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This electronic transmission applies to the attached prospectus supplement dated 25 October 2021 (the "**Supplement**") relates to the prospectus dated 18 October 2021 (the "**Prospectus**") of Volvo Car AB (publ) (the "**Company**"), and the group in which the Company is the parent company, the "**Group**"). The Supplement forms part of, and must be read together with, the Prospectus, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Supplement, accessed from this page or otherwise received as a result of such access. In accessing the attached Supplement, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached Supplement is confidential and intended for you only and you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached Supplement whether electronically or otherwise to any other person.

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The shares have not been, and will not be, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar (including the Qatar Financial Centre), other than on the basis that an offer is made: (i) in compliance with all applicable laws and regulations of the State of Qatar (and, as applicable, the Qatar Financial Centre); and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar. The shares have not been, and will not be, registered for public offer or distribution in Qatar.

This prospectus supplement may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Amended KSA Regulations (as such term is defined in "*Selling and transfer restrictions–Selling restrictions–Saudi Arabia*" below) issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this prospectus supplement, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus supplement. Prospective purchasers of the shares should conduct their own due diligence on the accuracy of the information relating to the shares. If a prospective purchaser does not understand the contents of this prospectus supplement he or she should consult an authorized financial adviser.

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and

Futures Act (Chapter 289 of Singapore) (the "SFA"), the Company has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the "SF (CMP) Regulations") that the share are "prescribed capital markets products" (as defined in the SF (CMP) Regulations) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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This document, and/or any securities mentioned herein (to the extent applicable) is not subject to any form of regulation or approval by the FSRA.

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This document does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase the any financial product in the ADGM and accordingly should be construed as such.

If you do not understand the contents of this document you should an authorised financial adviser.

**This communication and any related document is strictly not directed to those who would be considered a 'Retail Client' under the FSRA's Conduct of Business Rules (COBS).**

**Past performance is not necessarily a reliable indicator of future results.**

In respect of persons in member states of the European Economic Area, this electronic transmission and the attached Supplement and the offer of the shares in the Company in accordance with the Prospectus and Supplement (the "Offering") are only addressed to and directed at (a) the general public in Sweden, Denmark, Finland and Norway, and (b) persons in member states of the European Economic Area (with the exception of Sweden, Denmark, Finland and Norway) (each a "Relevant State") who are "qualified investors" within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "Prospectus Regulation") ("Qualified Investors"). In addition, in the United Kingdom, this electronic transmission and the attached Supplement is addressed to, and directed only at, persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation") who are (i) persons who have professional experience in matters relating to investments and who fall within the definition of "investment professional" in Article 19(5) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Financial Promotion Order"), (ii) persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or (iii) other persons to whom this electronic transmission and the attached Supplement may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) together being referred to as "relevant persons").

This electronic transmission and the attached Prospectus must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any Relevant State, by persons who are not Qualified Investors. Any investment or investment activity to which the attached Prospectus relates is available only to or will be engaged in only with, (i) relevant persons in the United Kingdom, and (ii) Qualified Investors in any Relevant State.

**Confirmation of your Representation:** This electronic transmission and the attached Prospectus is delivered to you on the basis that you are deemed to have represented, warranted and agreed to and with each of the Group and the Principal Shareholder, and each of Goldman Sachs Bank Europe SE, Skandinaviska Enskilda Banken AB (publ), BNP Paribas S.A., HSBC Continental Europe, J.P. Morgan AG, Morgan Stanley & Co. International plc and Nordea Bank Abp, filial i Sverige, Carnegie Investment Bank AB (publ) and Swedbank AB (publ) (the "Managers") that you have understood and agree to the terms set out herein, and (i) you are (a) a QIB acquiring such securities for its own account or for the account of another QIB (if you are in the United States) or (b) acquiring such securities in "offshore transactions", as defined in, and in reliance on, Regulation S; (ii) if you are in the United Kingdom, you are a relevant person; (iii) if you are in a Relevant State you are a Qualified Investor; and (iv) you are an institutional investor that is eligible to receive this electronic transmission and the attached Supplement, or a member of the general public in Sweden, Denmark, Finland or Norway eligible to receive this electronic transmission and the attached Supplement, and you consent to delivery of this Supplement by electronic transmission.

You are reminded that you have received this electronic transmission and the attached Supplement on the basis that you are a person into whose possession this electronic transmission and the attached Supplement may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this electronic transmission or the attached Supplement, electronically or otherwise, to any other person.

If a jurisdiction requires that the Offering be made by a licensed broker or dealer and any Manager or any affiliate of a Manager is a licensed broker or dealer in that jurisdiction, the Offering shall be deemed to be made by such Manager or affiliate on the behalf of the Company in such jurisdiction.

The attached Supplement has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, the Managers nor any of their respective affiliates, directors, officers, employees, agents or advisers accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. A hard copy of the document will be made available to you only upon request.

By accessing the attached Supplement, you consent to receiving it in electronic form. None of the Managers nor any of their respective affiliates, directors, officers, employees, agents or advisers accepts any responsibility whatsoever for the contents of the attached Supplement or for any statement made or purported to be made by them, or on their behalf, in connection with the Company, the Offering or the Securities. To the fullest extent permitted by law, such persons accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by the Company, the Principal Shareholder or the Managers or any of their respective affiliates, directors, officers, employees, agents or advisers as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in the attached Supplement.

The Managers are acting exclusively for the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of the attached Supplement) as their client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to in the attached Supplement.

**Restriction:** Nothing in this electronic transmission constitutes, and this electronic transmission may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

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If you receive the attached Supplement by e-mail, you should not reply by e-mail. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

**V O L V O**

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**SUPPLEMENT TO PROSPECTUS REGARDING INVITATION  
TO ACQUIRE SHARES IN VOLVO CAR AB (PUBL)**

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**JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS**



**JOINT BOOKRUNNERS**



J.P.Morgan

Morgan Stanley

Nordea

**CO-LEAD MANAGERS**



**RETAIL MANAGERS**



**The distribution of this Supplement and the applications to acquire shares are subject to restrictions in certain jurisdictions (see “Important information” and “Selling and transfer restrictions” in the Prospectus).**

**Updated important information regarding sale of allotted shares**

Note that notifications about allotment to the public in Sweden, Denmark, Finland and Norway will be made through distribution of contract notes, expected to be distributed on 29 October 2021. Institutional investors are expected to receive notification of allotment on or about 29 October 2021, in particular order, whereupon contract notes are dispatched. After payments for the allocated shares have been processed by the Joint Bookrunners, the duly paid shares will be transferred to the securities depository account or the securities account specified by the acquirer. The time required to transfer payments and transfer duly paid shares to such acquirer means that the acquirer will not have shares available in the specified securities depository account or the securities account until on or around 2 November 2021. Trading in the Company’s shares on Nasdaq Stockholm is expected to commence on or around 29 October 2021. Accordingly, if shares are not available in an acquirer’s securities account or securities depository account until on or around 2 November 2021, the acquirer may not be able to sell these shares on Nasdaq Stockholm as from the first day of trading, but first when the shares are available in the securities account or the securities depository account.

## SUPPLEMENT TO PROSPECTUS

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This document (the “**Supplement**”) has been prepared by Volvo Car AB (publ), corporate ID No. 556810-8988, (“**Volvo Car Group**” or the “**Company**”) and constitutes a supplement to the prospectus prepared in respect of the invitation to acquire common shares of class B in the Company and the admission to trading of the Company’s common shares of class B on Nasdaq Stockholm, which was approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) on 18 October 2021 (SFSA Reg. No. 21-19588) (the “**Prospectus**”). The Supplement forms part of, and must be read together with, the Prospectus. The definitions in the Prospectus apply to the Supplement as well.

The Supplement has been prepared by reason of:

1. Geely Sweden, on 22 October 2021, having notified Volvo Car Group of a request to, subject to completion of the listing on Nasdaq Stockholm, convert all of Geely Sweden’s 1,863,207,500 common shares of class A in the Company into the corresponding number of common shares of class B under the conversion clause in § 7 of the Company’s Articles of Association. Geely Sweden’s request was made public by Volvo Car Group through a press release on 22 October 2021. The press release is available on Volvo Car Group’s website, <https://investors.volvocars.com>;
2. Volvo Car Group, on 25 October 2021, having announced through a press release a fixed price in the Offering, reduced size of the new shares issue carried out in connection with the Offering, other updates to the Offering structure and a revised timetable for the Offering, including the below elements. The press release is available on Volvo Car Group’s website, <https://investors.volvocars.com>.
  - The Offering Price will be a fixed price of SEK 53 per share (being within the previously communicated price range).
  - The size of the new share issue of common shares of class B in the Offering will be reduced to raise gross proceeds of approximately MSEK 20,000 (meaning that the Offering will comprise 377,358,490 newly issued common shares of class B). The adjusted Offering will raise sufficient proceeds to fund Volvo Car Group’s fastest transformer strategy and achieve its mid-decade ambitions.
  - The Principal Shareholder has resolved not to exercise its right to increase the Offering.
  - Volvo Car Group has received additional support from a group of large institutional investors including Första AP-fonden (AP1), Tredje AP-fonden (AP3) and Fjärde AP-fonden (AP4) as well as Alecta Pensionsförsäkring, Ömsesidigt, Folksam and AMF, with indications of investments totalling approximately MSEK 7,700.
  - The application period for the general public and institutional investors will be extended one day, to include 27 October 2021 and 28 October 2021, respectively. The first day of trading on Nasdaq Stockholm and settlement will be moved one day, and is expected to be 29 October 2021 and 2 November 2021, respectively;
3. Volvo Car Group’s CEO Håkan Samuelsson having informed the Company that he will apply to acquire common shares of class B in an amount of MSEK 25 in the Offering, in addition to his already communicated shareholding after the listing on Nasdaq Stockholm; and
4. Recent developments in the power supply situation in China and the potential magnesium shortage, and the associated risks for the Company.

The above means that information in the Prospectus that relates to the Offering, the Offering structure and the timetable for the listing on Nasdaq Stockholm as well as related disclosures are supplemented through this Supplement. For ease of reading, updated information is underlined throughout this Supplement.

The Supplement has been prepared in accordance with article 23 in the Prospectus Regulation (2017/1129) and was approved by the SFSA on 25 October 2021 (SFSA Reg. No. 21-27479).

The Prospectus and the Supplement are available on Volvo Car Group’s website, <https://investors.volvocars.com>. For information regarding the Offering and the admission to trading on Nasdaq Stockholm, please refer to the Prospectus.

## **Right of withdrawal**

Investors who have already applied to acquire shares in the Offering are entitled to withdraw their applications within three business days from the publication of the Supplement, *i.e.*, up until and including 28 October 2021. Any application that is not withdrawn within the prescribed time will remain binding and those who wish to remain as applicants do not need to take any further action.

If an investor wishes to withdraw its application, such withdrawal is to be carried out in accordance with the instructions below depending on through which bank the application was made.

### **The offer to the general public in Sweden, Denmark, Finland and Norway**

#### ***Withdrawal of application via SEB***

An investor who wishes to withdraw its application must notify SEB in writing. The withdrawal shall be sent to [emissioner@seb.se](mailto:emissioner@seb.se) and must be received by SEB no later than 17.00 CEST on 28 October 2021. The withdrawal must include the applicant's name, personal ID No./corporate ID No. and securities depository account or Investment Savings Account ("ISK").

#### ***Withdrawal of application via Swedbank***

An investor who wishes to withdraw its application must notify Swedbank in writing. The withdrawal shall be sent to [emissioner@swedbank.se](mailto:emissioner@swedbank.se) and must be received by Swedbank no later than 17.00 CEST on 28 October 2021. The withdrawal must include the applicant's name, personal ID No./corporate ID No. and securities depository account or ISK.

