

INDUSTRI  VÄRDEN

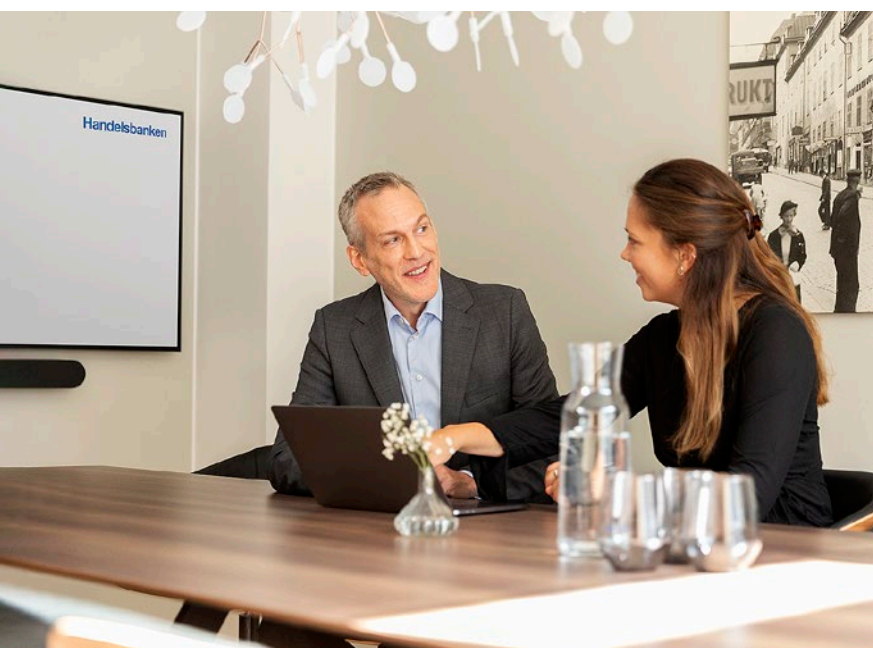
ANNUAL REPORT

2024



Long-term active owner of leading companies





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This is Industrivärden's Business Review and Annual Report for 2024. The Business Review is presented on pages 4–43, and the Annual Report submitted by the Board of Directors and the CEO is presented on pages 45–71. The Sustainability Report is presented on pages 80–92.

The Swedish version of the Annual Report, signed by the Board of Directors and the CEO, is the original version. The Annual Report in the European Single Electronic Format (ESEF) is published on www.industrivarden.net.

This publication is a translation of the Swedish original. In the event of any discrepancy between the two, the Swedish original shall take precedence.



INDUSTRI VÄRDEN

Experience as an engaged owner

IndustriVärden was founded by Handelsbanken in 1944 to manage the shareholdings taken over by the bank during the economic crises of the 1920s and '30s. Since then, the portfolio has continuously evolved to capitalize on opportunities in companies with favorable development potential, based on the prevailing conditions in the business environment. As an active owner, IndustriVärden engages in its portfolio companies' board compositions and board work, and through direct dialogue with portfolio companies. In recent years, IndustriVärden has further focused its operations and strengthened its ownership model.

Active ownership a distinct success factor

In IndustriVärden, the portfolio companies have an engaged owner that actively participates in their corporate governance and strategic development, and that provides financial support when needed. This is especially important at times of major change, when companies need to take advantage of opportunities and reduce risks coupled to shifts such as digitalization, electrification and sustainability. By making clear demands, having a long-term approach and contributing to the portfolio companies' development, added value is created in the companies for the benefit of IndustriVärden's shareholders.

Value-creating active ownership

Industrivärden is a listed holding company that invests in and works long-term to develop and create value in its portfolio companies. Active ownership is exercised through sizable ownership stakes in a selection of listed companies with strong market positions, good cash flows, financial strength and clear development capacity.

Industrivärden's stock offers exposure to a portfolio of companies with proven business models, a large breadth of underlying business areas and good value potential.

With a well-developed business model and sustainable approach, the goal is to generate a long-term attractive return at balanced risk.

On December 31, 2024, Industrivärden's portfolio consisted of sizable ownership stakes in the eight portfolio companies Volvo, Sandvik, Handelsbanken, Essity, SCA, Ericsson, Skanska and Alleima.

Industrivärden's Class A and C shares are listed on the Stockholm Stock Exchange (Nasdaq Stockholm), Large Cap segment. At year-end 2024 the market capitalization was SEK 151 bn.

