party transactions;
- A change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- Bank borrowings or other financing transactions out of the ordinary course;
- The establishment of a repurchase program for Polestar Securities;
- A change in Polestar's pricing or cost structure;
- Major marketing changes;
- Management changes;
- Board of Directors changes;
- A change in auditors or notification that the auditor's reports may no longer be relied upon;
- Development of a significant new product, process, or service;
- Pending or threatened significant litigation, or the resolution of such litigation;
- Regulatory approvals or changes in regulations and any analysis of how they affect Polestar;
- Impending bankruptcy or the existence of liquidity problems;
- Significant cybersecurity incidents; and
- The imposition of a ban on trading in Polestar Securities or the securities of another company.

#### 4.2 When Information is Considered Public

Information that has not been disclosed to the public is generally considered to be nonpublic information.

In order to establish that the information has been disclosed to the public, it is necessary to demonstrate that the information has been widely disseminated. This is a fact-specific analysis:

- Information generally would be considered widely disseminated if it has been disclosed through the broad-based newswire services, a broadcast on widely-available radio or television programs, publication in a widely-available newspaper, magazine or news website, and is accompanied by public disclosure documents filed with the SEC that are available on the SEC's website. By contrast, information would likely not be considered widely disseminated if it is available only to Polestar's employees, only posted on Polestar's social



media accounts, or only available to a select group of analysts, brokers and institutional investors.

- Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information. As a general rule, information should not be considered fully absorbed by the marketplace until after the first business day after the day on which the information is released. If, for example, Polestar was to make an announcement on a Monday, you should not trade in Polestar Securities until Wednesday. Depending on the particular circumstances, Polestar may determine that a longer or shorter period should apply to the release of specific Material Nonpublic Information.

## 5 Transactions

### 5.1 Transactions covered by the Policy

#### 5.1.1 Transactions by family members and others

This Policy applies to family members who reside with an employee (including a spouse, a child, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Polestar Securities are directed by you or are subject to your influence or control, such as parents or children who consult with you regarding Polestar or Polestar Securities before they trade in Polestar Securities (collectively referred to as “Family Members”).

**You are responsible for the transactions of these other persons and therefore should make them aware of the need to alert you before they trade in Polestar Securities, so that you can ensure that such trade is handled in accordance with this Policy, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account.**

The Policy does not, however, apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by or related to you or your Family Members.

#### 5.1.2 Transactions by entities that you influence or control

The Policy applies to any entities that you influence or control, including any corporations, partnerships or trusts (collectively referred to as “Controlled Entities”), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

### 5.2 Transactions for which the policy is not applicable, except as specifically noted

#### 5.2.1 Transactions under company plans

The Policy does not apply in the case of the following transactions, except as specifically noted:

1. Stock Option Exercises: This Policy does not apply to the exercise of an employee stock option acquired pursuant to Polestar’s plans, or to the exercise of a tax withholding right pursuant to

which a person has elected to have Polestar withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

2. Restricted Share Awards: This Policy does not apply to the vesting of restricted shares, or the exercise of a tax withholding right pursuant to which you elect to have Polestar withhold shares to satisfy tax withholding requirements upon the vesting of any restricted shares. The Policy does apply, however, to any market sale of restricted shares.
3. Employee Share Purchase Plan: This Policy does not apply to purchases of Polestar Securities in the employee share purchase plan resulting from your periodic or lump sum contribution of money to the plan pursuant to the election you made at the time of your enrolment in the plan. This Policy does apply, however, to your initial election to participate in the plan, changes to your election to participate in the plan for any enrolment period, and to your sales of Polestar Securities purchased pursuant to the plan.
4. Dividend Reinvestment Plan: This Policy does not apply to purchases of Polestar Securities under any dividend reinvestment plan Polestar adopts resulting from your reinvestment of dividends paid on Polestar Securities. This Policy does apply, however, to voluntary purchases of Polestar Securities resulting from additional contributions you choose to make to the dividend reinvestment plan, and to your election to participate in the plan or increase your level of participation in the plan. This Policy also applies to your sale of any Polestar Securities purchased pursuant to the plan.

#### 5.2.2 Transactions not involving a purchase or sale

Bona fide gifts are not transactions subject to this Policy, unless the person making the gift has reason to believe that the recipient intends to sell the Polestar Securities while the employee or director is aware of Material Nonpublic Information, or the person making the gift is subject to the trading restrictions specified below in Section 7 “Pre-Clearance and Blackouts” and the sales by the recipient of the Polestar Securities occur during a blackout period.

