



Remuneration Report 2024

Introduction

This remuneration report describes how AB Industrivärden's guidelines for compensation of senior executives (the "Compensation Guidelines"), which were adopted by the 2020 and 2024¹ Annual General Meeting (AGM) respectively, were complied with in 2024. The Compensation Guidelines are to be adopted at least every four years. This report includes information regarding compensation of the Chief Executive Officer ("CEO") and Deputy Chief Executive Officer ("Deputy CEO"), as well as a summary of the Company's outstanding long-term incentive programs.

The Compensation Guidelines adopted 2024 are described in Note 8 Employees and personnel costs on pages 63-64 of the Company's 2024 Annual Report ("Annual Report 2024"), and are also available on Industrivärden's website, www.industrivarden.net. The report has been prepared in accordance with Ch. 8, Sections 53a and 53b of the Swedish Companies Act (Aktiebolagslagen (2005:551)) and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes drawn up by the Swedish Corporate Governance Board (now managed by the Stock Market Self-Regulation Committee (ASK)).

In addition to the compensation addressed by the Compensation Guidelines, Industrivärden's AGM has resolved on long-term share savings programs for employees of Industrivärden and fees for the Company's board members. Compensation of Industrivärden's board members is not covered by this report. Such compensation is decided on yearly by the AGM and is described in Note 8 Employees and personnel costs on pages 63-64 of the Annual Report 2024.

Further information in accordance with Ch. 5, Sections 40-44 of the Swedish Annual Accounts Act (Årsredovisningslagen (1995:1554)) is provided in Note 8 Employees and personnel costs on pages 63-64 of the Annual Report 2024.

The Company's performance in 2024

A summary of the development and performance of the Company, the equities portfolio and net asset value during the year is provided in the Annual Report 2024 on pages 6, 16-17 and 36, and in the CEO's message on pages 8-9.

Application of the Company's Compensation Guidelines

A successful and sustainable execution of the Company's business mission, objectives and strategy for the purpose of furthering the Company's long-term interests depends on the Company being able to recruit and retain qualified employees. The compensation structure described in the guidelines contribute to this by ensuring that senior executives can be offered market-based and competitive total compensation that is commensurate with their responsibilities and authority.

In 2024, no deviations were made from the Compensation Guidelines or the decision-making process which, according to the Compensation Guidelines, shall be applied for determining compensation. The auditor's statement, which shows that the Company has complied with the Compensation Guidelines in 2024, is available on the Company's website: www.industrivarden.net.

¹ Compensation Guidelines adopted by the AGM on April 24, 2020, were valid until the AGM held on April 11, 2024. New Compensation Guidelines adopted by the AGM on April 11, 2024, continue to apply unchanged.

CEO's and Deputy CEO's total compensation

The table below shows the CEO's and Deputy CEO's total compensation in 2024.

Table 1 – Total compensation to the CEO and Deputy CEO (SEK mn) ²

Name and position	Financial year	Fixed compensation		Variable compensation		Extra-ordinary items	Pension expense ⁵	Total compensation	Proportion fixed/variable compensation of total compensation (%) ⁶
		Base salary	Other benefits ³	One-year variable (STI)	Multi-year variable (LTI) ⁴				
Helena Stjernholm, CEO	2024	13.0 ⁷	0.2	5.9	5.9	-	5.2	30.2	61/39
Karl Åberg, Deputy CEO	2024	5.1 ⁸	0.2	2.3	1.4	-	1.6	10.6	65/35

The CEO's and the Deputy CEO's performance, with respect to the variable compensation one-year variable, during the relevant financial year

In assessing the CEO's performance during the year, which serves as a basis for setting the short-term variable cash compensation (STI), the Board of Directors has weighed in the achievement of financial and non-financial criteria in order for the outcome to reflect a reasonable overall result based on Industrivärden's business mission, to be a holding company that invests in and works long-term to develop and create value in its portfolio companies, and that the operations are to be conducted in a sustainable way. Examples of target areas for the CEO's short-term variable compensation are total return, activities linked to owner agendas for the portfolio companies including work on boards and nominating committees, as well as factors related to Industrivärden's operational work, development and sustainability work. Short-term variable cash compensation may amount to a maximum of 50% of fixed annual cash salary according to the Compensation Guidelines. The weighted achievement corresponds to variable compensation in the amount of 45% of the fixed annual cash salary for 2024.

