



## 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**") 2026 resolve on the implementation of a Performance Share Plan (the "**PSP**"), 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 PSP 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 PSP and the purpose is to secure the obligations of Volvo Cars to deliver shares to participants under the PSP. The intention is that the repurchased series B shares shall be transferred to the participants in the PSP free of charge.

As of 31 December 2025, Volvo Cars' equity amounted to SEK 41,153 million, of which SEK 41,092 million consisted of non-restricted equity. The group's total equity amounted to SEK 148,373 million as of 31 December 2025. In accordance with IFRS, there is no division between restricted and non-restricted equity in the group.

As of 31 December 2025, 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 decrease by approximately SEK 5,157 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 proposal regarding 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 use of 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 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 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 2026

**Volvo Car AB (publ)**

*The Board of Directors*