#### ***Withdrawal of application via Avanza***

An investor who has applied to acquire shares through Avanza and wishes to withdraw its application must do so through Avanza's internet service ([www.avanza.se](http://www.avanza.se)). The withdrawal must be received by Avanza no later than 17.00 CEST on 28 October 2021.

#### ***Withdrawal of application via Nordnet***

An investor who wishes to withdraw its application must do so through Nordnet's webservice ([www.nordnet.se](http://www.nordnet.se), [www.nordnet.dk](http://www.nordnet.dk), [www.nordnet.fi](http://www.nordnet.fi) or [www.nordnet.no](http://www.nordnet.no)). The withdrawal must be received by Nordnet no later than 23.59 CEST on 27 October 2021. On 28 October 2021, a withdrawal can be made in writing through the internal messaging system on Nordnet's webservice until 17.00 CEST.

### **The institutional offering**

Withdrawals of applications from institutional investors in Sweden and from abroad shall be submitted to the Managers (in accordance with special instructions).

### **Volvo Car Group employees**

Volvo Car Group employees in Sweden, Belgium, Denmark, Finland, Germany, the Netherlands, Norway and Poland who wish to withdraw their applications shall follow specific instructions from the Group.

**SUPPLEMENT TO “TABLE OF CONTENTS”**

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*The subsection “Summary of the Offering” (save for “Other information” and “Financial calendar”) on page 3 of the Prospectus is replaced with the following subsection.*

**Summary of the Offering****Offering Price**

SEK 53 per share

**Application period for the general public**

19–27 October 2021

**Application period for institutional investors**

19–28 October 2021

**First day of trading in the Company’s common shares of class B on Nasdaq Stockholm**

29 October 2021

**Settlement date**

2 November 2021

## SUPPLEMENT TO “SUMMARY”

The subsection “Information about the offeror” on page 4 of the Prospectus is replaced with the following subsection.

### Information about the offeror

In addition to the shares offered by Volvo Car Group, Geely Sweden Holdings AB (“**Geely Sweden**” or the “**Principal Shareholder**”) will grant the Joint Global Coordinators an option to acquire up to an additional 56,603,773 existing common shares of class B to cover any overallocments. Geely Sweden Holdings AB is a Swedish limited liability company with the address Lindholmsallén 8B, SE-417 55 Gothenburg, Sweden. Geely Sweden’s LEI code is 529900AJRI28VHHLMU47.

\* \* \*

The subsection “Ownership structure” on page 5 of the Prospectus is replaced with the following subsection.

### Ownership structure

The table below sets forth Volvo Car Group’s ownership structure prior to and directly after completion of the Offering, respectively, provided that all allocated shares have settled as allocated, reflecting both the ownership structure if the Overallotment Option is not exercised and if the Overallotment Option is fully exercised. The table is also based on the assumption that certain changes to the share capital structure in conjunction with the Offering (including a redemption of preference shares, a share conversion, a share split, an issue in kind, a directed share issue to the current preference shareholders and an additional share conversion) have been carried out.

The Company is owned and controlled by its largest shareholder Zhejiang Geely Holding Group Company Limited (“**Geely Holding**”) (through its indirect subsidiary Geely Sweden), holding 97.8 per cent of the shares and 99.8 per cent of the votes in the Company. Geely Holding is owned as to 91 per cent by Eric Li (Chairperson of the Company’s Board) and 9 per cent by Eric Li’s son Li Xing Xing.

Shareholder	Prior to the Offering					After the Offering (if the Overallotment Option is not exercised)				After the Offering (if the Overallotment Option is fully exercised)			
	Common shares of class A	Common shares of class B	Preference shares of class C	Shares, %	Votes, %	Common shares of class A	Common shares of class B	Shares, %	Votes, %	Common shares of class A	Common shares of class B	Shares, %	Votes, %
<i>Major shareholders</i>													
Geely Holding	50,000,000	–	–	97.8	99.8	=	<u>2,500,000,000</u>	<u>83.9</u>	<u>83.9</u>	=	<u>2,443,396,227</u>	<u>82.0</u>	<u>82.0</u>
AMF <sup>1)</sup>	–	–	681,818	1.3	0.1	–	<u>88,439,525</u>	<u>3.0</u>	<u>3.0</u>	–	<u>88,439,525</u>	<u>3.0</u>	<u>3.0</u>
Folksam <sup>2)</sup>	–	–	456,976	0.9	0.1	–	<u>40,306,147</u>	<u>1.4</u>	<u>1.4</u>	–	<u>40,306,147</u>	<u>1.4</u>	<u>1.4</u>
<b>Total major shareholders</b>	<b>50,000,000</b>	<b>–</b>	<b>1,138,794</b>	<b>100.0</b>	<b>100.0</b>	<b>=</b>	<b><u>2,628,745,672</u></b>	<b><u>88.2</u></b>	<b><u>88.2</u></b>	<b>=</b>	<b><u>2,572,141,899</u></b>	<b><u>86.3</u></b>	<b><u>86.3</u></b>
<i>New shareholders</i>													
	–	–	–	–	–	–	<u>350,778,507</u>	<u>11.8</u>	<u>11.8</u>	–	<u>407,382,280</u>	<u>13.7</u>	<u>13.7</u>
<b>Total new and existing shareholders</b>	<b>50,000,000</b>	<b>–</b>	<b>1,138,794</b>	<b>100.0</b>	<b>100.0</b>	<b>=</b>	<b><u>2,979,524,179</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b>=</b>	<b><u>2,979,524,179</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>

<sup>1)</sup> AMF Pensionsförsäkring.

<sup>2)</sup> Folksam ömsesidig sakförsäkring, Folksam ömsesidig livförsäkring (Tjänstepension), Folksam ömsesidig livförsäkring (Övrig försäkring) and KPA Pensionsförsäkring AB (publ).

\* \* \*

The first paragraph in the subsection “What are the main features of the securities?” on page 8 of the Prospectus is replaced with the following paragraph.

### What are the main features of the securities?

This prospectus relates to (i) the Offering of 377,358,490 newly issued common shares of class B in the Company, and up to 56,603,773 existing common shares of class B in the Company sold by the Principal Shareholder (assuming that the Overallotment Option is exercised in full); and (ii) the admission to trading on Nasdaq Stockholm of the Company’s common shares of class B.

\* \* \*

*The subsection “Where will the securities be traded?” on page 9 of the Prospectus is replaced with the following subsection.*

**Where will the securities be traded?**

On 30 August 2021, the listing committee of Nasdaq Stockholm assessed that the Company meets Nasdaq Stockholm’s listing requirements, provided that customary terms and conditions are satisfied, including that the distribution requirement for the Company’s common shares of class B is met no later than the first day of trading in the Company’s shares on Nasdaq Stockholm and that the Company applies for the admission to trading of its shares on Nasdaq Stockholm. The expected first day of trading on Nasdaq Stockholm is 29 October 2021. The shares will be traded under the ticker VOLCAR B.

\* \* \*

*The subsection “Under which conditions and timetable can I invest in this security?” on page 9–10 of the Prospectus is replaced with the following subsection.*

**Under which conditions and timetable can I invest in this security?**

The Offering comprises 377,358,490 common shares of class B, of which all are newly issued shares offered by the Company. The Offering is divided into two parts:

- The offer to the general public in Sweden, Denmark, Finland and Norway<sup>2</sup>
- The offer to institutional investors<sup>3</sup>

To cover any overallocments in the Offering, the Principal Shareholder will grant the Joint Global Coordinators an option to acquire up to an additional 56,603,773 existing common shares of class B, corresponding to maximum 15 per cent of the number of shares in the Offering (the “**Overallocment Option**”).

The price per share in the Offering (the “**Offering Price**”) has been set to SEK 53 by the Company’s Board of Directors and the Principal Shareholder in consultation with the Joint Global Coordinators, based on the anticipated investment interest from institutional investors.

Decision on allotment of shares in the Offering will be made by the Company’s Board of Directors and the Principal Shareholder in consultation with the Joint Global Coordinators, whereby the goal will be to achieve a strong institutional ownership base and a broad distribution of the shares among the general public, in order to facilitate a regular and liquid trading in the shares on Nasdaq Stockholm.

Below is a summarised timetable for the Offering set forth.

Application period for the general public: .....	19– <u>27</u> October 2021
Application period for institutional investors:.....	19– <u>28</u> October 2021
First day of trading in the Company’s common shares of class B on Nasdaq Stockholm: .....	<u>29</u> October 2021
Settlement date:.....	<u>2</u> November 2021

<sup>2</sup> The offer to the general public in Sweden, Denmark, Finland and Norway entails an offer to acquire a maximum of 25,000 shares.

<sup>3</sup> “Institutional investors” include private individuals and legal entities that apply to acquire more than 25,000 shares.

\* \* \*

*The subsection “Dilution” on page 10 of the Prospectus is replaced with the following subsection.*

**Dilution**

The new issue of common shares of class B as part of the Offering entails that the number of shares in the Company will increase with 377,358,490 shares, from 2,500,000,000 to 2,877,358,490 shares, corresponding to a dilution of 13.1 per cent of the total number of shares in the Company after completion of the new issue, and a dilution of 12.7 per cent of the total number of shares in the Company after completion of the Offering and all other changes to the share capital structure carried out in conjunction with the Offering.

*The subsection “Transaction costs” on page 10 of the Prospectus is replaced with the following subsection.*

**Transaction costs**

The Company’s costs related to the admission to trading in the Company’s common shares of class B on Nasdaq Stockholm and the Offering, including payment to advisors and other estimated transaction costs, are estimated to amount to a maximum of approximately MSEK 270 in total, of which a maximum of approximately MSEK 217 is expected to affect the income statement for the three months ending 31 December 2021. MSEK 53 is included Volvo Car Group’s accounts for the nine months ended 30 September 2021.

\* \* \*

*The subsection “Who is the offeror and/or the person asking for admission to trading?” on page 10 of the Prospectus is replaced with the following subsection.*

**Who is the offeror and/or the person asking for admission to trading?**

In addition to the shares offered by Volvo Car Group, the Principal Shareholder will grant the Joint Global Coordinators an option to acquire up to an additional 56,603,773 existing common shares of class B to cover any overallocments. Geely Sweden is a Swedish limited liability company (Sw. *aktiebolag*), incorporated in Sweden and governed by the Swedish Companies Act.

\* \* \*

*The second paragraph in the subsection “Background and reasons” on page 10 of the Prospectus is replaced with the following paragraph.*

**Background and reasons**

Volvo Car Group will carry out an issue of new common shares of class B in connection with the Offering. Through the issue of new shares, Volvo Car Group will raise gross proceeds of approximately MSEK 20,000 before deduction of costs related to the Offering, which are estimated to amount to a maximum of approximately MSEK 270. Out of the net proceeds of approximately MSEK 19,730, approximately 70 per cent is intended to be used in the financing of Volvo Car Group’s transformation phase to full electrification with investments in battery supply in Europe, United States and China and investments in in-house production of electric motors. In addition, approximately 30 per cent of the net proceeds is intended to be used in the financing of Volvo Car Group’s continued growth journey with investments in manufacturing capacity to enable growth beyond 1.2 million cars and to finance Volvo Car Group’s technology journey through software development and the shift towards a more direct sales model. Volvo Car Group will not receive any proceeds from any shares sold by the Principal Shareholder in the Offering.

## SUPPLEMENT TO “RISK FACTORS”

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*The third paragraph in the risk factor “Volvo Car Group is exposed to risks relating to disruptions to its supply chains, including the global shortage of semiconductors” on page 12–13 of the Prospectus is replaced with the following paragraph.*

### **Volvo Car Group is exposed to risks relating to disruptions to its supply chains, including the global shortage of semiconductors**

[...]