In assessing the Deputy CEO's performance during the year, which serves as a basis for setting the short-term variable cash compensation (STI), the CEO has considered the achievement of individually set goals and criteria, which may be financial or non-financial, in order for the outcome to reflect a reasonable overall result based on Industrivärden's business mission and operations. Examples of target areas for the Deputy CEO's short-term variable compensation are activities linked to owner agendas for the portfolio companies, including work on boards and nominating committees, as well as managing and developing the investment organization and the finance function. Short-term variable cash compensation may amount to a maximum of 50% of fixed annual cash salary according to the Compensation Guidelines. The weighted achievement for the Deputy CEO, corresponds to variable compensation in the amount of 45% of the fixed annual cash salary for 2024.

² Except for the *Multi-year variable (LTI)*, the table shows compensation earned during the specified financial year. The *Multi-year variable (LTI)* is specified as the value of the shares vested during the year. Payment of the *One-year variable (STI)* is made in the year after it was earned. All amounts are rounded off.

³ Other benefits pertain to a car benefit, etc.

⁴ The value of shares vested during the year in the share savings program, see column 7 in Table 2.

⁵ Pertains to defined contribution pension.

⁶ Pension, which in its entirety relates to fixed cash salary, has been counted as fixed compensation.

⁷ Base salary refers to fixed cash salary. Base salary is paid according to contract, from which deductions are made for received director's fees from portfolio companies, etc. The CEO received a base salary of SEK 13.0 mn before deductions for directors' fees of SEK 5.7 mn.

⁸ Base salary refers to fixed cash salary. Base salary is paid according to contract, from which deductions are made for received director's fees from portfolio companies. The Deputy CEO received a base salary of SEK 5.1 mn before deductions for directors' fees of SEK 2.6 mn.

Outstanding and completed long-term incentive programs during the year

Since 2012, the AGMs have resolved on long-term share savings programs (LTI) for the Company's employees. The share savings programs are part of a market-based total compensation and aim to encourage Industrivärden's employees to increase their ownership of shares in the Company and thereby further emphasize long-term shareholder value. Each program runs for three years and requires the employee to invest a part of its yearly fixed base salary in Industrivärden Class C shares and to keep them throughout the term of the program. The outcome is based on performance criteria that relate to the share price performance of Industrivärden Class C shares.

The 2024 AGM resolved on a long-term share savings program which corresponds to the program that was adopted by the 2023 AGM. Industrivärden's outstanding, and during the year expired long-term share savings programs, are available on the Company's website: www.industrivarden.net and in Note 8 Employees and personnel costs on pages 63-64 in the Annual Report 2024.

The 2021 program expired in 2024. The outcome of the program, based on category, was the following: the CEO was granted 4 performance shares per savings share, Management were granted 3 performance shares per savings share, Key persons were granted 2 performance shares per savings share and Employees were granted 1 performance share per savings share.

In the three outstanding programs (2022-2024) a maximum of 52,564 performance shares may be granted to the CEO, a maximum of 14,547 performance shares may be granted to the Deputy CEO, and a maximum of 26,726 performance shares may be granted to other employees. Table 2 below shows the CEO's and Deputy CEO's participation in the programs.

