

## REPORT ON THE FOURTH QUARTER AND FULL YEAR 2022



A Volvo EC230 Electric excavator at work in Stockholm, Sweden.

### THE FOURTH QUARTER 2022

- » In Q4 2022, net sales increased by 31% to SEK 134.3 billion (102.4). Adjusted for currency movements the increase was 17%.
- » Adjusted operating income<sup>2</sup> amounted to SEK 12,171 M (10,060), corresponding to an adjusted operating margin of 9.1% (9.8). Adjusted operating income excludes costs of SEK 630 M relating to claims arising from the European Commission's 2016 antitrust settlement decision. For more information, please see Legal Proceedings in Note 2.
- » Reported operating income amounted to SEK 11,541 M (10,219).
- » Currency movements had a positive impact on operating income of SEK 1,826 M.
- » Earnings per share amounted to SEK 3.26 (3.93).
- » Operating cash flow in the Industrial Operations amounted to SEK 18,918 M (23,579).

### THE FULL YEAR 2022

- » Full year net sales were SEK 473.5 billion (372.2).
- » Adjusted operating income<sup>2</sup> amounted to SEK 50,467 M (41,015) with an adjusted operating margin of 10.7% (11.0).
- » Reported operating income amounted to SEK 45,712 M (43,074).
- » Earnings per share were SEK 16.09 (16.12).
- » Operating cash flow in the Industrial Operations amounted to SEK 35,327 M (29,440).
- » Return on capital employed in the Industrial Operations amounted to 27.4% (25.3).
- » The Board of Directors proposes an ordinary dividend of SEK 7.00 per share and an extra dividend of SEK 7.00 per share.

SEK M unless otherwise stated	Fourth quarter		Year	
	2022	2021	2022	2021
Net sales	<b>134,302</b>	102,378	<b>473,479</b>	372,216
Net sales excluding UD Trucks <sup>1</sup>	<b>134,302</b>	102,378	<b>473,479</b>	366,778
Adjusted operating income <sup>2</sup>	<b>12,171</b>	10,060	<b>50,467</b>	41,015
Adjusted operating margin, %	<b>9.1</b>	9.8	<b>10.7</b>	11.0
Operating income	<b>11,541</b>	10,219	<b>45,712</b>	43,074
Operating margin, %	<b>8.6</b>	10.0	<b>9.7</b>	11.6
Income after financial items	<b>10,420</b>	10,202	<b>45,077</b>	43,190
Income for the period	<b>6,690</b>	8,066	<b>32,969</b>	33,243
Earnings per share, SEK	<b>3.26</b>	3.93	<b>16.09</b>	16.12
Operating cash flow in Industrial Operations	<b>18,918</b>	23,579	<b>35,327</b>	29,440
Net financial position in Industrial Operations, SEK bn <sup>3</sup>			<b>73.9</b>	66.2
Return on capital employed in Industrial Operations, % <sup>4</sup>			<b>27.4</b>	25.3
Return on equity in Financial Services, % <sup>4</sup>			<b>-0.3</b>	18.0
Return on equity in Financial Services excluding impacts related to Russia, % <sup>4</sup>			<b>15.1</b>	18.0
Net order intake, number of trucks	<b>54,108</b>	68,333	<b>217,779</b>	262,873
Net order intake excluding UD Trucks <sup>1</sup>	<b>54,108</b>	68,333	<b>217,779</b>	257,856
Deliveries, number of trucks	<b>62,834</b>	60,360	<b>232,558</b>	202,458
Deliveries excluding UD Trucks <sup>1</sup>	<b>62,834</b>	60,360	<b>232,558</b>	198,464
Net order intake, number of construction equipment	<b>17,354</b>	22,521	<b>73,144</b>	114,995
Deliveries, number of construction equipment	<b>20,940</b>	20,172	<b>80,909</b>	99,871

1 For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

2 For information on adjusted operating income, please see note 6.

3 Excluding post-employment benefits and lease liabilities.

4 12 months rolling.

## CEO'S COMMENTS

### Strong performance and accelerated transformation

In 2022, the Volvo Group delivered strong growth as well as good profitability and cash flow. For the full year, we increased net sales by over SEK 100 billion to SEK 473 billion and the adjusted operating income to SEK 50.5 billion (41.0). The adjusted operating margin amounted to 10.7% (11.0). Several transformation milestones to decarbonize the transport system were also passed. This transition is not only vital for a sustainable future, it also delivers on our customers' commitments to reduce their CO2 emissions and it drives growth for the Volvo Group.

We also generated a strong operating cash flow of SEK 35.3 billion (29.4) and ended the year with a net cash position of SEK 73.9 billion in the Industrial Operations, pension and lease liabilities excluded. Our strong finances mean that we can continue to provide a good return to our shareholders and at the same time invest in the transformation of our industries. The Board of Directors proposes an ordinary dividend of SEK 7.00 per share and an extra dividend of SEK 7.00 per share.

In Q4 2022, our strong growth continued with an increase in net sales of 31% to SEK 134.3 billion. Despite uncertainty about the macroeconomic development, our customers have continued to benefit from high transport and infrastructure activity. In combination with the need to renew aging fleets, this resulted in good demand for our products. The high activity levels were also reflected in our service sales, which grew by 11% adjusted for currency. Adjusted operating income amounted to SEK 12.2 billion (10.1) with an adjusted operating margin of 9.1% (9.8). Costs related to energy, material and supply chain disruptions continue to be high, and we work actively to try to compensate for these effects. We maintain a high level of flexibility to be able to quickly adapt to any changes in demand.

I would like to thank all colleagues and business partners for their hard work, dedication, and outstanding professionalism during a year with many challenges. The situation in the global supply chain for components is still unstable, characterized by disruptions and unpredictability. Higher input costs, in particular energy prices, are putting our supplier base under financial pressure. We will therefore continue to have disturbances, stoppages and extra costs in the production of trucks and in other parts of the Group.

In Q4, we delivered 62,800 trucks, an increase of 4% compared with the prior year. This is both a delivery and a production record for a Q4 and the result of hard work across the value chain. Thanks to our strong product and service offer and our ability to deliver trucks, we have continued to gain market shares in most regions. However, in order to manage order book quality and the cost inflation, we have continued to be restrictive in slotting orders for production too far into the future. As a consequence, net order intake decreased by 21% to 54,100 trucks. In Q4, our truck operation's net sales grew by 30% to SEK 87.3 billion, with strong sales in all regions. The adjusted operating margin was 9.5% (10.3). We have maintained our strategy of maximizing our production to meet expectations and



demands from our customers, even if it has come with extra costs.

Except for China, activity in the construction industry has remained good in many regions, primarily driven by ongoing infrastructure investments and favorable commodity prices. In Q4, Volvo Construction Equipment's net sales increased by 27% to SEK 27.6 billion, with contribution from both machine sales and the service market. The adjusted operating margin of 11.2% was on the same level as the prior year. Order intake declined by 23% on the back of our large order backlog and restrictive order slotting to assure order book quality.

In Q4, net sales in Buses increased by 60% and amounted to SEK 6.7 billion, primarily driven by increased demand in North and South America. Profitability has improved but is still low, with an adjusted operating margin of 3.4% (-1.0).

Volvo Penta continued to experience good demand in both the marine and the industrial segment in the quarter. Net sales grew by 33% to SEK 4.8 billion and the adjusted operating margin was 9.7% (9.1).

For Volvo Financial Services, the credit portfolio continued to grow. Good customer profitability in most regions was reflected in continued low credit losses and the adjusted operating income amounted to SEK 863 M (858) in Q4.

During the year, we took significant steps on our transformation journey towards more sustainable transport and infrastructure solutions. Our sales of fully electric vehicles and machines increased by 120% to 2,073 units with an increased delivery pace quarter by quarter. In Q4 isolated, our deliveries were up by 266%. Although volumes are still small, it is encouraging that customers are joining forces with the Volvo Group to decarbonize their value chains. In 2022 we increased our investments, and we will continue our efforts to be in the frontline of the transformation.

In 2022, we delivered solid profitability and accelerated our transformation in yet another challenging year with geopolitical turmoil, supply chain constraints and high inflationary pressure. We have a strong foundation in terms of our strong financial position, customer relations, industrial backbone, technology, products and services and – most importantly – people. These qualities and capabilities will be equally important as we move forward, working together with our customers and partners – shaping the world we want to live in.

Martin Lundstedt  
President and CEO

## FINANCIAL SUMMARY OF THE FORTH QUARTER AND FULL YEAR 2022

**Net sales**

In Q4 2022, the Volvo Group's net sales amounted to SEK 134,302 M compared with SEK 102,378 M in the same quarter the preceding year.

Adjusted for currency movements net sales increased by 17%, of which vehicle sales increased by 19% and service sales by 11%.

**Operating income**

In Q4 2022, adjusted operating income amounted to SEK 12,171 M (10,060), corresponding to an adjusted operating margin of 9.1% (9.8). Adjusted operating income in Q4 2022 excludes a negative effect of SEK 630 M relating to costs for claims arising from the European Commission's 2016 antitrust settlement decision. For more information, see Legal Proceedings in Note 2, and for a reconciliation of adjusted operating income, see Note 6. Adjusted operating income in Q4 2021 excluded a positive effect amounting to SEK 159 M.

Compared with Q4 2021, the higher adjusted operating income is mainly an effect of price realization as well as

improved vehicle volumes. This was partly offset by higher material costs, increased selling and R&D expenses as well as higher freight costs.

Currency movements, compared with Q4 2021, had a positive impact of SEK 1,826 M.

Reported operating income amounted to SEK 11,541 M (10,219).

For the full year 2022, net sales amounted to SEK 473,479 M (372,216). The adjusted operating income amounted to SEK 50,467 M (41,015) corresponding to an adjusted operating margin of 10.7% (11.0). Reported operating income amounted to SEK 45,712 M (43,074).

**Financial items**

In Q4 2022, interest income was SEK 453 M (94), whereas interest expenses amounted to SEK 338 M (315).

Other financial income and expenses amounted to SEK -1,237 M (204). The change is due to revaluation effects of financial assets and liabilities mainly related to derivatives hedging interest exposure in Financial Services.

Net sales SEK M	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
<b>Net sales per geographical region excluding UD Trucks</b>						
Europe	53,704	45,180	19	191,165	158,066	21
North America	37,634	28,306	33	137,154	98,744	39
South America	15,555	9,181	69	51,734	30,382	70
Asia	19,259	13,633	41	64,392	58,403	10
Africa and Oceania	8,150	6,077	34	29,033	21,184	37
<b>Total net sales excluding UD Trucks</b>	<b>134,302</b>	<b>102,378</b>	<b>31</b>	<b>473,479</b>	<b>366,778</b>	<b>29</b>
<b>Net sales per product group excluding UD Trucks</b>						
Vehicles <sup>1</sup>	105,318	79,395	33	367,234	279,320	31
Services, Industrial Operations	24,894	20,352	22	92,469	76,304	21
Financial Services revenue	5,124	3,579	43	17,355	13,437	29
Eliminations	-1,033	-948	-9	-3,579	-2,283	-57
<b>Total net sales excluding UD Trucks</b>	<b>134,302</b>	<b>102,378</b>	<b>31</b>	<b>473,479</b>	<b>366,778</b>	<b>29</b>
<b>Timing of revenue recognition excluding UD Trucks</b>						
Revenue of vehicles and services recognized at the point of delivery	122,817	93,718	31	433,805	333,544	30
Revenue of vehicles and services recognized over contract period	11,485	8,659	33	39,674	33,234	19
<b>Total net sales excluding UD Trucks</b>	<b>134,302</b>	<b>102,378</b>	<b>31</b>	<b>473,479</b>	<b>366,778</b>	<b>29</b>
UD Trucks <sup>2</sup>	-	-	N/A	-	5,438	N/A
<b>Total net sales</b>	<b>134,302</b>	<b>102,378</b>	<b>31</b>	<b>473,479</b>	<b>372,216</b>	<b>27</b>

<sup>1</sup> Including construction equipment and Volvo Penta engines.

<sup>2</sup> For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

Consolidated Income Statement, Volvo Group SEK M	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Net sales</b>	<b>134,302</b>	<b>102,378</b>	<b>473,479</b>	<b>372,216</b>
Cost of sales	-103,227	-78,941	-361,741	-282,463
<b>Gross income</b>	<b>31,076</b>	<b>23,436</b>	<b>111,737</b>	<b>89,753</b>
Research and development expenses	-6,893	-4,803	-22,526	-18,027
Selling expenses	-8,239	-6,148	-29,044	-23,959
Administrative expenses	-1,744	-1,450	-5,880	-4,870
Other operating income and expenses	-2,292	-161	-7,374	246
Income/loss from investments in joint ventures and associated companies	-351	-668	-1,333	-54
Income/loss from other investments	-15	13	132	-15
<b>Operating income</b>	<b>11,541</b>	<b>10,219</b>	<b>45,712</b>	<b>43,074</b>
Interest income and similar credits	453	94	1,008	358
Interest expenses and similar charges	-338	-315	-1,205	-1,167
Other financial income and expenses	-1,237	204	-437	926
<b>Income after financial items</b>	<b>10,420</b>	<b>10,202</b>	<b>45,077</b>	<b>43,190</b>
Income taxes	-3,730	-2,136	-12,108	-9,947
<b>Income for the period *</b>	<b>6,690</b>	<b>8,066</b>	<b>32,969</b>	<b>33,243</b>
* Attributable to:				
Owners of AB Volvo	6,620	7,995	32,722	32,787
Non-controlling interest	70	72	247	456
	<b>6,690</b>	<b>8,066</b>	<b>32,969</b>	<b>33,243</b>
Basic earnings per share, SEK	3.26	3.93	16.09	16.12
Diluted earnings per share, SEK	3.26	3.93	16.09	16.12

### Income taxes

In Q4 2022, income taxes amounted to SEK 3,730 M (2,136). The tax rate was 36% (21). The higher tax rate is primarily related to a write-off of Russian tax assets amounting to SEK 874 M and changed country mix in earnings.

### Income for the period and earnings per share

In Q4 2022, income for the period amounted to SEK 6,690 M (8,066). Earnings per share amounted to SEK 3.26 (3.93).

### Operating cash flow in the Industrial Operations

During Q4 2022, operating cash flow in the Industrial Operations amounted to SEK 18,918 M (23,579). Compared with Q4 2021, the lower operating cash flow is primarily related to a lower working capital reduction. In Q4 2022, working capital decreased by SEK 11,097 M whereas in Q4 2021, working capital decreased by SEK 17,027 M.

