



**“We are confident that a long-term commitment with active ownership creates value over time”**

2025 was a year of striking contrasts. There was some initial economic optimism, particularly in Europe, which quickly turned to considerable concern when the US administration announced a radical shift in US trade policy. With tariffs on US imports being raised to levels not seen since the 1930s, the risk to the global economy was significantly increased. Uncertainty reached its peak in early April, when President Trump announced the planned tariff levels on “Liberation Day”. A gradual stabilization has taken place since then, as the global trade environment has become progressively clearer.

Despite trade policy challenges and continued geopolitical tensions, the global economy demonstrated remarkable resilience during the year. Global growth was stable, albeit at a moderate level. Development was driven mainly by strong demand in Asia, notwithstanding more subdued growth in China. A gradual recovery was seen in the eurozone. The US, which has shown strong economic growth in recent years, reported a slight downturn.

Early in the year Sweden remained impacted by a prolonged economic downturn, with weak economic activity. Inflation has since stabilized, which, together with consecutive interest rate cuts, has laid the groundwork for recovery. A gradual improvement in activity was also noted during the year. Household consumption—a key driver of the economy—has increased for several consecutive quarters. Investments also positively contributed to the development. The labor market has remained weak, however, with a slight improvement noted towards the end of the year.

While the steady strengthening of the Swedish krona during the year had a significant negative impact on the Swedish export industry, this is an indication of increased confidence

in the Swedish economy. The active, well-functioning Swedish capital market and the broad-based share ownership in Sweden are also significant factors.

There was a sharp downturn in global stock markets in the wake of “Liberation Day”, with continued geopolitical conflicts added to uncertainties surrounding international trade. Stock market performance subsequently recovered gradually during the year. The economy proved resilient, with monetary policy and fiscal stimulus measures serving as positive drivers of stock market performance. Technological developments, particularly in AI, and consequent investments have been a key driver. Developments in the technology area have, however, resulted in a concentration of value build-up with a small number of companies accounting for an increasingly greater proportion of total global market capitalization. Recently, a growing number of appraisers have questioned whether this development is sustainable over the long term.

Overall, stock market performance was good for full-year 2025. Total return for the Swedish stock market was 13% despite the strengthening of the krona. Returns were even higher elsewhere in the world.

The positive stock market momentum continued in early 2026. There has, however, been a degree of uncertainty regarding both economic and stock market trends since President Trump announced his plans for Greenland in mid-January. Although it is still too early as of the date of writing to draw any firm conclusions regarding this, I believe that the positive underlying trend for the European and US economies will continue in 2026.

As owners, 2025 was a good year for Industrivärden. Net asset value increased 20% and total return on the share was 22%.

Dividends received from the portfolio companies in 2025 exceeded dividends paid to our shareholders by SEK 6 billion. This allowed us to continue investing in a number of portfolio companies without increased gearing. We have maintained focus on our companies' development rather than worrying too much about short-term economic and geopolitical macro developments. The stock market volatility has, if anything, allowed us to take advantage of favorable investment opportunities.

The portfolio companies' performance was generally positive, and we continue to see their value potential. We are confident that a long-term commitment, with active ownership, creates value over time. The significance of having a strong principal owner has, if anything, increased further. Studies also confirm that companies with long-term owners tend to overachieve.

With Industrivärden, the portfolio companies have an owner who takes active part in their corporate governance and strategic development. One important responsibility is to nominate candidates for board positions through the nominating committees.

Major changes have also taken place on the companies' boards over the past 10 years. Today, I consider that we have, without exception, extremely competent directors who play key roles in the companies' operation and development.

The boards' most important task is appointment of the CEO. Industrivärden's Board of Directors is pleased to conclude that the CEOs of our portfolio companies are consistently performing well in their roles, for which we would like to express our gratitude.

Our portfolio companies are financially strong and hold market-leading positions. The Board considers the conditions for continued value creation to be good.

Industrivärden's financial position remains strong, with a debt-equities ratio of 3%. In light of this, and the portfolio companies' positive development, the Board of Directors therefore proposes to the Annual General Meeting that the dividend to shareholders be increased from SEK 8.25 to 8.75 per share.

The work of the Industrivärden board proceeded well in 2025. We held 10 board meetings and several meetings of the compensation and audit committees. Two CEOs visited our board meetings and spoke about their respective companies. We also had a board meeting focused on China and our portfolio companies' development there. It is evident that Chinese companies have advanced their positions in many areas and become increasingly competitive, something we will be closely monitoring going forward.

CEO Helena Stjernholm and her colleagues regularly shared their views on macroeconomic conditions and our portfolio companies.

Helena has performed her important duties in the best possible manner. Her positions as Chairman of SCA and Director of Volvo and Sandvik are significant, and her work has been highly appreciated. Helena also very successfully served as chairman of three portfolio company nominating committees.

I would like to convey my and the Board's warmest thanks to Helena and all Industrivärden employees. Lastly, I would like to express my thanks to my colleagues on the Board for their excellent and rewarding collaboration during the past year.

Stockholm, February 2026  
Fredrik Lundberg