Further, transactions in mutual funds that are invested in Polestar Securities are not transactions subject to this Policy.

#### 5.3 Special and prohibited transactions

Polestar has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. It therefore is Polestar’s policy that any persons covered by this Policy may not engage in, or should otherwise consider Polestar’s preferences regarding the following transactions:

- Short-Term Trading
- Short Sales
- Publicly-Traded Options
- Hedging Transactions
- Margin Accounts and Pledged Securities

- Standing and Limit Orders

Definitions and detailed rules for special and prohibited transactions are provided in Appendix 1.

## 6 Additional procedures

Polestar has established additional procedures in order to assist Polestar in the administration of this Policy, to facilitate compliance with laws prohibiting insider trading while in possession of Material Nonpublic Information, and to avoid the appearance of any impropriety. These additional procedures are applicable only to those individuals described and consist of:

Pre-clearance from Polestar General Counsel: certain employees who, because of the nature of their job, are routinely in possession of Material Nonpublic Information (designated as “Covered Persons”) may not engage in any transaction in Polestar Securities without first obtaining pre-clearance of the transaction from the General Counsel.

Blackout periods (Quarterly and Event specific Blackout): Covered Persons and other employees being in possession of ad-hoc Event specific material information persons are subject to quarterly trading restrictions and event-driven trading restrictions and may not conduct any transactions involving Polestar’s Securities during “Blackout Periods”.

These additional procedures are described in Appendix 2.

## 7 Rule 10b5-1 plans

Rule 10b5-1 under the U.S. Securities Exchange Act of 1934, as amended, provides an affirmative defense to insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Polestar Securities that meets certain conditions specified in Rule 10b5-1 (a “Rule 10b5-1 Plan”). If the Rule 10b5-1 Plan meets the necessary legal requirements and was adopted following the procedures described in this Policy, Polestar Securities may be purchased or sold without regard to certain insider trading restrictions.

Generally, a compliant Rule 10b5-1 Plan must:

1. be in writing and signed by the person adopting the Rule 10b5-1 Plan;
2. be entered into within a Window Period, and the Rule 10b5-1 Plan may only be modified or terminated when there is no quarterly, special or other blackout in effect with respect to the person modifying the Rule 10b5-1 Plan;
3. be adopted at a time when the person adopting the Rule 10b5-1 Plan is not aware of any Material Nonpublic Information about Polestar or Polestar Securities;

4. include a “cooling-off period” between adoption or modification of the Rule 10b5-1 Plan and execution of the first trade. Directors and officers are subject to a cooling-off period of the later of: (a) 90 days following the adoption or modification of such plan, or (b) ending after the close of trading on the second full trading day following the date of the public release of Polestar’s earnings results for the fiscal quarter in which such plan was adopted or modified (but not to exceed 120 days following plan adoption or modification). Persons other than directors and officer may comply with a 30-day cooling-off period;
5. be adopted, modified, or terminated in good faith and not as part of a plan or scheme to evade or circumvent the prohibitions of Rule 10b-5. The person who adopts the Rule 10b5-1 Plan must act in good faith with respect to the Rule 10b5-1 Plan throughout its duration;
6. provide that the Rule 10b5-1 Plan cannot be suspended, modified or terminated without the pre-approval of the General Counsel of Polestar (and subject to the applicable “waiting periods”);
7. only be modified or terminated when the person modifying the Rule 10b5-1 Plan is not aware of Material Nonpublic Information;
8. include written certification by directors and officers, at the time of the adoption of a new or modified Rule 10b5-1 Plan, that they are: (a) not aware of any Material Nonpublic Information about Polestar or Polestar Securities and (b) adopting the Rule 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1; and
9. either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Once a Rule 10b-5 Plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. Additionally, any person adopting a Rule 10b5-1 Plan may not use multiple overlapping Rule 10b5-1 Plans (unless permitted by applicable law and approved by the General Counsel). Further, persons adopting a Rule 10b5-1 Plan may only rely on the defenses afforded to them by Rule 10b5-1 for a single-trade plan once during any consecutive 12-month period.

To comply with this Policy, a Rule 10b5-1 Plan must be approved by the General Counsel and meet the requirements of Rule 10b5-1. Polestar reserves the right to disapprove any submitted Rule 10b5-1 Plan and to suspend or instruct any person subject to this Policy and adopting a Rule 10b5-1 Plan to terminate a previously approved Rule 10b5-1 Plan. Any Rule 10b5-1 Plan must be submitted for approval five days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.