### Volvo Group financial position

During Q4 2022, net financial assets in the Industrial Operations, excluding provisions for post-employment benefits and lease liabilities, increased by SEK 14.4 billion resulting in a net financial asset position of SEK 73.9 billion on December 31, 2022. The change is mainly explained by the positive operating cash flow of SEK 18.9 billion. Currency movements decreased net financial assets by SEK 2.7 billion.

Including provisions for post-employment benefits and lease liabilities, the Industrial Operations net financial assets amounted to SEK 61.3 billion on December 31, 2022. During Q4 2022, remeasurements of defined benefit pension plans had a negative impact of SEK 5.7

billion. The negative remeasurements were primarily an effect of lower discount rates in the countries with the largest obligations as well as an adjustment of the short-term inflation assumption in Sweden.

The Volvo Group's cash and cash equivalents amounted to SEK 83.9 billion on December 31, 2022, compared with SEK 62.1 billion on December 31, 2021. In addition to this granted, but unutilized, credit facilities amounted to SEK 45.5 billion on December 31, 2022 (42.3). Cash and cash equivalents include SEK 2.3 (2.8) billion that are not available for use by the Volvo Group and SEK 14.5 (8.7) billion where other limitations exist, mainly liquid funds in countries where exchange controls or other legal restrictions apply.

Total assets in the Volvo Group increased by SEK 113.2 billion compared with year-end 2021, whereof SEK 45.9 billion is related to currency movements.

On December 31, 2022, total equity for the Volvo Group amounted to SEK 166.2 billion compared with SEK 144.1 billion at year-end 2021. The equity ratio was 26.4% (27.9). On the same date the equity ratio in the Industrial Operations amounted to 34.1% (34.9).

### Number of employees

On December 31, 2022, the Volvo Group had 102,155 employees, including temporary employees and consultants, compared with 95,850 employees on December 31, 2021. The number of blue-collar employees increased by 1,658 and the number of white-collar employees by 4,647. The increase in blue-collar employees is related to higher production levels and the increase in white-collar employees is related to higher development and transformational activities.

Number of employees	Dec 31 2022	Sep 30 2022	Jun 30 2022	Mar 31 2022	Dec 31 2021
Blue-collar	51,779	52,734	52,826	52,114	50,121
Whereof temporary employees and consultants	7,064	8,507	9,008	8,732	7,536
White-collar	50,376	49,949	48,658	47,232	45,729
Whereof temporary employees and consultants	7,405	7,426	7,147	6,555	5,774
<b>Total number of employees</b>	<b>102,155</b>	<b>102,683</b>	<b>101,484</b>	<b>99,346</b>	<b>95,850</b>
Whereof temporary employees and consultants	14,469	15,933	16,155	15,287	13,310

## BUSINESS SEGMENT OVERVIEW

Net sales SEK M	Fourth quarter		Change %	Change % <sup>1</sup>	Year		Change %	Change % <sup>1</sup>
	2022	2021			2022	2021		
Trucks	<b>87,303</b>	67,164	30	16	<b>310,536</b>	230,881	35	22
Trucks excluding UD Trucks <sup>2</sup>	<b>87,303</b>	67,164	30	16	<b>310,536</b>	225,444	38	25
Construction Equipment	<b>27,596</b>	21,812	27	13	<b>100,261</b>	92,031	9	-2
Buses <sup>3</sup>	<b>6,654</b>	4,157	60	43	<b>18,583</b>	13,652	36	23
Volvo Penta	<b>4,849</b>	3,634	33	22	<b>18,102</b>	14,437	25	17
Group Functions & Other <sup>3</sup>	<b>4,985</b>	3,973	25	14	<b>16,376</b>	13,459	22	12
Eliminations	<b>-1,175</b>	-993	-	-	<b>-4,155</b>	-3,398	-	-
<b>Industrial Operations</b>	<b>130,212</b>	<b>99,747</b>	<b>31</b>	<b>17</b>	<b>459,703</b>	<b>361,062</b>	<b>27</b>	<b>16</b>
Financial Services	<b>5,124</b>	3,579	43	24	<b>17,355</b>	13,437	29	15
Reclassifications and eliminations	<b>-1,033</b>	-948	-	-	<b>-3,579</b>	-2,283	-	-
<b>Volvo Group</b>	<b>134,302</b>	<b>102,378</b>	<b>31</b>	<b>17</b>	<b>473,479</b>	<b>372,216</b>	<b>27</b>	<b>15</b>
<b>Volvo Group excluding UD Trucks</b>	<b>134,302</b>	<b>102,378</b>	<b>31</b>	<b>17</b>	<b>473,479</b>	<b>366,778</b>	<b>29</b>	<b>17</b>

<sup>1</sup> Adjusted for exchange rate fluctuations.

<sup>2</sup> For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

<sup>3</sup> The operations of Nova Bus were reclassified from the "Buses" segment into the segment "Group Functions & Other" as of October 1, 2021. To facilitate the comparability, the financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Adjusted operating income <sup>1</sup> SEK M	Fourth quarter		Change %		Year		Change %
	2022	2021			2022	2021	
Trucks	<b>8,274</b>	6,924	19		<b>33,821</b>	25,567	32
Construction Equipment	<b>3,093</b>	2,396	29		<b>13,244</b>	12,228	8
Buses <sup>3</sup>	<b>228</b>	-42	643		<b>353</b>	59	498
Volvo Penta	<b>468</b>	330	42		<b>2,530</b>	2,092	21
Group Functions & Other <sup>3</sup>	<b>-754</b>	-461	-64		<b>-2,911</b>	-2,265	-29
Eliminations	<b>-1</b>	54	-		<b>12</b>	53	-
<b>Industrial Operations</b>	<b>11,308</b>	<b>9,202</b>	<b>23</b>		<b>47,049</b>	<b>37,733</b>	<b>25</b>
Financial Services	<b>863</b>	858	1		<b>3,416</b>	3,279	4
Reclassifications and eliminations	<b>1</b>	0	-		<b>2</b>	2	-
<b>Volvo Group adjusted operating income <sup>2</sup></b>	<b>12,171</b>	<b>10,060</b>	<b>21</b>		<b>50,467</b>	<b>41,015</b>	<b>23</b>
Adjustments <sup>1</sup>	<b>-630</b>	159	-496		<b>-4,755</b>	2,059	-331
<b>Volvo Group operating income</b>	<b>11,541</b>	<b>10,219</b>	<b>13</b>		<b>45,712</b>	<b>43,074</b>	<b>6</b>

<sup>1</sup> For more information on adjusted operating income, please see note 6.

<sup>2</sup> UD Trucks had a marginally positive impact on adjusted operating income.

<sup>3</sup> The operations of Nova Bus were reclassified from the "Buses" segment into the segment "Group Functions & Other" as of October 1, 2021. To facilitate the comparability, the financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Adjusted operating margin %	Fourth quarter				Year	
	2022	2021			2022	2021
Trucks	<b>9.5</b>	10.3			<b>10.9</b>	11.1
Construction Equipment	<b>11.2</b>	11.0			<b>13.2</b>	13.3
Buses <sup>1</sup>	<b>3.4</b>	-1.0			<b>1.9</b>	0.4
Volvo Penta	<b>9.7</b>	9.1			<b>14.0</b>	14.5
<b>Industrial Operations</b>	<b>8.7</b>	<b>9.2</b>			<b>10.2</b>	<b>10.5</b>
<b>Volvo Group adjusted operating margin</b>	<b>9.1</b>	<b>9.8</b>			<b>10.7</b>	<b>11.0</b>
<b>Volvo Group operating margin</b>	<b>8.6</b>	<b>10.0</b>			<b>9.7</b>	<b>11.6</b>

<sup>1</sup> The operations of Nova Bus were reclassified from the "Buses" segment into the segment "Group Functions & Other" as of October 1, 2021. To facilitate the comparability, the financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

## TRUCKS

**Record deliveries**

- » In Q4, net sales increased by 30% to SEK 87,303 M
- » Adjusted operating income:
  - SEK 8,274 M (6,924) for Q4 2022
  - SEK 33,821 (25,567) for FY 2022
- » Deliveries increased by 4% while net order intake declined by 21%
- » Deliveries of fully-electric trucks increased by 292% and order intake increased by 158%

**Market development**

In Q4 2022, demand for both new and used vehicles continued to be good in Europe and North America on the back of an aged fleet and a pent-up need to replace old trucks. High truck utilization and the aging fleet also drove demand for spare parts and services.

In Brazil, demand from the agriculture and commodity segments remained strong. During the latter part of the year there was also some pre-buying of vehicles ahead of the introduction of new emissions regulations on January 1, 2023.

The Indian economy grew fast in 2022 on the back of increased domestic consumption, pent-up demand and increased government investments in infrastructure. This spurred demand for trucks, including replacement demand.

Demand in China continued to be weak in Q4 because of low economic activity. At the end of 2022, the Chinese truck market had contracted for 20 consecutive months since May 2021.

**Orders and deliveries**

In Q4, the truck markets in most regions continued to be supply-driven on the back of the delivery constraints experienced throughout 2022. The Volvo Group continued its restrictive approach to order slotting due to long order books and cost inflation. Net order intake in Q4 declined by 21% to 54,108 trucks while deliveries increased by 4% to 62,834 trucks, which is a record for a fourth quarter.



XPO Logistics in France decarbonizes their operations with fully electric vehicles from Renault Trucks.

In Europe, order intake decreased by 19% to 28,082 vehicles and deliveries decreased by 1% to 30,490 vehicles. In 2022, Volvo Trucks' total heavy-duty market share increased to 18.4% (16.5) while the electric heavy-duty market share declined to 31.6% (42.4). Renault Trucks' heavy-duty total market share increased to 9.4% (8.8) while the electric heavy-duty market share increased to 24.2% (19.3).

Order intake in North America decreased by 32% to 11,347 trucks while deliveries decreased by 2% to 14,242 vehicles. Volvo Trucks' heavy-duty truck market share through December increased to 10.0% (9.6). Mack Trucks' market share decreased to 6.2% (7.7).

In South America, order intake decreased by 37% to 5,500 trucks while deliveries increased by 5% to 8,722 vehicles. In Brazil, Volvo Trucks' heavy-duty trucks market share through December increased to 24.6% (22.2).

Order intake in Asia increased by 36% to 6,633 vehicles and deliveries increased by 44% to 6,119 vehicles, mainly driven by the Middle East.

In the quarter, order intake for fully-electric trucks increased by 158% to 1,170 (454) vehicles while deliveries increased by 292% to 565 (144) vehicles.

Order intake for the Indian joint venture, VE Commercial Vehicles, decreased by 2% to 14,851 vehicles while deliveries increased by 4% to 15,575 vehicles.

Deliveries from the Chinese joint venture, Dongfeng Commercial Vehicles, was on par with the prior year.

Total market development	Year		Change %	Forecast 2023	Change vs. previous forecast
	2022	2021			
Registrations, number of trucks					
Europe 29 <sup>1</sup> heavy-duty	264,100	247,565	7	-	-
Europe 30 <sup>1</sup> heavy-duty	297,500	277,015	7	300,000	unchanged
North America heavy-duty (retail)	309,916	270,122	15	300,000	unchanged
Brazil heavy-duty	97,856	98,331	0	80,000	unchanged
China heavy-duty	671,942	1,395,290	-52	750,000	unchanged
China medium-duty	95,699	178,755	-46	100,000	unchanged
India heavy-duty	229,803	153,833	49	270,000	unchanged
India medium-duty	120,994	99,714	21	130,000	unchanged

<sup>1</sup> EU29 includes Norway and Switzerland but excludes UK. EU30 includes UK.

Net order intake	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
Number of trucks						
<b>Net order intake excluding UD Trucks</b>						
Europe	28,082	34,814	-19	111,990	135,287	-17
Heavy- and medium-duty	22,427	27,990	-20	90,483	108,990	-17
Light-duty	5,655	6,824	-17	21,507	26,297	-18
North America	11,347	16,624	-32	45,736	68,296	-33
South America	5,500	8,711	-37	28,027	25,358	11
Asia	6,633	4,889	36	21,171	16,380	29
Africa and Oceania	2,546	3,295	-23	10,855	12,535	-13
<b>Total order intake excluding UD Trucks</b>	<b>54,108</b>	<b>68,333</b>	<b>-21</b>	<b>217,779</b>	<b>257,856</b>	<b>-16</b>
UD Trucks <sup>1</sup>	-	-	N/A	-	5,017	N/A
<b>Total order intake</b>	<b>54,108</b>	<b>68,333</b>	<b>-21</b>	<b>217,779</b>	<b>262,873</b>	<b>-17</b>
<b>Net order intake excluding UD Trucks</b>						
Heavy-duty (>16 tons)	44,703	57,905	-23	180,448	211,853	-15
Medium-duty (7-16 tons)	3,671	3,524	4	15,510	19,426	-20
Light-duty (<7 tons)	5,734	6,904	-17	21,821	26,577	-18
<b>Total order intake excluding UD Trucks</b>	<b>54,108</b>	<b>68,333</b>	<b>-21</b>	<b>217,779</b>	<b>257,856</b>	<b>-16</b>
UD Trucks <sup>1</sup>	-	-	N/A	-	5,017	N/A
<b>Total order intake</b>	<b>54,108</b>	<b>68,333</b>	<b>-21</b>	<b>217,779</b>	<b>262,873</b>	<b>-17</b>
Volvo	37,210	42,566	-13	136,010	145,843	-7
UD Trucks <sup>1</sup>	-	-	N/A	-	5,017	N/A
Renault Trucks	13,496	17,506	-23	59,821	71,687	-17
Heavy- and medium-duty	7,762	10,602	-27	38,000	45,110	-16
Light-duty	5,734	6,904	-17	21,821	26,577	-18
Mack	3,074	7,786	-61	20,614	38,587	-47
Other brands	328	475	-31	1,334	1,739	-23
<b>Total order intake</b>	<b>54,108</b>	<b>68,333</b>	<b>-21</b>	<b>217,779</b>	<b>262,873</b>	<b>-17</b>
<b>Non-consolidated operations</b>						
VE Commercial Vehicles (Eicher)	14,851	15,107	-2	61,365	51,765	19