For certain parts of its operations Volvo Car Group is dependent on a limited number of suppliers. For example, for automatic gear boxes and batteries, Volvo Car Group relies on one and a few suppliers, respectively, who also supplies automatic gear boxes and batteries, respectively, for almost all of the Group’s competitors. Volvo Car Group is therefore exposed to a concentration risk should such suppliers, for any reason, fail to perform their services in a timely manner. In addition, Volvo Car Group’s single supplier of automatic gear boxes has no long-term commitment to deliver, exposing the Group for the risk that the supplier terminates its agreement with the Group. Volvo Car Group also to a certain extent uses brokers for the supply of certain components in its cars, such as semiconductors. The broker set-up typically includes only limited warranties for defective components (if any). Volvo Car Group consequently bears the risk and costs of any such defective components during the lifespan of its cars. Additionally, Volvo Car Group is exposed to disruptions in the supply chain resulting from natural disasters or man made accidents. For example, in October 2021, insufficient power supply in China has significantly affected the production of magnesium, which is used as an alloy element in aluminium used in cars (see also “–*Volvo Car Group is subject to risks relating to increases in input and fuel prices and shortages of essential raw materials, commodities or supplies*” below). Substantial increases in costs or a significant delay or sustained interruption in the supply of key inputs sourced from areas affected by disasters or accidents could adversely affect Volvo Car Group’s ability to maintain its current and expected levels of production, and therefore negatively affect the Group’s revenue and increase its operating expenses. Any significant problems with Volvo Car Group’s supply chain or shortages of essential raw materials in the future could affect its results of operations in a material adverse manner. In addition, some of Volvo Car Group’s supply agreements and purchase orders include commitments by the Group to purchase large quantities or have long terms. However, due the transforming operations, for example the focus on electrification of Volvo Car Group, the need for certain supplies that the Group has already committed to purchase may decrease or no longer be relevant for the Group. If Volvo Car Group ceases to purchase supplies, but under volume or other undertakings has committed to do so, it could result in claims being brought by the affected suppliers for non-performance under relevant agreements.

\* \* \*

*The fourth paragraph in the risk factor “Volvo Car Group is subject to risks relating to increases in input and fuel prices and shortages of essential raw materials, commodities or supplies” on page 20 of the Prospectus is replaced with the following paragraph.*

### **Volvo Car Group is subject to risks relating to increases in input and fuel prices and shortages of essential raw materials, commodities or supplies**

[...]

Any interruption in the supply or any increase in the cost of raw materials, commodities, parts, components and systems could negatively impact Volvo Car Group’s ability to achieve its vehicle sales objectives as well as profitability. For example, the ongoing semiconductor shortage could result in significantly increased cost of semiconductors for the Group. Moreover, in October 2021, insufficient power supply led to the Chinese government imposing restrictions on production for industries with high energy consumption, which has significantly affected the production of magnesium in China, the world’s largest producer of magnesium. As magnesium is used as an alloy element in aluminium used in cars, interruptions in the supply of magnesium could negatively affect Volvo Car Group’s production of cars as well as the Group’s cost of aluminium. Any consequences of the potential magnesium shortage is still uncertain, and could therefore present a significant risk for Volvo Car Group’s production and profitability. In addition, Volvo Car Group’s exposure to increases in input prices could be even more significant since the Group does not regularly hedge its exposure to fluctuations in raw materials prices. In 2020 and the six-month period ended 30 June 2021, Volvo Car Group had costs for raw materials of MSEK 17,369 and MSEK 14,651, respectively, and a one per cent change in the prices of raw materials would have impacted the Group’s operating income in 2020 and the six-month period ended 30 June

2021 by MSEK 105 and MSEK 90, respectively. In addition, because of intense price competition and Volvo Car Group's fixed costs, which typically do not exceed 20 per cent, Volvo Car Group may not be able to pass on commodity price increases to the end customers, even if they are foreseeable or hedged. Cost increases that cannot be recouped through increases in vehicle prices, or offset by productivity gains, could have a material adverse effect on Volvo Car Group's profitability and margins.

\* \* \*

*The first and third paragraphs in the risk factor "The share price can be volatile and the share price development is affected by several factors" on page 36 of the Prospectus are replaced with the following paragraphs.*

**The share price can be volatile and the share price development is affected by several factors**

Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. The performance of the Company's share depends on multiple factors, some of which are company specific, whereas others are related to the stock market in general. The price per share in the Offering (the "**Offering Price**") has been set to SEK 53 by the Company's Board of Directors and the Principal Shareholder in consultation with the Joint Global Coordinators. The Offering Price does not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares following the Offering; for example, during the trading taking place after the listing, the price will differ from the Offering Price.

[...]

In addition, on 27 September 2021, Volvo Car Group's strategic affiliate Polestar announced that it had entered into a business combination agreement with Gores Guggenheim, a special purpose acquisition company (SPAC) whose securities are listed on Nasdaq New York. According to the announcement, following completion of the de-SPAC, Polestar UK (to be the new parent company of the Polestar group) is expected to be listed on Nasdaq New York in the first half of 2022. Under the business combination agreement, Polestar is expected to have a post-de-SPAC implied enterprise value of USD 20 billion (SEK 175.2 billion) and an implied equity value<sup>12</sup> of USD 21.3 billion (SEK 186.6 billion), implying that Volvo Car Group's expected indirect holding of 48.1 per cent of the shares in Polestar UK would be valued at USD 10.2 billion (SEK 89.4 billion). Based on the Offering Price, Volvo Car Group's market capitalisation after completion of the Offering would be SEK 158 billion,<sup>13</sup> meaning that the value of Volvo Car Group's shareholding in Polestar UK will constitute a significant part of Volvo Car Group's market valuation. Consequently, there is a risk that price fluctuations in Polestar UK's securities on Nasdaq New York may have a significant adverse effect on the Company's share price on Nasdaq Stockholm. Moreover, there is a risk that Polestar and Gores Guggenheim fail to complete the announced de-SPAC, which could have a material adverse effect on the market valuation of Volvo Car Group's shareholding in Polestar UK and, consequently, the Company's share price on Nasdaq Stockholm (see also "*Risks related to Volvo Car Group's operations and industry—Volvo Car Group is exposed to risks relating to Polestar*" above).

<sup>12</sup> The equity value corresponds to the enterprise value plus net cash. Net cash is depending on the potential level of redemption in the de-SPAC process.

<sup>13</sup> Calculated as the Offering Price times the total number of outstanding shares immediately following completion of the Offering and the share capital structure amendments in connection with the Offering (see "*Shares and share capital—Share capital structure amendments in connection with the Offering, etc.*").

\* \* \*

*The first paragraph in the risk factor "The Principal Shareholder can exert considerable control over the Group" on page 36–37 of the Prospectus is replaced with the following paragraph.*

**The Principal Shareholder can exert considerable control over the Group**

The Company is a subsidiary of Geely Sweden, with ultimate ownership held by Geely Holding, which is owned as to 91 per cent by Eric Li (Chairperson of the Board) and 9 per cent by Eric Li's son Li Xing Xing. As a result of the ownership structure, the Principal Shareholder is able to significantly influence any matter requiring shareholders' approval including the election of the Company's Board of Directors and approval of significant corporate transactions. After completion of the Offering and the share capital structure amendments in connection with the Offering, assuming that the Overallotment Option is not exercised, the Principal Shareholder will own 83.9 per cent of the shares and votes of Volvo Car Group. Assuming that the Overallotment Option is

exercised in full, the Principal Shareholder will own 82.0 per cent of the shares and votes. Accordingly, the Principal Shareholder will continue to have a significant influence over the outcome of matters submitted to the Company's shareholders for approval, including the election of Board of Directors, amendments to the Company's Articles of Association, issuances of shares, the payment of dividends, any significant corporate transactions and other company law measures, and thereby Volvo Car Group's management and affairs. This concentration of ownership could have an adverse effect on the market price of the shares by, among other things, delaying, deferring or preventing a change of control, impeding a merger, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of Volvo Car Group.

\* \* \*

*The risk factor "Undertakings by Cornerstone Investors are not secured" on page 37 of the Prospectus is replaced with the following risk factor.*

#### **Undertakings by Cornerstone Investors are not secured**

The Cornerstone Investors have undertaken to acquire shares in the Offering corresponding to a total of MSEK 6,400. The undertakings relate to 120,754,713 shares, corresponding to 27.8 per cent of the total number of shares in the Offering and 4.1 per cent of the total number of shares in the Company after the Offering and the share capital structure amendments in connection with the Offering (under the assumption that the Overallotment Option is exercised in full). However, the Cornerstone Investors' undertakings are not secured by bank guarantees, blocked funds, pledges of collateral or similar arrangements. Consequently, there is a risk that one or several of the Cornerstone Investors will not be able to fulfil their commitments. The Cornerstone Investors' undertakings are also subject to certain customary conditions. If any of these conditions is not satisfied, there is a risk that the Cornerstone Investors will not fulfil their undertakings, which could have a negative impact on the completion of the Offering. In addition, a group of large institutional investors have expressed their intention to invest in total approximately MSEK 7,700 in the Offering. These expressed intention of investments are not legally binding, and there is a risk that the investors will not proceed with the investments.

## SUPPLEMENT TO “INVITATION TO ACQUIRE SHARES IN VOLVO CAR AB (PUBL)”

*The section “Invitation to acquire shares in Volvo Car AB (publ)” on page 43 of the Prospectus is replaced with the following section.*

### INVITATION TO ACQUIRE SHARES IN VOLVO CAR AB (PUBL)

In order to support the Volvo Car Group’s transformation and its continued growth, the Board of Directors of the Company and the Principal Shareholder have agreed to diversify the ownership of the Company’s shares. On 30 August 2021, the listing committee of Nasdaq Stockholm assessed that Volvo Car Group meets Nasdaq Stockholm’s listing requirements provided that customary terms and conditions are satisfied, including that the distribution requirement for the Company’s common shares of class B is met no later than the first day of trading in the Company’s shares on Nasdaq Stockholm and that the Company applies for the admission to trading of its shares on Nasdaq Stockholm. The expected first day of trading on Nasdaq Stockholm is 29 October 2021.

In accordance with the terms and conditions of this prospectus, investors are hereby invited to acquire 377,358,490 common shares of class B in the Company, of which all are newly issued shares offered by the Company.

The Offering Price has been set to SEK 53 per share by the Company’s Board of Directors and the Principal Shareholder in consultation with the Joint Global Coordinators.

Pursuant to an authorisation from an Extraordinary General Meeting in the Company held on 17 October 2021, the Company’s Board of Directors intends to resolve on a new issue of common shares of class B (the “**New Issue**”). The New Issue will raise approximately MSEK 20,000 before deduction of costs related to the Offering.<sup>1</sup>

The New Issue will lead to the total number of the shares in the Company increasing by 377,358,490 common shares of class B. For further information on changes in the number of shares and the share capital structure of the Company in connection with the Offering, see “*Shares and share capital–Share capital structure amendments in connection with the Offering, etc.*”.

To cover any overallotments in the Offering, the Principal Shareholder will grant the Joint Global Coordinators an option to acquire up to an additional 56,603,773 existing common shares of class B, corresponding to maximum 15 per cent of the number of shares in the Offering (the “**Overallotment Option**”). The Overallotment Option may be exercised, in full or in part, during a period of 30 days from the first day of trading in the Company’s shares on Nasdaq Stockholm. Assuming that the Overallotment Option is fully exercised, the Offering will comprise 433,962,263 common shares of class B, corresponding to approximately 14.6 per cent of the shares and votes in the Company after completion of the Offering and the share capital structure amendments in connection with the Offering.