Portfolio on December 31, 2024

| | Market value, SEK bn | Share of value, % | Ownership stake, % | |
|------------------------|----------------------|-------------------|--------------------|-------|
| | | | Capital | Votes |
| Volvo | 51 | 31 | 9.4 | 28.0 |
| Sandvik | 36 | 22 | 14.6 | 14.6 |
| Handelsbanken | 26 | 16 | 11.5 | 11.7 |
| Essity | 22 | 13 | 10.5 | 29.7 |
| SCA | 11 | 7 | 11.2 | 29.7 |
| Ericsson | 8 | 5 | 2.6 | 15.1 |
| Skanska | 7 | 4 | 7.7 | 24.5 |
| Alleima | 4 | 2 | 20.4 | 20.4 |
| Other | 0 | 0 | | |
| Total | 167 | 100 | | |
| Net debt | -7 | | | |
| Net asset value | 160 | | | |

Average annual growth in value

NET ASSET VALUE

4%

3 YRS

7%

5 YRS

9%

10 YRS

TOTAL RETURN
(CLASS C SHARES)

10%

3 YRS

11%

5 YRS

13%

10 YRS

Performance 2024

Industrivärden and its portfolio companies developed well despite a continued challenging global environment. Active ownership involvement in successful companies with significant flexibility laid the foundation for good value development.

370 SEK/share

NET ASSET VALUE

9%

TOTAL RETURN (CLASS C SHARES)

8.25 SEK/share

PROPOSED DIVIDEND

- **Net asset value** at year-end was SEK 159.6 bn, or SEK 370 per share, an increase of 6% during the year
- **Net debt** was SEK 6.9 bn at year-end and the debt-equities ratio was 4%
- **The portfolio's value**, adjusted for purchases and sales, increased by SEK 4.4 bn to SEK 166.5 bn. Total return was 8%
- During the year, **shares were purchased** for a total of SEK 4.6 bn, of which SEK 1.5 bn in Volvo, SEK 1.5 bn in Sandvik, SEK 0.8 bn in SCA, SEK 0.7 bn in Essity and SEK 0.1 bn in Alleima
- **Total return** was 9% for the Class A shares, as well as for the Class C shares
- The Board of Directors proposes an **increase in the dividend** to SEK 8.25 per share (7.75)

Key data on December 31

| | 2024 | 2023 |
|---|-------------------|---------|
| Net asset value | | |
| Value, SEK mn | 159,590 | 150,252 |
| Value per share, SEK | 370 | 348 |
| Growth, % | 6 | 19 |
| Net debt | | |
| Value, SEK mn | -6,914 | -7,295 |
| Debt-equities ratio, % | 4 | 5 |
| Equities portfolio | | |
| Market value, SEK mn | 166,504 | 157,547 |
| Total return, % | 8 | 21 |
| Total return, Industrivärden's stock | | |
| Class A shares, % | 9 | 33 |
| Class C shares, % | 9 | 33 |
| Total return index (SIXRX), % | 9 | 19 |
| Total return index (OMXS30GI), % | 7 | 21 |
| Equity ratio, % | 95 | 95 |
| Dividend | | |
| Dividend per share, SEK | 8.25 ¹ | 7.75 |

1) Proposed by the Board of Directors.

Stable development despite a challenging year

On a global level, economic activity in 2024 was relatively stable despite numerous challenges presented during the year. These included geopolitical tensions, war, political uncertainty in many countries, and the lingering effects of past inflation increases and uncertainty surrounding central banks' actions. There were, however, significant regional differences in economic activity.

Development was subdued in Europe, particularly in larger economies such as Germany, France and Italy where low growth and structural challenges continued to dominate. In Sweden, the economy stabilized during the year. After negative GDP growth in 2023, we can now discern a slightly positive growth in 2024.

Private consumption began to recover during the second half of the year after last year's downturn, although unemployment continued to rise. Meanwhile, the American economy demonstrated remarkable resilience, with stable growth during the year despite substantial interest rate hikes in 2022 and 2023. Long-term interest rates continued to rise during fall 2024 and early 2025, signaling a strong underlying economy.

Several emerging economies in Asia, particularly India, have continued their strong development. Inflation, which began to decline in 2023, continued its downward trend in 2024. This enabled several major central banks, including the Federal Reserve, the European Central Bank (ECB) and Sweden's Riksbank, to start cutting their key interest rates. The Riksbank's key interest rate, which was 4% at the start of 2024, has gradually been cut to 2.5% in the beginning of February 2025. This change has been extremely important in terms of stabilizing the credit market and supporting some recovery in private consumption.

Stock markets saw stable to slightly positive performance in most places during the year. Total return on the Swedish stock exchange was 9%. The US stock market was particularly strong, with the technology sector a significant force driving the upward trend.

As owners, 2024 was a good year for Industrivärden. Our portfolio companies all showed stable development, enabling the continued payment of good dividends to shareholders.

Last year, dividends received by Industrivärden exceeded dividends paid to our shareholders by SEK 5.2 billion. In line with our long-term orientation, we continued to increase ownership shares in a number of portfolio companies without increasing net debt. We continue to see significant value potential in these companies.