<sup>1</sup> For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

Deliveries	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
Number of trucks						
<b>Deliveries excluding UD Trucks</b>						
Europe	30,490	30,797	-1	113,245	98,600	15
Heavy- and medium-duty	25,118	26,292	-4	93,596	80,804	16
Light-duty	5,372	4,505	19	19,649	17,796	10
North America	14,242	14,577	-2	56,535	47,613	19
South America	8,722	8,269	5	31,958	28,609	12
Asia	6,119	4,243	44	19,066	14,814	29
Africa and Oceania	3,261	2,474	32	11,754	8,828	33
<b>Total deliveries excluding UD Trucks</b>	<b>62,834</b>	<b>60,360</b>	<b>4</b>	<b>232,558</b>	<b>198,464</b>	<b>17</b>
UD Trucks <sup>1</sup>	-	-	N/A	-	3,994	N/A
<b>Total deliveries</b>	<b>62,834</b>	<b>60,360</b>	<b>4</b>	<b>232,558</b>	<b>202,458</b>	<b>15</b>
<b>Deliveries excluding UD Trucks</b>						
Heavy-duty (>16 tons)	53,120	51,874	2	197,249	167,290	18
Medium-duty (7-16 tons)	4,301	3,936	9	15,475	13,136	18
Light-duty (<7 tons)	5,413	4,550	19	19,834	18,038	10
<b>Total deliveries excluding UD Trucks</b>	<b>62,834</b>	<b>60,360</b>	<b>4</b>	<b>232,558</b>	<b>198,464</b>	<b>17</b>
UD Trucks <sup>1</sup>	-	-	N/A	-	3,994	N/A
<b>Total deliveries</b>	<b>62,834</b>	<b>60,360</b>	<b>4</b>	<b>232,558</b>	<b>202,458</b>	<b>15</b>
Volvo	39,128	39,090	0	145,195	122,525	19
UD Trucks <sup>1</sup>	-	-	N/A	-	3,994	N/A
Renault Trucks	16,611	14,688	13	58,967	51,460	15
Heavy- and medium-duty	11,198	10,138	10	39,133	33,422	17
Light-duty	5,413	4,550	19	19,834	18,038	10
Mack	6,756	6,310	7	26,801	23,631	13
Other brands	339	272	25	1,595	848	88
<b>Total deliveries</b>	<b>62,834</b>	<b>60,360</b>	<b>4</b>	<b>232,558</b>	<b>202,458</b>	<b>15</b>
<b>Non-consolidated operations</b>						
VE Commercial Vehicles (Eicher)	15,575	14,934	4	61,119	51,777	18
Dongfeng Commercial Vehicle Company (Dongfeng Trucks)	27,955	28,045	-0	86,920	177,430	-51

<sup>1</sup> For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

Net sales and operating income SEK M	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
<b>Net sales per geographical region excluding UD Trucks</b>						
Europe	38,807	32,157	21	137,177	107,794	27
North America	24,662	19,394	27	92,582	65,281	42
South America	11,064	7,194	54	38,254	23,527	63
Asia	7,560	5,015	51	23,988	16,609	44
Africa and Oceania	5,210	3,405	53	18,535	12,233	52
<b>Total net sales excluding UD Trucks</b>	<b>87,303</b>	<b>67,164</b>	<b>30</b>	<b>310,536</b>	<b>225,444</b>	<b>38</b>
<b>Net sales per product group excluding UD Trucks</b>						
Vehicles	69,634	52,863	32	245,681	172,163	43
Services	17,668	14,301	24	64,855	53,281	22
<b>Total net sales excluding UD Trucks</b>	<b>87,303</b>	<b>67,164</b>	<b>30</b>	<b>310,536</b>	<b>225,444</b>	<b>38</b>
<b>Timing of revenue recognition excluding UD Trucks</b>						
Revenue of vehicles and services recognized at the point of delivery	82,144	62,674	31	291,639	208,848	40
Revenue of vehicles and services recognized over contract period	5,159	4,490	15	18,897	16,596	14
<b>Total net sales excluding UD Trucks</b>	<b>87,303</b>	<b>67,164</b>	<b>30</b>	<b>310,536</b>	<b>225,444</b>	<b>38</b>
UD Trucks <sup>2</sup>	-	-	N/A	-	5,438	N/A
<b>Total net sales</b>	<b>87,303</b>	<b>67,164</b>	<b>30</b>	<b>310,536</b>	<b>230,881</b>	<b>35</b>
<b>Adjusted operating income <sup>1</sup></b>	<b>8,274</b>	<b>6,924</b>	<b>19</b>	<b>33,821</b>	<b>25,567</b>	<b>32</b>
Adjustments	-630	128	-592	-1,845	1,781	-204
<b>Operating income</b>	<b>7,644</b>	<b>7,052</b>	<b>8</b>	<b>31,976</b>	<b>27,349</b>	<b>17</b>
Adjusted operating margin, %	9.5	10.3		10.9	11.1	
Operating margin, %	8.8	10.5		10.3	11.8	

<sup>1</sup> For more information on adjusted operating income, please see note 6.

<sup>2</sup> For more information, please see Appendix UD Trucks in the report on the fourth quarter 2021.

### Net sales and operating income

In Q4 2022, the truck operation's net sales amounted to SEK 87,303 M, which was 30% higher than in Q4 2021. Excluding currency effects, net sales increased by 16% with sales of vehicles increasing by 18% and sales of services by 9%.

Adjusted operating income increased to SEK 8,274 M (6,924), corresponding to an adjusted operating margin of 9.5% (10.3). Adjusted operating income in Q4 2022 excludes a negative effect of SEK 630 M relating to costs for claims arising from the European Commission's 2016 antitrust settlement decision. For more information, see Legal Proceedings in Note 2, and for a reconciliation of adjusted operating income, see Note 6. Adjusted operating income in Q4 2021 excluded a positive effect amounting to SEK 128 M.

Compared with Q4 2021, the higher adjusted operating income is an effect of price realization and increased vehicle volumes, which were partly offset by increased material costs, higher R&D and selling expenses as well as higher freight costs. Compared with Q4 2021, currency movements had a positive impact of SEK 1,019 M.

Reported operating income amounted to SEK 7,644 M (7,052).

For the full year 2022, net sales amounted to SEK 310,536 M (225,444). Adjusted operating income amounted to SEK 33,821 M (25,567) corresponding to an adjusted operating margin of 10.9% (11.1). Reported operating income amounted to SEK 31,976 M (27,349).

### Important events

In October, the medium-duty truck plant in Blainville-sur-Orne, France surpassed the production of 1,000 battery-electric vehicles for Volvo Trucks and Renault Trucks since series-production began in 2020.

XPO Logistics, a long-standing customer of Renault Trucks, accelerated its transition to a sustainable fleet in France with a landmark investment in 100 electric Renault Trucks vehicles. Delivery of the battery-electric trucks began in Q4 2022 and will continue until 2024.

In November, the Volvo Group and the North America-based Pilot Company signed a Letter of Intent for the development of a public, high-performing charging infrastructure for medium- and heavy-duty electric vehicles.

Net order intake of fully electric trucks	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
Number of trucks						
Volvo	621	208	199	1,846	440	320
Renault Trucks	537	244	120	1,743	613	184
Heavy- and medium-duty	297	128	132	804	290	177
Light-duty	240	116	107	939	323	191
Mack	12	2	500	44	9	389
<b>Total order intake</b>	<b>1,170</b>	<b>454</b>	<b>158</b>	<b>3,633</b>	<b>1,062</b>	<b>242</b>

Deliveries of fully electric trucks	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
Number of trucks						
Volvo	322	54	496	554	121	358
Renault Trucks	241	89	171	647	249	160
Heavy- and medium-duty	112	20	460	379	64	492
Light-duty	129	69	87	268	185	45
Mack	2	1	100	10	1	900
<b>Total deliveries</b>	<b>565</b>	<b>144</b>	<b>292</b>	<b>1,211</b>	<b>371</b>	<b>226</b>



## CONSTRUCTION EQUIPMENT

**Stable performance**

- » Deliveries increased by 4% in Q4
- » Adjusted operating income:
  - SEK 3,093 M (2,396) for Q4 2022
  - SEK 13,244 M (12,228) for FY 2022
- » Service sales on par with prior year, adjusted for currency

**Market development**

Overall, demand in major markets outside China continued to be stable in Q4 with high activity levels in the commodity and infrastructure segments.

Underlying demand in the North American market remained solid due to good activity in the infrastructure segment, which offset a slowdown in the housing construction segment amid higher interest rates.

In Europe, construction activity remained on a good level, despite signals of a weakening business climate.

In South America, the overall market in Q4 was impacted by a slowdown in investments in Brazil due to higher interest rates and lower business confidence.

Demand in China continued to be impacted by low economic activity combined with restrictions and lockdowns related to covid-19. However, prebuy effects ahead of new emissions regulations introduced on December 1 had a positive effect in the quarter.

The other Asian markets were positively impacted by continued high demand for commodities. This was partly offset by lower construction activity in key markets such as South Korea and Thailand.

**Orders and deliveries**

In Q4 2022, net order intake declined by 23%. Restrictive order-slotting due to large order books and long lead times in North America and Europe remained a key factor impacting order intake. The lower order intake is also a consequence of the stopped sales in Russia.

In Q4 2022, deliveries increased by 4%, supported by good demand in North America, Asia and the prebuy effect in China due to the change in emission regulations. In Europe, deliveries were slightly higher compared to the prior year, when excluding Russia.

Total market development	Year-to-date November		Forecast 2023	Previous forecast 2023
	2022	2021		
Change in % measured in units				
Europe	-1		-5% to +5%	-5% to +5%
North America	8		-5% to +5%	-5% to +5%
South America	10		-10% to 0%	-10% to 0%
Asia excl. China	4		0% to +10%	0% to +10%
China	-39		-15% to -5%	-15% to -5%

Net order intake	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
Number of construction equipment						
Europe	2,841	6,232	-54	14,724	26,071	-44
North America	414	2,381	-83	4,439	13,216	-66
South America	328	1,162	-72	2,443	5,810	-58
Asia	12,907	11,620	11	48,200	66,015	-27
Africa and Oceania	864	1,126	-23	3,338	3,883	-14
<b>Total orders</b>	<b>17,354</b>	<b>22,521</b>	<b>-23</b>	<b>73,144</b>	<b>114,995</b>	<b>-36</b>
Large and medium construction equipment	13,205	16,832	-22	51,693	85,281	-39
Compact construction equipment	4,149	5,689	-27	21,451	29,714	-28
Of which fully electric	175	92	90	653	353	85
<b>Total orders</b>	<b>17,354</b>	<b>22,521</b>	<b>-23</b>	<b>73,144</b>	<b>114,995</b>	<b>-36</b>
<b>Of which:</b>						
Volvo	6,329	11,571	-45	31,562	55,027	-43
SDLG	10,954	10,895	1	41,339	59,753	-31
Of which in China	9,448	8,745	8	34,545	51,819	-33

Deliveries	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
Number of construction equipment						
Europe	3,817	5,019	-24	16,767	20,453	-18
North America	2,136	1,312	63	7,663	6,217	23
South America	1,035	1,221	-15	4,875	4,263	14
Asia	13,047	11,611	12	48,153	65,635	-27
Africa and Oceania	905	1,009	-10	3,451	3,303	4
<b>Total deliveries</b>	<b>20,940</b>	<b>20,172</b>	<b>4</b>	<b>80,909</b>	<b>99,871</b>	<b>-19</b>
Large and medium construction equipment	16,054	14,781	9	58,110	73,144	-21
Compact construction equipment	4,886	5,391	-9	22,799	26,727	-15
Of which fully electric	170	53	221	598	321	86
<b>Total deliveries</b>	<b>20,940</b>	<b>20,172</b>	<b>4</b>	<b>80,909</b>	<b>99,871</b>	<b>-19</b>
<b>Of which:</b>						
Volvo	9,915	9,222	8	39,327	39,903	-1
SDLG	10,954	10,895	1	41,339	59,753	-31
Of which in China	9,448	8,745	8	34,545	51,819	-33

Net sales and operating income	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
SEK M						
<b>Net sales per geographical region</b>						
Europe	7,878	7,631	3	30,194	29,524	2
North America	6,294	4,077	54	22,294	16,583	34
South America	1,495	1,138	31	6,491	3,951	64
Asia	9,896	7,269	36	34,228	36,427	-6
Africa and Oceania	2,033	1,696	20	7,054	5,546	27
<b>Total net sales</b>	<b>27,596</b>	<b>21,812</b>	<b>27</b>	<b>100,261</b>	<b>92,031</b>	<b>9</b>
<b>Net sales per product group</b>						
Construction equipment	23,831	18,437	29	85,465	79,390	8
Services	3,765	3,374	12	14,796	12,641	17
<b>Total net sales</b>	<b>27,596</b>	<b>21,812</b>	<b>27</b>	<b>100,261</b>	<b>92,031</b>	<b>9</b>
<b>Timing of revenue recognition</b>						
Revenue of vehicles and services recognized at the point of delivery	26,835	21,079	27	97,555	89,780	9
Revenue of vehicles and services recognized over contract period	761	733	4	2,706	2,251	20
<b>Total net sales</b>	<b>27,596</b>	<b>21,812</b>	<b>27</b>	<b>100,261</b>	<b>92,031</b>	<b>9</b>
<b>Adjusted operating income <sup>1</sup></b>	<b>3,093</b>	<b>2,396</b>	<b>29</b>	<b>13,244</b>	<b>12,228</b>	<b>8</b>
Adjustments	-	-	-	-338	-	-
<b>Operating income</b>	<b>3,093</b>	<b>2,396</b>	<b>29</b>	<b>12,907</b>	<b>12,228</b>	<b>6</b>
Adjusted operating margin, %	11.2	11.0		13.2	13.3	
Operating margin, %	11.2	11.0		12.9	13.3	

<sup>1</sup> For more information on adjusted operating income, please see note 6.

### Net sales and operating income

In Q4 2022, net sales increased by 27% to SEK 27,596 M (21,812). Adjusted for currency movements net sales increased by 13%, of which net sales of machines were up by 15% and service sales remained flat.

Both adjusted and reported operating income amounted to SEK 3,093 M (2,396), corresponding to an operating margin of 11.2% (11.0). Compared with Q4 2021, the higher adjusted operating income is an effect of price realization, which was partially offset by increased material costs, selling expenses and freight costs. Compared with Q4 2021, currency movements had a positive impact of SEK 726 M.

For the full year 2022, net sales amounted to SEK 100,261 M (92,031). Adjusted operating income amounted to SEK 13,244 M (12,228), corresponding to an adjusted operating margin of 13.2% (13.3). Reported operating income amounted to SEK 12,907 M (12,228).

### Important events

Volvo CE announced a SEK 360 M investment in its articulated hauler plant in Braås, Sweden. Over the coming years the plant will be adapted to be able to produce a larger range of articulated haulers with different types of powertrains, including electric drivelines.

Volvo CE also launched a Collision Mitigation System for Volvo wheel loaders – an automatic braking feature that supports operator response and helps reduce the risk or consequences of collision when working in reverse.

