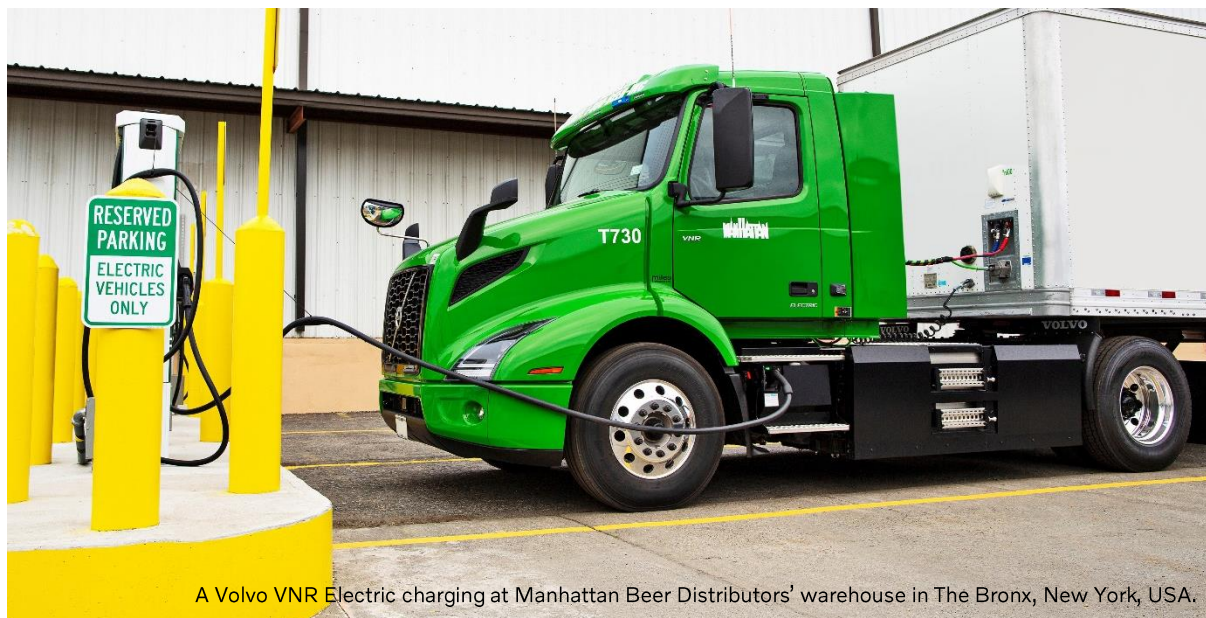


REPORT ON THE THIRD QUARTER 2021



A Volvo VNR Electric charging at Manhattan Beer Distributors' warehouse in The Bronx, New York, USA.

- » In Q3 2021, net sales increased by 11% to SEK 85.3 billion (76.9). Adjusted for currency movements and the divestment of UD Trucks, net sales increased by 20%.
- » Adjusted operating income² amounted to SEK 9,403 M (7,217), corresponding to an adjusted operating margin of 11.0% (9.4).
- » Reported operating income amounted to SEK 9,403 M (7,508).
- » Currency movements had a positive impact on operating income of SEK 126 M.
- » Earnings per share amounted to SEK 3.47 (2.81).
- » Operating cash flow in the Industrial Operations amounted to SEK -5,735 M (11,712).
- » Return on capital employed in the Industrial Operations amounted to 25.6% (13.2).

SEK M unless otherwise stated	Third quarter		First nine months	
	2021	2020	2021	2020
Net sales	85,258	76,852	269,838	241,528
Net sales excluding UD Trucks ¹	85,258	71,548	264,400	225,346
Adjusted operating income ²	9,403	7,217	30,955	17,629
Adjusted operating margin, %	11.0	9.4	11.5	7.3
Operating income	9,403	7,508	32,854	15,270
Operating margin, %	11.0	9.8	12.2	6.3
Income after financial items	9,433	7,640	32,988	14,040
Income for the period	7,109	5,903	25,177	10,714
Earnings per share, SEK	3.47	2.81	12.19	4.97
Operating cash flow in Industrial Operations	-5,735	11,712	5,861	1,877
Net financial position in Industrial Operations, SEK bn ³			42.5	62.3
Return on capital employed in Industrial Operations, % ⁴			25.6	13.2
Return on equity, % ⁴			24.0	12.2
Net order intake, number of trucks	51,118	57,530	194,540	122,436
Net order intake excluding UD Trucks ¹	51,118	53,097	189,523	111,026
Deliveries, number of trucks	43,984	37,709	142,098	110,507
Deliveries excluding UD Trucks ¹	43,984	33,868	138,104	100,073
Net order intake, number of construction equipment	20,738	20,848	92,474	68,168
Deliveries, number of construction equipment	18,085	19,774	79,699	69,028

¹ For more information, please see Appendix UD Trucks.

² For information on adjusted operating income, please see note 7.

³ Excluding post-employment benefits and lease liabilities.

⁴ 12 months rolling.

CEO'S COMMENTS

Good profitability despite supply chain challenges

During Q3 2021, demand for the Volvo Group's products and services was good in most markets around the world. We increased our net sales to SEK 85.3 billion with strong growth not least in the service business. However, the quarter was affected by shortages of semiconductors, other components and freight capacity resulting in production disturbances and increased costs. Despite this, we delivered an adjusted operating income of SEK 9.4 billion, which corresponds to a margin of 11.0%.

There is good demand for transport and high activity levels in the construction sector. When our customers have a lot of work, it is positive for our service business, which had an organic growth of 10% adjusted for currency.

On the truck side, we see that customers need to both renew and expand their fleets. However, this is not fully reflected in our order intake, as we have been restrictive with order slotting due to our already large order books and long delivery times. We are fully focused on producing and delivering trucks to meet customer demand, but the persistent problems in the supply chain have meant that we from time to time have been forced to stop or slow down production. Despite the disturbances, we delivered 44,000 trucks and an adjusted operating margin of 10.9% in Q3.

Electrification of commercial vehicles will play an important role in the journey towards a carbon-neutral society. During Q3, we delivered 103 electric trucks and received orders for another 214. In October, we received an order for 100 of our heavy-duty truck Volvo FM Electric from northern Europe's largest shipping and logistics company, DFDS. The deal is the largest order for Volvo's electric trucks to date and one of the largest in the world for heavy-duty, all-electric trucks. In October we also revealed the world's first vehicle made of fossil-free steel from SSAB. First out is an electric load carrier for use in mines and quarries, and next year a whole series of concept vehicles and components using fossil-free steel will follow. We are also advancing our position in China, where the market for premium trucks is expected to grow as the logistics system becomes more efficient. We have agreed to acquire JMC Heavy Duty Vehicle Co., Ltd in Taiyuan with the goal to start producing heavy-duty Volvo trucks from the end of 2022.

After several years of high demand for construction equipment in China the market is now declining sharply, impacting the utilization of our customers' machines and their demand for new products. However, this was offset by a good development in Europe, North America and many



other parts of the world, which is reflected in good order intake and sales in these regions. In total, we increased our net sales to SEK 19.6 billion with good growth in the service business. The adjusted operating margin amounted to 13.4%. There is still a substantial need to renew an aging infrastructure in many countries, while the green transition is driving additional investments. Also in Volvo Construction Equipment, we are investing in the development of the sustainable products of the future, and in early October we launched three more electric compact machines – two excavators and one wheel loader.

Bus sales remained on a low level with a continued weak market mainly for tourist buses in the wake of the pandemic. Volvo Buses has done a good job of reducing expense levels and adapting the operations to the new conditions. The adjusted operating margin amounted to 0.9%.

Volvo Penta had good sales of both engines and services and reported an adjusted operating margin of 14.6%. Our customer financing business, Volvo Financial Services, also developed well with low credit losses and good growth. The adjusted operating income amounted to SEK 826 M.

Many colleagues and business partners are working hard and are doing a fantastic job to respond to the strong demand for our products and services. However, the situation in the global supply chain for semiconductors and other components remains unstable, characterized by disruptions, unpredictability and a lack of freight capacity. We will therefore continue to have disruptions and stoppages both in the production of trucks and in other parts of the Group.

We are convinced that demand for both transport and infrastructure will continue to increase. It is a development driven by a growing population, rapid urbanization, a larger middle class and increasing e-commerce. To meet this growth with sustainable transport and infrastructure solutions, we follow our plans of increasing investments in the new technologies that will transform our industry.

Martin Lundstedt
President and CEO

FINANCIAL SUMMARY OF THE THIRD QUARTER 2021

Net sales

In Q3 2021, the Volvo Group's net sales amounted to SEK 85,258 M compared with SEK 76,852 M in the same quarter the preceding year.

Adjusted for both currency movements and the divestment of UD Trucks, net sales increased by 20%, of which vehicle sales increased by 23% and service sales by 10%.

Operating income

In Q3 2021, adjusted operating income amounted to SEK 9,403 M (7,217), corresponding to an adjusted operating margin of 11.0% (9.4). There were no adjustments in Q3 2021. The adjustment in Q3 2020 referred to a positive effect of SEK 291 M related to the ceased depreciation and amortization of assets held for sale.

Compared with Q3 2020, the higher adjusted operating income is mainly an effect of price realization, increased

vehicle and service volumes as well as positive mix effects in Construction Equipment. This was partly offset by increased raw material prices and lower contribution from joint ventures.

Currency movements, compared with Q3 2020, had a positive impact of SEK 126 M.

In Q3 2020, operating income included a favorable tax ruling in Brazil of SEK 447 M, whereof SEK 362 M in the Trucks segment. This was partly offset by a write-down of VAT credits in Brazil of SEK 316 M in Construction Equipment. In Q3 2020, various governmental short-term layoff programs amounted to SEK 583 M.

Reported operating income in Q3 2021 amounted to SEK 9,403 M (7,508).

Financial items

In Q3 2021, interest income was SEK 99 M (71), whereas interest expenses decreased to SEK 291 M (308).

Net sales	Third quarter		Change %	First nine months		Change %
SEK M	2021	2020		2021	2020	
Net sales excluding UD Trucks						
Europe	36,320	30,973	17	112,885	94,430	20
North America	23,351	17,999	30	70,437	58,557	20
South America	8,763	5,509	59	21,201	14,944	42
Asia	11,486	12,939	-11	44,769	44,503	1
Africa and Oceania	5,338	4,127	29	15,108	12,911	17
Total net sales excluding UD Trucks	85,258	71,548	19	264,400	225,346	17
Of which:						
Vehicles ¹	63,194	51,506	23	199,926	164,282	22
Services	19,102	17,260	11	55,952	51,962	8
Financial Services revenue	3,368	3,304	2	9,859	10,592	-7
Eliminations	-406	-522	22	-1,336	-1,489	10
UD Trucks ²	-	5,304	N/A	5,438	16,182	N/A
Total net sales	85,258	76,852	11	269,838	241,528	12

¹ Including construction equipment and Volvo Penta engines.

² For more information, please see Appendix UD Trucks.

Consolidated Income Statement, Volvo Group SEK M	Third quarter		First nine months	
	2021	2020	2021	2020
Net sales	85,258	76,852	269,838	241,528
Cost of sales	-64,357	-58,015	-203,521	-186,248
Gross income	20,902	18,837	66,317	55,280
Research and development expenses	-4,074	-3,711	-13,224	-12,483
Selling expenses	-5,597	-6,131	-17,811	-19,702
Administrative expenses	-991	-1,066	-3,420	-3,368
Other operating income and expenses	-482	-739	407	-5,584
Income/loss from investments in joint ventures and associated companies	-322	340	614	1,134
Income/loss from other investments	-32	-23	-28	-6
Operating income	9,403	7,508	32,854	15,270
Interest income and similar credits	99	71	264	213
Interest expenses and similar charges	-291	-308	-852	-1,015
Other financial income and expenses	222	369	722	-428
Income after financial items	9,433	7,640	32,988	14,040
Income taxes	-2,325	-1,737	-7,812	-3,327
Income for the period *	7,109	5,903	25,177	10,714
* Attributable to:				
Owners of AB Volvo	7,052	5,723	24,793	10,116
Non-controlling interest	56	180	384	598
	7,109	5,903	25,177	10,714
Basic earnings per share, SEK	3.47	2.81	12.19	4.97
Diluted earnings per share, SEK	3.47	2.81	12.19	4.97

Other financial income and expenses amounted to SEK 222 M (369). The change is primarily due to revaluation effects of financial assets and liabilities. Q3 2020 included a positive effect of SEK 278 M from a tax ruling in Brazil.

Income taxes

In Q3 2021, income taxes amounted to SEK 2,325 M (1,737). The tax rate in Q3 2021 was 25% (23). The higher tax rate relates to changed country mix in earnings.

Income for the period and earnings per share

In Q3 2021, income for the period amounted to SEK 7,109 M (5,903). Earnings per share amounted to SEK 3.47 (2.81).