To ensure a company's long-term perspective and stability, it is extremely important that it has a principal shareholder who takes a great responsibility over the long term. In Industrivärden, the

portfolio companies have an owner that actively participates in their corporate governance and strategic development. We can also strengthen the companies' capital base, when needed, through rights issues. Our nomination of board members is based on their expertise, experience and suitability. This is an extremely important responsibility that requires a broad network of contacts. With its long-term perspective, Industrivärden can support and stand behind initiatives that entail investment today, but that generate substantial value in the longer term. Investing in shares of healthy, stable companies produces good returns over time.

The best returns are achieved by buying and then holding onto shares. Short-term speculation normally produces poor returns. Shares are also a hedge against inflation, as has been demonstrated in recent years.

Industrivärden's eight portfolio companies are all high-quality companies and the limited number of holdings makes us able to follow all of them closely, which is essential. Dividends from the portfolio companies, which are very substantial, finance Industrivärden's dividend and additional acquisitions of portfolio company shares. Through the incremental acquisition of shares, we increase our ownership stakes over time. This creates new value that continuously increases net asset value. Our goal is to provide shareholders with a competitive absolute return over time. Some of the key issues we focus on are leadership, decentralization and financial strength.

Our portfolio companies are financially strong and hold market-leading positions. All of them also have CEOs and senior management of the highest caliber. I consider the conditions for continued value creation to be good. Industrivärden's financial position remains strong, with a debt-equities ratio of 4%. In light of this, and the portfolio companies' strong development, the Board of Directors therefore proposes to the Annual General Meeting that the dividend to shareholders be increased from SEK 7.75 to SEK 8.25 per share.

The work of the Industrivärden board proceeded well in 2024. We held 11 board meetings and several meetings of the compensation and audit committees. A number of CEOs visited our board meetings and spoke about their respective companies. The Board also visited Sandvik in Gimo, Sweden.

CEO Helena Stjernholm, together with her colleagues, regularly shared their views on macroeconomic conditions and our portfolio companies, and presented thoroughly researched analyses. The Board also discussed the difficult geopolitical situation as well as technological developments and sustainability issues.

Helena has, as always, performed her important tasks in a superb manner. Her work as Chairman of SCA has been highly appreciated, as has her directorship work at Sandvik and Volvo. Helena also very successfully served as chairman of three nominating committees.

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

Stockholm, February 2025
Fredrik Lundberg





Good value growth in Industrivärden and significant investments in portfolio companies

Developments in 2024 were characterized by the continued complexities of the global situation. In macroeconomic terms it was something of an in between year, although with significant differences across sectors and geographies. Geopolitical tensions, general elections in several major economies and changes to the world order in some areas remained key factors in 2024. The risk of increased trade barriers created uncertainty with respect to global supply chains and investment decisions. Meanwhile, the war in Ukraine continued and, in conjunction with conflicts in the Middle East, this impacted energy markets and economic development, among other things. Despite these challenges, the global economy was remarkable resilient and grew 3.2% according to IMF. Inflationary pressure eased gradually during the year, giving central banks scope to begin easing their restrictive monetary policies. Although expectations regarding the pace of interest rate cuts were restrained towards the end of the year, falling interest rates supported equity and bond markets during the year in overall terms. The Stockholm Stock Exchange was relatively volatile in 2024 but rose 6% for the full year and delivered a total return of 9%.

Industrivärden's portfolio companies delivered strong operational development overall during 2024. Several of the companies also had good share price performance, resulting in good value growth for Industrivärden. Net asset value increased 6% during 2024 to SEK 159.6 million at year end. Total return for Industrivärden's Class A and C shares was 9%, as compared with 9% for the Stockholm Stock Exchange's total return index.

During 2024 Industrivärden received dividends totalling SEK 8.6 billion from its portfolio companies. After a steadily increasing distributed dividend of SEK 3.3 billion to Industrivärden's shareholders, our dividend surplus was therefore SEK 5.2 billion. We invested SEK 4.6 billion of this surplus in our portfolio companies during 2024. Over the past five years we have reinvested a total of SEK 19 billion in the portfolio companies, which is a key component of our value creation model.

Industrivärden works in accordance with a well-proven

business model. Through focused, engaged and long-term ownership in a limited number of portfolio companies, we enable attractive value growth at balanced risk. Our work is based on significant influence, industrial expertise and financial strength. Based on our portfolio companies' strategy and corporate governance, we take responsibility, set demands and evaluate their development. Industrivärden is thus a prominent holding company focusing on listed companies with good value potential.

For us, a key ownership issue is that the portfolio companies have well-adapted boards with skilled, committed directors capable of managing the companies' strategic challenges over time. In light of this, we attach great importance to our participation in the portfolio companies' nominating committees and our work in proposing suitable directors and board chairmen for election by the general meeting. In Volvo, Essity and SCA, new board chairmen were elected by the AGM's in 2024 and a number of new directors were elected in the portfolio companies.

