

**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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(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 ☒ Accelerated filer ☐ Non-accelerated filer ☐
Emerging growth company ☐

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 ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

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.

**POLESTAR AUTOMOTIVE HOLDING UK PLC
TABLE OF CONTENTS**

	Page
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>ii</u>
<u>FREQUENTLY USED TERMS</u>	<u>1</u>
<u>PART I</u>	<u>5</u>
<u>ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	<u>5</u>
<u>ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE</u>	<u>5</u>
<u>ITEM 3. KEY INFORMATION</u>	<u>5</u>
<u>ITEM 4. INFORMATION ON THE COMPANY</u>	<u>41</u>
<u>ITEM 4A. UNRESOLVED STAFF COMMENTS</u>	<u>59</u>
<u>ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	<u>59</u>
<u>ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	<u>73</u>
<u>ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	<u>86</u>
<u>ITEM 8. FINANCIAL INFORMATION</u>	<u>105</u>
<u>ITEM 9. THE OFFER AND LISTING</u>	<u>105</u>
<u>ITEM 10. ADDITIONAL INFORMATION</u>	<u>106</u>
<u>ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>113</u>
<u>ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	<u>113</u>
<u>PART II</u>	<u>116</u>
<u>ITEM 13. DEFAULTS, DIVIDENDS ARREARAGES AND DELINQUENCIES</u>	<u>116</u>
<u>ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	<u>116</u>
<u>ITEM 15. CONTROLS AND PROCEDURES</u>	<u>116</u>
<u>ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT COPY</u>	<u>120</u>
<u>ITEM 16B. CODE OF ETHICS</u>	<u>120</u>
<u>ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	<u>120</u>
<u>ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES</u>	<u>121</u>
<u>ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS</u>	<u>121</u>
<u>ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT</u>	<u>121</u>
<u>ITEM 16G. CORPORATE GOVERNANCE</u>	<u>121</u>
<u>ITEM 16H. MINE SAFETY DISCLOSURE</u>	<u>121</u>
<u>ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS</u>	<u>121</u>
<u>ITEM 16J. INSIDER TRADING POLICIES</u>	<u>121</u>
<u>ITEM 16K. CYBERSECURITY</u>	<u>122</u>
<u>PART III</u>	<u>##</u>
<u>ITEM 17. FINANCIAL STATEMENTS</u>	<u>##</u>
<u>ITEM 18. FINANCIAL STATEMENTS</u>	<u>##</u>
<u>ITEM 19. EXHIBITS</u>	<u>##</u>

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.

“*GGP*” 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 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 financial condition; Polestar's 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, develops 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 history 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 Zheshang 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 Mobiley 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 ADS 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 covering 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 "Descriptions 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 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
Total	\$ 2,034,261	\$ 2,368,085	\$ 2,440,818

	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
Total	\$ 2,034,261	\$ 2,368,085	\$ 2,440,818

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 CO₂e saving of 12%, or 3 tons, since the vehicle's 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 tCO₂e at launch. This is lower than that of the significantly smaller Polestar 2 when it was launched in 2020 (26.1 tCO₂e), 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 tCO₂e 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 tCO₂e, while the Long range Dual motor has one of 21.4 tCO₂e. 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, duel 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.