Operating cash flow in the Industrial Operations

During Q3 2021, operating cash flow in the Industrial Operations amounted to SEK -5,735 M (11,712). The lower cash flow compared with Q3 2020 is primarily related to trade payables. In Q3 2021, trade payables followed the normal, vacation-related seasonality and declined by SEK 12,413 M. In Q3 2020, trade payables increased by SEK 6,125 M following the restart and ramp-up of production volumes after the halt caused by the pandemic in Q2 2020.

Volvo Group financial position

During Q3 2021, net financial assets in the Industrial Operations, excluding provisions for post-employment benefits and lease liabilities, decreased by SEK 24.8 billion resulting in a net financial asset position of SEK 42.5 billion on September 30, 2021. The change is

mainly explained by a negative operating cash flow of SEK 5.7 billion and dividend paid to AB Volvo shareholders of SEK 19.3 billion. Currency movements increased net financial assets by SEK 0.5 billion.

Including provisions for post-employment benefits and lease liabilities, the Industrial Operations net financial assets amounted to SEK 24.6 billion on September 30, 2021. During Q3 2021, remeasurements of defined benefit pension plans had a positive impact of SEK 0.5 billion, which was offset by negative currency movements of SEK 0.2 billion.

Total assets in the Volvo Group decreased by SEK 39.8 billion compared to year-end 2020, whereof SEK 34.3 billion relates to the divestment of UD Trucks. Currency movements increased total assets by SEK 17.4 billion.

On September 30, 2021 total equity for the Volvo Group amounted to SEK 132.5 billion compared with SEK 148.1 billion at year-end 2020. The equity ratio was 28.1% (29.0). On the same date the equity ratio in the Industrial Operations amounted to 35.2% (35.8).

Number of employees

On September 30, 2021, the Volvo Group had 95,470 employees, including temporary employees and consultants, compared with 93,072 employees on June 30, 2021. The number of blue-collar employees increased by 1,532 and the number of white-collar employees by 866. The increase in blue-collar employees relates to expected higher production volumes. The increase in white-collar employees relates to higher R&D activity.

In Q2 2021, the divestment of UD Trucks decreased the number of employees by 8,462, of which 4,001 blue-collar employees and 4,461 white-collar employees.

Number of employees	Sep 30 2021	Jun 30 2021	Mar 31 2021	Dec 31 2020	Sep 30 2020
Blue-collar	50,534	49,002	51,131	48,751	48,388
Whereof temporary employees and consultants	8,619	7,741	6,801	5,223	4,260
White-collar	44,936	44,070	47,851	47,443	47,841
Whereof temporary employees and consultants	5,159	4,547	4,221	3,479	3,080
Total number of employees	95,470	93,072	98,982	96,194	96,229
Whereof temporary employees and consultants	13,778	12,288	11,022	8,702	7,340

BUSINESS SEGMENT OVERVIEW

Net sales SEK M	Third quarter		Change %	Change % ¹	First nine months		Change %	Change % ¹	12 months rolling	Jan-Dec 2020
	2021	2020			2021	2020				
Trucks	53,401	47,740	12	13	163,717	146,345	12	19	225,634	208,262
Trucks excluding UD Trucks ²	53,401	42,436	26	27	158,280	130,163	22	29	213,676	185,559
Construction Equipment	19,638	17,619	11	11	70,219	60,642	16	23	91,030	81,453
Buses	4,770	4,654	2	2	13,466	13,043	3	8	20,215	19,791
Volvo Penta	3,428	3,062	12	13	10,803	8,907	21	27	13,788	11,891
Group Functions & Other	1,807	1,661	9	10	5,515	5,530	-0	3	7,854	7,870
Eliminations	-748	-666	-	-	-2,406	-2,042	-	-	-3,160	-2,796
Industrial Operations	82,296	74,070	11	12	261,315	232,425	12	19	355,362	326,472
Financial Services	3,368	3,304	2	2	9,859	10,592	-7	-0	13,227	13,960
Reclassifications and eliminations	-406	-522	-	-	-1,336	-1,489	-	-	-1,834	-1,987
Volvo Group	85,258	76,852	11	12	269,838	241,528	12	19	366,755	338,446
Volvo Group excluding UD Trucks	85,258	71,548	19	20	264,400	225,346	17	24	354,797	315,742

¹ Adjusted for exchange rate fluctuations.

² For more information, please see Appendix UD Trucks.

Adjusted operating income ¹ SEK M	Third quarter		Change %	First nine months		Change %	12 months rolling	Jan-Dec 2020
	2021	2020		2021	2020			
Trucks	5,814	4,522	29	18,643	9,206	103	26,688	17,251
Construction Equipment	2,635	1,963	34	9,832	7,750	27	12,152	10,071
Buses	42	240	-83	-47	-421	89	-71	-445
Volvo Penta	501	570	-12	1,762	1,423	24	1,787	1,448
Group Functions & Other	-433	-505	14	-1,657	-1,411	-17	-1,628	-1,382
Eliminations	17	3	-	0	-5	-	17	12
Industrial Operations	8,576	6,793	26	28,532	16,542	72	38,945	26,955
Financial Services	826	423	95	2,421	1,085	123	2,942	1,606
Reclassifications and eliminations	1	1	-	2	2	-	2	2
Volvo Group adjusted operating income ²	9,403	7,217	30	30,955	17,629	76	41,889	28,564
Adjustments ¹	-	291	-100	1,900	-2,360	181	3,179	-1,081
Volvo Group operating income	9,403	7,508	25	32,854	15,270	115	45,069	27,484

¹ For more information on adjusted operating income, please see note 7.

² UD Trucks had a marginally positive impact on adjusted operating income.

Adjusted operating margin %	Third quarter		First nine months		12 months rolling	Jan-Dec 2020
	2021	2020	2021	2020		
Trucks	10.9	9.5	11.4	6.3	11.8	8.3
Construction Equipment	13.4	11.1	14.0	12.8	13.3	12.4
Buses	0.9	5.2	-0.3	-3.2	-0.4	-2.2
Volvo Penta	14.6	18.6	16.3	16.0	13.0	12.2
Industrial Operations	10.4	9.2	10.9	7.1	11.0	8.3
Volvo Group adjusted operating margin	11.0	9.4	11.5	7.3	11.4	8.4
Volvo Group operating margin	11.0	9.8	12.2	6.3	12.3	8.1

TRUCKS

Solid performance

- » Net sales in Q3 increased by 26% to SEK 53,401 M
- » Adjusted operating income increased to SEK 5,814 M (4,522), with a margin of 10.9% (9.5)
- » Order intake decreased by 4% while deliveries increased by 30%



Market development

In Q3, demand continued to be strong across the Volvo Group's key truck regions on the back of high transport volumes, high freight rates and improved customer profitability. This demand situation is broad-based across segments, both in Europe and North America and for both new and used vehicles. Utilization of the installed truck fleet is on pre-Covid-19 levels, which drives high demand for spare parts and services.

Demand in Brazil continued to be strong, driven mainly by the mining and agriculture segments as well as a continued need to renew an aging truck fleet.

After a couple of weak years in India with a financial crisis followed by Covid-19 lockdowns, the truck market is now accelerating. Governmental fiscal stimulus is adding further momentum to the economy.

In China, truck market demand declined in Q3 following the pre-buy ahead of the CN6 emission legislation introduction in July and a weaker economy in general.

Orders and deliveries

In Q3, total net order intake decreased by 4% to 51,118 trucks while deliveries increased by 30% to 43,984 trucks, excluding UD Trucks which was divested on April 1.

Demand is strong as customers in many markets are looking to both replace old trucks and expand their fleets. However, this is not fully reflected in the order intake, as the Group's truck brands have been restrictive with order slotting due to already large order books and long delivery times.

In Europe, order intake for heavy- and medium-duty trucks declined by 34% to 13,032 vehicles, while deliveries amounted to 17,156 vehicles, which was an increase of 16% compared with last year. Volvo Trucks' total heavy-duty market share through September declined to 15.7% (16.0) while the battery-electric heavy-duty market share amounted to 42.5% (27.3). Renault Trucks' heavy-duty total market share for the same period declined to 8.5% (8.7) while the battery-electric heavy-duty market share amounted to 19.0% (3.0).

Order intake in North America increased by 75% to 21,750 trucks and deliveries by 67% to 10,222 vehicles. Volvo Trucks' heavy-duty truck market share through September decreased to 8.5% (9.5) while Mack Trucks' market share increased to 7.4% (7.0).

South American order intake decreased by 48% to 4,695 trucks compared with the very strong order intake in Q3 2020. On the other hand, deliveries increased by 87% to 8,152 vehicles. Through September Volvo Trucks' market share in heavy-duty trucks in Brazil decreased to 21.6% (22.3).

In Asia, order intake decreased by 34% to 3,000 vehicles and deliveries by 14% to 3,098 vehicles, mainly driven by a slowdown in China.

In Q3, total order intake of fully electric trucks amounted to 214 vehicles while deliveries amounted to 103 vehicles.

The Indian joint venture VECV increased order intake by 81% to 14,580 vehicles and deliveries by 93% to 14,396 vehicles. Deliveries from the Chinese joint venture, DFCV, declined by 46% to 33,718 vehicles.

Market forecasts are based on current visibility, which is low. Uncertainty is significant due to inability to predict supply chain capacity and the ongoing Covid-19 pandemic.

Total market development	First nine months		Change %	Full year 2020	Forecast 2021	Change vs. previous forecast	Forecast 2022
	2021	2020					
Registrations, number of trucks							
Europe 29 ¹ heavy-duty	184,878	146,480	26	205,876	-	-	-
Europe 30 ¹ heavy-duty	206,248	162,198	27	231,220	280,000	-10,000	300,000
North America heavy-duty	200,277	164,523	22	234,898	270,000	-20,000	300,000
Brazil heavy-duty	72,505	47,260	53	67,412	95,000	unchanged	100,000
China heavy-duty	1,232,930	1,236,176	0	1,618,932	1,490,000	unchanged	970,000
China medium-duty	138,847	112,963	23	159,113	160,000	unchanged	130,000
India heavy-duty	112,767	50,975	121	86,725	170,000	+40,000	200,000
India medium-duty	70,317	31,830	121	56,657	95,000	+10,000	100,000

¹ EU29 includes Norway, Switzerland and Bulgaria but excludes UK. EU30 includes UK.

Net order intake	Third quarter		Change %	First nine months		Change %
	2021	2020		2021	2020	
Number of trucks						
Net order intake excluding UD Trucks						
Europe	18,396	24,175	-24	100,473	57,784	74
Heavy- and medium-duty	13,032	19,728	-34	81,000	46,984	72
Light-duty	5,364	4,447	21	19,473	10,800	80
North America	21,750	12,433	75	51,672	21,325	142
South America	4,695	9,071	-48	16,647	14,565	14
Asia	3,000	4,538	-34	11,491	11,364	1
Africa and Oceania	3,277	2,880	14	9,240	5,988	54
Total order intake excluding UD Trucks	51,118	53,097	-4	189,523	111,026	71
UD Trucks ¹	-	4,433	N/A	5,017	11,410	N/A
Total order intake	51,118	57,530	-11	194,540	122,436	59
Net order intake excluding UD Trucks						
Heavy-duty (>16 tons)	39,300	46,269	-15	153,948	93,583	65
Medium-duty (7-16 tons)	6,422	2,351	173	15,902	6,566	142
Light-duty (<7 tons)	5,396	4,477	21	19,673	10,877	81
Total order intake excluding UD Trucks	51,118	53,097	-4	189,523	111,026	71
UD Trucks ¹	-	4,433	N/A	5,017	11,410	N/A
Total order intake	51,118	57,530	-11	194,540	122,436	59
Volvo	25,753	36,473	-29	103,277	68,606	51
UD Trucks ¹	-	4,433	N/A	5,017	11,410	N/A
Renault Trucks	11,377	11,784	-3	54,181	30,863	76
Heavy- and medium-duty	5,981	7,307	-18	34,508	19,986	73
Light-duty	5,396	4,477	21	19,673	10,877	81
Mack	13,583	4,840	181	30,801	11,557	167
Other brands	405	-	N/A	1,264	-	N/A
Total order intake	51,118	57,530	-11	194,540	122,436	59
Non-consolidated operations						
VE Commercial Vehicles (Eicher)	14,580	8,052	81	36,658	18,394	99

¹For more information, please see Appendix UD Trucks.

