



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 ("**AGM**") 2025 resolve on the implementation of a Performance Share Plan (the "**Proposed Plan**"), 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 AGM in 2023 and 2024, respectively, resolved on corresponding delivery measures for the Performance Share Plans ("**PSP**") and Employee Share Matching Plans ("**ESMP**") adopted in 2023 and 2024. The Board of Directors has not fully utilised the previous authorisations in respect of the PSPs adopted in 2023 and 2024, respectively, and the ESMP adopted in 2024 (the "**Existing Plans**", and jointly with the Proposed Plan, the "**Plans**"). In order to secure Volvo Cars' obligations to deliver shares to the participants under the Existing Plans, the Board of Directors has also decided to propose that the AGM 2025 resolves on an authorisation for the Board of Directors to resolve on acquisition of own shares for delivery to the participants under the Existing Plans.

The Board of Directors is convinced that the Existing Plans are, and the implementation of the Proposed Plan will be, beneficial to both the company and its shareholders. The repurchase of the series B shares is an integral 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.

As of 31 December 2024, Volvo Cars' equity amounted to SEK 36,945 million, of which SEK 36,884 million consisted of non-restricted equity. The group's total equity amounted to SEK 142,199 million as of 31 December 2024. In accordance with IFRS, there is no division between restricted and non-restricted equity in the group.

As of 31 December 2024, no financial assets or liabilities measured at fair value in accordance with Chapter 4, Section 14 a of the Annual Accounts Act were held by Volvo Cars. However, as of this day, the Volvo Car Group held certain financial assets and liabilities valued at fair value. If financial assets and liabilities in the Volvo Car Group had not been valued at fair value in accordance with Chapter 4, Section 14 a of the Annual Accounts Act, the Volvo Car Group's total equity would increase by approximately SEK 2,212 million. The valuation of these instruments does not affect Volvo Cars' unrestricted equity.

In view of the above, it is the opinion of the Board of Directors that the proposals regarding authorisations to repurchase own shares are 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 use of the proposed authorisations 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 authorisations to repurchase own shares will not affect the ability of Volvo Cars or 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 authorisations 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.

Gothenburg in February 2025

Volvo Car AB (publ)

The Board of Directors