Our portfolio companies are generally characterized by strong market positions, proven business models and good cash flow generation capacity. They have successfully run their businesses over an extended period of time, but they are operating in a challenging environment of major technological transformation, changing customer needs and a volatile competitive landscape in which conditions for conducting business change continuously. To manage this reality, it is essential that companies have competent management teams and strong balance sheets, as well as the ability to adapt. The foundation for value creation over time is grounded in the portfolio companies' ability to conduct their existing operations effectively, while also adapting to a changing business environment. I would therefore like to say a few words about the respective portfolio companies, focusing on 2024.

Demand normalized in several of Volvo's markets in 2024 and, despite a generally challenging environment, the company showed stable profitability while also continuing to invest for

the future. Major product launches were conducted during the year and the company sees good growth opportunities ahead, including strengthening market shares in North America and capitalizing on untapped potential in the service business. The company also sees good potential in the green transformation, with the value of the customer offer expected to increase as demand grows. A joint venture with Daimler Truck to develop a software-defined vehicle platform was launched during the year. Overall, Volvo posted stable financial development with strong cash flow, resulting in a continued solid financial position. Pär Boman was elected chairman of Volvo's board of directors by the 2024 annual general meeting.

Sandvik continued to execute on its strategy during the year. The growth profile was strengthened through the expansion in the local premium cutting tools segment in China and the extended offer in automation in the mining industry. It can also be noted that the aftermarket business within the mining segment developed well and the company's digital business demonstrated good growth. Alongside its efforts to grow in attractive segments, Sandvik continued its work to strengthen its operational efficiency and resilience. Several innovations were introduced during the year, further strengthening the company's leading market positions. 2024 was a challenging year overall, with weaker demand in several of Sandvik's customer segments. Despite this, the company reported stable revenue development, a resilient margin and a strong cash flow.

Handelsbanken increased its customer and advisory activities during 2024, based on the bank's clear focus on customer value. Handelsbanken continued to strengthen the local availability of office specialists in areas such as Private Banking and occupational pensions. Measures were also implemented to improve efficiency, which lowered cost levels and strengthened competitiveness. Handelsbanken's long-term approach, strong capital position, low risk tolerance and customer-oriented business model has created a competitive business, which generates profitable business growth over time. Operating profit for full-year 2024 was relatively stable and was driven by an increase in net fee and commission income, attributable primarily to the continued strong development for savings products and significant net credit loss recoveries. Michael Green assumed the position as CEO of Handelsbanken in January 2024.

Essity presented new financial targets in mid-2024, focused on good organic growth and strengthened profitability. Several innovations were also introduced, which improves the product mix. During the year Essity divested its ownership in Vinda, an Asian tissue and hygiene product company, for approximately SEK 19 billion. The transaction will increase profitability and halve the company's pulp consumption, which will strengthen resilience and reduce volatility. Essity reported good overall financial performance for 2024, with record earnings. The company's margin increased and its financial position was strengthened. Jan Gurander was elected chairman of Essity's board of directors by the 2025 general meeting. In January 2025 CEO Magnus Groth announced that he will be leaving Essity during the year.

SCA's competitive advantage lies in having a well-invested, competitive industrial operation coupled with a high rate of

self-sufficiency. This was instrumental in the company's ability to deliver good earnings in a challenging market. During the year SCA continued to gradually ramp up production at the Containerboard and Pulp plants where capacity investments have been made, which enabled higher delivery volumes. In combination with higher sales prices and positive currency effects, this had a positive impact on earnings. SCA also continued to increase harvesting of its own forests, which moderated the effect of rising raw material costs. Sales and earnings increased overall during 2024. I was elected chairman of SCA's board of directors by the 2024 annual meeting.

The challenging market situation continued for *Ericsson* in 2024, although demand stabilized during the second half of the year as the North American market returned to growth. The company's main focus has been on implementing its strategic plan. Several agreements and partnerships were concluded during the year, including for the expansion of 4G and 5G. A joint venture with 12 of the world's largest telecom operators was also announced, which will unify network APIs, accelerate commercialization and create new opportunities to generate revenue from mobile networks. The company also launched a new product portfolio of private 5G networks for companies. Overall operating profit increased with a strong cash flow, while sales decreased somewhat.

Based on an attractive customer offer, well-established positions in various segments and geographies and a robust financial position, *Skanska* showed a good development in 2024. Order intake in the Construction business was high, with stable earnings in all main markets. Performance was particularly strong in the American operations. Although markets remained cautious in Residential Development and Commercial Property Development, activity improved somewhat as compared with 2023. Skanska continued to build its own Investment Properties portfolio during the year. In conclusion Skanska's income increased, earnings rose sharply and the order intake for 2024 resulted in a record high order book.