## BUSES

**Higher order intake and deliveries**

- » Order intake increased by 70% and deliveries by 64% in Q4
- » Adjusted operating income:
  - SEK 228 M (-42) for Q4 2022
  - SEK 353 M (59) for FY 2022
- » Service sales increased by 23% in Q4, adjusted for currency



In Q4, demand for new buses continued to improve in many markets post the low levels during the pandemic, with a particularly strong improvement for coaches in North and South America. Demand for city buses has been more stable, with a continuing increase in requests for electric buses.

Compared with Q4 2021, net order intake increased by 70% to 1,781 units, primarily supported by coach orders in North and South America and important city bus orders in Europe. Coach order intake was strongly supported by good order intake for Prevost in the US and Canada. The transition towards electric vehicles in city traffic continues and an order of 48 electric buses for UK was confirmed in Q4.

Deliveries in Q4 increased by 64% to 2,214 units, with high deliveries to Chile and Brazil.

In Q4, net sales increased by 60% to SEK 6,654 M (4,157). Adjusted for currency, net sales increased by 43%, whereof vehicle sales increased by 48% and service sales by 23%.

Adjusted operating income in Q4 amounted to SEK 228 M (-42), corresponding to an adjusted operating margin of 3.4% (-1.0). Higher vehicle and service volumes, increased prices and a favorable mix had a positive impact, whereas higher material costs impacted negatively. Compared with Q4 2021, currency movements had a positive impact of SEK 105 M. Reported operating income amounted to SEK 228 M (-22).

For the full year 2022, net sales amounted to SEK 18,583 M (13,652). Adjusted operating income amounted to SEK 353 M (59), corresponding to an adjusted operating margin of 1.9% (0.4). Reported operating income amounted to SEK 353 M (78).

Volvo Buses and the city of Gothenburg, Sweden have been included on TIME's list of "Best Innovations 2022" for their geofencing partnership. Geofencing zones can be downloaded to city buses, which automatically can be slowed down in safety zones. Geofencing can switch to electric drive on hybrid buses in sensitive areas.

<b>Net order intake and deliveries <sup>1</sup></b>						
	Fourth quarter		Change	Year		Change
Number of buses	2022	2021	%	2022	2021	%
Total orders	1,781	1,050	70	6,459	4,197	54
Of which fully electric	71	61	16	304	223	36
Of which hybrids	99	63	57	206	185	11
Total deliveries	2,214	1,350	64	5,815	4,522	29
Of which fully electric	93	20	365	240	211	14
Of which hybrids	5	76	-93	127	232	-45

<b>Net sales and operating income <sup>1</sup></b>						
SEK M	Fourth quarter		Change	Year		Change
	2022	2021	%	2022	2021	%
<b>Net sales per geographical region</b>						
Europe	1,923	1,669	15	6,034	5,886	3
North America	2,151	1,654	30	6,521	4,089	59
South America	1,805	247	631	3,154	882	258
Asia	391	237	65	1,372	1,371	0
Africa and Oceania	385	351	10	1,502	1,423	6
<b>Total net sales</b>	<b>6,654</b>	<b>4,157</b>	<b>60</b>	<b>18,583</b>	<b>13,652</b>	<b>36</b>
<b>Net sales per product group</b>						
Vehicles	5,434	3,272	66	14,185	10,459	36
Services	1,220	885	38	4,398	3,192	38
<b>Total net sales</b>	<b>6,654</b>	<b>4,157</b>	<b>60</b>	<b>18,583</b>	<b>13,652</b>	<b>36</b>
<b>Timing of revenue recognition</b>						
Revenue of vehicles and services recognized at the point of delivery	6,441	3,995	61	17,826	13,073	36
Revenue of vehicles and services recognized over contract period	213	162	31	757	578	31
<b>Total net sales</b>	<b>6,654</b>	<b>4,157</b>	<b>60</b>	<b>18,583</b>	<b>13,652</b>	<b>36</b>
<b>Adjusted operating income <sup>2</sup></b>						
Adjusted operating income	228	-42	643	353	59	498
Adjustments	-	20	-100	-	20	-100
<b>Operating income</b>	<b>228</b>	<b>-22</b>	<b>1,136</b>	<b>353</b>	<b>78</b>	<b>353</b>
Adjusted operating margin, %	3.4	-1.0		1.9	0.4	
Operating margin, %	3.4	-0.5		1.9	0.6	

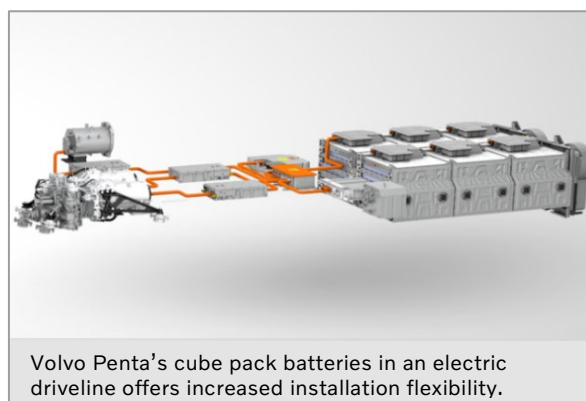
<sup>1</sup> Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

<sup>2</sup> For more information on adjusted operating income, please see note 6.

## VOLVO PENTA

### Continued good performance

- » In Q4, net sales increased by 33%
- » Adjusted operating income:
  - SEK 468 M (330) for Q4 2022
  - SEK 2,530 M (2,092) for FY 2022
- » Intensified initiatives towards fossil-free solutions on land and at sea



Volvo Penta's cube pack batteries in an electric driveline offers increased installation flexibility.

In Q4, demand continued to be strong in all segments. In marine leisure, demand was particularly strong for engines used in powerboats. Marine commercial had a positive development driven by increasing investments in off-shore windfarms and in the coast guard and patrol subsegment. Demand in industrial off-road was driven by mining, whereas there was a slight slowdown in construction and material handling. Demand for power generation engines is on a very high level globally. Particularly in Europe, the market is driven by the current constrained energy situation.

In Q4, net order intake decreased by 18% to 9,662 units. Order intake was impacted by customers being hesitant to place new orders due to long lead times in the orderbook and the uncertain economic outlook. Deliveries increased by 11% to 11,434 units.

Net sales in Q4 increased by 33% to SEK 4,849 M (3,634). Adjusted for currency movements, net sales increased by 22%, of which sales of engines increased by 26% and sales of services by 11%.

Both adjusted and reported operating income amounted to SEK 468 M (330), corresponding to an operating margin of 9.7% (9.1). Earnings were positively impacted by price realization as well as increased volumes. This was partly offset by increased material costs and R&D and selling expenses. Compared with Q4 2021, the currency impact on operating income was positive in an amount of SEK 247 M.

For the full year 2022, net sales amounted to SEK 18,102 M (14,437). Adjusted operating income amounted to SEK 2,530 M (2,092) with an adjusted operating margin of 14.0% (14.5). Reported operating income amounted to SEK 2,527 (2,092).

During Q4, the work towards net zero emissions continued with full force. Volvo Penta launched a new cube battery in its electric driveline for industrial applications, offering customers increased installation flexibility and a 40% increase in energy density compared to the previous battery pack generation. The cube battery is built on proven Volvo Group technology that is already being used in heavy-duty trucks.

Net order intake and deliveries	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
Number of Engines						
Total orders	9,662	11,820	-18	44,484	50,092	-11
Of which fully electric	6	-3	300	21	45	-53
Total deliveries	11,434	10,301	11	45,284	41,988	8
Of which fully electric	9	12	-25	24	39	-38

Net sales and operating income	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
SEK M						
<b>Net sales per geographical region</b>						
Europe	2,472	1,838	34	9,417	7,464	26
North America	938	713	32	3,695	2,949	25
South America	154	128	20	635	474	34
Asia	975	739	32	3,302	2,698	22
Africa and Oceania	310	216	44	1,054	851	24
<b>Total net sales</b>	<b>4,849</b>	<b>3,634</b>	<b>33</b>	<b>18,102</b>	<b>14,437</b>	<b>25</b>
<b>Net sales per product group</b>						
Engines	3,713	2,704	37	13,221	10,282	29
Services	1,136	930	22	4,881	4,155	17
<b>Total net sales</b>	<b>4,849</b>	<b>3,634</b>	<b>33</b>	<b>18,102</b>	<b>14,437</b>	<b>25</b>
<b>Timing of revenue recognition</b>						
Revenue of vehicles and services recognized at the point of delivery	4,849	3,634	33	18,102	14,437	25
Revenue of vehicles and services recognized over contract period	-	-	-	-	-	-
<b>Total net sales</b>	<b>4,849</b>	<b>3,634</b>	<b>33</b>	<b>18,102</b>	<b>14,437</b>	<b>25</b>
<b>Adjusted operating income <sup>1</sup></b>	<b>468</b>	<b>330</b>	<b>42</b>	<b>2,530</b>	<b>2,092</b>	<b>21</b>
Adjustments	-	0	-	-3	0	-
<b>Operating Income</b>	<b>468</b>	<b>330</b>	<b>42</b>	<b>2,527</b>	<b>2,092</b>	<b>21</b>
Adjusted operating margin, %	9.7	9.1		14.0	14.5	
Operating margin, %	9.7	9.1		14.0	14.5	

<sup>1</sup> For more information on adjusted operating income, please see note 6.

## FINANCIAL SERVICES

### Continued portfolio growth

- » In Q4, new business volume increased 6%, adjusted for currency
- » Adjusted operating income:
  - SEK 863 M (858) for Q4 2022
  - SEK 3,416 M (3,279) for FY 2022
- » Good portfolio performance



In Q4 2022, new business volume was up by 6%, currency adjusted, over Q4 2021 due primarily to higher sales volumes of Group products.

During Q4 2022, portfolio performance was stable in most parts of the world due to high customer activity levels and continued strong demand for transportation and construction services. The credit portfolio increased by 13% on a year over year basis, currency adjusted.

In Q4, both adjusted and reported operating income were in line with prior year at SEK 863 M (858) as profitable portfolio growth was offset by higher selling

expenses. Currency movements had a positive impact of SEK 28 M compared with Q4 2021.

For the full year 2022, new business volume increased by 11% and exceeded SEK 100 billion for the first time. Adjusted operating income increased to SEK 3,416 M (3,279). For more information on adjusted operating income, please see Note 6. Reported operating income amounted to SEK 848 M (3,289). Return on shareholders' equity amounted to 15.1% (18.0), excluding impacts related to Russia.

Financial Services SEK M	Fourth quarter		Year	
	2022	2021	2022	2021
Number of financed units, 12 months rolling			<b>68,658</b>	69,556
Total penetration rate, 12 months rolling, % <sup>1</sup>			<b>28</b>	30
New retail financing volume, SEK billion	<b>30.6</b>	25.8	<b>103.6</b>	85.1
Credit portfolio net, SEK billion			<b>216</b>	172
Credit provision expenses	<b>159</b>	92	<b>3,332</b>	299
Credit provision expenses excluding impacts related to Russia	<b>89</b>	92	<b>302</b>	299
Adjusted operating income <sup>2</sup>	<b>863</b>	858	<b>3,416</b>	3,279
Adjustments <sup>2</sup>	-	9	<b>-2,568</b>	9
Operating income	<b>863</b>	867	<b>848</b>	3,289
Credit reserves, % of credit portfolio			<b>3.00</b>	1.82
Credit reserves, % of credit portfolio excluding impacts related to Russia			<b>1.64</b>	1.82
Return on equity, 12 months rolling, %			<b>-0.3</b>	18.0
Return on equity excluding impacts related to Russia, 12 months rolling, % <sup>2</sup>			<b>15.1</b>	18.0

<sup>1</sup> 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.

<sup>2</sup> For more information on adjustments, please see note 6.

## IMPORTANT EVENTS FOR THE VOLVO GROUP IN 2022

- Tina Hultkvist new CFO
- Annual General Meeting of AB Volvo
- Financial impact due to the war in Ukraine
- Volvo Group accelerates to grow in the ongoing industry transformation
- Process started to establish battery plant in Sweden
- Nina Aresund appointed new Executive Vice President Group Legal and Compliance
- Series production of heavy electric, 44-tonne, trucks

Detailed information about the events is available at [www.volvogroup.com](http://www.volvogroup.com)

## CONSOLIDATED INCOME STATEMENT FOURTH QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Net sales</b>	<b>130,212</b>	99,747	<b>5,124</b>	3,579	<b>-1,033</b>	-948	<b>134,302</b>	102,378
Cost of sales	<b>-100,920</b>	-77,841	<b>-3,340</b>	-2,048	<b>1,034</b>	948	<b>-103,227</b>	-78,941
<b>Gross income</b>	<b>29,292</b>	<b>21,905</b>	<b>1,783</b>	<b>1,531</b>	<b>0</b>	<b>0</b>	<b>31,076</b>	<b>23,436</b>
Research and development expenses	<b>-6,893</b>	-4,803	-	-	-	-	<b>-6,893</b>	-4,803
Selling expenses	<b>-7,386</b>	-5,517	<b>-853</b>	-631	-	-	<b>-8,239</b>	-6,148
Administrative expenses	<b>-1,741</b>	-1,447	<b>-3</b>	-3	-	-	<b>-1,744</b>	-1,450
Other operating income and expenses	<b>-2,228</b>	-132	<b>-64</b>	-29	-	-	<b>-2,292</b>	-161
Income/loss from investments in joint ventures and associated companies	<b>-351</b>	-668	-	-	-	-	<b>-351</b>	-668
Income/loss from other investments	<b>-15</b>	13	<b>0</b>	0	-	-	<b>-15</b>	13
<b>Operating income</b>	<b>10,678</b>	<b>9,352</b>	<b>863</b>	<b>867</b>	<b>0</b>	<b>0</b>	<b>11,541</b>	<b>10,219</b>
Interest income and similar credits	<b>587</b>	99	<b>0</b>	-	<b>-134</b>	-5	<b>453</b>	94
Interest expenses and similar charges	<b>-472</b>	-320	<b>0</b>	0	<b>134</b>	5	<b>-338</b>	-315
Other financial income and expenses	<b>-1,237</b>	204	<b>0</b>	-	-	-	<b>-1,237</b>	204
<b>Income after financial items</b>	<b>9,556</b>	<b>9,334</b>	<b>863</b>	<b>867</b>	<b>0</b>	<b>0</b>	<b>10,420</b>	<b>10,202</b>
Income taxes	<b>-2,944</b>	-1,928	<b>-786</b>	-208	<b>-0</b>	-0	<b>-3,730</b>	-2,136
<b>Income for the period *</b>	<b>6,613</b>	<b>7,407</b>	<b>77</b>	<b>659</b>	<b>0</b>	<b>0</b>	<b>6,690</b>	<b>8,066</b>
* Attributable to:								
Owners of AB Volvo							<b>6,620</b>	7,995
Non-controlling interest							<b>70</b>	72
							<b>6,690</b>	<b>8,066</b>
Basic earnings per share, SEK							<b>3.26</b>	3.93
Diluted earnings per share, SEK							<b>3.26</b>	3.93