## 8 Post-termination transactions

This Policy continues to apply to transactions in Polestar Securities even after termination of service to Polestar. If an individual is in possession of Material Nonpublic Information when his or her service terminates, that individual may not trade in Polestar Securities until that information has become public or is no longer material.

The pre-clearance procedures specified under the heading “Pre-Clearance and Blackouts” above, however, will cease to apply to transactions in Polestar Securities upon the expiration of any Blackout Period or other Company-imposed trading restrictions applicable at the time of the termination of service.

## 9 Violations of this Policy

If you notice any activity or conduct that may result in a violation of this Policy, report the issue promptly to your direct manager or your local HR representative. If that is not possible or you are not comfortable with this reporting procedure, you can also contact another manager, Legal, or send a report through SpeakUp. For more information about reporting, see the Speak Up Policy.

The purchase or sale of securities while aware of Material Nonpublic Information, or the disclosure of Material Nonpublic Information to others who then trade in Polestar’s Securities, is prohibited by U.S. federal, U.S. state and foreign laws.

Insider trading violations are pursued vigorously by the U.S. Securities and Exchange Commission, U.S. Attorneys and state enforcement authorities as well as the laws of foreign jurisdictions.

Punishment for insider trading violations is severe and could include significant fines and imprisonment. While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other “controlling persons” if they fail to take reasonable steps to prevent insider trading by company personnel.

In addition, failure to comply with this Policy could cause significant harm to Polestar and may lead to sanctions for the violating Employee(s), up to termination of employment and/or liability towards Polestar, including substantial fines and in some cases criminal prosecutions.

Besides the previously mentioned consequences, a violation of law, or even an U.S. Securities and Exchange Commission investigation that does not result in prosecution, can tarnish a person’s reputation and irreparably damage a career.

## 10 Guidance and assistance

Guidance and assistance regarding this Policy should be sought, first and foremost, from your direct manager. Questions about this Policy may also be directed to Legal or the owner indicated on the cover page.

## 11 Definitions

Term	Definition
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Corporate Directive	A directive document adopted by Polestar's global Management Team, binding for all Employees globally. A Corporate Directive details the principles stated in a Corporate Policy, and/or describes how a specific subject matter or area is regulated at Polestar regarding global responsibility, process and organisational expectations.
Corporate Policy	A policy document adopted by Polestar's global Board of Directors, binding for all Employees globally.
Employee	All Polestar employees, regardless of function, position or location, whether working full-time or part-time, under a permanent contract or on a temporary basis, including consultants and agency personnel who work at any Polestar premises or under the direction of Polestar (and who usually have a PDFID or a @polestar.com e-mail address), and the members of Polestar's Board of Directors.
Polestar	Polestar Automotive Holding UK PLC and its subsidiaries (i.e. all persons and entities directly or indirectly controlled by Polestar Automotive Holding UK PLC, where control may be by management authority, equity interest or otherwise.)
Rule 144	Rule 144 is a safe harbour from registration that allows a holder of control or restricted securities to sell the securities in the public market without having to register the sale with the U.S. Securities and Exchange Commission. There are certain conditions to the availability of the safe harbour provided under Rule 144, including conditions relating to holding periods and limitations of the volume of securities that may be sold under the safe harbour.

## APPENDIX 1 - SPECIAL AND PROHIBITED TRANSACTIONS

Any person covered by this Policy may not engage in any of the following transactions, or should otherwise consider Polestar's preferences as described below:

### 1. Short-Term Trading

#### 1.1 Definition

Trading strategies in stock market or futures market in which the time duration between entry and exit is within a range of few days to few weeks.

A trade where the investors enter and exist their position within a few days or a few weeks.

#### 1.2 Statement

Short-term trading of Polestar Securities may be distracting to the person and may unduly focus the person on Polestar's short-term stock market performance instead of Polestar's long-term business objectives.

For these reasons, any director, or other employee of Polestar who purchases Polestar Securities in the open market **may not sell** any Polestar Securities of the same class **during the six months following the purchase** (or vice versa).

### 2. Short Sales

#### 2.1 Definition

The practice of borrowing a security from another investor (e.g. a stock) in order to sale it on the open market in the hope of being able to buy it back later at a lower price, thereby making the difference between the sales and re-purchase as a profit.