The Cornerstone Investors have, on the same terms as other investors, undertaken to acquire common shares of class B in the Offering corresponding to a total of MSEK 6,400. The undertakings relate to 120,754,713 shares, corresponding to 27.8 per cent of the total number of shares in the Offering and 4.1 per cent of the total number of shares in the Company after the Offering and the share capital structure amendments in connection with the Offering (under the assumption that the Overallotment Option is exercised in full). The Cornerstone Investors will be prioritised in the allotment of shares in the Offering and receive full allocation in accordance with their respective commitments. The commitments do not entitle any compensation. In addition, a group of large institutional investors including Första AP-fonden (AP1), Tredje AP-fonden (AP3) and Fjärde AP-fonden (AP4) as well as Alecta Pensionsförsäkring, Ömsesidigt, Folksam and AMF, have expressed their intention to invest in total approximately MSEK 7,700 in the Offering. This anchor investor support together with the cornerstone commitments amounts to approximately MSEK 14,100, corresponding to 61.3 per cent of the total number of shares in the Offering (under the assumption that the Overallotment Option is exercised in full).

The total value of the Offering amounts to approximately MSEK 20,000 and approximately MSEK 23,000 if the Overallotment Option is fully exercised.

*In other respects, reference should be made to the full particulars of the prospectus, which has been prepared by the Board of Directors of the Company in connection with the application for listing of the Company’s common shares of class B on Nasdaq Stockholm and the Offering made in connection with the listing.*

Gothenburg, 18 October 2021

**Volvo Car AB (publ)**  
The Board of Directors

<sup>1</sup> Volvo Car Group’s costs for the Offering are estimated to amount to a maximum of approximately MSEK 270. Please also see “*Legal considerations and supplementary information–Costs relating to the Offering*”.

## **SUPPLEMENT TO “BACKGROUND AND REASONS”**

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*The subsection “Use of proceeds” on page 44 of the Prospectus is replaced with the following subsection.*

### **Use of proceeds**

The Company will carry out an issue of new common shares of class B in connection with the Offering. Through the issue of new shares, Volvo Car Group will raise gross proceeds of approximately MSEK 20,000 before deduction of costs related to the Offering, which are estimated to amount to a maximum of approximately MSEK 270. Out of the net proceeds of approximately MSEK 19,730, approximately 70 per cent is intended to be used in the financing of Volvo Car Group’s transformation phase to full electrification with investments in battery supply in Europe, United States and China and investments in in-house production of electric motors. In addition, approximately 30 per cent of the net proceeds is intended to be used in the financing of Volvo Car Group’s continued growth journey with investments in manufacturing capacity to enable growth beyond 1.2 million cars and to finance Volvo Car Group’s technology journey through software development and the shift towards a more direct sales model. Volvo Car Group will not receive any proceeds from any shares sold by the Principal Shareholder in the Offering.

## SUPPLEMENT TO “TERMS AND CONDITIONS”

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*The subsection “The Offering” on page 46 of the Prospectus is replaced with the following subsection.*

### **The Offering**

The Offering comprises 377,358,490 common shares of class B, of which all are newly issued shares offered by the Company. The Offering is divided into two parts:

- The offer to the general public in Sweden, Denmark, Finland and Norway<sup>1</sup>
- The offer to institutional investors in Sweden and abroad<sup>2</sup>

The outcome of the Offering is expected to be announced through a press release, which will be available on Volvo Car Group’s website (www.volvocars.com), on or about 29 October 2021.

<sup>1</sup> The offer to the general public in Sweden, Denmark, Finland and Norway entails an offer to acquire a maximum of 25,000 shares.

<sup>2</sup> “Institutional investors” include private individuals and legal entities that apply to acquire more than 25,000 shares.

\* \* \*

*The subsection “Increase of the Offering” on page 46 of the Prospectus is deleted.*

\* \* \*

*The subsection “Overallotment Option” on page 46 of the Prospectus is replaced with the following subsection.*

### **Overallotment Option**

To cover any overallotments in the Offering, the Principal Shareholder will grant the Joint Global Coordinators an option to acquire up to an additional 56,603,773 existing common shares of class B, corresponding to maximum 15 per cent of the number of shares in the Offering. The Overallotment Option is exercisable, in whole or in part, for a period of 30 days from the first day of trading of the shares on Nasdaq Stockholm. For further information about the Overallotment Option, refer to “*Plan of distribution*”.

\* \* \*

*The subsection “Book-building process” on page 46 of the Prospectus is deleted.*

\* \* \*

*The subsection “The Offering Price” on page 46 of the Prospectus is replaced with the following subsection.*

### **The Offering Price**

The Offering Price has been set to SEK 53 per share by the Company’s Board of Directors and the Principal Shareholder in consultation with the Joint Global Coordinators, based on the anticipated investment interest from institutional investors. Brokerage commission will not be charged.

\* \* \*

*The first paragraph in the subsection “The offer to the general public in Sweden, Denmark, Finland and Norway” on page 46 of the Prospectus is replaced with the following paragraph.*

### **The offer to the general public in Sweden, Denmark, Finland and Norway**

Applications for acquisition of common shares of class B within the offer to the general public should be made during the period 19–27 October 2021 and relate to a minimum of 100 shares and a maximum of 25,000 common shares of class B<sup>4</sup> in even lots of 50 shares each. The Company’s Board of Directors and the Principal Shareholder reserve the right to discontinue or extend the application period.<sup>5</sup> Notification of such potential early discontinuation or extension will be provided through a press release. Only one application per investor may be made. If more than one application is made, the right to consider only the first application is reserved (applications will not be aggregated). The application is binding.

<sup>4</sup> Anyone who wishes to acquire more than 25,000 shares should contact the Managers in accordance with what is described in “–*Information regarding allotment and payment–The institutional offering*” below.

<sup>5</sup> Should the application period be shortened or extended, the announcement of the outcome of the Offering, the first day of trading as well as the date for allotment and payment may be adjusted accordingly.

\* \* \*

*The second and third paragraphs of the subsection “Application via SEB” on page 46–47 of the Prospectus are replaced with the following paragraphs.*

### **Application via SEB**

[...]

The cash balance on the securities depository account or the ISK with SEB must, for the period commencing 23.59 CEST on 27 October 2021 until 23.59 CET on 2 November 2021, correspond to at least the amount to which the application relates, calculated on the basis of the Offering Price. This means that the account holder undertakes to keep the amount available on the designated securities depository account or ISK during the aforementioned period and that the holder is aware that shares may not be allotted if the amount during such period is insufficient. Note that the amount may not be withdrawn during the aforementioned period. As soon as possible after allotment has taken place, the funds will be freely available for those who do not receive any allotment. Funds which are not available will carry an entitlement to interest during the aforementioned period in accordance with the terms and conditions of the securities depository account or ISK specified in the application.

In order to participate in the Offering via SEB, an application to acquire shares must take place via SEB’s Internet bank using a Digipass, BankID or Mobilt BankID (detailed instructions are available on SEB’s website, [www.seb.se](http://www.seb.se)). Applications through SEB’s Internet bank must be received by SEB no later than 23.59 CEST on 27 October 2021. Customers in SEB Private Banking should not apply for shares via SEB’s Internet bank, but instead apply for shares via their stockbroker or private banker.

\* \* \*

*The fifth paragraph in the subsection “Application via Swedbank” on page 47 of the Prospectus is replaced with the following paragraph.*

### **Application via Swedbank**

[...]

Applications through Swedbank must be received by Swedbank no later than 15.00 CEST on 27 October 2021. Liquid funds for payment of allotted shares must be available in the cash settlement account with Swedbank or relevant savings bank not later than on the settlement date of 2 November 2021 at 01.00 CET. Funds may be reserved and debited from the cash settlement account at an earlier time if sufficient, unreserved funds are available, but not earlier than 29 October 2021.

\* \* \*

*The second paragraph in the subsection “Application via Avanza” on page 47 of the Prospectus is replaced with the following paragraph.*

### **Application via Avanza**

[...]

Securities depository account or ISK customers with Avanza can apply for shares via Avanza internet service from and including 19 October 2021 up until 23.59 CET on 27 October 2021. To ensure that they do not lose their possible right to allotment, securities depository or ISK customers with Avanza must have sufficient funds available in their depository accounts or ISK during the period from 23.59 CEST on 27 October 2021 up until 23.59 CET on 2 November 2021. More information on the application process through Avanza is available on [www.avanza.se](http://www.avanza.se).

\* \* \*

*The subsection “Application via Nordnet” on page 47 of the Prospectus is replaced with the following subsection.*

**Application via Nordnet**

Applications from the general public can only be made by persons who are, or become, customers in Nordnet. Application to acquire shares is made via Nordnet’s webservice and can be submitted from 19 October 2021 up to and including 23.59 CEST on 27 October 2021. To ensure that they do not lose their right to any allotment, Nordnet customers must have sufficient funds available in their account from 23.59 CEST on 27 October 2021 up until 23.59 CET on 2 November 2021. Full details on how to become a Nordnet customer and the application procedure via Nordnet are available on [www.nordnet.se](http://www.nordnet.se), [www.nordnet.no](http://www.nordnet.no), [www.nordnet.dk](http://www.nordnet.dk) and [www.nordnet.fi](http://www.nordnet.fi).

\* \* \*

*The subsection “The institutional offering” on page 47 of the Prospectus is replaced with the following subsection.*

**The institutional offering**

Institutional investors in Sweden and from abroad are invited to submit their application during the period 19–28 October 2021. Applications from institutional investors in Sweden and from abroad shall be submitted to the Managers (in accordance with special instructions).

\* \* \*

*The first to third paragraphs of the “The offer to the general public in Sweden, Denmark, Finland and Norway” on page 48 of the Prospectus are replaced with the following paragraphs.*

**The offer to the general public in Sweden, Denmark, Finland and Norway**

Allotment is expected to take place on or about 29 October 2021. As soon as possible thereafter, contract notes will be sent to those having received allotment in the Offering. Those who have not been allotted shares in the Offering will not be notified.

Information about allotment can be viewed from 09.00 CEST on 29 October 2021 on the specified securities depository account or ISK.

Payment for allotted common shares of class B will be deducted from the specified securities depository account or ISK on 2 November 2021. If sufficient funds are not available on the securities depository account or ISK on the settlement date, 2 November 2021, or if full payment is not made in due time, allotted shares may be transferred and sold to another party. The party who initially received allotment of shares in the Offering may bear the difference, should the selling price in the event of such a transfer be less than the Offering Price.

\* \* \*

*The subsection “The institutional offering” on page 48 of the Prospectus is replaced with the following subsection.*

**The institutional offering**

Institutional investors are expected to receive information regarding allotment on or about 29 October 2021 in a particular order, whereupon contract notes will be distributed. Full payment for allotted common shares of class B shall be made in cash no later than 2 November 2021 in accordance with instructions set out in the contract note. Note that if full payment is not made in due time, allotted shares may be transferred to another party. Should the price in the event of such transfer be less than the Offering Price, the investor who originally received allotment of shares in the Offering may have to bear the difference.

\* \* \*

*The subsection “Registration and recognition of allotted shares” on page 48 of the Prospectus is replaced with the following subsection.*

### **Registration and recognition of allotted shares**

Registration of allotted shares with Euroclear Sweden is, for both institutional investors and the public, expected to be effected on or about 2 November 2021, after which Euroclear Sweden will distribute notices stating the number of shares that have been registered in the receiver’s securities account. Notification to shareholders whose holdings are nominee-registered will take place in accordance with the practices of the respective nominee.

\* \* \*

*The subsection “Listing on Nasdaq Stockholm” on page 48 of the Prospectus is replaced with the following subsection.*

### **Listing on Nasdaq Stockholm**

On 30 August 2021, the listing committee of Nasdaq Stockholm assessed that Volvo Car Group meets Nasdaq Stockholm’s listing requirements, provided that customary terms and conditions are satisfied, including that the distribution requirement for the Company’s common shares of class B is met no later than the first day of trading in the Company’s common shares of class B on Nasdaq Stockholm and that the Company applies for the admission to trading of its common shares of class B on Nasdaq Stockholm. The expected first day of trading on Nasdaq Stockholm is 29 October 2021. The common shares of class B (with ISIN code SE0016844831) will be traded under the ticker VOLCAR B.