Deliveries	Third quarter		Change %	First nine months		Change %
	2021	2020		2021	2020	
Number of trucks						
Deliveries excluding UD Trucks						
Europe	20,286	17,821	14	67,803	52,660	29
Heavy- and medium-duty	17,156	14,741	16	54,512	42,739	28
Light-duty	3,130	3,080	2	13,291	9,921	34
North America	10,222	6,103	67	33,036	20,677	60
South America	8,152	4,350	87	20,340	11,568	76
Asia	3,098	3,620	-14	10,571	9,687	9
Africa and Oceania	2,226	1,974	13	6,354	5,481	16
Total deliveries excluding UD Trucks	43,984	33,868	30	138,104	100,073	38
UD Trucks ¹	-	3,841	N/A	3,994	10,434	N/A
Total deliveries	43,984	37,709	17	142,098	110,507	29
Deliveries excluding UD Trucks						
Heavy-duty (>16 tons)	37,957	28,874	31	115,416	85,052	36
Medium-duty (7-16 tons)	2,863	1,902	51	9,200	5,050	82
Light-duty (<7 tons)	3,164	3,092	2	13,488	9,971	35
Total deliveries excluding UD Trucks	43,984	33,868	30	138,104	100,073	38
UD Trucks ¹	-	3,841	N/A	3,994	10,434	N/A
Total deliveries	43,984	37,709	17	142,098	110,507	29
Volvo	28,137	21,612	30	83,435	61,945	35
UD Trucks ¹	-	3,841	N/A	3,994	10,434	N/A
Renault Trucks	10,224	9,476	8	36,772	27,545	33
Heavy- and medium-duty	7,060	6,384	11	23,284	17,574	32
Light-duty	3,164	3,092	2	13,488	9,971	35
Mack	5,349	2,780	92	17,321	10,583	64
Other brands	274	-	N/A	576	-	N/A
Total deliveries	43,984	37,709	17	142,098	110,507	29
Non-consolidated operations						
VE Commercial Vehicles (Eicher)	14,396	7,455	93	36,843	18,146	103
Dongfeng Commercial Vehicle Company (Dongfeng Trucks)	33,718	62,749	-46	149,385	145,674	3

¹For more information, please see Appendix UD Trucks.

Net sales and operating income	Third quarter		Change %	First nine months		Change %
SEK M	2021	2020		2021	2020	
Net sales excluding UD Trucks						
Europe	24,649	21,320	16	75,637	64,281	18
North America	15,040	10,982	37	45,888	36,431	26
South America	6,676	3,873	72	16,332	11,021	48
Asia	3,784	3,652	4	11,594	10,353	12
Africa and Oceania	3,252	2,610	25	8,828	8,076	9
Total net sales excluding UD Trucks	53,401	42,436	26	158,280	130,163	22
Of which:						
Vehicles	40,127	30,328	32	119,300	93,501	28
Services	13,274	12,108	10	38,979	36,662	6
UD Trucks ²	-	5,304	N/A	5,438	16,182	N/A
Total net sales	53,401	47,740	12	163,717	146,345	12
Adjusted operating income ¹	5,814	4,522	29	18,643	9,206	103
Adjustments	-	28	-100	1,653	-2,307	172
Operating income	5,814	4,549	28	20,297	6,898	194
Adjusted operating margin, %	10.9	9.5		11.4	6.3	
Operating margin, %	10.9	9.5		12.4	4.7	

¹ For more information on adjusted operating income, please see note 7.

² For more information, please see Appendix UD Trucks.

Net sales and operating income

In Q3 2021, the truck operation's net sales amounted to SEK 53,401 M, which was 26% higher than in Q3 2020, when excluding UD Trucks. Adjusted for both currency effects and the divestment of UD Trucks, net sales increased by 27% with sales of vehicles increasing by 34% and sales of services increasing by 11%.

In Q3 2021, adjusted operating income amounted to SEK 5,814 M (4,522), corresponding to an adjusted operating margin of 10.9% (9.5). Compared with Q3 2020, the higher adjusted operating income is an effect of price realization, increased vehicle and service volumes and improved profitability in used trucks, which were partly offset by increased raw material costs, lower income in joint ventures and negative mix effects. Compared with Q3 2020, currency movements had a positive impact of SEK 137 M.

In Q3 2020, operating income included a positive effect from a favorable tax ruling in Brazil of SEK 362 M. UD Trucks had a marginally positive impact on adjusted operating income in Q3 2020.

Reported operating income amounted to SEK 5,814 M (4,549).

Important events

In August, Volvo Trucks agreed to acquire JMC Heavy Duty Vehicle Co., Ltd in Taiyuan, China. Over the last couple of years, there has been a fast development of the logistics market and an increasing demand for Volvo's premium trucks and services. The objective is to start production of the new heavy-duty Volvo FH, Volvo FM and Volvo FMX trucks for customers in China from the end of 2022. The transaction is subject to customary closing conditions, including regulatory approvals.

In September, a prototype of Volvo Trucks' flagship, long-haul VNL model, integrated with the Aurora Driver technology, was revealed. The prototype truck represents an important step towards launching fully autonomous heavy-duty trucks commercially in North America.

In September, Volvo Trucks received its largest order for electric trucks in North America, when Performance Team, a Maersk Company, in California bought 16 Volvo VNR Electric.

In October, Volvo Trucks received an order for 100 Volvo FM Electric trucks from DFDS, Northern Europe's largest shipping and logistics company. The deal is the largest commercial order to date for Volvo electric trucks, and one of the largest ever for heavy electric trucks worldwide.

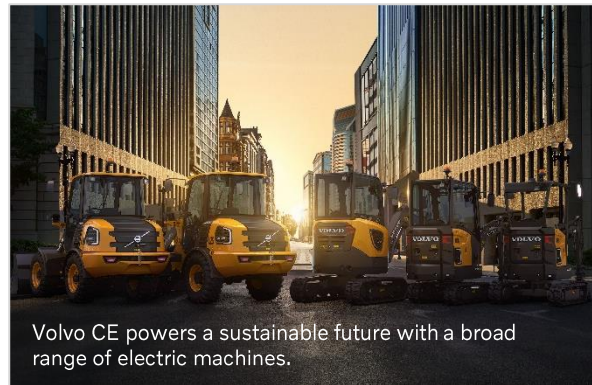
Net order intake of fully electric trucks Number of trucks	Third quarter		Change %	First nine months		Change %
	2021	2020		2021	2020	
Volvo	71	-	-	232	-	-
Renault Trucks	143	40	258	369	40	823
Heavy- and medium-duty	106	13	715	162	13	1,146
Light-duty	37	27	37	207	27	667
Mack	-	-	-	7	-	-
Total order intake	214	40	435	608	40	1,420

Deliveries of fully electric trucks Number of trucks	Third quarter		Change %	First nine months		Change %
	2021	2020		2021	2020	
Volvo	29	4	625	67	7	857
Renault Trucks	74	17	335	160	26	515
Heavy- and medium-duty	13	3	333	44	4	1,000
Light-duty	61	14	336	116	22	427
Mack	-	-	-	-	-	-
Total deliveries	103	21	390	227	33	588

CONSTRUCTION EQUIPMENT

Improved profitability

- » In Q3, net sales increased by 11%
- » Adjusted operating income amounted to SEK 2,635 M (1,963), with a margin of 13.4% (11.1)
- » Order intake flat on a high level



Volvo CE powers a sustainable future with a broad range of electric machines.

Market development

Overall, the total market outside China continued to grow in Q3, supported by investments in infrastructure and growth in the commodity segment.

The European market showed solid growth with strong demand in all main countries.

In North America, demand continued to grow, following high infrastructure investments and housing construction activity.

The South American market remained strong reflecting a continued increase in demand for commodities.

China, the world's largest construction equipment market, continued its decline as reduced government investments in infrastructure has led to lower construction activity and decreased utilization of customer fleets. Pricing pressure, primarily on excavators, continues.

Asia, excluding China, showed good improvements in all key markets including South Korea and South East Asia.

Orders and deliveries

In Q3 2021, the negative impact on demand from the market slowdown in China was offset by a positive momentum in other key markets with a continued improved construction activity and increasing investments in infrastructure.

Compared with Q3 2020, order intake was flat with a continued positive trend for Volvo branded products and a reduction for SDLG, which were affected by the correction in the Chinese market. Demand for large and medium sized machines continued to be strong and higher than for compact machines.

Deliveries decreased by 9% in Q3, largely driven by the decline in China.

Market forecasts are based on current visibility, which is low. Uncertainty is significant due to inability to predict supply chain capacity and the ongoing Covid-19 pandemic.

Total market development	Year-to-date August		Previous forecast 2021	Forecast 2022
	2021	Forecast 2021		
Change in % measured in units				
Europe	29	+15% to +25%	+10% to +20%	0% to +10%
North America	27	+10% to +20%	+10% to +20%	+5% to +15%
South America	65	+45% to +55%	+35% to +45%	+5% to +15%
Asia excl. China	31	+10% to +20%	+10% to +20%	0% to +10%
China	14	-5% to +5%	-5% to +5%	-25% to -15%

Net order intake	Third quarter			First nine months		
	2021	2020	Change %	2021	2020	Change %
Number of construction equipment						
Europe	5,367	4,411	22	19,839	10,876	82
North America	2,514	1,116	125	10,835	3,139	245
South America	1,783	1,007	77	4,648	2,052	127
Asia	10,182	13,615	-25	54,395	50,147	8
Africa and Oceania	892	699	28	2,757	1,954	41
Total orders	20,738	20,848	-1	92,474	68,168	36
Large and medium construction equipment	16,200	15,250	6	68,449	47,546	44
Compact construction equipment	4,538	5,598	-19	24,025	20,622	17
Of which fully electric	84	-	-	261	-	-
Total orders	20,738	20,848	-1	92,474	68,168	36
Of which:						
Volvo	11,539	9,481	22	43,456	27,995	55
SDLG	9,144	11,332	-19	48,858	40,078	22
Of which in China	7,376	9,917	-26	43,074	37,143	16

Deliveries	Third quarter		Change %	First nine months		Change %
	2021	2020		2021	2020	
Number of construction equipment						
Europe	4,547	3,840	18	15,434	11,729	32
North America	1,396	1,184	18	4,905	4,027	22
South America	1,312	589	123	3,042	1,472	107
Asia	10,111	13,542	-25	54,024	50,124	8
Africa and Oceania	719	619	16	2,294	1,676	37
Total deliveries	18,085	19,774	-9	79,699	69,028	15
Large and medium construction equipment	13,982	14,281	-2	58,363	47,568	23
Compact construction equipment	4,103	5,493	-25	21,336	21,461	-1
Of which fully electric	59	-	-	268	-	-
Total deliveries	18,085	19,774	-9	79,699	69,028	15
Of which:						
Volvo	8,886	8,407	6	30,681	28,855	6
SDLG	9,144	11,332	-19	48,858	40,078	22
Of which in China	7,376	9,917	-26	43,074	37,143	16

Net sales and operating income SEK M	Third quarter		Change %	First nine months		Change %
	2021	2020		2021	2020	
Europe	6,896	5,423	27	21,893	17,154	28
North America	3,790	2,969	28	12,505	10,206	23
South America	1,282	522	146	2,813	1,503	87
Asia	6,417	7,787	-18	29,158	29,117	0
Africa and Oceania	1,253	919	36	3,850	2,663	45
Total net sales	19,638	17,619	11	70,219	60,642	16
Of which:						
Construction equipment	16,441	14,780	11	60,953	52,228	17
Services	3,197	2,839	13	9,267	8,414	10
Adjusted operating income ¹	2,635	1,963	34	9,832	7,750	27
Adjustments	-	-12	100	-	-627	100
Operating income	2,635	1,951	35	9,832	7,122	38
Adjusted operating margin, %	13.4	11.1		14.0	12.8	
Operating margin, %	13.4	11.1		14.0	11.7	

¹ For more information on adjusted operating income, please see note 7.

Net sales and operating income

In Q3 2021, net sales increased by 11% to SEK 19,638 M (17,619). Adjusted for currency movements net sales also increased by 11%, of which net sales of machines increased by 11% and service sales by 13%.

Adjusted operating income amounted to SEK 2,635 M (1,963), corresponding to an adjusted operating margin of 13.4% (11.1). Earnings were positively impacted by a favorable product and market mix and higher service earnings, which were partly offset by higher raw material prices, lower machine volumes and decreased capacity utilization. Compared with Q3 2020, currency movements had no impact.

Earnings in Q3 2020 were negatively impacted by a write-down of VAT credits in Brazil of SEK 316 M.

Reported operating income amounted to SEK 2,635 M (1,951).

Important events

Volvo Construction Equipment continued its rollout of electric compact machines during the quarter. In North America two fully electric models, the excavator ECR25 Electric and the wheel loader L25 Electric, were launched.

Outside of North America Volvo CE launched three new electric compact machines in October. One wheel loader, the L20 Electric, and two excavators, the EC18 Electric and ECR18 Electric. In total customers now have five electric models to choose from.

In India, the company also launched 16 new machines, 10 Volvo products and 6 from SDLG, all of which are engineered to the new CEV 4 emission norms.

BUSES

Improved order intake and service sales

- » Order intake increased by 34% and deliveries by 2% in Q3
- » Adjusted operating income amounted to SEK 42 M (240) with a margin of 0.9% (5.2)
- » Currency-adjusted service sales increased by 26%



Demand for new vehicles and services is improving in many markets, as Covid-19 restrictions are lifted and fleet utilization is increasing. Demand for coaches is gradually coming back, still from low levels, and the transition towards electric city buses continues.

Compared with Q3 2020, net order intake increased by 34% to 1,501 units.

