

## **Statement from the Board of AB Volvo (publ) in accordance with Chapter 18 Section 4 of the Swedish Companies Act**

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In view of the Board's proposal to the Extraordinary General Meeting to be held June 29, 2021 to decide on the distribution of an extraordinary dividend of SEK 9.50 per share, the Board hereby makes the following statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The Board concludes that the company's restricted equity is fully covered after the proposed dividend. The Board further concludes that the proposed dividend is justifiable in view of the parameters set out in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act. In connection herewith, the Board wishes to point out the following.

The proposed dividend reduces the company's solvency from 65.2 per cent to 44.9 per cent and the group's solvency from 24.5 per cent to 21.3 per cent, calculated as per December 31, 2020. The Board considers this solvency to be satisfactory with regard to the business in which the group is active.

In the Board's opinion, the proposed dividend will not affect the company's or the group's ability to fulfill their payment obligations and the company and the group are well prepared to handle both changes in the liquidity and unexpected events.

The Board is of the opinion that the company and the group have capacity to assume future business risks as well as to bear contingent losses. The proposed dividend is not expected to adversely affect the company's and the group's ability to make further commercially justified investments in accordance with the Board's plans.

In addition to what has been stated above, the Board has considered other known circumstances which may be of importance for the company's and the group's financial position. In doing so, no circumstance has appeared that does not justify the proposed dividend.

As of December 31, 2020, AB Volvo's non-restricted equity amounted to approximately SEK 54,801 million. The Annual General Meeting on March 31, 2021 resolved to pay a dividend of SEK 15.00 per share (out of which SEK 6.00 was ordinary dividend and SEK 9.00 extra dividend). The dividend, of SEK 30,501,781,260 in total, has reduced the available non-restricted equity by the same amount. Hence, the available amount for distribution in accordance with Chapter 17, Section 3, Paragraph 1 of the Swedish Companies Act, amounts to approximately SEK 24,299 million. If the Extraordinary General Meeting resolves in accordance with the Board's proposal, approximately SEK 4,981 million will remain of the company's non-restricted equity, calculated as per December 31, 2020. The Board has the view that the company's and the group's shareholders' equity will, after the proposed dividend, be sufficient in relation to the nature, scope and risks of the business.

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Gothenburg, June 2021  
The Board of AB Volvo (publ)

[Carl-Henric Svanberg]

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Carl-Henric Svanberg

[Lars Ask]

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Lars Ask

[Eric Elzvik]

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Eric Elzvik

[Mats Henning]

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[Martin Lundstedt]

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[Martina Merz]

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[Helena Stjernholm]

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[Matti Alahuhta]

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[Eckhard Cordes]

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[Martha Finn Brooks]

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[Kurt Jofs]

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[Kathryn V. Marinello]

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