\* \* \*

*The subsection “Important information regarding sale of allotted shares” on page 48–49 of the Prospectus is replaced with the following subsection.*

### **Important information regarding sale of allotted shares**

After payments for the allocated shares have been processed by the Managers, the duly paid shares will be transferred to the securities depository account or the securities account specified by the acquirer. The time required to transfer payments and transfer duly paid shares to such acquirer means that the acquirer will not have shares available in the specified securities depository account or the securities account until on or around 2 November 2021. Trading in the Company’s shares on Nasdaq Stockholm is expected to commence on or around 29 October 2021. Accordingly, if shares are not available in an acquirer’s securities account or securities depository account until on or around 2 November 2021, the acquirer may not be able to sell these shares on Nasdaq Stockholm as from the first day of trading, but first when the shares are available in the securities account or the securities depository account.

\* \* \*

*The subsection “Announcement of the outcome of the Offering” on page 49 of the Prospectus is replaced with the following subsection.*

### **Announcement of the outcome of the Offering**

The final outcome of the Offering will be announced through a press release which will be available on Volvo Car Group’s website, [www.volvocars.com](http://www.volvocars.com), on or about 29 October 2021.

\* \* \*

*The subsection “Terms and conditions for completion of the Offering” on page 49 of the Prospectus is replaced with the following subsection.*

### **Terms and conditions for completion of the Offering**

The Offering is conditional upon the Placing Agreement being entered into between the Company, the Principal Shareholder and the Managers, and that certain terms and conditions in the Placing Agreement are fulfilled and that the agreement is not terminated. Pursuant to the Placing Agreement, the Managers’ commitment to procure purchasers for or, if the Managers fail to do so, purchase, such common shares of class B themselves is

conditional upon, among other things, that certain force majeure events and material adverse changes to the Group's business do not occur and certain other customary conditions. The Managers may terminate the Placing Agreement up until the settlement date, 2 November 2021, if for example any material adverse event was to occur or if any other conditions stipulated by the Placing Agreement are not satisfied, in which case the Offering will be suspended and neither delivery of, nor payment for, shares will be affected under the Offering. For further information, see "*Plan of distribution*".

**SUPPLEMENT TO “OPERATING AND FINANCIAL REVIEW”**

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*The third paragraph in the subsection “Significant changes since 30 June 2021” on page 128 of the Prospectus is replaced with the following paragraph.*

**Significant changes since 30 June 2021**

[...]

Pursuant to an authorisation from an Extraordinary General Meeting in the Company held on 17 October 2021, the Company’s Board of Directors intends to resolve to increase the company’s share capital through a new issue of common shares of class B on 25 October 2021 in order to complete the Offering (see “*Shares and share capital–Share capital structure amendments in connection with the Offering, etc.–The New Issue of common shares of class B as part of the Offering*”). Through the issue of new shares, Volvo Car Group will raise gross proceeds of approximately MSEK 20,000 before deduction of costs related to the Offering.

## SUPPLEMENT TO “CAPITALISATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION”

The section “Capitalisation, indebtedness and other financial information” on page 145–146 of the Prospectus is replaced with the following section.

### CAPITALISATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

#### Capitalisation and indebtedness

The tables below set forth Volvo Car Group’s capitalisation and interest-bearing net financial indebtedness as of 30 September 2021 on an (i) actual basis and (ii) on an adjusted basis to reflect:

- the New Issue of common shares of class B carried out by the Company as part of the Offering (see “Shares and share capital–Share capital structure amendments in connection with the Offering, etc.–The New Issue of common shares of class B as part of the Offering”);
- the issue in kind of common shares of class B in the Company against payment in the form of shares in the subsidiary Volvo Car Corporation in order to exchange shares held in Volvo Car Corporation by a number of current and former members of the EMT and the Board, as a consequence of their participation in a previous investment programme in Volvo Car Corporation, for shares in the Company (the “Issue in Kind”) (see “Shares and share capital–Share capital structure amendments in connection with the Offering, etc.–Other changes to the share capital structure in conjunction with the Offering–Issue in Kind to exchange shares in Volvo Car Corporation for shares in the Company” and “Share-based investment and incentive programmes, etc.–Previous share-based investment programme in Volvo Car Corporation”); and
- the redemption of preference shares of class C in the Company through a reduction of the Company’s share capital, the bonus issue carried out to restore the share capital following said reduction, and a directed issue of new common shares of class B to the Preference Shareholders<sup>1</sup> (see “Shares and share capital–Share capital structure amendments in connection with the Offering, etc.–Changes relating to the Preference Shares”).

<sup>1</sup> Folksam and AMF.

#### Capitalisation

MSEK	30 September 2021 Actual	Adjustments attributable to the New Issue <sup>1)</sup>	Adjustments attributable to the Issue in Kind <sup>2)</sup>	Adjustments attributable to the redemption of pref- erence shares, the bonus issue and the directed share issue to the Preference Shareholders <sup>3)</sup>	30 September 2021 Adjusted
<b>Total current debt (including current portion of non-current debt)<sup>4)</sup></b>	<b>8,450</b>				<b>8,450</b>
Guaranteed <sup>5)</sup>	–				–
Secured <sup>6)</sup>	–				–
Unguaranteed/unsecured <sup>7)</sup>	8,450				8,450
<b>Total non-current debt (excluding current portion of non-current debt)<sup>8)</sup></b>	<b>20,880</b>				<b>20,880</b>
Guaranteed <sup>5)</sup>	–				–
Secured <sup>6)</sup>	–				–
Unguaranteed/unsecured <sup>7)</sup>	20,880				20,880
<b>Shareholder equity</b>	<b>71,871</b>	<b>20,000</b>	<b>91</b>	<b>316</b>	<b>92,278</b>
Share capital	51	8	0	2	61
Legal reserve(s)	19,949	19,992	91	314	40,346
Other reserves <sup>9)</sup>	51,871	–			51,871
<b>Total</b>	<b>101,201</b>	<b>20,000</b>	<b>91</b>	<b>316</b>	<b>121,608</b>

<sup>1)</sup> The New Issue will increase the Company’s share capital by MSEK 8 through the issuance of 377,358,490 new common shares of class B, each with a quota value of SEK 0.0204555176, at a subscription price of SEK 53 per share. The share premium in the New Issue will increase the Company’s share premium reserve by MSEK 19,992 before transaction costs.

<sup>2)</sup> The Issue in Kind entails that the Company's share capital will increase by SEK 35,222 through the issuance of 1,721,903 new common shares of class B, each with a quota value of SEK 0.0204555176, at a subscription price of SEK 53 per share. The share premium in the Issue in Kind will increase the Company's share premium reserve by MSEK 91.

<sup>3)</sup> The redemption of preference shares of class C in the Company entails that the Company's share capital will be reduced by MSEK 1 and that the Company's unrestricted equity will be reduced by MSEK 5,010. The bonus issue entails that the Company's share capital will increase by MSEK 1 through a corresponding amount being transferred from the Company's unrestricted equity. The directed share issue to the Preference Shareholders entails that the Company's share capital will increase by MSEK 2 through the issuance of 100,443,786 new common shares of class B, each with a quota value of SEK 0.0204555176, at a subscription price of SEK 53 per share. The share premium in the directed share issue to the Preference Shareholders will increase the Company's share premium reserve by MSEK 5,321.

<sup>4)</sup> Total current debt consists of current bonds and current liabilities to credit institutions.

<sup>5)</sup> Debt guaranteed by subsidiaries within the Group is not included in this item.

<sup>6)</sup> The secured debt consists of property mortgages where properties have been pledged and included in the line-item liabilities to credit institutions.

<sup>7)</sup> The unguaranteed/unsecured debt consist of liabilities to credit institutions and bonds.

<sup>8)</sup> Total non-current debt consists of non-current bonds and non-current liabilities to credit institutions.

<sup>9)</sup> Includes net income for the first nine months of 2021 of MSEK 11,919, of which MSEK 1,488 was attributable to non-controlling interests.

## Net financial indebtedness<sup>1)</sup>

MSEK	30 September 2021 Actual	Adjustments attributable to the New Issue <sup>2)</sup>	Adjustments attributable to the Issue in Kind <sup>3)</sup>	Adjustments attributable to the redemption of preference shares, the bonus issue and the directed share issue to the Preference Shareholders <sup>4)</sup>	30 September 2021 Adjusted
(A) Cash	36,197	<u>20,000</u>			<u>56,197</u>
(B) Cash equivalents <sup>5)</sup>	5,209				5,209
(C) Other current financial assets <sup>6)</sup>	890				890
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>42,296</b>	<b><u>20,000</u></b>			<b><u>62,296</u></b>
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) <sup>7)</sup>	7,068				7,068
(F) Current portion of non-current financial debt <sup>8)</sup>	1,382				1,382
<b>(G) Current financial indebtedness (E)+(F)</b>	<b>8,450</b>				<b>8,450</b>
<b>(H) Net current financial indebtedness (G)-(D)</b>	<b>-33,846</b>	<b><u>-20,000</u></b>			<b><u>-53,846</u></b>
(I) Non-current financial debt (excluding current portion and debt instruments) <sup>9)</sup>	2,698				2,698
(J) Debt instruments <sup>10)</sup>	18,182				18,182
(K) Non-current trade and other payables	–				–
<b>(L) Non-current financial indebtedness (I)+(J)+(K)</b>	<b>20,880</b>				<b>20,880</b>
<b>(M) Total financial indebtedness: (H)+(L)</b>	<b>-12,966</b>	<b><u>-20,000</u></b>			<b><u>-32,966</u></b>

<sup>1)</sup> The financial debt does not include any liabilities related to leases.

<sup>2)</sup> The New Issue entails that Volvo Car Group will raise MSEK 20,000 before transaction cost through the issuance of 377,358,490 new common shares of class B at a subscription price of SEK 53 per share.

<sup>3)</sup> As the Issue in Kind will be made against payment in the form of shares in the subsidiary Volvo Car Corporation, it will not affect Volvo Car Group's net financial indebtedness.

<sup>4)</sup> Together, the redemption of preference shares of class C in the Company through a reduction of the Company's share capital, the bonus issue and the directed share issue to the Preference Shareholders will not affect Volvo Car Group's net financial indebtedness.

<sup>5)</sup> Comprises marketable securities, commercial papers and bank acceptance drafts.

<sup>6)</sup> Comprises financial instruments recorded at fair value through the income statement.

<sup>7)</sup> Comprises current liabilities to credit institutions and current bonds, excluding current portion of non-current financial debt.

<sup>8)</sup> Comprises current portion of non-current liabilities to credit institutions and non-current bonds.

<sup>9)</sup> Comprises non-current liabilities to credit institutions.

<sup>10)</sup> Comprises non-current bonds.

## Contingent liabilities

As of 30 September 2021, Volvo Car Group's contingent liabilities (guarantees and commitments that arose in the normal business activities) amounted to MSEK 548 (see also "Operating and financial review–Indebtedness–Contingent liabilities").

## SUPPLEMENT TO “BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITOR”

The table in the subsection “Board of Directors” on page 147 of the Prospectus is replaced with the following table.

### Board of Directors

[...]