### Key ratios, %

Gross margin	<b>22.5</b>	22.0	-	-	-	-	<b>23.1</b>	22.9
Research and development expenses as % of net sales	<b>5.3</b>	4.8	-	-	-	-	<b>5.1</b>	4.7
Selling expenses as % of net sales	<b>5.7</b>	5.5	-	-	-	-	<b>6.1</b>	6.0
Administrative expenses as % of net sales	<b>1.3</b>	1.5	-	-	-	-	<b>1.3</b>	1.4
Operating margin	<b>8.2</b>	9.4	-	-	-	-	<b>8.6</b>	10.0

## CONSOLIDATED OTHER COMPREHENSIVE INCOME FOURTH QUARTER

SEK M	2022	2021
<b>Income for the period</b>	<b>6,690</b>	8,066
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	<b>-4,296</b>	1,578
Remeasurements of holding of shares at fair value	<b>-6</b>	8
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	<b>-4,239</b>	1,663
Share of OCI related to joint ventures and associated companies	<b>-429</b>	514
Accumulated translation difference reversed to income	-	-
<b>Other comprehensive income, net of income taxes</b>	<b>-8,970</b>	<b>3,763</b>
<b>Total comprehensive income for the period *</b>	<b>-2,279</b>	<b>11,829</b>
* Attributable to:		
Owners of AB Volvo	<b>-2,202</b>	11,624
Non-controlling interest	<b>-77</b>	206
	<b>-2,279</b>	<b>11,829</b>

## CONSOLIDATED INCOME STATEMENT YEAR

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Net sales</b>	<b>459,703</b>	361,062	<b>17,355</b>	13,437	<b>-3,579</b>	-2,283	<b>473,479</b>	372,216
Cost of sales	<b>-354,682</b>	-277,048	<b>-10,641</b>	-7,700	<b>3,581</b>	2,285	<b>-361,741</b>	-282,463
<b>Gross income</b>	<b>105,021</b>	<b>84,013</b>	<b>6,714</b>	<b>5,738</b>	<b>2</b>	<b>2</b>	<b>111,737</b>	<b>89,753</b>
Research and development expenses	<b>-22,526</b>	-18,027	-	-	-	-	<b>-22,526</b>	-18,027
Selling expenses	<b>-26,066</b>	-21,575	<b>-2,978</b>	-2,384	-	-	<b>-29,044</b>	-23,959
Administrative expenses	<b>-5,867</b>	-4,859	<b>-13</b>	-11	-	-	<b>-5,880</b>	-4,870
Other operating income and expenses	<b>-4,498</b>	300	<b>-2,876</b>	-54	-	-	<b>-7,374</b>	246
Income/loss from investments in joint ventures and associated companies	<b>-1,333</b>	-54	-	-	-	-	<b>-1,333</b>	-54
Income/loss from other investments	<b>132</b>	-15	<b>0</b>	0	-	-	<b>132</b>	-15
<b>Operating income</b>	<b>44,862</b>	<b>39,783</b>	<b>848</b>	<b>3,289</b>	<b>2</b>	<b>2</b>	<b>45,712</b>	<b>43,074</b>
Interest income and similar credits	<b>1,315</b>	362	<b>0</b>	-	<b>-307</b>	-4	<b>1,008</b>	358
Interest expenses and similar charges	<b>-1,512</b>	-1,172	<b>0</b>	0	<b>307</b>	4	<b>-1,205</b>	-1,167
Other financial income and expenses	<b>-437</b>	926	<b>0</b>	-	-	-	<b>-437</b>	926
<b>Income after financial items</b>	<b>44,228</b>	<b>39,899</b>	<b>848</b>	<b>3,289</b>	<b>2</b>	<b>2</b>	<b>45,077</b>	<b>43,190</b>
Income taxes	<b>-11,207</b>	-9,140	<b>-901</b>	-807	<b>-0</b>	-0	<b>-12,108</b>	-9,947
<b>Income for the period *</b>	<b>33,021</b>	<b>30,759</b>	<b>-53</b>	<b>2,482</b>	<b>1</b>	<b>1</b>	<b>32,969</b>	<b>33,243</b>
* Attributable to:								
Owners of AB Volvo							<b>32,722</b>	32,787
Non-controlling interest							<b>247</b>	456
							<b>32,969</b>	<b>33,243</b>
Basic earnings per share, SEK							<b>16.09</b>	16.12
Diluted earnings per share, SEK							<b>16.09</b>	16.12

**Key ratios, %**

Gross margin	<b>22.8</b>	23.3	-	-	-	-	<b>23.6</b>	24.1
Research and development expenses as % of net sales	<b>4.9</b>	5.0	-	-	-	-	<b>4.8</b>	4.8
Selling expenses as % of net sales	<b>5.7</b>	6.0	-	-	-	-	<b>6.1</b>	6.4
Administrative expenses as % of net sales	<b>1.3</b>	1.3	-	-	-	-	<b>1.2</b>	1.3
Operating margin	<b>9.8</b>	11.0	-	-	-	-	<b>9.7</b>	11.6

## CONSOLIDATED OTHER COMPREHENSIVE INCOME YEAR

SEK M	2022	2021
<b>Income for the period</b>	<b>32,969</b>	33,243
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	<b>3,817</b>	6,091
Remeasurements of holding of shares at fair value	<b>-45</b>	48
Items that may be reclassified subsequently to income statement:		
Exchange differences on translation of foreign operations	<b>10,544</b>	5,775
Share of OCI related to joint ventures and associated companies	<b>1,279</b>	1,349
Accumulated translation difference reversed to income	-	-324
<b>Other comprehensive income, net of income taxes</b>	<b>15,596</b>	<b>12,938</b>
<b>Total comprehensive income for the period *</b>	<b>48,565</b>	<b>46,182</b>
* Attributable to:		
Owners of AB Volvo	<b>48,140</b>	45,354
Non-controlling interest	<b>425</b>	828
	<b>48,565</b>	<b>46,182</b>

## CONSOLIDATED BALANCE SHEET

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021
<b>Assets</b>								
<b>Non-current assets</b>								
Intangible assets	41,471	36,971	73	98	-	-	41,544	37,070
<i>Tangible assets</i>								
Property, plant and equipment	63,112	54,356	50	48	-	-	63,162	54,405
Assets under operating leases	34,109	32,150	21,372	19,658	-11,963	-11,838	43,518	39,969
<i>Financial assets</i>								
Investments in Joint Ventures and associated companies	21,583	20,685	-	-	-	-	21,583	20,685
Other shares and participations	587	524	18	15	-	-	605	539
Non-current customer-financing receivables	1,903	1,669	105,536	83,774	-2,375	-2,057	105,064	83,386
Net pension assets	2,722	2,372	5	-	-	-	2,727	2,372
Non-current interest-bearing receivables	7,227	1,747	1,153	74	-6,578	-70	1,803	1,752
Other non-current receivables	10,997	9,211	227	187	-202	-170	11,022	9,227
Deferred tax assets	12,219	9,744	1,969	1,203	0	0	14,189	10,947
<b>Total non-current assets</b>	<b>195,931</b>	<b>169,430</b>	<b>130,404</b>	<b>105,058</b>	<b>-21,118</b>	<b>-14,135</b>	<b>305,217</b>	<b>260,352</b>
<b>Current assets</b>								
Inventories	75,382	63,715	307	202	-	-	75,689	63,916
<i>Current receivables</i>								
Customer-financing receivables	1,128	868	89,145	68,352	-1,409	-1,102	88,864	68,118
Tax assets	1,489	1,336	570	373	-	-	2,059	1,708
Interest-bearing receivables	5,690	1,976	0	0	-27	-26	5,663	1,950
Internal funding	7,991	16,672	-	-	-7,991	-16,672	-	-
Accounts receivable	46,672	39,321	1,548	1,455	-	-	48,220	40,776
Other receivables	21,390	18,103	3,302	1,840	-5,319	-3,201	19,373	16,742
Marketable securities	93	167	-	-	-	-	93	167
Cash and cash equivalents	76,005	59,435	9,688	3,913	-1,806	-1,223	83,886	62,126
<b>Total current assets</b>	<b>235,840</b>	<b>201,593</b>	<b>104,560</b>	<b>76,135</b>	<b>-16,553</b>	<b>-22,223</b>	<b>323,847</b>	<b>255,504</b>
<b>Total assets</b>	<b>431,771</b>	<b>371,022</b>	<b>234,964</b>	<b>181,193</b>	<b>-37,671</b>	<b>-36,359</b>	<b>629,064</b>	<b>515,856</b>
<b>Equity and liabilities</b>								
Equity attributable to owners of AB Volvo	143,921	126,546	18,796	14,500	-	-2	162,717	141,045
Non-controlling interest	3,519	3,073	-	-	-	-	3,519	3,073
<b>Total equity</b>	<b>147,439</b>	<b>129,619</b>	<b>18,796</b>	<b>14,500</b>	<b>-</b>	<b>-2</b>	<b>166,236</b>	<b>144,118</b>
<i>Non-current provisions</i>								
Provisions for post-employment benefits	8,690	12,095	55	82	-	-	8,745	12,177
Provisions for deferred taxes	3,060	2,774	2,412	2,153	-	-	5,472	4,926
Other provisions	12,330	10,610	66	49	-	557	12,396	11,216
<i>Non-current liabilities</i>								
Bond loans	102,887	79,365	-	-	-	-	102,887	79,365
Other loans	25,446	16,488	12,325	10,148	-2,086	-1,823	35,684	24,812
Internal funding	-110,254	-82,734	98,310	74,223	11,944	8,512	-	-
Other liabilities	51,351	42,978	1,467	1,557	-7,270	-7,705	45,549	36,831
Current provisions	13,095	11,535	24	36	-	383	13,119	11,954
<i>Current liabilities</i>								
Bond loans	37,794	21,747	-	-	-	-	37,794	21,747
Other loans	24,666	21,230	11,163	7,432	-1,247	-962	34,583	27,700
Internal funding	-50,804	-36,176	79,677	63,141	-28,873	-26,964	-	-
Trade payables	89,174	76,079	1,003	666	-	-	90,177	76,745
Tax liabilities	6,147	3,720	760	567	-	-	6,907	4,287
Other liabilities	70,749	61,693	8,906	6,639	-10,138	-8,354	69,517	59,978
<b>Total equity and liabilities</b>	<b>431,771</b>	<b>371,022</b>	<b>234,964</b>	<b>181,193</b>	<b>-37,671</b>	<b>-36,359</b>	<b>629,064</b>	<b>515,856</b>
<b>Key ratios, %</b>								
Equity ratio	34.1	34.9	8.0	8.0	-	0.0	26.4	27.9
Equity attributable to owners of AB Volvo, per share in SEK	-	-	-	-	-	-	80.0	69.4
Return on operating capital <sup>1</sup>	50.8	51.9	-	-	-	-	-	-
Return on capital employed <sup>1</sup>	27.4	25.3	-	-	-	-	-	-
Return on equity <sup>1</sup>	-	-	-0.3	18.0	-	-	20.7	23.4

<sup>1</sup> 12 months rolling.



## CONSOLIDATED CASH FLOW STATEMENT FOURTH QUARTER

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Operating activities</b>								
Operating income	10,678	9,352	863	867	0	0	11,541	10,219
Amortization intangible assets	757	699	13	8	-	-	770	706
Depreciation tangible assets	2,767	1,847	6	7	-	-	2,773	1,854
Depreciation leasing vehicles	1,017	1,110	1,265	1,149	0	0	2,282	2,259
Other non-cash items	677	996	438	124	102	-3	1,216	1,117
Total change in working capital whereof	11,097	17,027	-12,486	-7,853	78	236	-1,311	9,410
Change in accounts receivables	-4,308	-211	-105	7	-	-	-4,413	-204
Change in customer-financing receivables	13	-43	-10,885	-7,287	3	229	-10,868	-7,100
Change in inventories	2,966	-367	-85	67	-	-	2,881	-299
Change in trade payables	10,461	15,592	202	-73	-	-	10,662	15,519
Other changes in working capital	1,966	2,056	-1,614	-568	75	7	427	1,495
Dividends received from joint ventures and associated companies	10	-	-	-	-	-	10	-
Interest and similar items received	548	120	0	0	-75	13	474	133
Interest and similar items paid	-312	-131	0	-1	206	-10	-106	-142
Other financial items	5	-91	-	-	-	-	5	-91
Income taxes paid	-2,867	-2,295	-267	-379	-	-	-3,134	-2,674
<b>Cash flow from operating activities</b>	<b>24,375</b>	<b>28,633</b>	<b>-10,168</b>	<b>-6,078</b>	<b>312</b>	<b>237</b>	<b>14,519</b>	<b>22,791</b>
<b>Investing activities</b>								
Investments in intangible assets	-1,176	-1,235	-5	4	-	-	-1,181	-1,231
Investments in tangible assets	-4,536	-3,858	-6	-2	-	-	-4,542	-3,860
Investment in leasing vehicles	0	-6	-2,827	-2,617	11	5	-2,816	-2,618
Disposals of in-/tangible assets and leasing vehicles	255	45	1,189	1,374	-15	-5	1,429	1,415
<b>Operating cash flow</b>	<b>18,918</b>	<b>23,579</b>	<b>-11,817</b>	<b>-7,319</b>	<b>309</b>	<b>237</b>	<b>7,409</b>	<b>16,497</b>
Investments of shares							-35	-73
Acquired operations							-26	-
Divested operations							-	326
Interest-bearing receivables incl. marketable securities							-82	-65
<b>Cash flow after net investments</b>							<b>7,267</b>	<b>16,685</b>
<b>Financing activities</b>								
New borrowings							38,908	28,769
Repayments of borrowings							-32,306	-19,835
Dividend to non-controlling interest							-	-214
Other							-24	-31
<b>Change in cash and cash equivalents excl. translation differences</b>							<b>13,845</b>	<b>25,374</b>
Translation difference on cash and cash equivalents							-1,865	574
<b>Change in cash and cash equivalents</b>							<b>11,980</b>	<b>25,948</b>