The continued transition towards electric vehicles in city traffic is confirmed by additional orders of 100 electric buses in Sweden in Q3. Order intake has also been good in Mexico with a total of 216 new orders, primarily coaches.

Deliveries in Q3 2021 amounted to 1,357 units, 2% more than in Q3 2020, with the biggest improvement in North America.

During Q3 2021, net sales increased by 2% to SEK 4,770 M (4,654). Adjusted for currency movements, net

sales also increased by 2%, of which service sales increased by 26% and vehicle sales decreased by 3%.

Adjusted operating income amounted to SEK 42 M (240), corresponding to an adjusted operating margin of 0.9% (5.2). Lower capacity utilization, production disturbances and an unfavorable market mix impacted negatively while higher service earnings had a positive impact. Compared with Q3 2020, currency movements had a positive impact of SEK 62 M.

Reported operating income amounted to SEK 42 M (232).

In September, Volvo Buses launched a new chassis with electric driveline, providing a solid platform for sustainable and efficient public transport to markets globally that are ready for the shift to electromobility.

Net order intake and deliveries		Third quarter		Change	First nine months		Change
Number of buses		2021	2020	%	2021	2020	%
Total orders		1,501	1,118	34	3,396	4,850	-30
Of which fully electric		100	26	285	176	245	-28
Of which hybrids		16	250	-94	128	710	-82
Total deliveries		1,357	1,331	2	3,795	3,774	1
Of which fully electric		2	11	-82	193	34	468
Of which hybrids		202	217	-7	490	408	20

Net sales and operating income		Third quarter		Change	First nine months		Change
SEK M		2021	2020	%	2021	2020	%
Europe		1,357	976	39	4,218	3,331	27
North America		2,583	2,069	25	6,407	5,567	15
South America		265	728	-64	635	1,214	-48
Asia		272	570	-52	1,134	1,786	-37
Africa and Oceania		293	310	-5	1,072	1,145	-6
Total net sales		4,770	4,654	2	13,466	13,043	3
Of which:							
Vehicles		3,745	3,842	-3	10,539	10,249	3
Services		1,025	812	26	2,928	2,794	5
Adjusted operating income ¹		42	240	-83	-47	-421	89
Adjustments		-	-8	100	-	-93	100
Operating income		42	232	-82	-47	-514	91
Adjusted operating margin, %		0.9	5.2		-0.3	-3.2	
Operating margin, %		0.9	5.0		-0.3	-3.9	

¹ For more information on adjusted operating income, please see note 7.

VOLVO PENTA

Continued strong demand

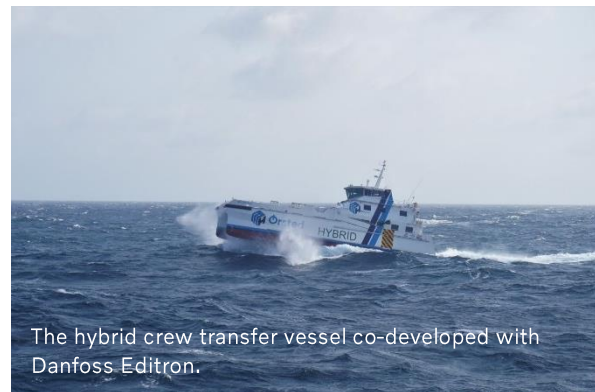
- » Net order intake in Q3 increased by 34% and deliveries by 6%
- » Adjusted operating income amounted to SEK 501 M (570) with a margin of 14.6% (18.6)
- » Electromobility projects for both marine and industrial applications gaining momentum

The marine leisure year of 2021/2022 has started in a good way with the return of several boat shows with a record order intake for Volvo Penta. The marine commercial market has recovered and the high demand for vessels serving the offshore wind industry has been sustained.

There was a positive development in the market for industrial off-road engines in Q3, driven by good momentum in the material handling and mining sectors. Demand in the global power generation market also increased.

During Q3 2021, net order intake increased by 34% to 10,907 units and deliveries increased by 6% to 9,390 units. The high market demand in combination with supply chain constraints have a significant impact on lead times.

In Q3 2021, net sales increased by 12% to SEK 3,428 M (3,062). Adjusted for currency movements, net sales increased by 13%, of which sales of engines increased by 15% and sales of services by 9%.



Adjusted operating income amounted to SEK 501 M (570), corresponding to an adjusted operating margin of 14.6% (18.6). Earnings were negatively impacted by decreased industrial productivity due to supply chain disruptions as well as higher R&D, selling and administrative expenses, which were partly offset by increased sales. Compared with Q3 2020, the currency impact on operating income was negative in an amount of SEK 42 M.

Reported operating income amounted to SEK 501 M (562).

During Q3, Volvo Penta reached an important milestone in electromobility when the serial production of the 600V electric driveline for industrial applications was started.

The crew transfer vessels equipped with an electric hybrid propulsion system, which was co-developed with Danfoss Editron for the customer MHO, was put to the test by successfully traveling 12,000 nautical miles from China to Denmark.

Net order intake and deliveries		Third quarter		Change	First nine months		Change
Number of Engines		2021	2020	%	2021	2020	%
Total orders		10,907	8,138	34	38,272	25,926	48
Of which fully electric		36	-	-	48	-	-
Total deliveries		9,390	8,840	6	31,687	25,748	23
Of which fully electric		23	-	-	27	-	-

Net sales and operating income		Third quarter		Change	First nine months		Change
SEK M		2021	2020	%	2021	2020	%
Europe		1,646	1,433	15	5,626	4,509	25
North America		765	794	-4	2,236	1,979	13
South America		124	91	36	346	228	52
Asia		680	553	23	1,959	1,689	16
Africa and Oceania		213	190	12	636	501	27
Total net sales		3,428	3,062	12	10,803	8,907	21
Of which:							
Engines		2,296	2,010	14	7,578	6,148	23
Services		1,132	1,052	8	3,225	2,759	17
Adjusted operating income ¹		501	570	-12	1,762	1,423	24
Adjustments		-	-8	100	-	-58	100
Operating income		501	562	-11	1,762	1,365	29
Adjusted operating margin, %		14.6	18.6		16.3	16.0	
Operating margin, %		14.6	18.3		16.3	15.3	

¹ For more information on adjusted operating income, please see note 7.

FINANCIAL SERVICES

Good profit improvement

- » Increased new business volume
- » Adjusted operating income of SEK 826 M (423)
- » Good portfolio performance



In Q3 2021, Volvo Financial Services (VFS) continued to grow the credit portfolio and increase earnings.

New business volume was up by 13%, currency adjusted, over Q3 2020 due primarily to higher deliveries of Group products and geographic expansion. Adjusted for currency and the divestment of UD Trucks, the credit portfolio grew by 7% on a year over year basis.

Adjusted operating income increased to SEK 826 M (423). This was primarily a result of lower credit

provisions as contrasted with Q3 2020 when credit provisions were increased in line with the expectations of higher write-offs due to the pandemic and partly due to profitable portfolio growth. Return on shareholders' equity improved to 16.3% (9.3).

During Q3 2021, portfolio performance was good due to strong demand for transportation and construction services.

Financial Services SEK M	Third quarter		First nine months	
	2021	2020	2021	2020
Number of financed units, 12 months rolling			67,888	60,494
Total penetration rate, 12 months rolling, % ¹			30	30
New retail financing volume, SEK billion	20.0	17.9	59.3	52.6
Credit portfolio net, SEK billion			162	157
Credit provision expenses	108	363	207	1,536
Adjusted operating income ²	826	423	2,421	1,085
Adjustments ²	-	-	-	-45
Operating income	826	423	2,421	1,040
Credit reserves, % of credit portfolio			1.91	2.05
Return on equity, 12 months rolling, %			16.3	9.3

¹ Share of unit sales financed by Volvo Financial Services in relation to the total number of units sold by the Volvo Group in markets where financial services are offered.

² For more information on adjustments, please see note 7.

IMPORTANT EVENTS FOR THE VOLVO GROUP

Volvo Trucks agrees to acquire heavy-duty truck manufacturing operation in China

On August 23, it was announced that Volvo Trucks had agreed to acquire JMC Heavy Duty Vehicle Co., Ltd., a subsidiary of Jiangling Motors Co., Ltd., which includes a manufacturing site in Taiyuan, Shanxi province, China, for RMB 0.8 billion (approximately SEK 1.1 billion). The objective is to start production of the new heavy-duty Volvo FH, Volvo FM and Volvo FMX trucks in Taiyuan for customers in China from the end of 2022. The transaction is subject to customary closing conditions, including regulatory approvals.

Previously announced important events

- Daimler Truck AG and the Volvo Group complete creation of fuel-cell joint venture

- Shortage of semiconductors impacting production
- Annual General Meeting of AB Volvo
- Volvo Group and Isuzu Motors completed the UD Trucks transaction as part of the strategic alliance
- SBTi-approval of Volvo Group's industry-leading climate targets
- Extraordinary General Meeting in AB Volvo
- European high-performance charging network for heavy-duty trucks

Detailed information about the events is available at www.volvogroup.com

CONSOLIDATED INCOME STATEMENT THIRD QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	82,296	74,070	3,368	3,304	-406	-522	85,258	76,852
Cost of sales	-62,838	-56,540	-1,925	-1,998	407	523	-64,357	-58,015
Gross income	19,458	17,531	1,443	1,306	1	1	20,902	18,837
Research and development expenses	-4,074	-3,711	-	-	-	-	-4,074	-3,711
Selling expenses	-5,013	-5,587	-584	-544	-	-	-5,597	-6,131
Administrative expenses	-988	-1,064	-3	-2	-	-	-991	-1,066
Other operating income and expenses	-452	-402	-30	-336	-	-	-482	-739
Income/loss from investments in joint ventures and associated companies	-322	340	-	-	-	-	-322	340
Income/loss from other investments	-32	-23	0	0	-	-	-32	-23
Operating income	8,576	7,084	826	423	1	1	9,403	7,508
Interest income and similar credits	99	78	-	-	1	-7	99	71
Interest expenses and similar charges	-291	-315	0	0	-1	7	-291	-308
Other financial income and expenses	222	369	-	-	-	-	222	369
Income after financial items	8,607	7,216	826	423	1	1	9,433	7,640
Income taxes	-2,127	-1,635	-197	-101	-0	-	-2,325	-1,737
Income for the period *	6,479	5,581	629	322	0	1	7,109	5,903
* Attributable to:								
Owners of AB Volvo							7,052	5,723
Non-controlling interest							56	180
							7,109	5,903
Basic earnings per share, SEK								
							3.47	2.81
Diluted earnings per share, SEK								
							3.47	2.81

Key ratios, %								
Gross margin	23.6	23.7	-	-	-	-	24.5	24.5
Research and development expenses as % of net sales	5.0	5.0	-	-	-	-	4.8	4.8
Selling expenses as % of net sales	6.1	7.5	-	-	-	-	6.6	8.0
Administrative expenses as % of net sales	1.2	1.4	-	-	-	-	1.2	1.4
Operating margin	10.4	9.6	-	-	-	-	11.0	9.8

CONSOLIDATED OTHER COMPREHENSIVE INCOME THIRD QUARTER

SEK M	2021	2020
Income for the period	7,109	5,903
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	327	-203
Remeasurements of holding of shares at fair value	0	36
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	1,172	-1,721
Share of OCI related to joint ventures and associated companies	240	-26
Accumulated translation difference reversed to income	-	-
Other comprehensive income, net of income taxes	1,739	-1,916
Total comprehensive income for the period *	8,848	3,987
* Attributable to:		
Owners of AB Volvo	8,699	3,807
Non-controlling interest	149	180
	8,848	3,987

CONSOLIDATED INCOME STATEMENT FIRST NINE MONTHS

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	261,315	232,425	9,859	10,592	-1,336	-1,489	269,838	241,528
Cost of sales	-199,207	-181,339	-5,652	-6,400	1,337	1,491	-203,521	-186,248
Gross income	62,108	51,087	4,207	4,192	2	2	66,317	55,280
Research and development expenses	-13,224	-12,483	-	-	-	-	-13,224	-12,483
Selling expenses	-16,058	-18,016	-1,753	-1,686	-	-	-17,811	-19,702
Administrative expenses	-3,412	-3,361	-8	-7	-	-	-3,420	-3,368
Other operating income and expenses	432	-4,126	-24	-1,458	-	-	407	-5,584
Income/loss from investments in joint ventures and associated companies	614	1,134	-	-	-	-	614	1,134
Income/loss from other investments	-28	-6	0	0	-	-	-28	-6
Operating income	30,432	14,228	2,421	1,040	2	2	32,854	15,270
Interest income and similar credits	263	279	-	-	1	-65	264	213
Interest expenses and similar charges	-852	-1,080	0	0	-1	65	-852	-1,015
Other financial income and expenses	722	-428	-	-	-	-	722	-428
Income after financial items	30,565	12,999	2,421	1,040	2	2	32,988	14,040
Income taxes	-7,212	-3,063	-599	-263	-0	0	-7,812	-3,327
Income for the period *	23,353	9,936	1,822	777	1	2	25,177	10,714
* Attributable to:								
Owners of AB Volvo							24,793	10,116
Non-controlling interest							384	598
							25,177	10,714
Basic earnings per share, SEK							12.19	4.97
Diluted earnings per share, SEK							12.19	4.97

