



Volvo Treasury AB (publ)

(Incorporated with limited liability under the laws of Sweden)

under the guarantee of

AB Volvo (publ)

(Incorporated with limited liability under the laws of Sweden)

U.S.\$15,000,000,000

Euro Medium Term Note Programme

This Prospectus Supplement (the "**Supplement**") constitutes a supplement to and must be read in conjunction with the base prospectus dated 7 May 2020 as supplemented by a first supplement thereto dated 15 May 2020 (together the "**Prospectus**"), prepared by Volvo Treasury AB (publ) (the "**Issuer**") and guaranteed by AB Volvo (publ) (the "**Parent**") with respect to the U.S.\$15,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and the Luxembourg Law dated 16 July 2019 relating to prospectuses for securities, as may be amended from time to time (the "**Prospectus Law**").

Each of the Issuer and the Parent accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and the Parent (each having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

This Supplement has been prepared pursuant to Article 23.1 of the Prospectus Regulation for the purposes of updating the "Recent Developments – Significant Events" section of the Prospectus by including the press release dated 16 June 2020 'The Volvo Group takes measures to reduce cost and accelerate transformation' (the "**16 June 2020 Press Release**").

A copy of this Supplement will be available (i) without charge from the specified offices of the paying agents, (ii) on the website of the Luxembourg Stock Exchange (www.bourse.lu) and (iii) on the website of the Volvo Group (<https://www.volvogroup.com/en-en/investors/debt-information/debt-programmes/emtn-prospectuses-and-supplements.html>).

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated in the Prospectus, the statements in this Supplement will prevail.

There has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus which is material in the context of the Programme since the publication of the Prospectus.

Recent Developments – Significant Events

The 16 June 2020 Press Release set out below will be added at the end of the "Recent Developments – Significant Events" section at pages 69-70 of the Prospectus:

”The Volvo Group takes measures to reduce cost and accelerate transformation

The COVID-19 crisis is expected to have a negative effect on economic activity in many of the Volvo Group’s major markets in the short and medium term. Volvo has continuously adjusted its operations to lower demand from record levels in the first half of 2019 by utilizing the installed flexibility, while at the same time accelerating the transformation towards sustainable transport solutions. As the next step, the Volvo Group plans to further reduce the white-collar workforce globally by approximately 4,100 positions during the second half of 2020.

“The Corona epidemic and the global measures taken to fight it has led to a market situation impacting our industry severely. The effects are expected to be lower demand going forward and we need to continue to adjust our organization accordingly. In parallel, we will accelerate the competence shift needed for new technologies and business models,” says Martin Lundstedt, President and CEO of the Volvo Group.

Since mid-2019, the Volvo Group has adjusted its activity levels by using the installed flexibility, terminating temporary and consultant contracts. During the second half of this year, the Group plans to further decrease the white-collar workforce with approximately 4,100 positions whereof around 15% are consultants. Approximately 1,250 of these positions are in Sweden.

The need for staff reductions would have been higher without various governmental support packages enabling short-term layoffs and other similar measures.

The staff reductions will be carried out in different ways across the Group, depending on the local business situation, country legislation and labor market practices. In some countries, including Sweden, the planned measures include notices of redundancy.

“The Volvo culture will continue to be our guiding star in this work, where we will work as one team together with the unions to make this adjustment in a responsible way,” says Martin Lundstedt. “With these changes the Volvo Group will maintain a position of strength, be adapted to the new market situation and continue to be a leader in the transformation towards sustainable transport and infrastructure solutions.””