## CONSOLIDATED CASH FLOW STATEMENT YEAR

SEK M	Industrial Operations		Financial Services		Eliminations		Volvo Group	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Operating activities</b>								
Operating income	44,862	39,783	848	3,289	2	2	45,712	43,074
Amortization intangible assets	2,918	2,757	53	36	-	-	2,971	2,793
Depreciation tangible assets	8,601	7,238	25	26	-	-	8,626	7,264
Depreciation leasing vehicles	4,408	4,301	4,724	4,361	0	0	9,132	8,663
Other non-cash items	3,403	-1,444	3,675	453	-114	-7	6,964	-998
Total change in working capital whereof	-2,532	-2,270	-26,294	-16,054	152	853	-28,674	-17,471
Change in accounts receivables	-5,600	-1,999	-170	-64	-	-	-5,770	-2,062
Change in customer-financing receivables	-169	-623	-26,330	-15,619	148	871	-26,350	-15,370
Change in inventories	-5,804	-12,438	-106	151	-	-	-5,911	-12,287
Change in trade payables	7,749	13,137	282	37	-	-	8,031	13,174
Other changes in working capital	1,293	-347	30	-559	4	-19	1,327	-925
Dividends received from joint ventures and associated companies	70	769	-	-	-	-	70	769
Interest and similar items received	1,055	347	0	0	56	18	1,111	365
Interest and similar items paid	-1,147	-854	0	6	290	-6	-856	-854
Other financial items	-199	-307	-	-	-	-	-199	-307
Income taxes paid	-10,019	-8,657	-1,596	-994	-	-	-11,614	-9,651
<b>Cash flow from operating activities</b>	<b>51,423</b>	<b>41,664</b>	<b>-18,565</b>	<b>-8,877</b>	<b>386</b>	<b>860</b>	<b>33,244</b>	<b>33,647</b>
<b>Investing activities</b>								
Investments in intangible assets	-5,361	-3,737	-29	15	-	-	-5,390	-3,722
Investments in tangible assets	-11,287	-8,806	-14	-3	-	-	-11,301	-8,809
Investment in leasing vehicles	-1	-37	-9,173	-9,291	19	21	-9,155	-9,308
Disposals of in-/tangible assets and leasing vehicles	553	356	5,026	5,495	-21	-15	5,558	5,837
<b>Operating cash flow</b>	<b>35,327</b>	<b>29,440</b>	<b>-22,756</b>	<b>-12,662</b>	<b>384</b>	<b>866</b>	<b>12,956</b>	<b>17,645</b>
Investments of shares							-1,085	-7,384
Divestments of shares							157	-
Acquired operations							-265	-789
Divested operations <sup>1</sup>							153	22,773
Interest-bearing receivables incl. marketable securities							-158	-87
<b>Cash flow after net investments</b>							<b>11,758</b>	<b>32,158</b>
<b>Financing activities</b>								
New borrowings							177,532	89,141
Repayments of borrowings							-143,551	-96,113
Dividend to owners of AB Volvo							-26,435	-49,820
Dividend to non-controlling interest							-19	-631
Other							-44	-132
<b>Change in cash and cash equivalents excl. translation differences</b>							<b>19,241</b>	<b>-25,396</b>
Translation difference on cash and cash equivalents							2,520	2,316
<b>Change in cash and cash equivalents</b>							<b>21,761</b>	<b>-23,080</b>

<sup>1</sup> In 2021, the total cash flow impact from the divestment of UD Trucks amounted to SEK 22,450 M.

## CONSOLIDATED NET FINANCIAL POSITION

Net financial position excl. post-employment benefits and lease liabilities	Industrial Operations		Volvo Group	
	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021
SEK bn				
Non-current interest-bearing assets				
Non-current customer-financing receivables	-	-	105.1	83.4
Non-current interest-bearing receivables	7.2	1.7	1.8	1.8
Current interest-bearing assets				
Customer-financing receivables	-	-	88.9	68.1
Interest-bearing receivables	5.7	2.0	5.7	2.0
Internal funding	8.0	16.7	-	-
Marketable securities	0.1	0.2	0.1	0.2
Cash and cash equivalents	76.0	59.4	83.9	62.1
<b>Total interest-bearing financial assets</b>	<b>97.0</b>	<b>80.0</b>	<b>285.4</b>	<b>217.5</b>
Non-current interest-bearing liabilities				
Bond loans	-102.9	-79.4	-102.9	-79.4
Other loans	-20.6	-12.0	-30.9	-20.3
Internal funding	110.3	82.7	-	-
Current interest-bearing liabilities				
Bond loans	-37.8	-21.7	-37.8	-21.7
Other loans	-22.9	-19.6	-32.8	-26.1
Internal funding	50.8	36.2	-	-0.0
<b>Total interest-bearing financial liabilities excl. lease liabilities</b>	<b>-23.1</b>	<b>-13.8</b>	<b>-204.4</b>	<b>-147.5</b>
<b>Net financial position excl. post-employment benefits and lease liabilities</b>	<b>73.9</b>	<b>66.2</b>	<b>81.0</b>	<b>70.0</b>
Provisions for post-employment benefits and lease liabilities, net	Industrial Operations		Volvo Group	
	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021
SEK bn				
Non-current lease liabilities	-4.8	-4.5	-4.8	-4.5
Current lease liabilities	-1.8	-1.7	-1.8	-1.6
Provisions for post-employment benefits, net	-6.0	-9.7	-6.0	-9.8
<b>Provisions for post-employment benefits and lease liabilities, net</b>	<b>-12.6</b>	<b>-15.9</b>	<b>-12.6</b>	<b>-15.9</b>
Net financial position incl. post-employment benefits and lease liabilities	Industrial Operations		Volvo Group	
	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021
SEK bn				
Net financial position excl. post-employment benefits and lease liabilities	73.9	66.2	81.0	70.0
Provisions for post-employment benefits and lease liabilities, net	-12.6	-15.9	-12.6	-15.9
<b>Net financial position incl. post-employment benefits and lease liabilities</b>	<b>61.3</b>	<b>50.4</b>	<b>68.4</b>	<b>54.1</b>

## CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	Fourth quarter 2022	Year 2022
<b>Net financial position excl. post-employment benefits and lease liabilities at the end of previous period</b>	<b>59.5</b>	<b>66.2</b>
Operating cash flow	18.9	35.3
Investments and divestments of shares, net	-0.0	-0.9
Acquired and divested operations, net	-0.0	-0.1
Capital injections to/from Financial Services	-1.0	-2.1
Currency effect	-2.7	1.6
Dividend to owners of AB Volvo	-	-26.4
Dividend to non-controlling interest	-	-0.0
Other changes	-0.8	0.3
<b>Net financial position excl. post-employment benefits and lease liabilities at the end of period</b>	<b>73.9</b>	<b>73.9</b>
<b>Provisions for post-employment benefits and lease liabilities at the end of previous period</b>	<b>-7.1</b>	<b>-15.9</b>
Pension payments, included in operating cash flow	0.7	1.5
Remeasurements of defined post-employment benefits	-5.7	4.8
Service costs and other pension costs	-0.4	-1.6
Investments, remeasurements and amortizations of lease contracts	-0.2	0.0
Currency effect	0.2	-1.2
Other changes	-0.1	-0.2
<b>Provisions for post-employment benefits and lease liabilities at the end of period</b>	<b>-12.6</b>	<b>-12.6</b>
<b>Net financial position incl. post-employment benefits and lease liabilities at the end of period</b>	<b>61.3</b>	<b>61.3</b>

## CONSOLIDATED CHANGES IN TOTAL EQUITY

SEK bn	Dec 31 2022	Dec 31 2021
<b>Total equity at the end of previous period</b>	<b>144.1</b>	<b>148.1</b>
<b>Equity attributable to shareholders of AB Volvo at the end of previous period</b>	<b>141.0</b>	<b>145.3</b>
Income for the period	32.7	32.8
Other comprehensive income	15.4	12.6
<b>Total comprehensive income</b>	<b>48.1</b>	<b>45.4</b>
Dividend to AB Volvo shareholders	-26.4	-49.8
Other changes	0.0	0.2
<b>Equity attributable to shareholders of AB Volvo at the end of period</b>	<b>162.7</b>	<b>141.0</b>
<b>Non-controlling interest at the end of previous period</b>	<b>3.1</b>	<b>2.8</b>
Income for the period	0.2	0.5
Other comprehensive income	0.2	0.4
<b>Total comprehensive income</b>	<b>0.4</b>	<b>0.8</b>
Dividend to non-controlling interest	-0.0	-0.6
Other changes	0.0	0.0
<b>Non-controlling interest at the end of period</b>	<b>3.5</b>	<b>3.1</b>
<b>Total equity at the end of period</b>	<b>166.2</b>	<b>144.1</b>

## QUARTERLY FIGURES

<b>Income Statements, Volvo Group</b>							
SEK M unless otherwise stated	4/2022	3/2022	2/2022	1/2022	4/2021	Year 2022	Year 2021
<b>Net sales</b>	<b>134,302</b>	<b>114,917</b>	<b>118,943</b>	<b>105,317</b>	<b>102,378</b>	<b>473,479</b>	<b>372,216</b>
Cost of sales	-103,227	-87,594	-90,221	-80,700	-78,941	-361,741	-282,463
<b>Gross income</b>	<b>31,076</b>	<b>27,324</b>	<b>28,721</b>	<b>24,617</b>	<b>23,436</b>	<b>111,737</b>	<b>89,753</b>
Research and development expenses	-6,893	-5,595	-5,454	-4,583	-4,803	-22,526	-18,027
Selling expenses	-8,239	-7,046	-6,977	-6,783	-6,148	-29,044	-23,959
Administrative expenses	-1,744	-1,383	-1,432	-1,321	-1,450	-5,880	-4,870
Other operating income and expenses	-2,292	-896	-809	-3,377	-161	-7,374	246
Income/loss from investments in Joint Ventures and associated companies	-351	-536	-323	-123	-668	-1,333	-54
Income/loss from other investments	-15	1	19	127	13	132	-15
<b>Operating income</b>	<b>11,541</b>	<b>11,869</b>	<b>13,745</b>	<b>8,556</b>	<b>10,219</b>	<b>45,712</b>	<b>43,074</b>
Interest income and similar credits	453	247	182	125	94	1,008	358
Interest expenses and similar charges	-338	-262	-277	-328	-315	-1,205	-1,167
Other financial income and expenses	-1,237	-96	222	674	204	-437	926
<b>Income after financial items</b>	<b>10,420</b>	<b>11,758</b>	<b>13,873</b>	<b>9,027</b>	<b>10,202</b>	<b>45,077</b>	<b>43,190</b>
Income taxes	-3,730	-3,071	-3,352	-1,956	-2,136	-12,108	-9,947
<b>Income for the period *</b>	<b>6,690</b>	<b>8,687</b>	<b>10,520</b>	<b>7,071</b>	<b>8,066</b>	<b>32,969</b>	<b>33,243</b>
* Attributable to:							
Owners of AB Volvo	6,620	8,627	10,443	7,033	7,995	32,722	32,787
Non-controlling interest	70	61	78	38	72	247	456
	<b>6,690</b>	<b>8,687</b>	<b>10,520</b>	<b>7,071</b>	<b>8,066</b>	<b>32,969</b>	<b>33,243</b>
<b>Key ratios, Volvo Group, %</b>							
Gross margin	23.1	23.8	24.1	23.4	22.9	23.6	24.1
Research and development expenses as % of net sales	5.1	4.9	4.6	4.4	4.7	4.8	4.8
Selling expenses as % of net sales	6.1	6.1	5.9	6.4	6.0	6.1	6.4
Administrative expenses as % of net sales	1.3	1.2	1.2	1.3	1.4	1.2	1.3
Operating margin	8.6	10.3	11.6	8.1	10.0	9.7	11.6
<b>Key ratios, Industrial Operations, %</b>							
Gross margin	22.5	23.0	23.4	22.5	22.0	22.8	23.3
Research and development expenses as % of net sales	5.3	5.0	4.7	4.5	4.8	4.9	5.0
Selling expenses as % of net sales	5.7	5.7	5.4	6.0	5.5	5.7	6.0
Administrative expenses as % of net sales	1.3	1.2	1.2	1.3	1.5	1.3	1.3
Operating margin	8.2	9.9	11.2	10.0	9.4	9.8	11.0
<b>EBITDA margin, Industrial Operations</b>							
<b>Operating income Industrial Operations</b>	<b>10,678</b>	<b>10,990</b>	<b>12,953</b>	<b>10,241</b>	<b>9,352</b>	<b>44,862</b>	<b>39,783</b>
Product and software development, amortization	723	712	697	667	676	2,799	2,622
Other intangible assets, amortization	33	27	26	33	23	119	135
Tangible assets, depreciation	3,784	3,090	3,093	3,043	2,957	13,010	11,540
<b>Total depreciation and amortization</b>	<b>4,541</b>	<b>3,828</b>	<b>3,816</b>	<b>3,743</b>	<b>3,655</b>	<b>15,928</b>	<b>14,297</b>
<b>Operating income before depreciation and amortization (EBITDA)</b>	<b>15,219</b>	<b>14,818</b>	<b>16,769</b>	<b>13,984</b>	<b>13,007</b>	<b>60,790</b>	<b>54,080</b>
EBITDA margin, %	11.7	13.3	14.5	13.7	13.0	13.2	15.0
<b>Net capitalization of research and development</b>							
Capitalization	1,114	972	1,296	1,324	1,199	4,707	3,031
Amortization	-677	-673	-658	-628	-637	-2,635	-2,479
<b>Net capitalization and amortization</b>	<b>438</b>	<b>300</b>	<b>638</b>	<b>696</b>	<b>562</b>	<b>2,072</b>	<b>552</b>
Return on operating capital in Industrial Operations, % <sup>1</sup>	50.8	50.1	50.6	50.7	51.9		
Return on capital employed in Industrial Operations, % <sup>1</sup>	27.4	27.4	26.8	25.3	25.3		

<sup>1</sup> 12 months rolling.