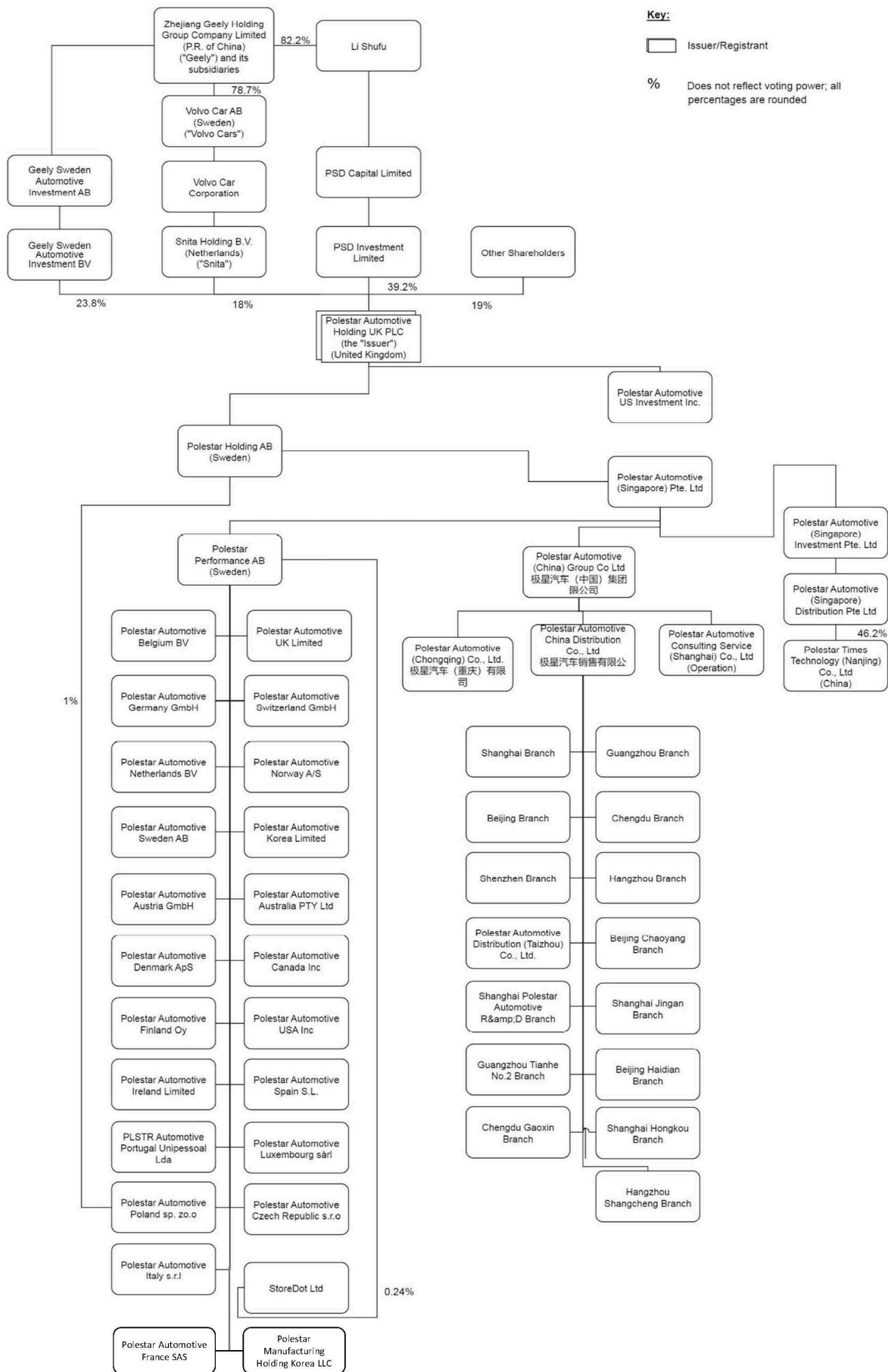
Recall activities

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

Table of Contents



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 wholesale-dealer 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 ¹	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 ²	27	27	27
Spaces ³	193	192	158
Sales Points ⁴	175	153	99
Service points ⁵	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)	44,851	52,796	50,510
Published as per previous definition ^{1, 2}	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
Gross (loss) profit	(876,167)	(410,137)	101,122	(466,030)	114	(511,259)	(506)
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
Operating loss	(1,813,311)	(1,469,514)	(1,286,568)	(343,797)	23	(182,946)	14
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
Loss before income taxes	(2,059,063)	(1,191,327)	(449,260)	(867,736)	73	(742,067)	165
Income tax benefit (expense)	9,166	9,452	(29,757)	(286)	(3)	39,209	(132)
Net loss	(2,049,897)	(1,181,875)	(479,017)	(868,022)	73	(702,858)	147

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	\$	%	\$	%
Revenues							
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
Total	2,034,261	2,368,085	2,440,818	(333,824)	(14)	(72,733)	(3)

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.