Name	Position	Board member since	Independent in relation to the Company and the Executive Management Team	Independent in relation to the Company's major shareholders	Audit Committee	People and Sustainability Committee	Product Strategy and Investment Committee	Commercial Transformation Committee	Shareholding after the Offering <sup>1)</sup>
Eric Li	Chairperson	2010	No	No					<u>2,443,396,227</u> <sup>2)</sup>
Lone Fønss Schröder	Vice Chairperson	2010	Yes	No	Chairperson				<u>27,594</u> <sup>4)</sup>
Betsy Atkins	Member	2016	Yes	Yes		Member	Member		<u>10,613</u> <sup>4)</sup>
Michael Jackson	Member	2018	Yes	Yes	Member			Chairperson	<u>11,143</u> <sup>4)</sup>
Thomas Johnstone	Member	2015	Yes	Yes		Chairperson	Member		<u>6,237</u> <sup>4)</sup>
Daniel Li	Member	2012	Yes	No	Member				–
Diarmuid O’Connell	Member	2021	Yes	Yes					<u>1,326</u> <sup>4)</sup>
Håkan Samuelsson	Member, President and CEO	2010	No	Yes			Member		<u>1,355,366</u> <sup>3) 5) 6)</sup>
Jonas Samuelson	Member	2020	Yes	Yes				Member	<u>2,889</u> <sup>4)</sup>
Lila Tretikov	Member	2021	Yes	Yes					<u>1,326</u> <sup>4)</sup>
Winfried Vahland	Member	2019	Yes	Yes			Chairperson		<u>9,551</u> <sup>4)</sup>
Xingsheng (Jim) Zhang	Member	2018	Yes	Yes		Member		Member	<u>42,135</u> <sup>3) 4)</sup>
Glenn Bergström	Member*	2009	–	–					<u>438</u> <sup>4)</sup>
Jörgen Olsson	Member*	2016	–	–					<u>460</u> <sup>4)</sup>
Anna Margitin	Deputy member*	2017	–	–					<u>243</u> <sup>4)</sup>
Björn Olsson	Deputy member*	2010	–	–					<u>243</u> <sup>4)</sup>

<sup>\*)</sup> Employee representative

<sup>1)</sup> Own holdings and holdings of related persons and affiliated companies after the Offering.

<sup>2)</sup> Based on the assumption that the Overallotment Option is fully exercised. Based on the assumption that the Overallotment Option is not exercised, the shareholding will amount to 2,500,000,000 shares. For further information, see “Shares and share capital–Ownership structure”.

<sup>3)</sup> Based on the assumption that any shares held in Volvo Car Corporation will be contributed to the Company in exchange for newly issued common shares of class B in the Company in connection with the Offering (see “Shares and share capital–Share-based investment and incentive programmes, etc.–Previous share-based investment programme in Volvo Car Corporation”).

<sup>4)</sup> Includes shares to be acquired for the Board One-Off Payment, based on the assumptions set out in “Corporate governance–Board of Directors–Compensation to the Board of Directors–One-off payment to the Board of Directors”.

<sup>5)</sup> Includes shares to be acquired for the Management One-Off Payment, based on the assumptions set out in “Corporate governance–CEO and the Executive Management Team–Remuneration to the Executive Management Team–One-off payment to the Executive Management and other senior executives”.

<sup>6)</sup> In addition to the shares presented in the table, Håkan Samuelsson has applied to acquire shares in the Offering in an amount of MSEK 25, corresponding to 471,698 common shares of class B if he were to receive full allocation for his application.

\* \* \*

The table in the subsection “Executive Management” on page 152 of the Prospectus is replaced with the following table.

## Executive Management

[...]

Name	Position/Area of responsibility	Member of Executive Management since	Employed within Volvo Car Group since	Shareholding after the offering <sup>1)</sup>
Håkan Samuelsson	President and CEO	2012	2012	1,355,366 <sup>2) 3) 4)</sup>
Björn Annwall	Chief Financial Officer	2015	2015	145,620 <sup>2) 3)</sup>
Henrik Green	Product Creation	2016	1996	87,557 <sup>2) 3)</sup>
Maria Hemberg	General Counsel, Legal & Corporate Governance	2012	2012	49,197 <sup>2) 3)</sup>
Lex Kerssemakers	Commercial Operations	2004 <sup>4)</sup>	1984	23,480 <sup>3)</sup>
Anders Gustafsson	Americas	2015	2009	34,686 <sup>2) 3)</sup>
Arek Nowinski <sup>*)</sup>	EMEA	2021	2004	15,813 <sup>3)</sup>
Xiaolin Yuan	APAC	2017	2010	–
Javier Varela	Engineering and Operations	2016	2016	86,221 <sup>2) 3)</sup>
Hanna Fager	Corporate Functions	2016	2002	44,908 <sup>2) 3)</sup>
Olivia Ross-Wilson <sup>*)</sup>	Communication	2021 <sup>5)</sup>	2021	–

<sup>\*)</sup> Does not report to the CEO.

<sup>1)</sup> Own holdings and holdings of related persons and affiliated companies after the Offering.

<sup>2)</sup> Based on the assumption that any shares held in Volvo Car Corporation will be contributed to the Company in exchange for newly issued common shares of class B in the Company in connection with the Offering (see “Shares and share capital–Share-based investment and incentive programmes, etc.–Previous share-based investment programme in Volvo Car Corporation”).

<sup>3)</sup> Includes shares to be acquired for the Management One-Off Payment, based on the assumptions set out in “Corporate governance–CEO and the Executive Management Team–Remuneration to the Executive Management Team–One-off payment to the Executive Management and other senior executives”.

<sup>4)</sup> With a disruption of approximately two years during which Lex Kerssemakers was President of Volvo Car Overseas Corporation AB and not part of the Executive Management.

<sup>5)</sup> Employment starts in December 2021.

<sup>6)</sup> In addition to the shares presented in the table, Håkan Samuelsson has applied to acquire shares in the Offering in an amount of MSEK 25, corresponding to 471,698 common shares of class B if he were to receive full allocation for his application.

\* \* \*

The subsection “Other information concerning the Board of Directors and the Executive Management” on page 154 of the Prospectus is supplemented with a new final paragraph.

## Other information concerning the Board of Directors and the Executive Management

[...]

Håkan Samuelsson has informed the Company that he will apply to acquire additional common shares of class B in an amount of MSEK 25 in the Offering, corresponding to 471,698 common shares of class B if he were to receive full allocation for his application. The application will be part of the offer to institutional investors (since the application represents more than 25,000 shares). Håkan Samuelsson will not receive any preferential treatment in the allotment of shares to institutional investors and is thus not guaranteed full allocation.

## SUPPLEMENT TO “CORPORATE GOVERNANCE”

The fourth paragraph and the table in the subsection “One-off payment to the Board of Directors” on page 160 of the Prospectus are replaced with the following paragraph and table, respectively.

### One-off payment to the Board of Directors

[...]

Based on the assumption that the shares are acquired for a share price corresponding to the Offering Price, and after deduction of preliminary tax, the Board One-Off Payment will entitle the Board members to the below net cash one-off payment to be used to acquire the below number of common shares of class B in the Company.

Name	Position	Board One-Off Payment (net), SEK	Number of shares
Lone Fønss Schröder	Vice Chairperson	1,462,500	27,594
Betsy Atkins	Member	562,500	10,613
Michael Jackson	Member	590,625	11,143
Thomas Johnstone	Member	330,563	6,237
Diarmuid O’Connell	Member	70,313	1,326
Jonas Samuelson	Member	153,125	2,889
Lila Tretikov	Member	70,313	1,326
Winfried Vahland	Member	506,250	9,551
Xingsheng (Jim) Zhang	Member	562,500	10,613
Glenn Bergström	Member <sup>*)</sup>	23,247	438
Jörgen Olsson	Member <sup>*)</sup>	24,381	460
Anna Margitin	Deputy member <sup>*)</sup>	12,900	243
Björn Olsson	Deputy member <sup>*)</sup>	12,900	243
<b>Total</b>		<b>4,382,116</b>	<b>82,676</b>

<sup>\*)</sup> Employee representative.

\* \* \*

The fourth paragraph and the table in the subsection “One-off payment to the Executive Management and other senior executives” on page 165 of the Prospectus are replaced with the following paragraph and table, respectively.

### One-off payment to the Executive Management and other senior executives

[...]

Based on the assumption that the shares are acquired for a share price corresponding to the Offering Price and after deduction of preliminary tax, the Management One-Off Payment will entitle the CEO and the other senior executives to the below net cash one-off payment to be used to acquire the below number of common shares class B in the Company.

Name	Position	Management One-Off Payment (net), SEK	Number of shares
Håkan Samuelsson	President and CEO	5,842,500	110,235
Other members of the Executive Management (9 persons)	–	9,547,701	180,141
<b>Total</b>		<b>15,390,201</b>	<b>290,376</b>

## SUPPLEMENT TO “SHARES AND SHARE CAPITAL”

The table in the subsection “Share capital development” on page 170 of the Prospectus is replaced with the following table.

### Share capital development

[...]

Year	Event	Change in number of shares				Change in share capital, SEK	Total number of outstanding shares			Quota value per Share, SEK	Total share capital, SEK	
		Common shares of class A	Common shares of class B	Preference shares of class C	Total		Common shares of class A	Common shares of class B	Preference shares of class C			Total
Input	–	–	–	–	–	–	50,000,000	–	500,000	50,500,000	1.00	50,500,000
2019	Redemption of preference shares <sup>1)</sup>	–	–	-500,000	-500,000	-500,000	50,000,000	–	–	50,000,000	1.00	50,000,000
2019	Directed new issue of preference shares <sup>2)</sup>	–	–	1,138,794	1,138,794	1,138,794	50,000,000	–	1,138,794	51,138,794	1.00	51,138,794
2021	Redemption of Preference Shares <sup>3)</sup>	–	–	-1,138,794	–	-1,138,794	50,000,000	–	–	50,000,000	1.00	50,000,000
2021	Bonus Issue <sup>4)</sup>	–	–	–	–	1,138,794	50,000,000	–	–	50,000,000	1.02277588	51,138,794
2021	Conversion of common shares of class A to common shares of class B <sup>5)</sup>	-12,735,850	12,735,850	–	–	–	37,264,150	12,735,850	–	50,000,000	1.02277588	51,138,794
2021	Share Split <sup>6)</sup>	1,825,943,350	624,056,650	–	2,450,000,000	–	1,863,207,500	636,792,500	–	2,500,000,000	0.0204555176	51,138,794
2021	New Issue <sup>7)</sup>	–	377,358,490	–	377,358,490	7,719,063	1,863,207,500	1,014,150,990	–	2,877,358,490	0.0204555176	58,857,857
2021	Issue in Kind <sup>8)</sup>	–	1,721,903	–	1,721,903	35,222	1,863,207,500	1,015,872,893	–	2,879,080,393	0.0204555176	58,893,080
2021	Directed Share Issue to the Preference Shareholders <sup>9)</sup>	–	100,443,786	–	100,443,786	2,054,630	1,863,207,500	1,116,316,679	–	2,979,524,179	0.0204555176	60,947,709
2021	Additional conversion of common shares of class A <sup>10)</sup>	–	–	–	–	–	–	–	–	–	–	–
		1,863,207,500	1,863,207,500	=	=	=	=	2,979,524,179	2,979,524,179	0.0204555176	60,947,709	

<sup>1)</sup> Carried out at a redemption price of SEK 11,489.73 per share and by reducing the share capital by SEK 50,000,000. The purpose for the reduction of the share capital was repayment to shareholders.

<sup>2)</sup> Carried out at a subscription price of SEK 4,400 per share, paid by setting-off claims against the Company arising from the redemption of preference shares in 2019.

<sup>3)</sup> Carried out at a redemption price of SEK 4,674.70 per Preference Share through a reduction of the Company's share capital by SEK 1,138,794. See “–Share capital structure amendments in connection with the Offering, etc.–Other changes to the share capital structure in conjunction with the Offering–Changes relating to the Preference Shares–Redemption of Preference Shares” below.

<sup>4)</sup> Bonus issue in the amount of SEK 1,138,794, entailing that a corresponding amount is being transferred from unrestricted equity without the issuance of new shares, in order to restore the share capital of the Company following the Redemption of Preference Shares. See “–Share capital structure amendments in connection with the Offering, etc.–Other changes to the share capital structure in conjunction with the Offering–Changes relating to the Preference Shares–Bonus Issue to restore the share capital” below.