## QUARTERLY FIGURES

Net sales							Year	Year
SEK M	4/2022	3/2022	2/2022	1/2022	4/2021	2022	2021	
Trucks	87,303	75,078	78,603	69,552	67,164	310,536	230,881	
Construction Equipment	27,596	24,238	25,814	22,613	21,812	100,261	92,031	
Buses <sup>1</sup>	6,654	4,817	4,062	3,051	4,157	18,583	13,652	
Volvo Penta	4,849	4,451	4,597	4,204	3,634	18,102	14,437	
Group Functions & Other <sup>1</sup>	4,985	3,793	3,750	3,848	3,973	16,376	13,459	
Eliminations	-1,175	-950	-1,106	-923	-993	-4,155	-3,398	
<b>Industrial Operations</b>	<b>130,212</b>	<b>111,427</b>	<b>115,719</b>	<b>102,345</b>	<b>99,747</b>	<b>459,703</b>	<b>361,062</b>	
Financial Services	5,124	4,430	4,067	3,734	3,579	17,355	13,437	
Reclassifications and eliminations	-1,033	-940	-844	-762	-948	-3,579	-2,283	
<b>Volvo Group</b>	<b>134,302</b>	<b>114,917</b>	<b>118,943</b>	<b>105,317</b>	<b>102,378</b>	<b>473,479</b>	<b>372,216</b>	

<sup>1</sup> Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Operating Income							Year	Year
SEK M	4/2022	3/2022	2/2022	1/2022	4/2021	2022	2021	
Trucks	7,644	7,539	9,551	7,243	7,052	31,976	27,349	
Construction Equipment	3,093	3,541	3,568	2,703	2,396	12,907	12,228	
Buses <sup>1</sup>	228	99	7	20	-22	353	78	
Volvo Penta	468	593	699	767	330	2,527	2,092	
Group Functions & Other <sup>1</sup>	-754	-778	-890	-489	-459	-2,912	-2,017	
Eliminations	-1	-4	19	-3	54	12	53	
<b>Industrial Operations</b>	<b>10,678</b>	<b>10,990</b>	<b>12,953</b>	<b>10,241</b>	<b>9,352</b>	<b>44,862</b>	<b>39,783</b>	
Financial Services	863	879	792	-1,686	867	848	3,289	
Reclassifications and eliminations	1	1	0	1	0	2	2	
<b>Volvo Group</b>	<b>11,541</b>	<b>11,869</b>	<b>13,745</b>	<b>8,556</b>	<b>10,219</b>	<b>45,712</b>	<b>43,074</b>	

<sup>1</sup> Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Adjusted operating income <sup>1</sup>							Year	Year
SEK M	4/2022	3/2022	2/2022	1/2022	4/2021	2022	2021	
Trucks	8,274	7,307	9,551	8,690	6,924	33,821	25,567	
Construction Equipment	3,093	3,773	3,568	2,810	2,396	13,244	12,228	
Buses <sup>2</sup>	228	99	7	20	-42	353	59	
Volvo Penta	468	593	699	769	330	2,530	2,092	
Group Functions & Other <sup>2</sup>	-754	-778	-890	-488	-461	-2,911	-2,265	
Eliminations	-1	-4	19	-3	54	12	53	
<b>Industrial Operations</b>	<b>11,308</b>	<b>10,990</b>	<b>12,953</b>	<b>11,798</b>	<b>9,202</b>	<b>47,049</b>	<b>37,733</b>	
Financial Services	863	879	792	882	858	3,416	3,279	
Reclassifications and eliminations	1	1	0	1	0	2	2	
<b>Volvo Group adjusted operating income</b>	<b>12,171</b>	<b>11,869</b>	<b>13,745</b>	<b>12,681</b>	<b>10,060</b>	<b>50,467</b>	<b>41,015</b>	

<sup>1</sup> For more information on adjusted operating income, please see note 6.

<sup>2</sup> Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Operating margin							Year	Year
%	4/2022	3/2022	2/2022	1/2022	4/2021	2022	2021	
Trucks	8.8	10.0	12.2	10.4	10.5	10.3	11.8	
Construction Equipment	11.2	14.6	13.8	12.0	11.0	12.9	13.3	
Buses <sup>1</sup>	3.4	2.0	0.2	0.7	-0.5	1.9	0.6	
Volvo Penta	9.7	13.3	15.2	18.2	9.1	14.0	14.5	
<b>Industrial Operations</b>	<b>8.2</b>	<b>9.9</b>	<b>11.2</b>	<b>10.0</b>	<b>9.4</b>	<b>9.8</b>	<b>11.0</b>	
<b>Volvo Group</b>	<b>8.6</b>	<b>10.3</b>	<b>11.6</b>	<b>8.1</b>	<b>10.0</b>	<b>9.7</b>	<b>11.6</b>	

<sup>1</sup> Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

Adjusted operating margin							Year	Year
%	4/2022	3/2022	2/2022	1/2022	4/2021	2022	2021	
Trucks	9.5	9.7	12.2	12.5	10.3	10.9	11.1	
Construction Equipment	11.2	15.6	13.8	12.4	11.0	13.2	13.3	
Buses <sup>1</sup>	3.4	2.0	0.2	0.7	-1.0	1.9	0.4	
Volvo Penta	9.7	13.3	15.2	18.3	9.1	14.0	14.5	
<b>Industrial Operations</b>	<b>8.7</b>	<b>9.9</b>	<b>11.2</b>	<b>11.5</b>	<b>9.2</b>	<b>10.2</b>	<b>10.5</b>	
<b>Volvo Group adjusted operating margin</b>	<b>9.1</b>	<b>10.3</b>	<b>11.6</b>	<b>12.0</b>	<b>9.8</b>	<b>10.7</b>	<b>11.0</b>	

<sup>1</sup> Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

## QUARTERLY FIGURES

Share data	4/2022	3/2022	2/2022	1/2022	4/2021	Year 2022	Year 2021
Earnings per share, SEK <sup>1</sup>	3.26	4.24	5.14	3.46	3.93	16.09	16.12
Earnings per share, SEK <sup>1</sup> , 12 months rolling	16.09	16.77	15.99	15.23	16.12	-	-
Diluted earnings per share, SEK	3.26	4.24	5.14	3.46	3.93	16.09	16.12
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	0	0	55

<sup>1</sup> 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 2021 (available at [www.volvogroup.com](http://www.volvogroup.com)). There are no new accounting policies applicable from 2022 that

significantly affects the Volvo Group. 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.

### 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, political instability and security;

**Operational risks** – such as transformation and technology risk, new business models, risks related to industrial operations, reliance on suppliers and scarce materials, cost inflation and price increases, cybersecurity and IT infrastructure, strategic transactions such as mergers and acquisitions, partnerships and divestments as well as residual value commitments;

**Climate and people risks** – such as pandemics, climate and risk related to people and culture as well as human rights;

**Compliance risks** – such as non-compliance with data protection laws, protection and maintenance of intangible assets, legal proceedings 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 70-75 in the Volvo Group Annual and Sustainability Report 2021.

#### Risk updates

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

#### Update on supply situation and inflationary pressure

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 labor, materials and components, and transport services. Further strains on the supply chain may also evolve from other events, including financial distress of suppliers, developments of the covid-19 pandemic and response measures taken, and consequences of the war in Ukraine. 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 Group is experiencing higher input costs from increased prices on e.g. purchased material, freight and energy as well as higher labor costs. If the Group is unable to compensate for the higher input costs through increased prices on products and services sold, this could have a 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 is related to customers in this market. The weakened Chinese construction equipment market is currently impacting customers' and dealers' profitability negatively. This might affect their ability to honor their obligations to the Group and may consequently have a material adverse effect on the Group's financial result and position.

#### **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.

#### **Financial impact from the war in Ukraine**

In Q1 2022, the Group reported that SEK 4.1 billion out of the Group's at that time total assets of approximately SEK 9 billion related to Russia had been provisioned for and impacted operating income negatively in Q1 2022. As of the end of this quarter, the Group's total exposure for additional impairment needs related to Russia largely remains unchanged. In 2021, approximately 3% of the Group's net sales were attributable to Russia.

The Group follows developments closely, but the situation with rapid and sometimes unpredictable changes may persist. No predictions can hence be made on the full impact from the war and ensuing sanctions on Group's assets in the region or on the general economic development. Further write-downs of the Group's assets related to Russia may be necessary in the coming periods, which could have a materially adverse effect on the Group's financial result, cash flow and financial position.

#### **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 December 31, 2022, amounted to SEK 18.2 billion, an increase of SEK 0.2 billion compared to December 31, 2021. The gross exposure of SEK 18.2 billion is partly reduced by counter guarantees and collaterals.

#### **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

adopted 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 relate primarily to Volvo Group trucks sold during the 14-year period of the infringement and, in some cases, to trucks sold in certain periods after the infringement ended. Some claims have also been made against the Volvo Group that relate to trucks sold by other manufacturers. The truck manufacturers subject to the 2016 settlement decision are, in most countries, jointly and severally liable for any losses arising from the infringement.

In the region of 3,000 claims are being brought in over 20 countries (including EU Member States, the United Kingdom, Norway and Israel) by large numbers of claimants either acting individually or as part of a wider group or class of claimants. Further claims may be commenced. The litigation in many countries can be expected to run for several years.

Several hundred thousand trucks sold by the Volvo Group are currently subject to claims against it or other truck manufacturers, with claimants alleging that the infringement resulted in an increase in the prices paid for Volvo Group trucks which directly or indirectly caused them loss. The Volvo Group maintains its firm view that no damage was caused to its customers or any third party by the conduct set out in the settlement decision, and in fact, the Commission did not assess any potential effects on the market. The transaction prices our customers paid for their trucks were unaffected by the infringement and were the outcome of individual negotiations across all elements of their purchasing requirements, including not only the prices for new trucks but also (where relevant) associated products and services sold together with new trucks such as service contracts, financing, buy-back guarantees etc.

Litigation developments so far have been mixed with some adverse developments, although uncertainty remains high and it is inherent in complex litigation that outlooks and risks fluctuate over time.

At this stage it is not possible to make a reliable estimate of the total liability that could arise from such proceedings given the complexity of the claims and the different (and in some cases relatively early) stages to which national proceedings have progressed. However, the litigation is substantial in scale and any 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. To date, the Volvo Group has recognized a cost of SEK 630 M, which relates to certain limited aspects of the litigation that are currently capable of estimation. This is Volvo Group's current assessment, which may change depending on the progress of the litigation.



### NOTE 3 | ACQUISITIONS AND DIVESTMENTS

The Volvo Group has not made any acquisitions or divestments of operations during Q4 that have had a material impact on the financial statements.

### NOTE 4 | 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 2021 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 6.3 billion (3.5) and derivatives with negative fair values amounted to SEK 9.0 billion (2.4) as of December 31, 2022.

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 205.0 billion (151.5) in reported carrying value with a fair value of SEK 201.3 billion (152.9). In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 5.9 billion (2.2).

SEK M	Compared to fourth quarter 2021		
	Fourth quarter 2022	Fourth quarter 2021	Change
Net flow in foreign currency			1,350
Realized and unrealized gains and losses on derivatives	-26	-1	-25
Unrealized gains and losses on receivables and liabilities in foreign currency	-958	21	-979
Translation effect on operating income in foreign subsidiaries			1,480
<b>Total currency effect on operating income, Volvo Group</b>			<b>1,826</b>

Applicable currency rates	Quarterly exchange rates		Close rates	
	Fourth quarter 2022	Fourth quarter 2021	Dec 31 2022	Dec 31 2021
	BRL	2.04	1.59	1.97
CNY	1.51	1.39	1.50	1.42
EUR	10.93	10.13	11.13	10.23
GBP	12.57	11.93	12.58	12.18
USD	10.72	8.85	10.44	9.04
KRW	0.0079	0.0075	0.0083	0.0076

### NOTE 5 | TRANSACTIONS WITH RELATED PARTIES

SEK M	Sales of goods, services and other income		Purchases of goods, services and other expenses	
	Fourth quarter 2022	Fourth quarter 2021	Fourth quarter 2022	Fourth quarter 2021
Associated companies	700	208	54	28
Joint ventures	842	523	260	255

SEK M	Receivables		Payables	
	Dec 31 2022	Dec 31 2021	Dec 31 2022	Dec 31 2021
Associated companies	113	48	63	30
Joint ventures	472	353	122	69

## NOTE 6 | RECONCILIATION OF ADJUSTED OPERATING INCOME

Adjusted operating income							Year	Year
SEK M	4/2022	3/2022	2/2022	1/2022	4/2021	2022	2021	
Trucks	8,274	7,307	9,551	8,690	6,924	33,821	25,567	
Construction Equipment	3,093	3,773	3,568	2,810	2,396	13,244	12,228	
Buses <sup>1</sup>	228	99	7	20	-42	353	59	
Volvo Penta	468	593	699	769	330	2,530	2,092	
Group Functions & Other <sup>1</sup>	-754	-778	-890	-488	-461	-2,911	-2,265	
Eliminations	-1	-4	19	-3	54	12	53	
<b>Industrial Operations</b>	<b>11,308</b>	<b>10,990</b>	<b>12,953</b>	<b>11,798</b>	<b>9,202</b>	<b>47,049</b>	<b>37,733</b>	
Financial Services	863	879	792	882	858	3,416	3,279	
Reclassifications and eliminations	1	1	0	1	0	2	2	
<b>Volvo Group adjusted operating income</b>	<b>12,171</b>	<b>11,869</b>	<b>13,745</b>	<b>12,681</b>	<b>10,060</b>	<b>50,467</b>	<b>41,015</b>	

Adjustments							Year	Year
SEK M	4/2022	3/2022	2/2022	1/2022	4/2021	2022	2021	
<b>Adjustment items (segment)</b>								
Costs relating to claims arising from the European Commission's 2016 antitrust settlement decision (Trucks)	-630	-	-	-	-	-630	-	
Financial impact related to Russia:								
Trucks	-	232	-	-1,447	-	-1,215	-	
Construction Equipment	-	-232	-	-106	-	-338	-	
Volvo Penta	-	-	-	-3	-	-3	-	
Group Functions & Other	-	-	-	-1	-	-1	-	
Financial Services	-	-	-	-2,568	-	-2,568	-	
Restructuring charges related to headcount reductions:								
Trucks	-	-	-	-	128	-	128	
Construction Equipment	-	-	-	-	0	-	0	
Buses	-	-	-	-	20	-	20	
Volvo Penta	-	-	-	-	0	-	0	
Group Functions & Other	-	-	-	-	2	-	2	
Financial Services	-	-	-	-	9	-	9	
Divestment of UD Trucks (Trucks)	-	-	-	-	-	-	1,653	
Depreciation of Assets held for sale (Group functions & Other)	-	-	-	-	-	-	246	

Total adjustments							
Trucks	-630	232	-	-1,447	128	-1,845	1,781
Construction Equipment	-	-232	-	-106	0	-338	0
Buses <sup>1</sup>	-	-	-	-	20	-	20
Volvo Penta	-	-	-	-3	0	-3	0
Group Functions & Other <sup>1</sup>	-	-	-	-1	2	-1	248
<b>Industrial Operations</b>	<b>-630</b>	<b>0</b>	<b>-</b>	<b>-1,557</b>	<b>150</b>	<b>-2,187</b>	<b>2,049</b>
Financial Services	-	-	-	-2,568	9	-2,568	9
Reclassifications and eliminations	-	-	-	-	-0	-	0
<b>Volvo Group</b>	<b>-630</b>	<b>0</b>	<b>-</b>	<b>-4,125</b>	<b>159</b>	<b>-4,755</b>	<b>2,059</b>

Operating income							Year	Year
SEK M	4/2022	3/2022	2/2022	1/2022	4/2021	2022	2021	
Trucks	7,644	7,539	9,551	7,243	7,052	31,976	27,349	
Construction Equipment	3,093	3,541	3,568	2,703	2,396	12,907	12,228	
Buses <sup>1</sup>	228	99	7	20	-22	353	78	
Volvo Penta	468	593	699	767	330	2,527	2,092	
Group Functions & Other <sup>1</sup>	-754	-778	-890	-489	-459	-2,912	-2,017	
Eliminations	-1	-4	19	-3	54	12	53	
<b>Industrial Operations</b>	<b>10,678</b>	<b>10,990</b>	<b>12,953</b>	<b>10,241</b>	<b>9,352</b>	<b>44,862</b>	<b>39,783</b>	
Financial Services	863	879	792	-1,686	867	848	3,289	
Reclassifications and eliminations	1	1	0	1	0	2	2	
<b>Volvo Group</b>	<b>11,541</b>	<b>11,869</b>	<b>13,745</b>	<b>8,556</b>	<b>10,219</b>	<b>45,712</b>	<b>43,074</b>	

<sup>1</sup> Financial numbers for 2021 have been restated. For more information, please see Appendix Nova Bus in the report on the fourth quarter 2021.