Contractual obligations and commitments	Payments due by period			
	Total	Less than 1 year	Between 1-5 years	After 5 years
Capital commitments ¹	134,197	134,197	—	—
Minimum purchase commitments ²	487,647	196,728	232,784	58,135
Credit facilities, including sale leasebacks and floor plans ³	3,448,709	2,512,395	936,314	—
Other liabilities, including floor plans - related parties ⁴	1,949,517	185,140	1,736,958	27,419
Lease obligations including related parties ⁵	163,995	35,129	90,004	38,862
Total	\$ 6,184,065	\$ 3,063,589	\$ 2,996,060	\$ 124,416

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 amortization¹;
- Impairment of property, plant and equipment, vehicles under operating leases, and intangibles assets;
- Restructuring costs²;
- Gains / losses on disposals of investments³; and
- Unusual other operating income and expenses that are considered rare or discrete events and are infrequent in nature.

1 - 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.

2 - 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.

3 - 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 ¹	(2,345)	25,676	—
Adjusted EBITDA	\$ (1,080,063)	\$ (1,017,656)	\$ (747,679)

1 - 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)
Free cash flow	\$ (1,348,204)	\$ (2,466,825)	\$ (1,787,495)

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.hc 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 with the Volkswagen Group from 1990, with his most recent position serving as CEO of Skoda 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 Class A ADSs and the Company’s future hiring activity.

Participating in an Offering Under the Section 423 Component

Offering Periods and Purchase Periods. Class A 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 Class A 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 Class A 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 Class A 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 Class A 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 Class A ADS under the Employee Stock Purchase Plan generally is the closing sales price of Class A ADSs on the date for which fair market value is being determined, or if there is no closing sales price for Class A ADSs on the date in question, the closing sales price for Class A 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 Class A 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. Class A 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 Class A 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 Class A 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 Class A 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 Class A ADSs on the relevant purchase date. The fair market value per Class A ADS under the Employee Stock Purchase Plan, including the Share Matching Plan, generally is the closing sales price of Class A ADSs on the date for which fair market value is being determined, or if there is no closing sales price for Class A ADSs on such date, the closing sales price for Class A ADSs on the last preceding date for which such quotation exists.

Matching Shares. The administrator may, in its discretion, offer matching shares denominated in Class A ADSs to all participants under the Share Matching Plan, in an amount equal to up to 100% of the number of Class A ADSs purchased on behalf of a participant during the applicable offering period. To receive matching shares, the participant must (i) retain the Class A 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 depository 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 ⁽¹⁾	—
Jean-François Mady	0 ⁽²⁾	—
Jonas Engström	677 ⁽³⁾	*
Prof. Dr.hc Winfried Vahland	38,346	*
Karen C. Francis	54,635 ⁽⁴⁾	*
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 ^{(5) (6)}	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 Jiangling Road, Binjiang District, Hangzhou, Zhejiang, China, the business address of Snita is Stationsweg 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.

Holdings

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 Assignment 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 a 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. 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. 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 are true and that the obligations 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 a 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
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	Up to US\$0.05 per ADS issued
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)	Up to US\$0.05 per ADS cancelled
Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)	Up to US\$0.05 per ADS held
Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	Up to US\$0.05 per ADS held
Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off)	Up to US\$0.05 per ADS held
ADS Services	Up to US\$0.05 per ADS held on the applicable record date(s) established by the Depositary
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)	Up to US\$0.05 per ADS (or fraction thereof) transferred
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).	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
Total	\$ 15,946	\$ 16,001

"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 apprised 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.