Key ratios, %

Gross margin	23.8	22.0	-	-	-	-	24.6	22.9
Research and development expenses as % of net sales	5.1	5.4	-	-	-	-	4.9	5.2
Selling expenses as % of net sales	6.1	7.8	-	-	-	-	6.6	8.2
Administrative expenses as % of net sales	1.3	1.4	-	-	-	-	1.3	1.4
Operating margin	11.6	6.1	-	-	-	-	12.2	6.3

CONSOLIDATED OTHER COMPREHENSIVE INCOME FIRST NINE MONTHS

SEK M	2021	2020
Income for the period	25,177	10,714
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	4,513	-1,696
Remeasurements of holding of shares at fair value	40	-8
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	4,112	-5,008
Share of OCI related to joint ventures and associated companies	835	-223
Accumulated translation difference reversed to income	-324	-
Other comprehensive income, net of income taxes	9,176	-6,935
Total comprehensive income for the period *	34,353	3,779
* Attributable to:		
Owners of AB Volvo	33,732	3,222
Non-controlling interest	621	557
	34,353	3,779

CONSOLIDATED BALANCE SHEET

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	Sep 30 2021	Dec 31 2020	Sep 30 2021	Dec 31 2020	Sep 30 2021	Dec 31 2020	Sep 30 2021	Dec 31 2020
Assets								
Non-current assets								
Intangible assets	36,204	34,423	111	154	-	-	36,314	34,577
<i>Tangible assets</i>								
Property, plant and equipment	51,432	49,045	66	68	-	-	51,498	49,113
Assets under operating leases	30,111	29,460	19,247	19,155	-10,931	-10,653	38,427	37,962
<i>Financial assets</i>								
Investments in Joint Ventures and associated companies	20,863	13,160	-	-	-	-	20,863	13,160
Other shares and participations	366	262	15	15	-	-	382	276
Non-current customer-financing receivables	1,601	1,061	79,098	70,773	-1,840	-1,287	78,859	70,547
Net pension assets	1,620	1,712	-	-	-	-	1,620	1,712
Non-current interest-bearing receivables	3,661	4,603	-	-	-1,675	-410	1,986	4,193
Other non-current receivables	9,412	9,228	180	157	-164	-815	9,428	8,569
Deferred tax assets	9,878	9,505	1,222	1,089	0	1	11,101	10,595
Total non-current assets	165,148	152,458	99,940	91,411	-14,609	-13,164	250,479	230,705
Current assets								
Inventories	62,310	47,273	265	352	-	-	62,575	47,625
<i>Current receivables</i>								
Customer-financing receivables	821	635	63,932	58,096	-1,007	-746	63,746	57,985
Tax assets	1,823	1,659	245	528	-	-	2,067	2,187
Interest-bearing receivables	910	1,698	4	4	-23	-15	891	1,686
Internal funding	18,184	10,925	-	-	-18,184	-10,925	-	-
Accounts receivable	38,444	34,278	1,459	1,383	-	-	39,903	35,660
Other receivables	16,746	17,105	1,550	1,361	-3,298	-3,208	14,998	15,258
Marketable securities	163	213	-	-	-	-	163	213
Cash and cash equivalents	33,480	81,973	3,713	4,680	-1,015	-1,448	36,178	85,206
Assets held for sale	-	29,362	-	4,934	-	-	-	34,296
Total current assets	172,881	225,121	71,167	71,337	-23,527	-16,342	220,521	280,116
Total assets	338,029	377,579	171,106	162,748	-38,136	-29,506	471,000	510,821
Equity and liabilities								
Equity attributable to owners of AB Volvo	115,745	132,280	13,690	13,018	-2	-3	129,433	145,295
Non-controlling interest	3,081	2,847	-	-	-	-	3,081	2,847
Total equity	118,826	135,127	13,690	13,018	-2	-3	132,513	148,142
<i>Non-current provisions</i>								
Provisions for post-employment benefits	13,319	18,282	150	148	-	-	13,470	18,430
Provisions for deferred taxes	2,709	1,166	2,182	2,099	-	-	4,890	3,265
Other provisions	11,141	10,217	52	238	498	464	11,691	10,918
<i>Non-current liabilities</i>								
Bond loans	71,560	66,391	-	-	-	-	71,560	66,391
Other loans	16,366	18,053	10,643	11,905	-1,746	-1,182	25,262	28,775
Internal funding	-74,455	-58,839	69,576	59,412	4,878	-573	-	-
Other liabilities	39,861	38,094	1,483	1,371	-7,076	-8,041	34,268	31,424
Current provisions	11,669	12,411	41	225	428	517	12,137	13,153
<i>Current liabilities</i>								
Bond loans	24,857	30,904	-	-	-	-	24,857	30,904
Other loans	13,682	17,055	7,192	10,968	-886	-669	19,988	27,354
Internal funding	-31,950	-38,547	58,031	51,050	-26,082	-12,503	-	-
Trade payables	59,357	59,013	735	598	-	-	60,092	59,611
Tax liabilities	3,647	3,885	549	714	-	-	4,197	4,599
Other liabilities	57,440	57,730	6,781	6,354	-8,148	-7,515	56,074	56,569
Liabilities held for sale	-	6,638	-	4,649	-	-	-	11,286
Total equity and liabilities	338,029	377,579	171,106	162,748	-38,136	-29,506	471,000	510,821
Key ratios, %								
Equity ratio	35.2	35.8	8.0	8.0	0.0	0.0	28.1	29.0
Equity attributable to owners of AB Volvo, per share in SEK	-	-	-	-	-	-	63.7	71.5
Return on operating capital ¹	54.9	29.4	-	-	-	-	-	-
Return on capital employed ¹	25.6	14.7	-	-	-	-	-	-
Return on total equity ¹	-	-	16.3	8.3	-	-	24.0	13.8

¹ 12 months rolling.

CONSOLIDATED CASH FLOW STATEMENT THIRD QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating activities								
Operating income	8,576	7,084	826	423	1	1	9,403	7,508
Amortization intangible assets	707	859	10	13	-	-	716	872
Depreciation tangible assets	1,814	1,833	7	7	-	-	1,821	1,839
Depreciation leasing vehicles	1,204	1,081	1,077	1,031	0	24	2,280	2,136
Other non-cash items	119	-563	118	393	16	5	253	-165
Total change in working capital whereof	-13,444	3,383	-2,989	2,286	215	32	-16,218	5,701
Change in accounts receivables	1,887	-207	-10	-89	-	-	1,877	-297
Change in customer-financing receivables	-173	-125	-2,734	1,802	218	100	-2,689	1,778
Change in inventories	-2,188	-109	5	42	-	-	-2,184	-68
Change in trade payables	-12,413	6,125	-131	15	-	-	-12,544	6,140
Other changes in working capital	-557	-2,300	-119	516	-3	-69	-679	-1,853
Dividends received from joint ventures and associated companies	1	551	-	-	-	-	1	551
Interest and similar items received	87	89	0	-	1	-14	89	75
Interest and similar items paid	-137	-154	2	-	-14	15	-149	-139
Other financial items	-111	-56	-	-	-	-	-111	-56
Income taxes paid	-1,487	-829	-132	-245	-	-	-1,619	-1,074
Cash flow from operating activities	-2,672	13,279	-1,082	3,908	219	62	-3,535	17,249
Investing activities								
Investments in intangible assets	-1,265	-450	8	-11	-	-	-1,256	-461
Investments in tangible assets	-1,882	-1,184	-1	-1	-	-	-1,883	-1,185
Investment in leasing vehicles	-5	-8	-2,159	-1,930	0	-	-2,164	-1,938
Disposals of in-/tangible assets and leasing vehicles	89	75	1,277	1,290	-1	-	1,365	1,366
Operating cash flow	-5,735	11,712	-1,957	3,257	218	62	-7,474	15,030
Investments of shares							-412	-86
Divestments of shares							-	2
Acquired operations							-354	-
Divested operations							6	-
Interest-bearing receivables incl. marketable securities							-449	-174
Cash flow after net investments							-8,683	14,772
Financing activities								
New borrowings							19,519	25,214
Repayments of borrowings							-23,383	-25,121
Dividend to owners of AB Volvo							-19,318	-
Dividend to non-controlling interest							-14	-
Other							-11	38
Change in cash and cash equivalents excl. translation differences							-31,891	14,903
Translation difference on cash and cash equivalents							311	-516
Change in cash and cash equivalents							-31,580	14,387

CONSOLIDATED CASH FLOW STATEMENT FIRST NINE MONTHS

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating activities								
Operating income	30,432	14,228	2,421	1,040	2	2	32,854	15,270
Amortization intangible assets	2,059	2,307	28	39	-	-	2,087	2,346
Depreciation tangible assets	5,392	5,652	19	20	-	-	5,410	5,672
Depreciation leasing vehicles	3,191	3,842	3,212	3,435	0	23	6,403	7,300
Other non-cash items	-2,440	799	329	1,604	-4	48	-2,115	2,451
Total change in working capital whereof	-19,297	-16,385	-8,201	1,352	617	120	-26,881	-14,912
Change in accounts receivables	-1,787	140	-71	-59	-	-	-1,858	81
Change in customer-financing receivables	-580	-156	-8,332	263	642	85	-8,270	192
Change in inventories	-12,072	1,695	84	93	-	-	-11,988	1,788
Change in trade payables	-2,455	-13,062	110	265	-	-	-2,345	-12,797
Other changes in working capital	-2,403	-5,001	9	790	-25	35	-2,419	-4,176
Dividends received from joint ventures and associated companies	769	551	-	-	-	-	769	551
Interest and similar items received	227	284	0	0	6	-90	232	194
Interest and similar items paid	-723	-1,047	7	0	4	47	-712	-1,000
Other financial items	-216	-217	-	-	-	-	-216	-217
Income taxes paid	-6,362	-3,751	-615	-475	-	-	-6,977	-4,227
Cash flow from operating activities	13,031	6,262	-2,799	7,015	624	150	10,855	13,427
Investing activities								
Investments in intangible assets	-2,502	-1,902	11	-49	-	-	-2,491	-1,951
Investments in tangible assets	-4,947	-3,685	-2	-3	-	-	-4,949	-3,688
Investment in leasing vehicles	-31	-13	-6,674	-6,960	16	885	-6,690	-6,088
Disposals of in-/tangible assets and leasing vehicles	311	1,215	4,121	4,373	-10	-885	4,423	4,703
Operating cash flow	5,861	1,877	-5,343	4,377	630	150	1,148	6,404
Investments of shares							-7,311	-226
Divestments of shares							-	13
Acquired operations							-789	-
Divested operations ¹							22,447	178
Interest-bearing receivables incl. marketable securities							-22	774
Cash flow after net investments							15,473	7,143
Financing activities								
New borrowings							60,372	93,613
Repayments of borrowings							-76,278	-73,951
Dividend to owners of AB Volvo							-49,820	-
Dividend to non-controlling interest							-417	-10
Other							-101	-122
Change in cash and cash equivalents excl. translation differences							-50,770	26,672
Translation difference on cash and cash equivalents							1,743	-1,920
Change in cash and cash equivalents							-49,027	24,752

¹The total cash flow impact from the divestment of UD Trucks is SEK 22,450 M and includes both divestment of UD Trucks operations as well as the divestment of the customer financing receivable portfolio in Japan which was financed by intercompany debt that was repaid by UD Trucks at the time of divestment.