<sup>5)</sup> Conversion of 12,735,850 common shares of class A to 12,735,850 common shares of class B on a 1:1 basis in conjunction with the Offering. See “–Share capital structure amendments in connection with the Offering, etc.–Other changes to the share capital structure in conjunction with the Offering–Conversion of common shares in connection with the Offering” below.

<sup>6)</sup> Split of the common shares of class A and B in the Company (50:1). See “–Share capital structure amendments in connection with the Offering, etc.–Other changes to the share capital structure in conjunction with the Offering–Share Split” below.

<sup>7)</sup> The New Issue of common shares of class B in connection with the Offering at a subscription price corresponding to the Offering Price. See “–Share capital structure amendments in connection with the Offering, etc.–The New Issue of common shares of class B as part of the Offering” below.

<sup>8)</sup> Exchange of shares held in Volvo Car Corporation for shares in the Company. See “–Share capital structure amendments in connection with the Offering, etc.–Other changes to the share capital structure in conjunction with the Offering–Issue in Kind to exchange shares in Volvo Car Corporation for shares in the Company” and “–Share-based investment and incentive programmes, etc.–Previous share-based investment programme in Volvo Car Corporation” below.

<sup>9)</sup> Directed Share Issue to the Preference Shareholders in connection with the Offering at a subscription price corresponding to the Offering Price. See “–Share capital structure amendments in connection with the Offering, etc.–Changes relating to the Preference Shares–Directed Share Issue to the Preference Shareholders” below.

<sup>10)</sup> Conversion of 1,863,207,500 common shares of class A to 1,863,207,500 common shares of class B on a 1:1 basis under the conversion clause in the Company's Articles of Association. See “–Share capital structure amendments in connection with the Offering, etc.–Other changes to the share capital structure in conjunction with the Offering–Additional conversion of common shares of class A at the request of Geely Sweden”.

\* \* \*

The subsection “The New Issue of common shares of class B as part of the Offering” on page 171 of the Prospectus is replaced with the following subsection.

### The New Issue of common shares of class B as part of the Offering

At the Extraordinary General Meeting held on 17 October 2021, it was resolved on the New Issue for the purpose of completing the Offering. The Board of Directors was authorised to resolve to which amount the Company's share capital is to increase with, the number of common shares of class B to be issued as well as the subscription price. The subscription price shall correspond to the Offering Price. The right to subscribe for new

common shares of class B shall, with deviation from the shareholders' preferential right, be given to the general public in Sweden, Denmark, Finland and Norway and institutional investors. The Board of Directors is expected to determine the final term for the New Issue on or about 25 October 2021.

See also “–Dilution” below.

\* \* \*

*The second paragraph in the subsection “Changes relating to the Preference Shares” on page 171 of the Prospectus is replaced with the following paragraph.*

**Changes relating to the Preference Shares**

[...]

To make sure that, following completion of the Offering, the Company will only have common shares outstanding, the below measures will be taken in relation to the Preference Shares. The Company's Articles of Association, adopted by the Extraordinary General Meeting held on 17 October 2021 and expected to be registered with the Swedish Companies Registration Office on or around 25 October 2021, contain no possibility to issue preference shares of class C (see “Articles of Association”).

\* \* \*

*The subsection “Directed Share Issue to the Preference Shareholders” on page 171 of the Prospectus is replaced with the following subsection.*

**Directed Share Issue to the Preference Shareholders**

As a condition for the Redemption of Preference Shares, each Preference Shareholder has undertaken to reinvest the total respective redemption price in a directed share issue of common shares of class B, where the subscription price shall correspond to the Offering Price and where payment shall be made by setting off of the promissory notes (the “**Directed Share Issue to the Preference Shareholders**”). The Directed Share Issue to the Preference Shareholders is expected to be resolved at an Extraordinary General Meeting to be held on 27 October 2021. The number of shares in the Directed Share Issue to the Preference Shareholders will be 100,443,786.

See also “–Dilution” below.

\* \* \*

*The second paragraph in the subsection “Corporate resolutions and registration” on page 171 of the Prospectus is replaced with the following paragraph.*

**Corporate resolutions and registration**

[...]

The resolution regarding the Directed Share Issue to the Preference Shareholders is expected to be adopted at an Extraordinary General Meeting to be held on 27 October 2021, and is expected to be registered with the Swedish Companies Registration Office on or around 2 November 2021.

\* \* \*

*The subsection “Issue in Kind to exchange shares in Volvo Car Corporation for shares in the Company” on page 172 of the Prospectus is replaced with the following subsection.*

**Issue in Kind to exchange shares in Volvo Car Corporation for shares in the Company**

In connection with the listing of the common shares of class B on Nasdaq Stockholm, shares held in Volvo Car Corporation by a number of current and former members of the EMT and the Board as a consequence of their private investments under a previous investment programme in Volvo Car Corporation will be exchanged for shares in the Company through an issue in kind (the “**Issue in Kind**”). In total, 437 shares in Volvo Car Corporation will be exchanged for 1,721,903 new common shares of class B in the Company. The shares in in Volvo Car Corporation shall be contributed to the Company no later than 27 October 2021. As of the date of this prospectus, the exercise of warrants in Volvo Car Corporation has not been registered with the Swedish

Companies Registration Office. See “–Share-based investment and incentive programmes, etc.–Previous share-based investment programme in Volvo Car Corporation”.

The resolution regarding the Issue in Kind is expected to be adopted at an Extraordinary General Meeting to be held on 27 October 2021, and is expected to be registered with the Swedish Companies Registration Office on or about 2 November 2021.

See further also “–Share-based investment and incentive programmes, etc.–New share-based incentive programme”. See also “–Dilution” below.

\* \* \*

*The section “Shares and share capital” is supplemented by a new subsection (“Additional conversion of common shares of class A on request by Geely Sweden”) immediately following “Issue in Kind to exchange shares in Volvo Car Corporation for shares in the Company” on page 172 of the Prospectus.*

**Additional conversion of common shares of class A at the request of Geely Sweden**

On 22 October 2021, Geely Sweden notified Volvo Car Group of a request to, subject to completion of the listing on Nasdaq Stockholm, convert all of its 1,863,207,500 common shares of class A in the Company to a corresponding number common shares of class B under the conversion clause in § 7 of the Company’s Articles of Association (see also “–Certain rights attached to the shares–Conversion clause in respect of common shares of class A” above). The Articles of Association, adopted by the Extraordinary General Meeting held on 17 October 2021 and containing the conversion clause, are expected to be registered with the Swedish Companies Registration Office on or about 25 October 2021. Once the Articles of Association have been registered with the Swedish Companies Registration Office, the conversion will be filed for registration with the Swedish Companies Registration Office and is executed when registered with the Swedish Companies Registration Office and recorded in the share register kept by Euroclear Sweden.

In interactions with potential investors in the Offering, it has become clear that investors regard the voting power of the shares to be an important matter, and Geely Sweden has consequently initiated the conversion to simplify the share structure and further clarify the strong and independent governance of Volvo Car Group.

\* \* \*

*The subsection “Dilution” on page 172 of the Prospectus is replaced with the following subsection.*

**Dilution**

The New Issue will lead to an increase in the number of shares from 2,500,000,000 (after the Redemption of Preference Shares and the Share Split) to 2,877,358,490 shares. For existing shareholders, a dilution of 377,358,490 new shares will arise, corresponding to 13.1 per cent of the total shares and 2.0 per cent of the total votes after the New Issue. Together, the New Issue, the Issue in Kind and the Directed Share Issue to the Preference Shareholders will lead to an increase in the number of shares from 2,500,000,000 (after the Redemption of Preference Shares and the Share Split) to 2,979,524,179 shares. For existing shareholders, a dilution of 479,524,179 new shares will arise, corresponding to 16.1 per cent of the total shares and 2.4 per cent of the total votes after the New Issue, the Issue in Kind and the Directed Share Issue to the Preference Shareholders. If the additional conversion of common shares of class A at the request of Geely Sweden had been made prior to the New Issue, the dilution in terms of votes would correspond to the dilution in terms of shares both for the New Issue as well as the New Issue, the Issue in Kind and the Directed Share Issue to the Preference Shareholders together.

\* \* \*

*The subsection “Net asset value per share” on page 172 of the Prospectus is replaced with the following subsection.*

**Net asset value per share**

As of 30 June 2021, the Company’s net asset value<sup>3</sup> per share amounted to SEK 1,431. Adjusted for the Redemption of Preference Shares and the Share Split,<sup>4</sup> the net asset value per share would have amounted to SEK 27. Adjusted also for the Issue in Kind and the Directed Share Issue to the Preference Shareholders,<sup>5</sup> the net

asset value per share would have amounted to SEK 28. The Offering Price has been set to SEK 53 per common share of class B.

<sup>3</sup> Calculated as equity (SEK 73,190,000,000) divided by the number of shares (51,138,794) as of 30 June 2021.

<sup>4</sup> See “–Other changes to the share capital structure in conjunction with the Offering–Changes relating to the Preference Shares” and “–Other changes to the share capital structure in conjunction with the Offering–Share split” above, together increasing the number of shares by 2,448,861,206.

<sup>5</sup> See “–Other changes to the share capital structure in conjunction with the Offering–Changes relating to the Preference Shares” and “–Other changes to the share capital structure in conjunction with the Offering–Issue in Kind to exchange shares in Volvo Car Corporation for shares in the Company” above, together increasing the number of shares by an additional 102,165,689.

\* \* \*

The subsection “Ownership structure” on page 173 of the Prospectus is replaced with the following subsection.

## Ownership structure

The table below sets forth the Company’s ownership structure prior to the Offering and directly after completion of the Offering, respectively, provided that all allocated shares have settled as allocated, reflecting both the ownership structure if the Overallotment Option is not exercised and if the Overallotment Option is fully exercised. The table is also based on the assumption that the measures described in “–Share capital structure amendments in connection with the Offering, etc.–Other changes to the share capital structure in conjunction with the Offering” above have been carried out.

Shareholder	Prior to the Offering			After the Offering (if the Overallotment Option is not exercised)				After the Offering (if the Overallotment Option is fully exercised)					
	Common shares of class A	Common shares of class B	Preference shares of class C	Shares, %	Votes, %	Common shares of class A	Common shares of class B	Shares, %	Votes, %	Common shares of class A	Common shares of class B	Shares, %	Votes, %
<i>Major shareholders</i>													
Geely Holding	50,000,000	–	–	97.8	99.8	–	<u>2,500,000,000</u>	<u>83.9</u>	<u>83.9</u>	–	<u>2,443,396,227</u>	<u>82.0</u>	<u>82.0</u>
AMF <sup>1)</sup>	–	–	681,818	1.3	0.1	–	<u>88,439,525</u>	<u>3.0</u>	<u>3.0</u>	–	<u>88,439,525</u>	<u>3.0</u>	<u>3.0</u>
Folksam <sup>2)</sup>	–	–	456,976	0.9	0.1	–	<u>40,306,147</u>	<u>1.4</u>	<u>1.4</u>	–	<u>40,306,147</u>	<u>1.4</u>	<u>1.4</u>
<b>Total major shareholders</b>	<b>50,000,000</b>	<b>–</b>	<b>1,138,794</b>	<b>100.0</b>	<b>100.0</b>	<b>–</b>	<b><u>2,628,745,672</u></b>	<b><u>88.2</u></b>	<b><u>88.2</u></b>	<b>–</b>	<b><u>2,572,141,899</u></b>	<b><u>86.3</u></b>	<b><u>86.3</u></b>
<i>New shareholders</i>													
	–	–	–	–	–	–	<u>350,778,507</u>	<u>11.8</u>	<u>11.8</u>	–	<u>407,382,280</u>	<u>13.7</u>	<u>13.7</u>
<b>Total new and existing shareholders</b>	<b>50,000,000</b>	<b>–</b>	<b>1,138,794</b>	<b>100.0</b>	<b>100.0</b>	<b>–</b>	<b><u>2,979,524,179</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>	<b>–</b>	<b><u>2,979,524,179</u></b>	<b><u>100.0</u></b>	<b><u>100.0</u></b>

<sup>1)</sup> AMF Pensionsförsäkring. AMF’s shareholding after the Offering includes shares comprised by its commitment to acquire shares in the Offering, but not the shares comprised by its indicative additional investment in the Offering. (see “Plan of distribution–Cornerstone Investor commitments”).