During 2024 *Alleima* announced several investments in attractive segments, aimed at driving profitable growth and strengthening the company's resilience. The company decided, for example, to reopen a steam generator tube mill, increasing production capacity for a critical component for the nuclear industry by approximately 60%. The company also announced that the highly profitable, fast growing medical technology business is establishing a new production unit in Asia. Despite a tougher market, Alleima reported a resilient margin and a continued strong financial position.

The past year illustrates the portfolio companies' proven capacity to deliver fine results - even in a more challenging environment - while also continuously adapting and developing their businesses for the future. Combined with Industrivärden's active ownership, this lays a solid foundation for generating attractive returns for Industrivärden. In closing, I would like to thank my colleagues and our portfolio companies for their fine efforts throughout 2024.

Stockholm, February 2025
Helena Stjernholm

Strategy for long-term value creation



Business mission

To be a holding company that invests in and works long-term to develop and create value in its portfolio companies.



Strategy

To conduct active ownership through sizable ownership stakes in a selection of listed companies with strong market positions, good cash flows, financial strength and clear development ability.

The business model and active ownership are described on pages 11–14.



Objective

To generate a long-term attractive return at balanced risk. The character and breadth of the portfolio companies combined with Industrivärden's ownership involvement reduce risk.

Value creation over time is described on pages 36–41.



Approach

Operations are to be conducted sustainably in all aspects. By being a long-term active owner, Industrivärden contributes to the sustainable development of its portfolio companies.

Sustainability work is described on pages 15 and 80–92.

Well-developed business model with clear focus



The business model describes the fundamental components and processes of Industrivärden's strategy.

Leading portfolio companies

Industrivärden's business mission presupposes a long-term perspective and entails a natural concentration of large ownership stakes in a selection of portfolio companies with clear value potential.

Sizable ownership positions have been built up in the listed companies Volvo, Sandvik, Handelsbanken, Essity, SCA, Ericsson, Skanska and Alleima. Each of the portfolio companies comprises a number of interesting businesses with development potential. Industrivärden thereby provides exposure to a large breadth of underlying business areas.

The portfolio companies are characterized by proven business models and strong market positions in their respective businesses, which creates conditions for favorable earnings and strong cash flows. They are also defined by a good capacity for innovation and development. On the whole, these characteristics give the companies conditions to be able to further develop their businesses and pay dividends to their shareholders.

The portfolio companies' shared characteristics increase their long-term value potential and reduce risk.

Sizable ownership stakes

Industrivärden has many years of experience in exercising ownership within the framework of the Swedish corporate governance model and has a strong, locally based network. Investments are therefore made in listed Swedish companies.

To ensure significant influence in the portfolio companies, with representation on their nominating committees and boards, the share of votes should amount to at least 10 percent. To give Industrivärden's shareholders a reasonable financial return from this ownership, an equity stake of at least 10 percent is normally striven for.

Good investment capacity and continuous investments

Industrivärden's dividend policy aims to ensure that Industrivärden generates a positive cash flow, which builds investment capacity over time and ensures a strong financial position with a good degree of flexibility. Considerable emphasis is therefore put on good profitability and strong cash flows in the portfolio companies, which enables favorable dividends for Industrivärden.

To enhance the financial exchange from its active ownership, Industrivärden continuously makes investments in the portfolio companies. Investments are made when it has been judged that there is potential for long-term value creation. Investments over time are reported on page 17.

Value creation through active ownership

Industrivärden is an engaged and responsible owner that provides support, makes clear demands and has a clear owner agenda. The ownership role is based on having significant influence, industrial knowledge, a long-term perspective and financial strength. In Industrivärden, the portfolio companies have an owner that actively participates in their corporate governance and strategic development. With its long-term perspective, Industrivärden can support and get behind initiatives in the portfolio companies that entail investment today, but that generate substantial value in the long term.

The formulation and execution of the portfolio companies’ strategies are of major importance for their long-term success. In this respect, Industrivärden puts particular emphasis on a number of fundamental principles: proper board composition and distinct leadership in the portfolio companies, strategic focus, decentralization, operational flexibility and efficiency, financial strength and a sustainable approach. These qualities strengthen the companies’ ability to conduct and develop their operations effectively. At the same time, they increase the companies’ flexibility to quickly

respond to market fluctuations, changed customer demands and the broader geopolitical situation. This is especially important at times of major change, when companies need to take advantage of opportunities and reduce risks coupled to digitalization, electrification and sustainability, for example. Industrivärden’s fundamental view is that the respective portfolio companies will continuously develop their businesses based on their respective circumstances.

Analysis and owner agenda

Industrivärden continuously evaluates the portfolio companies’ respective businesses and operating environments. This work is performed by company teams that are led by a team manager, and employees are normally active on two to three teams. Key areas of evaluation include strategy, market position, business composition, financial development and capital structure, among others. Analysis is conducted with a broad perspective and encompasses everything from customers, competitors and markets to salient megatrends such as digitalization, new technologies and long-term sustainable development. A keen understanding of these shifts is of major importance for the ability to assess the portfolio

Clear owner agendas based on fundamental principles

Company-specific owner agendas...