CONSOLIDATED NET FINANCIAL POSITION

Net financial position excl. post-employment benefits and lease liabilities SEK bn	Industrial Operations		Volvo Group	
	Sep 30 2021	Dec 31 2020	Sep 30 2021	Dec 31 2020
Non-current interest-bearing assets				
Non-current customer-financing receivables	-	-	78.9	70.5
Non-current interest-bearing receivables	3.7	4.6	2.0	4.2
Current interest-bearing assets				
Customer-financing receivables	-	-	63.7	58.0
Interest-bearing receivables	0.9	1.7	0.9	1.7
Internal funding	18.2	10.9	-	-
Marketable securities	0.2	0.2	0.2	0.2
Cash and cash equivalents	33.5	82.0	36.2	85.2
Assets held for sale	-	0.0	-	4.7
Total interest-bearing financial assets	56.4	99.4	181.8	224.5
Non-current interest-bearing liabilities				
Bond loans	-71.6	-66.4	-71.6	-66.4
Other loans	-11.9	-13.6	-20.8	-24.3
Internal funding	74.5	58.8	-	-
Current interest-bearing liabilities				
Bond loans	-24.9	-30.9	-24.9	-30.9
Other loans	-12.0	-15.5	-18.3	-25.8
Internal funding	31.9	38.5	-	-
Liabilities held for sale	-	4.3	-	-0.0
Total interest-bearing financial liabilities excl. lease liabilities	-13.9	-24.7	-135.5	-147.5
Net financial position excl. post-employment benefits and lease liabilities	42.5	74.7	46.3	77.0

Provisions for post-employment benefits and lease liabilities, net SEK bn	Industrial Operations		Volvo Group	
	Sep 30 2021	Dec 31 2020	Sep 30 2021	Dec 31 2020
Non-current lease liabilities	-4.5	-4.5	-4.5	-4.4
Current lease liabilities	-1.7	-1.6	-1.7	-1.6
Provisions for post-employment benefits, net	-11.7	-16.6	-11.9	-16.7
Liabilities held for sale	-	-1.1	-	-1.1
Provisions for post-employment benefits and lease liabilities, net	-17.9	-23.7	-18.0	-23.8

Net financial position incl. post-employment benefits and lease liabilities SEK bn	Industrial Operations		Volvo Group	
	Sep 30 2021	Dec 31 2020	Sep 30 2021	Dec 31 2020
Net financial position excl. post-employment benefits and lease liabilities	42.5	74.7	46.3	77.0
Provisions for post-employment benefits and lease liabilities, net	-17.9	-23.7	-18.0	-23.8
Net financial position incl. post-employment benefits and lease liabilities	24.6	51.0	28.3	53.2

CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	Third quarter 2021	First nine months 2021
Net financial position excl. post-employment benefits and lease liabilities at the end of previous period	67.3	74.7
Operating cash flow	-5.7	5.9
Investments and divestments of shares, net	-0.4	-7.3
Acquired and divested operations, net ¹	-0.4	17.6
Capital injections to/from Financial Services	1.1	1.6
Currency effect	0.5	2.1
Dividend to owners of AB Volvo	-19.3	-49.8
Other changes	-0.6	-2.2
Net financial position excl. post-employment benefits and lease liabilities at the end of period	42.5	42.5
Provisions for post-employment benefits and lease liabilities at the end of previous period	-17.9	-23.7
Pension payments, included in operating cash flow	0.3	1.1
Remeasurements of defined benefit pension plans	0.5	5.8
Service costs and other pension costs	-0.5	-1.5
Investments, remeasurements and amortizations of lease contracts	0.1	0.2
Transfer pensions and lease liabilities to UD Trucks	-	1.1
Currency effect	-0.2	-0.5
Other changes	-0.3	-0.4
Provisions for post-employment benefits and lease liabilities at the end of period	-17.9	-17.9
Net financial position incl. post-employment benefits and lease liabilities at the end of period	24.6	24.6

¹Includes both the cash flow from the divestment of UD Trucks operations and the intercompany loans that financed the divestment of the customer financing portfolio in VFS Japan.
This was repaid by UD Trucks at the time of divestment.

CONSOLIDATED CHANGES IN TOTAL EQUITY

SEK bn	Sep 30 2021	Dec 31 2020
Total equity at the end of previous period	148.1	141.7
Equity attributable to shareholders of AB Volvo at the end of previous period	145.3	138.6
Income for the period	24.8	19.3
Other comprehensive income	8.9	-12.4
Total comprehensive income	33.7	6.9
Dividend to AB Volvo shareholders	-49.8	-
Other changes	0.2	-0.2
Equity attributable to shareholders of AB Volvo at the end of period	129.4	145.3
Non-controlling interest at the end of previous period	2.8	3.1
Income for the period	0.4	0.8
Other comprehensive income	0.2	-0.2
Total comprehensive income	0.6	0.5
Dividend to non-controlling interest	-0.4	-0.8
Other changes	0.0	0.0
Non-controlling interest at the end of period	3.1	2.8
Total equity at the end of period	132.5	148.1

QUARTERLY FIGURES

Income Statements, Volvo Group						First nine months 2021	First nine months 2020
SEK M unless otherwise stated							
	3/2021	2/2021	1/2021	4/2020	3/2020		
Net sales	85,258	90,561	94,018	96,917	76,852	269,838	241,528
Cost of sales	-64,357	-68,843	-70,322	-73,071	-58,015	-203,521	-186,248
Gross income	20,902	21,718	23,696	23,847	18,837	66,317	55,280
Research and development expenses	-4,074	-4,780	-4,370	-4,314	-3,711	-13,224	-12,483
Selling expenses	-5,597	-5,965	-6,249	-6,808	-6,131	-17,811	-19,702
Administrative expenses	-991	-1,274	-1,156	-1,252	-1,066	-3,420	-3,368
Other operating income and expenses	-482	1,393	-503	125	-739	407	-5,584
Income/loss from investments in Joint Ventures and associated companies	-322	290	645	615	340	614	1,134
Income/loss from other investments	-32	2	3	3	-23	-28	-6
Operating income	9,403	11,384	12,067	12,215	7,508	32,854	15,270
Interest income and similar credits	99	88	76	86	71	264	213
Interest expenses and similar charges	-291	-264	-296	-334	-308	-852	-1,015
Other financial income and expenses	222	57	443	-90	369	722	-428
Income after financial items	9,433	11,265	12,290	11,877	7,640	32,988	14,040
Income taxes	-2,325	-2,202	-3,286	-2,517	-1,737	-7,812	-3,327
Income for the period *	7,109	9,064	9,004	9,360	5,903	25,177	10,714
* Attributable to:							
Owners of AB Volvo	7,052	8,900	8,841	9,202	5,723	24,793	10,116
Non-controlling interest	56	164	164	158	180	384	598
	7,109	9,064	9,004	9,360	5,903	25,177	10,714
Key ratios, Volvo Group, %							
Gross margin	24.5	24.0	25.2	24.6	24.5	24.6	22.9
Research and development expenses as % of net sales	4.8	5.3	4.6	4.5	4.8	4.9	5.2
Selling expenses as % of net sales	6.6	6.6	6.6	7.0	8.0	6.6	8.2
Administrative expenses as % of net sales	1.2	1.4	1.2	1.3	1.4	1.3	1.4
Operating margin	11.0	12.6	12.8	12.6	9.8	12.2	6.3
Key ratios, Industrial Operations, %							
Gross margin	23.6	23.2	24.4	23.9	23.7	23.8	22.0
Research and development expenses as % of net sales	5.0	5.4	4.8	4.6	5.0	5.1	5.4
Selling expenses as % of net sales	6.1	6.1	6.2	6.7	7.5	6.1	7.8
Administrative expenses as % of net sales	1.2	1.4	1.3	1.3	1.4	1.3	1.4
Operating margin	10.4	11.9	12.5	12.4	9.6	11.6	6.1
EBITDA margin, Industrial Operations							
Operating income Industrial Operations	8,576	10,471	11,384	11,691	7,084	30,432	14,228
Product and software development, amortization	666	687	594	666	713	1,946	2,067
Other intangible assets, amortization	40	32	40	94	146	112	240
Tangible assets, depreciation	3,017	2,736	2,830	3,368	2,914	8,583	9,492
Total depreciation and amortization	3,724	3,454	3,464	4,128	3,773	10,642	11,799
Operating income before depreciation and amortization (EBITDA)	12,301	13,925	14,847	15,820	10,857	41,074	26,027
EBITDA margin, %	14.9	15.9	16.3	16.8	14.7	15.7	11.2
Net capitalization of research and development							
Capitalization	620	591	621	559	415	1,832	1,604
Amortization	-628	-653	-561	-574	-667	-1,842	-1,974
Net capitalization and amortization	-7	-63	60	-15	-253	-10	-370
Return on operating capital in Industrial Operations, % ¹	54.9	49.8	35.0	29.4	25.4		
Return on capital employed in Industrial Operations, % ¹	25.6	23.4	17.1	14.7	13.2		

¹ 12 months rolling.

QUARTERLY FIGURES

Net sales						First nine months	First nine months
SEK M	3/2021	2/2021	1/2021	4/2020	3/2020	2021	2020
Trucks	53,401	51,945	58,372	61,917	47,740	163,717	146,345
Construction Equipment	19,638	25,839	24,742	20,810	17,619	70,219	60,642
Buses	4,770	5,126	3,570	6,748	4,654	13,466	13,043
Volvo Penta	3,428	3,967	3,409	2,985	3,062	10,803	8,907
Group Functions & Other	1,807	1,686	2,022	2,340	1,661	5,515	5,530
Eliminations	-748	-752	-906	-754	-666	-2,406	-2,042
Industrial Operations	82,296	87,810	91,209	94,047	74,070	261,315	232,425
Financial Services	3,368	3,233	3,257	3,369	3,304	9,859	10,592
Reclassifications and eliminations	-406	-482	-447	-498	-522	-1,336	-1,489
Volvo Group	85,258	90,561	94,018	96,917	76,852	269,838	241,528

Operating income						First nine months	First nine months
SEK M	3/2021	2/2021	1/2021	4/2020	3/2020	2021	2020
Trucks	5,814	7,004	7,479	8,866	4,549	20,297	6,898
Construction Equipment	2,635	3,374	3,822	2,460	1,951	9,832	7,122
Buses	42	-26	-64	-8	232	-47	-514
Volvo Penta	501	617	643	37	562	1,762	1,365
Group Functions & Other	-433	-497	-481	317	-213	-1,411	-639
Eliminations	17	-2	-15	18	3	-0	-5
Industrial Operations	8,576	10,471	11,384	11,691	7,084	30,432	14,228
Financial Services	826	913	682	523	423	2,421	1,040
Reclassifications and eliminations	1	0	1	1	1	2	2
Volvo Group	9,403	11,384	12,067	12,215	7,508	32,854	15,270

Adjusted operating income ¹						First nine months	First nine months
SEK M	3/2021	2/2021	1/2021	4/2020	3/2020	2021	2020
Trucks	5,814	5,350	7,479	8,045	4,522	18,643	9,206
Construction Equipment	2,635	3,374	3,822	2,321	1,963	9,832	7,750
Buses	42	-26	-64	-24	240	-47	-421
Volvo Penta	501	617	643	25	570	1,762	1,423
Group Functions & Other	-433	-497	-727	29	-505	-1,657	-1,411
Eliminations	17	-2	-15	17	3	0	-5
Industrial Operations	8,576	8,817	11,138	10,413	6,793	28,532	16,542
Financial Services	826	913	682	521	423	2,421	1,085
Reclassifications and eliminations	1	0	1	1	1	2	2
Volvo Group adjusted operating income	9,403	9,730	11,821	10,934	7,217	30,955	17,629

¹For more information on adjusted operating income, please see note 7.

Operating margin						First nine months	First nine months
%	3/2021	2/2021	1/2021	4/2020	3/2020	2021	2020
Trucks	10.9	13.5	12.8	14.3	9.5	12.4	4.7
Construction Equipment	13.4	13.1	15.4	11.8	11.1	14.0	11.7
Buses	0.9	-0.5	-1.8	-0.1	5.0	-0.3	-3.9
Volvo Penta	14.6	15.6	18.9	1.2	18.3	16.3	15.3
Industrial Operations	10.4	11.9	12.5	12.4	9.6	11.6	6.1
Volvo Group	11.0	12.6	12.8	12.6	9.8	12.2	6.3

Adjusted operating margin						First nine months	First nine months
%	3/2021	2/2021	1/2021	4/2020	3/2020	2021	2020
Trucks	10.9	10.3	12.8	13.0	9.5	11.4	6.3
Construction Equipment	13.4	13.1	15.4	11.2	11.1	14.0	12.8
Buses	0.9	-0.5	-1.8	-0.4	5.2	-0.3	-3.2
Volvo Penta	14.6	15.6	18.9	0.8	18.6	16.3	16.0
Industrial Operations	10.4	10.0	12.2	11.1	9.2	10.9	7.1
Volvo Group adjusted operating margin	11.0	10.7	12.6	11.3	9.4	11.5	7.3

QUARTERLY FIGURES

Share data	3/2021	2/2021	1/2021	4/2020	3/2020	First nine months 2021	First nine months 2020
Earnings per share, SEK ¹	3.47	4.38	4.35	4.53	2.81	12.19	4.97
Earnings per share, SEK ¹ , 12 months rolling	16.72	16.07	11.55	9.50	8.24	-	-
Diluted earnings per share, SEK	3.47	4.38	4.35	4.53	2.81	12.19	4.97
Number of outstanding shares in millions	2,033	2,033	2,033	2,033	2,033	2,033	2,033
Average number of shares before dilution in millions	2,033	2,033	2,033	2,033	2,033	2,033	2,033
Average number of shares after dilution in millions	2,033	2,033	2,033	2,033	2,033	2,033	2,033
Number of own shares in millions	0	0	0	0	0	0	0
Average number of own shares in millions	0	0	0	0	32	0	74

¹ Earnings per share are calculated as Income for the period (excl. Non-controlling interest) divided by the weighted average number of shares outstanding during the period.