#### 2.2 Statement

Short sales of Polestar Securities may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in Polestar's prospects. In addition, short sales may reduce a seller's incentive to seek to improve Polestar's performance.

For these reasons, short sales of Polestar Securities are **prohibited**.

Short sales arising from certain types of hedging transactions are governed by the paragraph below captioned "Hedging Transactions."

### 3. Publicly-Traded Options

#### 3.1 Definition

Options (or option contracts) are financial instruments which value is based on an underlying security, e.g. a stock ("the underlying security") giving the investor the right (or the option) to sell or buy the underlying security in the future. The difference between the premium the investor paid for the option and for which the investor sold or bought the underlying security is the profit. Publicly traded options are traded on the stock exchange.

#### 3.2 Statement

Given the relatively short term of publicly-traded options, transactions in options may create the appearance that a director or employee is trading based on Material Nonpublic Information and focus a director's or employee's attention on short-term performance at the expense of Polestar's long-term objectives.

Accordingly, transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, are **prohibited** by this Policy.

Option positions arising from certain types of hedging transactions are governed by the next paragraph below.

### 4. Hedging Transactions or monetisation transactions

#### 4.1 Definition

Strategy used by an investor to reduce the risk exposure of their investment. It can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds.

#### 4.2 Statement

Hedging transactions may permit a director or employee to continue to own Polestar Securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the director or employee may no longer have the same objectives as Polestar's other shareholders. Therefore, such transactions are **prohibited** by this Policy.

### 5. Margin Accounts and Pledged Securities

#### 5.1 Definitions

A margin account is a brokerage account on which the broker lends the investor money for them to finance an investment (e.g. stock) thereby using the loan as leverage for their investment

Pledged securities are securities held as a collateral by a lender.

#### 5.2 Statement

Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or



hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan.

Because a margin sale or foreclosure sale may occur at a time when the pledger is aware of Material Nonpublic Information or otherwise is not permitted to trade in Polestar Securities, directors and employees are **prohibited** from holding Polestar Securities in a margin account or otherwise pledging Polestar Securities as collateral for a loan.

Pledges of Polestar Securities arising from certain types of hedging transactions are governed by “Hedging Transactions” above.

## 6. Standing and Limit Orders

### 6.1 Definitions

A standing order is an instruction an investor gives to their broker to pay fixed amounts towards a particular security at regular intervals (e.g. standing order to purchase shares of 10 shares or 10 USD worth of shares of Company ABC Inc. every 27th of the month).

A limit order is an instruction an investor gives to their broker to buy or sell a security with a maximum price to be paid (for purchase) or minimum price to be received (for sales). The price set by the investor is referred to as limit price.

### 6.2 Statement

Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as described in this Policy, create heightened risks for insider trading violations similar to the use of margin accounts.

There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a director or employee is in possession of Material Nonpublic Information.

Polestar therefore **prohibits placing standing or limit orders on Polestar Securities.**

## APPENDIX 2 - ADDITIONAL PROCEDURES

### 1. Pre-clearance procedures

#### 1.1 Covered Persons

Directors, management team members, group accounting and financial controlling team employees, investor relations employees, legal team employees, any employees of Polestar's Disclosure Committee, and any person designated by the General Counsel as being subject to these procedures, as well as the Family Members and Controlled Entities of such persons ("Covered Persons"), may not engage in any transaction in Polestar Securities without first obtaining pre-clearance of the transaction from the General Counsel.

#### 1.2 Procedure

A request for pre-clearance should be submitted to the General Counsel at least two business days in advance of the proposed transaction. The General Counsel is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. If a person seeks pre-clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in Polestar Securities, and should not inform any other person of the restriction.

When a request for pre-clearance is made, the requestor should carefully consider whether he or she may be aware of any Material Nonpublic Information about Polestar, and should describe fully those circumstances to the General Counsel. The requestor should also be prepared to comply with U.S. Securities and Exchange Commission Rule 144 and file Form 144, if necessary, at the time of any sale. If the requestor is an "affiliate" and is selling securities under Rule 144, the requestor must file a Form 144 if he or she proposes to sell **more than 5,000 shares** of Polestar Securities or if the proposed sale proceeds are **more than \$50,000 in any three-month period**. A Form 144 must be filed at the time requestor places the sell order (even if the trade is never executed), and there is no obligation to sell securities listed on a Form 144.