- Fact-based analysis focused on the company, customers, competitors, markets and global conditions including megatrends
- Identify opportunities for value creation and governance, and organizational, strategic, operational and financial measures to realize these values
- Identify value drivers considered most important for value creation (in coming 3 to 5 years)

...based on a number of fundamental principles

- Relevant and competent members on company boards
- Strong management teams able to adapt strategy and operations to changing conditions
- Clear strategic focus fully integrated in the business
- Decentralized governance model
- High degree of operational flexibility and efficiency
- Financial strength
- A sustainable approach

companies’ long-term value potential as well as the opportunities and challenges they face. In this way, Industrivärden builds up a depth of fact-based knowledge about the respective portfolio companies and their business environments. Based on this knowledge, an owner agenda for value creation is continuously updated, which summarizes the strategic value drivers that are considered to be most important for value creation during the coming three to five years. The aim is to identify and describe various opportunities for value growth and strategic measures for realizing this value.

Nominating committee work

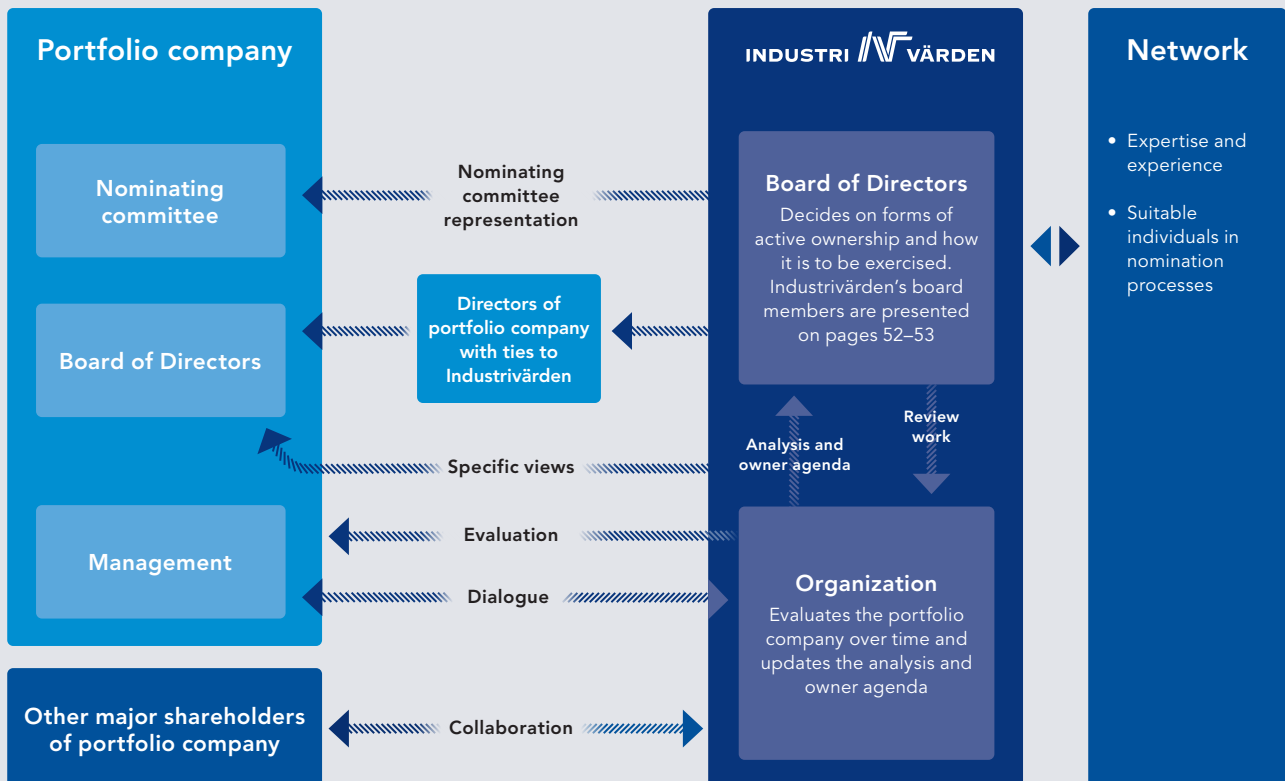
The portfolio companies’ boards play a decisive role in the companies’ governance and the appointment of the right CEO. A suitably composed board is crucial. The portfolio companies’ boards must have the combined expertise and experience required to deal with the respective companies’ challenges and opportunities over time. Industrivärden therefore actively participates in the portfolio companies’ nomination processes, where its representatives in the nominating committees consist of individuals from Industrivärden’s board and executive management. Since access to

qualified board members is a key success factor, Industrivärden works actively to identify suitable individuals. The portfolio companies conduct business in a wide range of areas, and therefore Industrivärden continuously maintains a broad network of individuals with expertise and experience in a range of different areas.

