



## Statement by the Board of Directors pursuant to Chapter 19, Section 22 of the Swedish Companies Act

The Board of Directors of Volvo Car AB (publ) ("**Volvo Cars**") hereby gives the following statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

The Board of Directors has decided to propose that the Annual General Meeting 2023 resolves on the implementation of a Performance Share Plan and an Employee Share Matching Plan (the "**Plans**") and delivery arrangements in respect thereof. The delivery arrangements include, among other things, a proposal to authorise the Board of Directors to resolve on the repurchase of shares of series B on Nasdaq Stockholm.

The Board of Directors is convinced that the implementation of the proposed Plans will be beneficial to both the company and its shareholders. The repurchase of the series B shares constitutes a step in the implementation of the Plans and the purpose is to secure the obligations of Volvo Cars to deliver shares to participants under the Plans. The intention is that the repurchased series B shares shall be transferred to the participants in the Plans free of charge.

In view of the above, it is the opinion of the Board of Directors that the proposed authorisation to repurchase own shares is justifiable with reference to the demands that the nature, scope and risks of the operations place on Volvo Cars' and the group's equity as well as Volvo Cars' and the group's consolidation needs, liquidity and overall position. The Board of Directors has hereby considered, among other things, Volvo Cars' and the group's historical development, the budgeted development and the state of the market.

The Board of Directors is of the opinion that, after the proposed authorisation to repurchase own shares, the financial strength of Volvo Cars and the group is assessed to continue to be good in relation to the industry in which the group is operating. The authorisation to repurchase own shares will not affect the ability of Volvo Cars and the group to comply with its payment obligations. The Board of Directors finds that Volvo Cars and the group are well prepared to handle any changes in respect of liquidity as well as unexpected events. The Board of Directors is of the opinion that Volvo Cars and the group have the ability to take future business risks and also cope with potential losses. The proposed authorisation to repurchase own shares will not negatively affect Volvo Cars' and the group's ability to make further commercially motivated investments in accordance with the strategy of the Board of Directors.

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Gothenburg in February 2023  
**Volvo Car AB (publ)**  
*The Board of Directors*