If a person seeks pre-clearance and permission to engage in the transaction is granted, then such trade must be effected within five business days of receipt of pre-clearance unless an exception is granted. Such person must promptly notify the General Counsel following the completion of the transaction. A person who has not effected a transaction within the time limit may not engage in such transaction without again obtaining pre-clearance of the transaction from the General Counsel.

### 2. Blackout periods

#### 2.1 Quarterly Blackout Periods

##### 2.1.1 Covered Persons

Directors, management team members, group accounting team and financial controlling team employees, investor relations employees, legal team employees that assist with preparing SEC filings and earnings releases, any employees of Polestar's Disclosure Committee, and any person designated by the General Counsel as being subject to these procedures, as well as the Family Members and Controlled Entities of such persons ("Covered Persons") are concerned by this procedure.

##### 2.1.2 Procedure

Covered Persons may not conduct any transactions involving Polestar's Securities (other than as specified by this Policy), during a "Blackout Period" beginning fourteen calendar days prior to the end of each fiscal quarter and ending after the close of trading on the second full trading day following the date of the public release of Polestar's earnings results for that quarter.

In other words, these persons may only conduct transactions in Polestar Securities during the "Window Period" beginning after the close of trading on the second full trading day following the public release of Polestar's quarterly earnings and ending fourteen days prior to the close of the next fiscal quarter.

During quarterly Blackout Periods, Polestar's Management should not engage in direct contact with investors and sell-side analysts (equity and fixed income), to minimize the potential risk for inside information breach.

## 2.2 Event-Specific Blackout Periods:

From time to time, an event may occur that is material to Polestar and is known by only a few directors, management and/or other employees, such as a new product launch, the signature of a new strategic partnership or a cybersecurity incident.

So long as the event remains material and nonpublic, the persons designated by the General Counsel may not trade Polestar Securities.

In addition, Polestar's financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the General Counsel, designated persons should refrain from trading in Polestar Securities even sooner than the typical Blackout Period described above. In that situation, the General Counsel may notify these persons that they should not trade in Polestar's Securities, without disclosing the reason for the restriction.

The existence of an event-specific trading restriction period or extension of a Blackout Period will not be announced to Polestar as a whole, and should not be communicated to any other person.

**Even if the General Counsel has not designated you as a person who should not trade due to an event-specific restriction, you should not trade while aware of Material Nonpublic Information.**

## 3.Exceptions

The quarterly trading restrictions and event-driven trading restrictions do not apply to those transactions to which this Policy does not apply, as described above under the headings "Transactions Under Company Plans" and "Transactions Not Involving a Purchase or Sale."

Further, the requirement for pre-clearance, the quarterly trading restrictions and event-driven trading restrictions do not apply to transactions conducted pursuant to approved Rule 10b5-1 plans.



**EXHIBIT 12.1**

**CERTIFICATION 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**

I, Michael Lohscheller, certify that:

1. I have reviewed this annual report on Form 20-F of Polestar Automotive Holding UK PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2025

/s/ Michael Lohscheller

Michael Lohscheller  
Chief Executive Officer

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**EXHIBIT 12.2**

**CERTIFICATION 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**

I, Jean-François Mady, certify that:

1. I have reviewed this annual report on Form 20-F of Polestar Automotive Holding UK PLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2025

/s/ Jean-François Mady

Jean-François Mady  
Chief Financial Officer

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**Exhibit 13.1**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with Polestar Automotive Holding UK PLC's annual report on Form 20-F for the year ended December 31, 2024 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Michael Lohscheller, the Chief Executive Officer of Polestar Automotive Holding UK PLC, certify that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Polestar Automotive Holding UK PLC.

Date: May 9, 2025

/s/ Michael Lohscheller  
Michael Lohscheller  
Chief Executive Officer

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**Exhibit 13.2**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with Polestar Automotive Holding UK PLC's annual report on Form 20-F for the year ended December 31, 2024 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Jean-François Mady, the Chief Financial Officer of Polestar Automotive Holding UK PLC, certify that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Polestar Automotive Holding UK PLC.

Date: May 9, 2025

/s/ Jean-François Mady  
Jean-François Mady  
Chief Financial Officer

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-267146 on Form S-8 of our reports dated May 9, 2025, relating to the financial statements of Polestar Automotive Holding UK PLC and the effectiveness of Polestar Automotive Holding UK PLC's internal control over financial reporting appearing in this Annual Report on Form 20-F for the year ended December 31, 2024.

/s/ Deloitte AB  
Gothenburg, Sweden  
May 9, 2025

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