For reconciliations of other Key Ratios, see [www.volvogroup.com](http://www.volvogroup.com).

## PARENT COMPANY

Income from investments in group companies for the fourth quarter includes dividends amounting to SEK 78 M (33,277). Appropriations include group contributions net, of SEK 24,298 M (13,813).

Financial net debt amounted to SEK 22,213 M (42,877) at the end of the fourth quarter.

<b>Income statement</b>				
SEK M	Fourth quarter		Year	
	2022	2021	2022	2021
<b>Net sales<sup>1</sup></b>	<b>75</b>	<b>63</b>	<b>258</b>	<b>266</b>
Cost of sales <sup>1</sup>	-75	-282	-258	-485
<b>Gross income</b>	<b>0</b>	<b>-219</b>	<b>0</b>	<b>-219</b>
Operating expenses <sup>1</sup>	-661	-472	-1,601	-1,228
<b>Operating income (loss)</b>	<b>-661</b>	<b>-691</b>	<b>-1,601</b>	<b>-1,447</b>
Income from investments in group companies	78	33,278	5,177	44,931
Income from investments in joint ventures and associated companies	-	2	34	787
Income from investments, other shares and participations	-	-1	-	-1
Interest income and expenses	-422	-147	-698	-545
Other financial income and expenses	-97	-14	107	-17
<b>Income after financial items</b>	<b>-1,102</b>	<b>32,427</b>	<b>3,019</b>	<b>43,708</b>
Appropriations	26,798	13,813	26,798	15,813
Income taxes	-5,331	-2,731	-5,188	-3,190
<b>Income for the period</b>	<b>20,365</b>	<b>43,509</b>	<b>24,629</b>	<b>56,331</b>

<sup>1</sup> Of net sales in the fourth quarter, SEK 71 M (55) pertained to group companies, while purchases from group companies amounted to SEK 160 M (107).

<b>Other comprehensive income</b>				
<b>Income for the period</b>	<b>20,365</b>	<b>43,509</b>	<b>24,629</b>	<b>56,331</b>
<b>Other comprehensive income, net of income taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>20,365</b>	<b>43,509</b>	<b>24,629</b>	<b>56,331</b>

<b>Balance sheet</b>		
SEK M	Dec 31 2022	Dec 31 2021
<b>Assets</b>		
<b>Non-current assets</b>		
Tangible assets	7	7
Financial assets		
Shares and participations in group companies	70,987	67,683
Investments in joint ventures and associated companies	8,946	8,946
Other shares and participations	2	1
Other long-term receivables	593	487
Deferred tax assets	217	242
<b>Total non-current assets</b>	<b>80,752</b>	<b>77,366</b>
<b>Current assets</b>		
Current receivables from group companies	29,316	56,546
Other current receivables	251	1,235
<b>Total current assets</b>	<b>29,567</b>	<b>57,781</b>
<b>Total assets</b>	<b>110,319</b>	<b>135,147</b>
<b>Equity and liabilities</b>		
Equity		
Restricted equity	9,899	9,899
Unrestricted equity	59,504	61,311
<b>Total Equity</b>	<b>69,403</b>	<b>71,210</b>
Untaxed reserves	7,500	10,000
Provisions	259	275
Non-current liabilities <sup>1</sup>	405	5,745
Current liabilities <sup>2</sup>	32,752	47,917
<b>Total equity and liabilities</b>	<b>110,319</b>	<b>135,147</b>

<sup>1</sup> Of which SEK 400 M (5,739) pertains to group companies.

<sup>2</sup> Of which SEK 28,819 M (45,414) 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 fourth quarter 2022 that are expected to have a material effect on the Volvo Group.

#### Proposed ordinary dividend of SEK 7.00 per share and an extra dividend of SEK 7.00 per share

For the full year 2022, the Board proposes an ordinary dividend of SEK 7.00 per share (6.50). In addition, the Board proposes an extra dividend of SEK 7.00 per share (6.50).

Gothenburg, January 26, 2023  
AB Volvo (publ)

The Board of Directors

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

## NET ORDER INTAKE

Net order intake of trucks	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
Number of trucks						
<b>Net order intake excluding UD Trucks</b>						
Europe	28,082	34,814	-19	111,990	135,287	-17
Heavy- and medium-duty	22,427	27,990	-20	90,483	108,990	-17
Light-duty	5,655	6,824	-17	21,507	26,297	-18
North America	11,347	16,624	-32	45,736	68,296	-33
South America	5,500	8,711	-37	28,027	25,358	11
Asia	6,633	4,889	36	21,171	16,380	29
Africa and Oceania	2,546	3,295	-23	10,855	12,535	-13
<b>Total order intake excluding UD Trucks</b>	<b>54,108</b>	<b>68,333</b>	<b>-21</b>	<b>217,779</b>	<b>257,856</b>	<b>-16</b>
UD Trucks	-	-	N/A	-	5,017	N/A
<b>Total order intake</b>	<b>54,108</b>	<b>68,333</b>	<b>-21</b>	<b>217,779</b>	<b>262,873</b>	<b>-17</b>
Heavy-duty (>16 tons)	44,703	57,905	-23	180,448	211,853	-15
Medium-duty (7-16 tons)	3,671	3,524	4	15,510	19,426	-20
Light-duty (<7 tons)	5,734	6,904	-17	21,821	26,577	-18
<b>Total order intake excluding UD Trucks</b>	<b>54,108</b>	<b>68,333</b>	<b>-21</b>	<b>217,779</b>	<b>257,856</b>	<b>-16</b>
UD Trucks	-	-	N/A	-	5,017	N/A
<b>Total order intake</b>	<b>54,108</b>	<b>68,333</b>	<b>-21</b>	<b>217,779</b>	<b>262,873</b>	<b>-17</b>
<b>Net order intake of trucks by brand</b>						
<b>Volvo</b>						
Europe	16,878	19,288	-12	59,533	69,905	-15
North America	8,431	9,421	-11	25,988	31,694	-18
South America	5,304	8,306	-36	27,066	23,949	13
Asia	5,172	3,827	35	16,212	12,802	27
Africa and Oceania	1,425	1,724	-17	7,211	7,493	-4
<b>Total Volvo</b>	<b>37,210</b>	<b>42,566</b>	<b>-13</b>	<b>136,010</b>	<b>145,843</b>	<b>-7</b>
Heavy-duty (>16 tons)	36,226	41,499	-13	131,503	141,873	-7
Medium-duty (7-16 tons)	984	1,067	-8	4,507	3,970	14
<b>Total Volvo</b>	<b>37,210</b>	<b>42,566</b>	<b>-13</b>	<b>136,010</b>	<b>145,843</b>	<b>-7</b>
<b>Renault Trucks</b>						
Europe	11,204	15,526	-28	52,457	65,382	-20
Heavy- and medium-duty	5,549	8,702	-36	30,950	39,085	-21
Light-duty	5,655	6,824	-17	21,507	26,297	-18
North America	66	44	50	204	147	39
South America	78	84	-7	457	649	-30
Asia	1,461	1,062	38	4,959	3,578	39
Africa and Oceania	687	790	-13	1,744	1,931	-10
<b>Total Renault Trucks</b>	<b>13,496</b>	<b>17,506</b>	<b>-23</b>	<b>59,821</b>	<b>71,687</b>	<b>-17</b>
Heavy-duty (>16 tons)	6,308	8,828	-29	30,978	37,856	-18
Medium-duty (7-16 tons)	1,454	1,774	-18	7,022	7,254	-3
Light-duty (<7 tons)	5,734	6,904	-17	21,821	26,577	-18
<b>Total Renault Trucks</b>	<b>13,496</b>	<b>17,506</b>	<b>-23</b>	<b>59,821</b>	<b>71,687</b>	<b>-17</b>
<b>Mack</b>						
North America	2,850	7,159	-60	19,544	36,455	-46
South America	90	299	-70	400	674	-41
Africa and Oceania	134	328	-59	670	1,458	-54
<b>Total Mack</b>	<b>3,074</b>	<b>7,786</b>	<b>-61</b>	<b>20,614</b>	<b>38,587</b>	<b>-47</b>
Heavy-duty (>16 tons)	1,927	7,182	-73	16,941	30,790	-45
Medium-duty (7-16 tons)	1,147	604	90	3,673	7,797	-53
<b>Total Mack</b>	<b>3,074</b>	<b>7,786</b>	<b>-61</b>	<b>20,614</b>	<b>38,587</b>	<b>-47</b>

## DELIVERIES

Deliveries of trucks	Fourth quarter		Change %	Year		Change %
	2022	2021		2022	2021	
<b>Deliveries excluding UD Trucks</b>						
Europe	30,490	30,797	-1	113,245	98,600	15
Heavy- and medium-duty	25,118	26,292	-4	93,596	80,804	16
Light-duty	5,372	4,505	19	19,649	17,796	10
North America	14,242	14,577	-2	56,535	47,613	19
South America	8,722	8,269	5	31,958	28,609	12
Asia	6,119	4,243	44	19,066	14,814	29
Africa and Oceania	3,261	2,474	32	11,754	8,828	33
<b>Total deliveries excluding UD Trucks</b>	<b>62,834</b>	<b>60,360</b>	<b>4</b>	<b>232,558</b>	<b>198,464</b>	<b>17</b>
UD Trucks	-	-	N/A	-	3,994	N/A
<b>Total deliveries</b>	<b>62,834</b>	<b>60,360</b>	<b>4</b>	<b>232,558</b>	<b>202,458</b>	<b>15</b>
Heavy-duty (>16 tons)	53,120	51,874	2	197,249	167,290	18
Medium-duty (7-16 tons)	4,301	3,936	9	15,475	13,136	18
Light-duty (<7 tons)	5,413	4,550	19	19,834	18,038	10
<b>Total deliveries excluding UD Trucks</b>	<b>62,834</b>	<b>60,360</b>	<b>4</b>	<b>232,558</b>	<b>198,464</b>	<b>17</b>
UD Trucks	-	-	N/A	-	3,994	N/A
<b>Total deliveries</b>	<b>62,834</b>	<b>60,360</b>	<b>4</b>	<b>232,558</b>	<b>202,458</b>	<b>15</b>
<b>Deliveries of trucks by brand</b>						
<b>Volvo</b>						
Europe	16,151	17,737	-9	61,085	52,618	16
North America	7,846	8,621	-9	30,994	24,962	24
South America	8,387	7,927	6	30,718	27,594	11
Asia	4,710	3,323	42	14,841	11,801	26
Africa and Oceania	2,034	1,482	37	7,557	5,550	36
<b>Total Volvo</b>	<b>39,128</b>	<b>39,090</b>	<b>0</b>	<b>145,195</b>	<b>122,525</b>	<b>19</b>
Heavy-duty (>16 tons)	38,084	38,169	-0	141,576	119,544	18
Medium-duty (7-16 tons)	1,044	921	13	3,619	2,981	21
<b>Total Volvo</b>	<b>39,128</b>	<b>39,090</b>	<b>0</b>	<b>145,195</b>	<b>122,525</b>	<b>19</b>
<b>Renault Trucks</b>						
Europe	14,339	13,060	10	52,160	45,982	13
Heavy- and medium-duty	8,967	8,555	5	32,511	28,186	15
Light-duty	5,372	4,505	19	19,649	17,796	10
North America	45	15	200	107	125	-14
South America	191	195	-2	658	466	41
Asia	1,409	920	53	4,225	3,013	40
Africa and Oceania	627	498	26	1,817	1,874	-3
<b>Total Renault Trucks</b>	<b>16,611</b>	<b>14,688</b>	<b>13</b>	<b>58,967</b>	<b>51,460</b>	<b>15</b>
Heavy-duty (>16 tons)	9,366	8,475	11	32,781	27,475	19
Medium-duty (7-16 tons)	1,832	1,663	10	6,352	5,947	7
Light-duty (<7 tons)	5,413	4,550	19	19,834	18,038	10
<b>Total Renault Trucks</b>	<b>16,611</b>	<b>14,688</b>	<b>13</b>	<b>58,967</b>	<b>51,460</b>	<b>15</b>
<b>Mack</b>						
North America	6,351	5,941	7	25,434	22,526	13
South America	120	126	-5	480	459	5
Asia	-	-	-	-	-	-
Africa and Oceania	285	243	17	887	646	37
<b>Total Mack</b>	<b>6,756</b>	<b>6,310</b>	<b>7</b>	<b>26,801</b>	<b>23,631</b>	<b>13</b>
Heavy-duty (>16 tons)	5,413	5,049	7	21,694	19,686	10
Medium-duty (7-16 tons)	1,343	1,261	7	5,107	3,945	29
<b>Total Mack</b>	<b>6,756</b>	<b>6,310</b>	<b>7</b>	<b>26,801</b>	<b>23,631</b>	<b>13</b>

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 CET on January 26, 2023.

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

Annual and Sustainability Report 2022	February 28, 2023
Annual General Meeting 2023	April 4, 2023
Report on the first quarter 2023	April 20, 2023
Report on the second quarter 2023	July 19, 2023
Report on the third quarter 2023	October 18, 2023

### Contacts

#### Media relations:

Claes Eliasson	+46 765 53 72 29
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#### Investor Relations:

Christer Johansson	+46 739 02 25 22
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Johan Bartler	+46 739 02 21 93
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Anders Christensson	+46 765 53 59 66
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Aktiebolaget Volvo (publ)  
556012-5790  
Investor Relations, VGHQ  
SE-405 08 Göteborg, Sweden  
Tel +46 31 66 00 00  
[www.volvogroup.com](http://www.volvogroup.com)

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