<sup>2)</sup> Folksam ömsesidig sakförsäkring, Folksam ömsesidig livförsäkring (Tjänstepension), Folksam ömsesidig livförsäkring (Övrig försäkring) and KPA Pensionsförsäkring AB (publ).

Immediately following completion of the Offering and the share capital structure amendments in connection with the Offering, and assuming that the Overallotment Option is exercised in full, the Principal Shareholder will hold 82.0 per cent of the shares and votes. Thus, the Principal Shareholder will have a significant influence over the outcome of matters submitted to the Company’s shareholders for approval. Such influence is, however, limited by the provisions of the Swedish Companies Act and other applicable laws and regulations. The Principal Shareholder is owned as to 91 per cent by Eric Li (Chairperson of the Company’s Board) and 9 per cent by Eric Li’s son Li Xing Xing.

In Sweden, the lowest limit for disclosure of holdings (Sw. *flaggning*) is five per cent of all shares or the voting rights of all shares.

\* \* \*

The subsection “Listing application” on page 173 of the Prospectus is replaced with the following subsection.

## Listing application

On 30 August 2021, the listing committee of Nasdaq Stockholm assessed that the Company meets Nasdaq Stockholm’s listing requirements, provided that customary terms and conditions are satisfied, including that the distribution requirement for the Company’s common shares of class B is met no later than the first day of trading in the Company’s common shares of class B on Nasdaq Stockholm and that the Company applies for the admission to trading of its common shares of class B on Nasdaq Stockholm. The listing committee of Nasdaq

Stockholm has assessed that the distribution requirement for the Company's common shares of class B can be met through the Offering that entails a free float of at least 12.5 per cent of the shares in the Company. The expected first day of trading on Nasdaq Stockholm is 29 October 2021. The common shares of class B will be traded under the ticker VOLCAR B.

\* \* \*

*The third paragraph and the table in the subsection "Previous share-based investment programme in Volvo Car Corporation" on page 174 of the Prospectus are replaced with the following paragraph and table, respectively.*

### **Previous share-based investment programme in Volvo Car Corporation**

[...]

In connection with the Offering, the participants' shares in Volvo Car Corporation as set out in the table below will be contributed to the Company in exchange for newly issued common shares of class B in the Company through the Issue in Kind, where the exchange ratio has been adjusted in line with the terms for the investment programme. For the participants, the total value of the adjustment is estimated to amount to SEK 6.5 million. For further information on the Issue in Kind, see "*–Share capital structure amendments in connection with the Offering, etc.–Other changes to the share capital structure in conjunction with the Offering–Issue in Kind to exchange shares in Volvo Car Corporation for shares in the Company*").

<b>Name</b>	<b>Position</b>	<b>Number of shares in Volvo Car Corporation</b>	<b>Number of common shares of class B in the Company to be issued</b>
Håkan Samuelsson	President and CEO	316	<u>1,245,131</u>
Other existing and former members of the EMT and the Board	–	121	<u>476,772</u>
<b>Total</b>		<b>437</b>	<b><u>1,721,903</u></b>

## **SUPPLEMENT TO “LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION”**

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*The subsection “Costs relating to the Offering” on page 183 of the Prospectus is replaced with the following subsection.*

### **Costs relating to the Offering**

The Company’s costs related to the admission to trading in the Company’s common shares of class B on Nasdaq Stockholm and the Offering, including payment to advisors, and other estimated transaction costs are estimated to amount to a maximum of approximately MSEK 270 in total, of which a maximum of approximately MSEK 217 is expected to affect the income statement for the three months ending 31 December 2021. MSEK 53 is included Volvo Car Group’s accounts for the nine months ended 30 September 2021.

## SUPPLEMENT TO “PLAN OF DISTRIBUTION”

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*The first and the fourth to sixth paragraphs of the subsection “The Offering” on page 187 of the Prospectus are replaced with the following paragraphs.*

### **The Offering**

The Offering comprises 377,358,490 common shares of class B, of which all are newly issued shares offered by the Company. The Offering is divided into two parts:

- The offer to the general public in Sweden, Denmark, Finland and Norway<sup>1</sup>
- The offer to institutional investors in Sweden and abroad<sup>2</sup>

[...]

On 30 August 2021, the listing committee of Nasdaq Stockholm assessed that the Company meets Nasdaq Stockholm’s listing requirements, provided that customary terms and conditions are satisfied, including that the distribution requirement for the Company’s common shares of class B is met no later than the first day of trading in the Company’s shares on Nasdaq Stockholm and that the Company applies for the admission to trading of its shares on Nasdaq Stockholm. Trading in the common shares of class B is expected to commence on or about 29 October 2021, subject to the condition subsequent that, if closing of the Offering does not take place on the settlement date (i.e., 2 November 2021) or at all, the Offering will be withdrawn, all orders to purchase common shares of class B will be disregarded, any allotments made will be deemed not to have been made, any purchase payments made will be returned without interest or other compensation, and transactions on Nasdaq Stockholm will be annulled. All dealings in the common shares of class B prior to settlement and delivery are at the sole risk of the parties concerned.

The offering period for the general public in Sweden, Denmark, Finland and Norway may be extended and, in such case, the extension would be publicly announced by the Company no later than 27 October 2021. The offering period for institutional investors may be shortened or extended and, in such case, the change would be publicly announced by the Company no later than 28 October 2021.

The Managers expect to deliver the allocated common shares of class B to investors’ accounts on or about 2 November 2021. The shares will be accepted for delivery through the facilities of Euroclear Sweden against payment in immediately available funds.

<sup>1</sup> The offer to the general public in Sweden, Denmark, Finland and Norway entails an offer to acquire a maximum of 25,000 shares.

<sup>2</sup> “Institutional investors” include private individuals and legal entities that apply to acquire more than 25,000 shares.

\* \* \*

*The subsection “Increase of the Offering” on page 187 of the Prospectus is deleted.*

\* \* \*

*The subsection “Overallotment Option” on page 188 of the Prospectus is replaced with the following subsection.*

### **Overallotment Option**

To cover any overallotments in the Offering, the Principal Shareholder will grant the Joint Global Coordinators an option to acquire up to an additional 56,603,773 existing common shares of class B at the Offering Price, corresponding to maximum 15 per cent of the number of shares in the Offering (the “**Overallotment Option**”). The Overallotment Option may be exercised, in full or in part, during a period of 30 days from the first day of trading in the Company’s shares on Nasdaq Stockholm. If the Joint Global Coordinators exercise this option, each Manager will be severally obligated, subject to certain conditions contained in the Placing Agreement, to procure purchasers for, or failing such procurement, to acquire a number of additional shares proportionate to that Manager’s initial per cent of committed shares reflected in the table above, and the Principal Shareholder will be obligated to sell a number of additional shares proportionate to the shares over which it has granted the Overallotment Option, the maximum aggregate amount of which is set forth in the first sentence of this paragraph. In connection with additional sales in respect of the Overallotment Option, SEB acting as settlement agent may effect borrowing arrangements with the Principal Shareholder prior to the exercise of the Overallotment Option in order to have a sufficient number of shares to deliver to all purchasers.

\* \* \*

The subsection “Information about the offeror” on page 188 of the Prospectus is replaced with the following subsection.

### Information about the offeror

In addition to the shares offered by Volvo Car Group, the Principal Shareholder will grant the Joint Global Coordinators an option to acquire up to an additional 56,603,773 existing common shares of class B to cover any overallocments. Geely Sweden Holdings AB is a Swedish limited liability company (Sw. *aktiebolag*), incorporated in Sweden and governed by the Swedish Companies Act, with the address Lindholmsallén 8B, SE-417 55 Gothenburg, Sweden. Geely Sweden’s LEI code is 529900AJRI28VHMLMU47.

\* \* \*

The subsection “Cornerstone Investor commitments” on page 189 of the Prospectus is replaced with the following subsection.

### Cornerstone Investor commitments

The Cornerstone Investors have, on the same terms as other investors, undertaken to subscribe a total of 120,754,713 common shares of class B in the Offering, corresponding to 27.8 per cent of the Offering and 4.1 per cent of the shares in Volvo Car Group following the Offering (under the assumption that the Overallotment Option is fully exercised). The Cornerstone Investors will be prioritised in the allotment of shares in the Offering and receive full allocation in accordance with their respective commitments. These commitments were entered into on or about 15 October 2021. The commitments do not entitle any compensation.

In addition, a group of large institutional investors including Första AP-fonden (AP1), Tredje AP-fonden (AP3) and Fjärde AP-fonden (AP4) as well as Alecta Pensionsförsäkring, Ömsesidigt, Folksam and AMF, have expressed their intention to invest in total approximately MSEK 7,700 in the Offering.

The commitments from Cornerstone Investors, as well as the intentions to invest from the institutional investor group, are not covered by any bank guarantee, blocked funds, pledging, or similar arrangement, and consequently there is a risk that Cornerstone Investors and the institutional investors will not fulfil their commitments and intentions, respectively, see also the section “*Risk factors–Risks related to the Company’s shares and the Offering–Undertakings by Cornerstone Investors are not secured*”.

The table below contains a summary of name, address, size of the commitment and the commitment’s share of the Offering for each Cornerstone Investor.

Name	Commitment in the Offering, MSEK	Commitment in the Offering, number of shares of class B	% of the shares in the Company after completion of the Offering <sup>1)</sup>
AMF <sup>2)</sup>	1,500	<u>28,301,886</u>	<u>0.9</u>
Swedbank Robur	1,300	<u>24,528,301</u>	<u>0.8</u>
If P&C Insurance Ltd (publ)	1,000	<u>18,867,924</u>	0.6
Nordea Investment Management AB, on behalf of Nordea Funds Ltd.	1,000	<u>18,867,924</u>	0.6
Skandia Fonder AB and Skandia Mutual Life Insurance Company	1,000	<u>18,867,924</u>	0.6
Danica Pension, Livsforsikringsaktieselskab	600	<u>11,320,754</u>	<u>0.4</u>
<b>Total</b>	<b>6,400</b>	<b><u>120,754,713</u></b>	<b><u>4.1</u></b>

<sup>1)</sup> Also taking into account the share capital structure amendments in connection with the Offering (see “*Shares and share capital–Share capital structure amendments in connection with the Offering, etc.*”).

<sup>2)</sup> In addition to AMF’s Cornerstone Investor commitment, AMF has expressed its intention to invest an additional amount in the Offering.

**SUPPLEMENT TO “DEFINITIONS AND GLOSSARY”**

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*The definitions “Offering Price”, “Overallotment Option” and “Placing Agreement” on page 197 of the Prospectus are replaced with the following definitions.*

“Offering Price”	the final offering price of <u>SEK 53</u> per common share of class B in SEK
“Overallotment Option”	the option expected to be granted by the Principal Shareholder to the Joint Global Coordinators, pursuant to the Placing Agreement, to require the Principal Shareholder to sell up to an aggregate of <u>56,603,773</u> additional common shares of class B at the Offering Price solely to cover over-allocation in the Offering, if any, exercisable in whole or in part within 30 calendar days after the date on which the Company’s common shares of class B commence trading on Nasdaq Stockholm
“Placing Agreement”	the agreement regarding the placing of common shares of class B to be entered into on or about 27 October 2021 by the Company, <u>the Principal Shareholder</u> and the Managers

\* \* \*

*The definition “Price Range” on page 197 of the Prospectus is deleted.*

**V O L V O**

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