NOTE 1 | ACCOUNTING POLICIES

The Volvo Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting policies and definitions are consistently applied with those described in the Volvo Group Annual and Sustainability Report 2020 (available at www.volvogroup.com). This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

New accounting policies for 2021

The amendments to IFRS 7, IFRS 9 and IFRS 16 relates to the interest rate benchmark reform - phase 2 and provides guidance on how to account for the effects of the reform. The interest rate benchmark reform refers to the transition from current interest reference rate such as LIBOR to new benchmark interest rates. The transition implies that contract

terms for certain financial instruments will change. The change of the terms as a result of the reform shall be accounted for as an adjustment of variable interest.

The Volvo Group closely follows the transition to the new interest reference rate. The transition will take place at different points in time for different interest rates during the coming years. During 2021, the GBP LIBOR will be replaced by SONIA where the Volvo Group has a limited number of interest derivative contracts which are linked to GBP LIBOR that will be affected. The amendments to IFRS 7, IFRS 9 and IFRS 16 will be applied when new interest rate benchmarks are incorporated in the underlying contracts which is expected to have taken place by the end of 2021 for GBP LIBOR and later for other interests such as USD LIBOR. The amendment is effective from January 1, 2021.

There are no other new accounting policies applicable from 2021 that significantly affects the Volvo Group.

NOTE 2 | RISKS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Each of the Volvo Group's Business Areas and Truck Divisions monitors and manages risks in its operations. In addition, the Volvo Group utilizes a centralized Enterprise Risk Management (ERM) reporting process, which is a systematic and structured framework for reporting and reviewing risk assessments and mitigations as well as for follow-up on identified risks.

The ERM process classifies Volvo Group risks into five categories:

Macro and market related risks – such as the cyclical nature of the commercial vehicles industry, intense competition, extensive government regulations and political instability and security;

Operational risks – such as technology shift and convergence, customer satisfaction and demand, risks related to industrial operations, reliance on suppliers and scarce materials, cybersecurity and IT infrastructure, strategic transactions, such as mergers and acquisitions, partnerships and divestments as well as residual value commitments;

Climate and society risks – such as pandemics, climate related and environmental regulations and risk related to human capital and human rights;

Compliance risks – such as non-compliance with data protection laws, protection and maintenance of intangible assets, complaints and legal actions by customers and other third parties and corruption and non-compliance with competition law; and

Financial risks – such as insurance coverage, credit risk, pension commitments, interest level and currency fluctuations, liquidity risks, as well as impairment on goodwill and other intangible assets.

For a more elaborate description of these risks, please refer to the Risk Management section on pages 68-75 in the Volvo Group Annual and Sustainability Report 2020.

Risk updates

Short-term risks, when applicable, are also described in the respective segment section of this report.

Update on supply situation

Our ability to deliver according to market demand depends significantly on obtaining a timely and adequate supply of materials, components and other vital services, as well as on our ability to properly utilize the capacity in the Group's different production and services facilities. At present, our

supply chain and industrial system are strained in many areas due to e.g. shortages of semiconductors and other materials and components, shortages of transport services and developments of the Covid-19 pandemic and response measures taken. There will be supply chain disturbances and stoppages in production going forward. Such disturbances could lead to higher costs and interruptions in production and delivery of Group products and services, that could have a material negative impact on the Group's financial performance.

The Covid-19 pandemic

The outbreak of the Covid-19 pandemic throughout the world has led to major disruptions in the economies of many countries, including the Group's key markets. These have previously had an adverse effect on demand for the Group's products and services and on the financial performance of the Group and depending on the developments of the pandemic, it cannot be excluded that a similar situation would occur again.

The duration and expected development of the Covid-19 pandemic is unknown, and no predictions can be made in relation to future impacts. A prolongation or worsening of the virus outbreak would, however, be expected to negatively affect the Group's financial performance and could have a material adverse effect on the Group's business and financial development.

Accounts receivable

Due to the prevailing business model in the construction equipment industry in China, with long payment terms to customers, a substantial part of the Volvo Group's accounts receivable are normally related to customers in this market. As a consequence of strong growth in the Chinese construction equipment market in recent years, accounts receivable in China have increased. Should construction and mining activity in China decline rapidly and substantially, this may negatively impact customers' and dealers' ability to honor their obligations to the Group and consequently have an adverse effect on the Group's financial result.

Detected premature degradation of emissions control component

As previously communicated, the Volvo Group has detected that an emissions control component used in certain markets and models, may degrade more quickly than expected, affecting the vehicles emission performance negatively. The Volvo Group made a provision of SEK 7 billion impacting the operating income in Q4 2018, relating to the estimated

costs to address the issue. Negative cash flow effects started in 2019 and will continue in the coming years. The Volvo Group will continuously assess the size of the provision as the matter develops.

Contingent liabilities and contingent assets

The reported amounts for contingent liabilities reflect a part of Volvo Group's risk exposure. Total contingent liabilities as of September 30, 2021, amounted to SEK 16.9 billion, an increase of SEK 3.1 billion compared to December 31, 2020. The gross exposure of SEK 16.9 billion is partly reduced by counter guarantees and collaterals.

Total contingent assets as of September 30, 2021 amounted to SEK 0.8 billion (SEK 1.3 billion as of December 31, 2020) and is related to a tax credit in Brazil.

Legal proceedings

Starting in January 2011, the Volvo Group, together with a number of other truck manufacturers, was investigated by the European Commission in relation to a possible violation of EU antitrust rules. In July 2016 the European Commission issued a settlement decision against the Volvo Group and other truck manufacturers finding that they were involved in an antitrust infringement which, in the case of the Volvo Group, covered a 14-year period from 1997 to 2011. The Volvo Group paid a monetary fine of EUR 670 million.

Following the adoption of the European Commission's settlement decision, the Volvo Group has received and is defending itself against a significant number of private damages claims brought by customers and other third parties alleging that they suffered loss, directly or indirectly, by reason of the conduct covered in the decision. The claims are being brought in various countries (including EU Member States, the United Kingdom and Israel) by large numbers of claimants either acting individually or as part of a wider group or class of claimants. Further claims are likely to be commenced.

At this stage it is not possible to make a reliable estimate of any liability that could arise from any such proceedings. However, the litigation is substantial in scale and an adverse outcome or outcomes of some or all of the litigation, depending on the nature and extent of such outcomes, may have a material negative impact on the Volvo Group's financial results, cash flows and financial position.

The other legal proceedings and investigations described in note 21 and note 24 in the Volvo Group Annual and Sustainability Report 2020 are progressing. No material changes have occurred in these matters in Q3 2021.

NOTE 3 | REVENUE

The two major revenue streams within the Volvo Group are vehicles and services. Vehicles include sales of vehicles, machinery and engines. Revenue is recognized when the control of the vehicle has been transferred to the customer, normally at one point in time, which is when the vehicle has been delivered to the customer. If the sale of a vehicle is combined with a residual value commitment and there is a significant economic incentive for the customer to return the vehicle, the revenue is recognized over the residual value commitment period. Services include sale of spare parts, maintenance services and other aftermarket products. Revenue is recognized when the control of the service has

been transferred to the customer, which is when the customer can benefit from the use of the delivered services.

For spare parts, revenue is normally recognized at one point in time, which is when it is delivered. For maintenance services and other aftermarket products, revenue is normally recognized over time, which is during the contract period. When payments for maintenance contracts are received in advance from the customers, the payments are recognized as contract liabilities. Income from operating leasing is recognized over the leasing period. Interest income related to finance leasing and installment credits is recognized as net sales within Financial Services during the underlying contract period.

NOTE 4 | ACQUISITIONS AND DIVESTMENTS

In Q3 the Volvo Group acquired the remaining 70 percent of the shares in the former joint venture Soprovi Algérie SPA, an import and assembly company in Algeria. The transaction had no significant impact on the Volvo Group's earnings or financial position.

The Volvo Group has not made any other acquisitions or divestments of operations during Q3 that have had a significant impact on the Volvo Group.

NOTE 5 | CURRENCY AND FINANCIAL INSTRUMENTS

Fair value of financial instruments

Valuation principles and classifications of Volvo Group financial instruments, as described in Volvo Group Annual and Sustainability report 2020 Note 30, have been consistently applied throughout the reporting period. Financial instruments in the Volvo Group reported at fair value through profit and loss consist mainly of interest and currency derivatives. Derivatives with positive fair values amounted to SEK 3.7 billion (6.6) and derivatives with negative fair values amounted to SEK 1.8 billion (1.4) as of September 30, 2021.

The derivatives are accounted for on gross basis. Financial liabilities valued at amortized cost, reported as current and non-current bond loans and other loans, amounted to SEK 140.3 billion (152.8) in reported carrying value with a fair value of SEK 142.1 billion (155.7). In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 1.4 billion (0.6).

Currency effect on operating income, Volvo Group		Compared to third quarter 2020		
SEK M	Third quarter 2021	Third quarter 2020	Change	
Net flow in foreign currency				291
Realized and unrealized gains and losses on derivatives	-4	0		-4
Unrealized gains and losses on receivables and liabilities in foreign currency	-127	-27		-100
Translation effect on operating income in foreign subsidiaries				-60
Total currency effect on operating income, Volvo Group				126

Applicable currency rates	Quarterly exchange rates		Close rates	
	Third quarter 2021	Third quarter 2020	Sep 30 2021	Sep 30 2020
BRL	1.66	1.65	1.62	1.60
CNY	1.34	1.28	1.36	1.32
EUR	10.20	10.36	10.20	10.54
GBP	11.92	11.45	11.81	11.52
USD	8.65	8.87	8.79	8.99
JPY	0.0786	0.0836	0.0786	0.0851
KRW	0.0075	0.0075	0.0074	0.0077

NOTE 6 | TRANSACTIONS WITH RELATED PARTIES

	Sales of goods, services and other income		Purchases of goods, services and other expenses	
	Third quarter 2021	Third quarter 2020	Third quarter 2021	Third quarter 2020
SEK M				
Associated companies	180	343	10	12
Joint ventures	207	364	228	173

	Receivables		Payables	
	Sep 30 2021	Dec 31 2020	Sep 30 2021	Dec 31 2020
SEK M				
Associated companies	57	242	13	24
Joint ventures	153	330	71	71

NOTE 7 | RECONCILIATION OF ADJUSTED OPERATING INCOME

Adjusted operating income						First nine months 2021	First nine months 2020
SEK M	3/2021	2/2021	1/2021	4/2020	3/2020		
Trucks	5,814	5,350	7,479	8,045	4,522	18,643	9,206
Construction Equipment	2,635	3,374	3,822	2,321	1,963	9,832	7,750
Buses	42	-26	-64	-24	240	-47	-421
Volvo Penta	501	617	643	25	570	1,762	1,423
Group Functions & Other	-433	-497	-727	29	-505	-1,657	-1,411
Eliminations	17	-2	-15	17	3	0	-5
Industrial Operations	8,576	8,817	11,138	10,413	6,793	28,532	16,542
Financial Services	826	913	682	521	423	2,421	1,085
Reclassifications and eliminations	1	0	1	1	1	2	2
Volvo Group adjusted operating income	9,403	9,730	11,821	10,934	7,217	30,955	17,629

Adjustments						First nine months 2021	First nine months 2020
SEK M	3/2021	2/2021	1/2021	4/2020	3/2020		
Adjustment items (segment)							
Depreciation of Assets held for sale (Group functions & Other)	-	-	246	287	291	246	841
Restructuring charges related to headcount reductions:							
Trucks	-	-	-	821	28	-	-2,307
Construction Equipment	-	-	-	140	-12	-	-627
Buses	-	-	-	16	-8	-	-93
Volvo Penta	-	-	-	12	-8	-	-58
Group Functions & Other	-	-	-	1	-	-	-70
Financial Services	-	-	-	2	-	-	-45
Divestment of UD Trucks (Trucks)	-	1,653	-	-	-	1,653	-

Total adjustments							
Trucks	-	1,653	-	821	28	1,653	-2,307
Construction Equipment	-	-	-	140	-12	-	-627
Buses	-	-	-	16	-8	-	-93
Volvo Penta	-	-	-	12	-8	-	-58
Group Functions & Other	-	-	246	288	291	246	771
Industrial Operations	-	1,653	246	1,278	291	1,900	-2,315
Financial Services	-	-	-	2	-	-	-45
Volvo Group	-	1,653	246	1,280	291	1,900	-2,360

Operating income						First nine months 2021	First nine months 2020
SEK M	3/2021	2/2021	1/2021	4/2020	3/2020		
Trucks	5,814	7,004	7,479	8,866	4,549	20,297	6,898
Construction Equipment	2,635	3,374	3,822	2,460	1,951	9,832	7,122
Buses	42	-26	-64	-8	232	-47	-514
Volvo Penta	501	617	643	37	562	1,762	1,365
Group Functions & Other	-433	-497	-481	317	-213	-1,411	-639
Eliminations	17	-2	-15	18	3	0	-5
Industrial Operations	8,576	10,471	11,384	11,691	7,084	30,432	14,228
Financial Services	826	913	682	523	423	2,421	1,040
Reclassifications and eliminations	1	0	1	1	1	2	2
Volvo Group	9,403	11,384	12,067	12,215	7,508	32,854	15,270

For reconciliations of other Key Ratios, see www.volvogroup.com.