Table 2 – Compensation to the CEO and Deputy CEO in shares

Name and position	The main conditions of the share savings programs				Information regarding the reported financial year ⁹			
					Opening balance	During the year		Closing balance
	1 Long-term share savings programs	2 Start of lock-in and performance periods	3 End of lock-in and performance periods	4 Vesting date	5 Share rights held at the start of the year ¹⁰	6 Share rights awarded ¹⁰	7 Shares vested	8 Share rights subject to performance conditions (performance shares)
Helena Stjernholm, CEO	2021	10/30/2021	10/17/2024	10/30/2024	16,040	0	16,040 ¹¹	0
	2022	11/01/2022	*	**	20,492	0	0	20,492
	2023	11/01/2023	*	**	17,832	0	0	17,832
	2024	11/01/2024	*	**	0	14,240 ¹²	0	14,240
					TOTAL 54,364	TOTAL 14,240	TOTAL 16,040	TOTAL 52,564
Karl Åberg, Deputy CEO ¹³	2021	10/30/2021	10/17/2024	10/30/2024	3,840	0	3,840 ¹⁴	0
	2022	11/01/2022	*	**	5,190	0	0	5,190
	2023	11/01/2023	*	**	5,070	0	0	5,070
	2024	11/01/2024	*	**	0	4,287 ¹⁵	0	4,287
					TOTAL 14,100	TOTAL 4,287	TOTAL 3,840	TOTAL 14,547

* The date of publication of Industrivärden's third quarter interim report for the third year after the start of the share savings program.

** Expected to take place shortly after the end of the lock-in period.

⁹ Savings shares that the CEO and Deputy CEO has invested in the share savings programs to participate are not included in the table.

¹⁰ Corresponds to maximum outcome of performance shares.

¹¹ The long-term share savings program (LTI) that expired in 2024 resulted in vesting of 16,040 Industrivärden Class C shares to the CEO, corresponding to a value of SEK 5.9 mn.

¹² Corresponds to a value of SEK 5.2 mn, calculated as the market price at the start of the lock-in period times the number of shares.

¹³ Karl Åberg assumed the position of Deputy CEO on January 1, 2023.

¹⁴ The long-term share savings program (LTI) that expired in 2024 resulted in vesting of 3,840 Industrivärden Class C shares to the Deputy CEO, corresponding to a value of SEK 1.4 mn.

¹⁵ Corresponds to a value of SEK 1.6 mn, calculated as the market price at the start of the lock-in period times the number of shares.

Comparative information regarding compensation and the Company's performance

The table below shows compensation to the CEO and Deputy CEO, net asset value and average compensation for other employees. Karl Åberg assumed the position of Deputy CEO on January 1, 2023. For the financial years preceding 2023, Karl Åberg is included under compensation of other employees. Net asset value is used by Industrivärden and other stakeholders to monitor and describe the Group's operations and development.

Table 3 – Change in compensation and the Company's development

	2020	2021	2022	2023	2024
Compensation to Helena Stjernholm, CEO	SEK 20.8 mn	SEK 20.7 mn (-0.5%)	SEK 22.4 mn (+8.2%)	SEK 27.5 mn (+22.8%)	SEK 30.2 mn (+9.7%)
Compensation to Karl Åberg, Deputy CEO				SEK 9.8 mn	SEK 10.6 mn (+8.1%)
Net asset value ¹⁶	SEK 121.2 bn	SEK 143.5 bn (+18%)	SEK 126.5 bn (-12%)	SEK 150.3 bn (+19%)	SEK 159.6 bn (+6%)
Average compensation for other employees	SEK 2.5 mn	SEK 2.5 mn (+0.0%)	SEK 2.5 mn (+0.0%)	SEK 2.2 mn (-12.5%)	SEK 2.2 mn (+1.4%)

Description of how the views of shareholders' have been taken into consideration

The 2024 AGM approved the Board's submitted remuneration report for 2023. A few comments have been received on the remuneration report for 2023 consisting of requests for further details relating to the evaluation and the outcome of short-term variable cash compensation. The comments have been addressed by the Compensation Committee, whereby it was established that – taking into consideration the type of business that Industrivärden conducts – it is appropriate that evaluation of CEO and Deputy CEO is based on, and short-term cash compensation is determined from, such an overall assessment which is described in the remuneration report.

Stockholm, February 2025

AB Industrivärden
The Board of Directors

¹⁶ Net asset value is calculated as the market value of the equities portfolio less net debt. The Group's net income was SEK 12,654 mn for the 2024 financial year, SEK 26,844 mn for the 2023 financial year, SEK -13,967 mn for the 2022 financial year, SEK 26,594 mn for the 2021 financial year, and SEK 8,440 mn for the 2020 financial year.