Representatives in the nominating committees

| | | |
|----------------------|-------------------|----------|
| Volvo | Fredrik Persson | Chairman |
| Sandvik | Fredrik Lundberg | Chairman |
| Handelsbanken | Helena Stjernholm | Chairman |
| Essity | Helena Stjernholm | Chairman |
| SCA | Bengt Kjell | Chairman |
| Ericsson | Helena Stjernholm | Member |
| Skanska | Helena Stjernholm | Chairman |
| Alleima | Fredrik Lundberg | Chairman |

Active ownership in practice



Board representation

The individuals on Industrivärden's Board and members of the Executive Management who also serve as directors on portfolio companies' boards are considered to have ties to Industrivärden. The owner agendas for the respective portfolio companies are presented on a continuous basis to Industrivärden's Board of Directors. In addition, the portfolio companies' CEOs make business presentations to Industrivärden's Board on a regular basis. In this way the Board of Directors receives a current and accurate picture of the portfolio companies along with identified measures for value creation. With a starting point in well-researched analyses, Industrivärden can gain a hearing for its views and contribute to companies' development.

Through its engagement and long-term presence, Industrivärden establishes close relationships with the portfolio companies' management teams, board members and board chairs.

Continuous dialogue

On top of its work on the portfolio companies' nominating committees and boards, Industrivärden is engaged in a continuous dialogue with the companies on a number of important matters, such as strategy, market position, financial development, etc. In addition, Industrivärden presents parts of its owner agendas for the portfolio companies' CEOs and other senior executives. Industrivärden also attaches great importance to visiting the portfolio companies' various operations.

Well-suited organization and extensive network

Based on its chosen strategy, Industrivärden conducts its business activities in an efficient organization characterized by high flexibility and short decision-making channels. Industrivärden has approximately 15 employees, most of

whom are active in the investment organization. The organization encompasses a strong base of expertise about the portfolio companies and their respective industries as well as the business environments they work in. In addition, Industrivärden has nine board members and an extensive network.

Industrivärden works in a structured manner to maintain and develop a network of individuals to support the company's business model in various ways. This may involve identifying potential candidates to support the work of portfolio company nomination committees or skills that contribute to Industrivärden's continuous company analysis. For further information on Industrivärden's corporate governance, please see pages 47–54.

Board members with ties to Industrivärden

| | | |
|----------------------|--------------------|---------------|
| Volvo | Pär Boman | Chairman |
| | Helena Stjernholm | Director |
| Sandvik | Marika Fredriksson | Director |
| | Helena Stjernholm | Director |
| Handelsbanken | Pär Boman | Chairman |
| | Fredrik Lundberg | Vice Chairman |
| Essity | Karl Åberg | Director |
| SCA | Helena Stjernholm | Chairman |
| Ericsson | Karl Åberg | Director |
| Skanska | Pär Boman | Director |
| | Fredrik Lundberg | Director |
| Alleima | Karl Åberg | Director |

Sustainability as integrated part of the business

Industrivärden's strategy to develop and create value in its portfolio companies over the long term naturally entails a sustainability focus. Sustained value growth can only be created in long-term competitive companies that pay close attention to environmental, social and governance issues. Industrivärden is a responsible owner with high ambitions to participate in the development of enduring businesses. In this way, it is possible to contribute to sustainable portfolio companies, which benefits the communities in which they operate. This involves minimizing sustainability-related risks while capitalizing on sustainability-related opportunities in a rapidly changing world.

Industrivärden sets clear demands for its portfolio companies. These include establishing strong market positions, good cash flows and financial strength, as well as a distinct capacity for development. This forms a stable foundation for well-integrated sustainability work with innovations, products and services that contribute to sustainable development. By investing capital in operationally and financially enduring companies and contributing to the portfolio companies' strategic sustainability work, Industrivärden takes responsibility for sustainable development.

Particular focus is put on material sustainability risks and sustainability-related opportunities from risk mitigation and value creation perspectives. Industrivärden's overarching ambition is to be a well-informed and demanding owner with a sustainability perspective that contributes to the long-term success of its portfolio companies, and to offer a long-term and sustainable investment with an attractive total return at balanced risk.

To materialize these ambitions, Industrivärden:

- Performs continuous analysis and follow-up of the respective portfolio companies in accordance with its integrated sustainability analysis;
- Formulates owner agendas for the respective portfolio companies and exerts influence in accordance with its business model;
- Conducts dialogues with selected stakeholders aimed at soliciting views in support of further development of its sustainability work.

From an overarching perspective Industrivärden expects the portfolio companies to have a sustainable approach in all aspects of their operations, and that they will:

- View sustainability as an important, strategic issue and conduct salient sustainability work within their respective sectors, where sustainability aspects are integrated into their business models, business cultures, strategies, processes and product offerings;

- Continuously develop and strengthen their sustainability work in a structured way with support from relevant guidelines and measurable goals;
- Monitor, evaluate and continuously communicate the progress of their sustainability work and convey the ways in which they contribute to long-term sustained development in the communities in which they operate.