PARENT COMPANY

Income from investments in Group companies for the third quarter includes dividends amounting to SEK 3,136 M (-). During third quarter parent company had no income from Investment in joint ventures and associated companies (550).

Divestment of UD Trucks has decreased the value of Shares and participations in Group companies by SEK 8,927 M and investment in Volvo Fuel Cell Holding AB has increased the value by SEK 3,000 M compared to December 31, 2020. Financial net debt amounted to SEK 43,976 M (7,565) at the end of the third quarter.

Income Statement				
	Third quarter		First three quarters	
SEK M	2021	2020	2021	2020
Net sales¹	72	72	203	233
Cost of sales ¹	-72	-72	-203	-233
Gross income	0	0	0	0
Operating expenses ¹	-141	-245	-756	-762
Operating income (loss)	-141	-245	-756	-762
Income from investments in Group companies	3,136	-	11,653	243
Income from investments in joint ventures and associated companies	-	550	785	550
Interest income and expenses	-174	-103	-398	-516
Other financial income and expenses	2	-	-3	-13
Income after financial items	2,823	202	11,281	-498
Appropriations	-	-	2,000	-
Income taxes	-83	284	-459	934
Income for the period	2,740	486	12,822	436

¹ Of net sales in the third quarter, SEK 62 M (61) pertained to Group companies, while purchases from Group companies amounted to SEK 72 M (41).

Other comprehensive income				
Income for the period	2,740	486	12,822	436
Other comprehensive income, net of income taxes	-	-	-	-
Total comprehensive income for the period	2,740	486	12,822	436

Balance Sheet		
SEK M	Sep 30 2021	Dec 31 2020
Assets		
Non-current assets		
Tangible assets	7	7
Financial assets		
Shares and participations in Group companies	66,103	71,857
Investments in joint ventures and associated companies	8,946	8,946
Other shares and participations	2	1
Other long-term receivables	412	-
Deferred tax assets	316	298
Total non-current assets	75,786	81,109
Current assets		
Current receivables from Group companies	5,168	1,735
Tax assets	631	-
Other current receivables	748	85
Total current assets	6,547	1,820
Total assets	82,333	82,929
Equity and liabilities		
Equity		
Restricted equity	9,899	9,899
Unrestricted equity	17,802	54,800
Total Equity	27,701	64,699
Untaxed reserves	10,000	10,000
Provisions	267	271
Non-current liabilities ¹	5,671	5,595
Current liabilities ²	38,694	2,364
Total equity and liabilities	82,333	82,929

¹ Of which SEK 5,664 M (5,589) pertains to Group companies.

² Of which SEK 38,179 M (1,789) pertains to Group companies.

Events after the balance sheet date

For important events, please see page 13. No other significant events have occurred after the end of the third quarter 2021 that are expected to have a substantial effect on the Volvo Group.

Gothenburg, October 21, 2021
AB Volvo (publ)

Martin Lundstedt
President and CEO

This report has not been reviewed by AB Volvo's auditors.

NET ORDER INTAKE

Net order intake of trucks	Third quarter		Change %	First nine months		Change %
	2021	2020		2021	2020	
Number of trucks						
Net order intake excluding UD Trucks						
Europe	18,396	24,175	-24	100,473	57,784	74
Heavy- and medium-duty	13,032	19,728	-34	81,000	46,984	72
Light-duty	5,364	4,447	21	19,473	10,800	80
North America	21,750	12,433	75	51,672	21,325	142
South America	4,695	9,071	-48	16,647	14,565	14
Asia	3,000	4,538	-34	11,491	11,364	1
Africa and Oceania	3,277	2,880	14	9,240	5,988	54
Total order intake excluding UD Trucks	51,118	53,097	-4	189,523	111,026	71
UD Trucks	-	4,433	N/A	5,017	11,410	N/A
Total order intake	51,118	57,530	-11	194,540	122,436	59
Heavy-duty (>16 tons)	39,300	46,269	-15	153,948	93,583	65
Medium-duty (7-16 tons)	6,422	2,351	173	15,902	6,566	142
Light-duty (<7 tons)	5,396	4,477	21	19,673	10,877	81
Total order intake excluding UD Trucks	51,118	53,097	-4	189,523	111,026	71
UD Trucks	-	4,433	N/A	5,017	11,410	N/A
Total order intake	51,118	57,530	-11	194,540	122,436	59

Net order intake of trucks by brand

Volvo						
Europe	8,167	13,816	-41	50,617	30,645	65
North America	8,804	7,895	12	22,273	10,419	114
South America	4,351	8,843	-51	15,643	14,153	11
Asia	2,329	3,932	-41	8,975	9,671	-7
Africa and Oceania	2,102	1,987	6	5,769	3,718	55
Total Volvo	25,753	36,473	-29	103,277	68,606	51
Heavy-duty (>16 tons)	25,010	35,836	-30	100,374	66,754	50
Medium-duty (7-16 tons)	743	637	17	2,903	1,852	57
Total Volvo	25,753	36,473	-29	103,277	68,606	51

Renault Trucks						
Europe	10,229	10,359	-1	49,856	27,139	84
Heavy- and medium-duty	4,865	5,912	-18	30,383	16,339	86
Light-duty	5,364	4,447	21	19,473	10,800	80
North America	16	28	-43	103	75	37
South America	220	85	159	565	191	196
Asia	671	606	11	2,516	1,693	49
Africa and Oceania	241	706	-66	1,141	1,765	-35
Total Renault Trucks	11,377	11,784	-3	54,181	30,863	76
Heavy-duty (>16 tons)	4,219	5,783	-27	29,028	16,071	81
Medium-duty (7-16 tons)	1,762	1,524	16	5,480	3,915	40
Light-duty (<7 tons)	5,396	4,477	21	19,673	10,877	81
Total Renault Trucks	11,377	11,784	-3	54,181	30,863	76

Mack						
North America	12,930	4,510	187	29,296	10,831	170
South America	99	143	-31	375	221	70
Africa and Oceania	554	187	196	1,130	505	124
Total Mack	13,583	4,840	181	30,801	11,557	167
Heavy-duty (>16 tons)	9,781	4,650	110	23,608	10,758	119
Medium-duty (7-16 tons)	3,802	190	1,901	7,193	799	800
Total Mack	13,583	4,840	181	30,801	11,557	167

DELIVERIES

Deliveries of trucks	Third quarter		Change %	First nine months		Change %
	2021	2020		2021	2020	
Number of trucks						
Deliveries excluding UD Trucks						
Europe	20,286	17,821	14	67,803	52,660	29
Heavy- and medium-duty	17,156	14,741	16	54,512	42,739	28
Light-duty	3,130	3,080	2	13,291	9,921	34
North America	10,222	6,103	67	33,036	20,677	60
South America	8,152	4,350	87	20,340	11,568	76
Asia	3,098	3,620	-14	10,571	9,687	9
Africa and Oceania	2,226	1,974	13	6,354	5,481	16
Total deliveries excluding UD Trucks	43,984	33,868	30	138,104	100,073	38
UD Trucks	-	3,841	N/A	3,994	10,434	N/A
Total deliveries	43,984	37,709	17	142,098	110,507	29
Heavy-duty (>16 tons)	37,957	28,874	31	115,416	85,052	36
Medium-duty (7-16 tons)	2,863	1,902	51	9,200	5,050	82
Light-duty (<7 tons)	3,164	3,092	2	13,488	9,971	35
Total deliveries excluding UD Trucks	43,984	33,868	30	138,104	100,073	38
UD Trucks	-	3,841	N/A	3,994	10,434	N/A
Total deliveries	43,984	37,709	17	142,098	110,507	29
Deliveries of trucks by brand						
Volvo						
Europe	11,167	9,509	17	34,881	28,138	24
North America	5,044	3,621	39	16,341	10,866	50
South America	7,963	4,105	94	19,667	11,025	78
Asia	2,464	3,127	-21	8,478	8,507	-
Africa and Oceania	1,499	1,250	20	4,068	3,409	19
Total Volvo	28,137	21,612	30	83,435	61,945	35
Heavy-duty (>16 tons)	27,381	21,015	30	81,375	60,190	35
Medium-duty (7-16 tons)	756	597	27	2,060	1,755	17
Total Volvo	28,137	21,612	30	83,435	61,945	35
Renault Trucks						
Europe	9,119	8,312	10	32,922	24,522	34
Heavy- and medium-duty	5,989	5,232	14	19,631	14,601	34
Light-duty	3,130	3,080	2	13,291	9,921	34
North America	26	32	-19	110	190	-42
South America	76	44	73	271	93	191
Asia	634	493	29	2,093	1,179	78
Africa and Oceania	369	595	-38	1,376	1,561	-12
Total Renault Trucks	10,224	9,476	8	36,772	27,545	33
Heavy-duty (>16 tons)	5,851	5,125	14	19,000	14,336	33
Medium-duty (7-16 tons)	1,209	1,259	-4	4,284	3,238	32
Light-duty (<7 tons)	3,164	3,092	2	13,488	9,971	35
Total Renault Trucks	10,224	9,476	8	36,772	27,545	33
Mack						
North America	5,152	2,450	110	16,585	9,621	72
South America	92	201	-54	333	450	-26
Asia	-	-	-	-	1	-
Africa and Oceania	105	129	-19	403	511	-21
Total Mack	5,349	2,780	92	17,321	10,583	64
Heavy-duty (>16 tons)	4,506	2,734	65	14,637	10,526	39
Medium-duty (7-16 tons)	843	46	1,733	2,684	57	4,609
Total Mack	5,349	2,780	92	17,321	10,583	64

APPENDIX – UD TRUCKS

On April 1, 2021, the Volvo Group divested UD Trucks. To facilitate the comparability of the Volvo Group's financial performance between the periods, certain items of interest are presented excluding UD Trucks. Thus, UD Trucks net sales, certain income statement items of interest, net order intake and deliveries for the last five quarters when UD Trucks was part of the Volvo Group are presented below for comparison purposes. UD Trucks had a marginally positive impact on the Volvo Group's adjusted operating income.

Net sales					Year	
SEK M	1/2020	2/2020	3/2020	4/2020	2020	1/2021
Europe	4	1	3	6	14	4
North America	27	19	29	22	97	27
South America	33	7	33	43	116	42
Asia	4,963	4,882	4,657	5,715	20,218	4,751
Africa and Oceania	555	388	581	735	2,259	613
Total net sales	5,581	5,297	5,304	6,521	22,703	5,438
Of which:						
Vehicles	3,291	3,096	3,172	4,295	13,855	3,346
Services	2,290	2,200	2,132	2,226	8,848	2,092

Certain Income Statement items of interest					Year	
SEK M	1/2020	2/2020	3/2020	4/2020	2020	1/2021
Research and development expenses	-300	-259	-275	-268	-1,102	-242
Selling expenses	-949	-944	-857	-892	-3,642	-793
Administrative expenses	-68	-60	-54	-76	-257	-87

Net order intake					Year	
Number of trucks	1/2020	2/2020	3/2020	4/2020	2020	1/2021
Europe	-	-	-	-	-	-
North America	16	3	8	36	63	33
South America	144	-55	117	168	374	83
Asia	3,532	2,221	2,917	3,309	11,979	3,556
Africa and Oceania	639	477	1,391	1,161	3,668	1,345
Total net order intake	4,331	2,646	4,433	4,674	16,084	5,017
Of which:						
Heavy-duty (>16 tons)	3,430	2,183	3,180	3,572	12,365	3,885
Medium-duty (7-16 tons)	742	382	1,055	901	3,080	874
Light-duty (<7 tons)	159	81	198	201	639	258

Deliveries					Year	
Number of trucks	1/2020	2/2020	3/2020	4/2020	2020	1/2021
Europe	-	-	-	-	-	-
North America	11	0	18	8	37	16
South America	59	12	84	89	244	109
Asia	2,722	2,687	2,896	4,119	12,424	3,028
Africa and Oceania	617	485	843	808	2,753	841
Total deliveries	3,409	3,184	3,841	5,024	15,458	3,994
Of which:						
Heavy-duty (>16 tons)	2,646	2,602	2,817	4,116	12,181	3,005
Medium-duty (7-16 tons)	614	495	821	765	2,695	771
Light-duty (<7 tons)	149	87	203	143	582	218

This is information that AB Volvo (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out in the press release concerning this report, at 07.20 CEST on October 21, 2021.

This report contains forward-looking statements that reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Forward-looking statements are subject to risks and uncertainties. Results could differ materially from forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management.

This report is based solely on the circumstances at the date of publication and except to the extent required under applicable law, AB Volvo is under no obligation to update the information, opinions or forward-looking statements in this report.

Financial calendar

Report on the fourth quarter and full year 2021	January 28, 2022
Annual and Sustainability report	February 25, 2022
Annual General Meeting	April 6, 2022
Report on the first quarter 2022	April 22, 2022
Report on the second quarter 2022	July 19, 2022
Report on the third quarter 2022	October 20, 2022

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