To be able to conduct a qualitative analysis of portfolio companies' sustainability work – and exercise influence when needed – Industrivärden needs to have a depth of knowledge about the respective companies' operations and sustainability-related matters. The sustainability analysis is therefore an integrated part in the company analysis of respective portfolio companies. In this way, material sustainability aspects are evaluated from a holistic perspective, with a base in the portfolio companies' respective operations, geographies and stages of development. This means that the sustainability perspective is included in evaluations of the portfolio companies' boards and management teams, strategic issues and financial performance.

Individuals who represent or have ties to Industrivärden shall have a current and pertinent understanding of the value creation measures identified for respective portfolio companies. Against this background, Industrivärden's owner agendas are continuously presented and evaluated by Industrivärden's Board. This allows Industrivärden to have an influence on strategic sustainability issues over time.

Industrivärden's stakeholder and materiality analysis clearly shows that the Company's most important task is to contribute to sustained shareholder value in its portfolio companies. To this end, major emphasis is put on ensuring well-integrated and structured sustainability work in the portfolio companies. Based on the materiality analysis, its sustainability work has particular focus on the following areas and underlying goals:

1. Responsible corporate governance and a sustainable role in society
 - Good corporate governance, good business ethics and anti-corruption
 - Good diversity
 - Decent working conditions
2. Minimized negative climate and environmental impact
 - Reduced climate impact
3. Sustainable production and innovation
 - Sustainable production
 - Sustainable innovation

Industrivärden's sustainability strategy, risk management and governance of sustainability work are described in the sustainability report on pages 80–92 and on Industrivärden's website.

Portfolio companies with good value potential at balanced risk

Industrivärden has sizable ownership stakes in eight portfolio companies: Volvo, Sandvik, Handelsbanken, Essity, SCA, Ericsson, Skanska and Alleima. On December 31, 2024, the portfolio had a market value of SEK 166,504 mn (157,547), corresponding to SEK 386 (365) per Industrivärden share.

The portfolio companies are characterized by proven business models and long-term value potential. In exercising its active ownership, Industrivärden works according to the portfolio companies' respective conditions, but attaches particular importance to a number of principles that increase opportunities for value creation and reduce risk over time. The business model is described in more detail on pages 11–14.

Overall, the portfolio companies provide broad exposure to business areas and geographies. The companies are active in a range of different areas including commercial vehicles, industrial equipment, banking, consumer products, forestry and forest products, telecommunications, construction and materials technology. Within the framework of these respective core businesses, the companies also have a number of free-standing business areas with their own profit responsibility. This broad base of exposure increases opportunities for value creation and lowers risk. The portfolio companies' respective business areas are described on pages 20–35.

Through its active ownership, Industrivärden contributes to the portfolio companies' development, enhanced profit generation and value growth over time. Value creation is described further on pages 36–41.

Investment activities

Investments are made continuously in order to strengthen ownership in the portfolio companies over time and thereby increase the financial exchange of Industrivärden's active ownership.

During 2024 shares were purchased for SEK 1,548 mn in Volvo, SEK 1,485 mn in Sandvik, SEK 770 mn in SCA, SEK 699 mn in Essity and SEK 63 mn in Alleima. During the last five-year period, shares for a combined value of SEK 18,900 mn, net, were bought in the current portfolio companies.

Dividends received

Dividends received in 2024 amounted to SEK 8,585 mn (6,418). During the last five-year period, dividends received from portfolio companies totaled SEK 29,219 mn.

Portfolio

| Holdings | Number of shares | Ownership stake, % | | Market value | | Share of value, % | Total return per shareholding, SEK mn |
|-----------------|------------------|--------------------|-------|----------------|------------|-------------------|---------------------------------------|
| | | Capital | Votes | SEK mn | SEK/share | | |
| Volvo A | 166,600,000 | 9.4 | 28.0 | 45,015 | 119 | 31 | 3,633 |
| Volvo B | 24,100,000 | | | 6,473 | | | |
| Sandvik | 183,700,000 | 14.6 | 14.6 | 36,428 | 84 | 22 | -2,752 |
| Handelsbanken A | 228,200,000 | 11.5 | 11.7 | 26,060 | 60 | 16 | 4,184 |
| Essity A | 32,700,000 | 10.5 | 29.7 | 9,663 | 51 | 13 | 4,008 |
| Essity B | 41,300,000 | | | 12,212 | | | |
| SCA A | 33,300,000 | 11.2 | 29.7 | 4,649 | 26 | 7 | -638 |
| SCA B | 45,400,000 | | | 6,376 | | | |
| Ericsson A | 86,052,615 | 2.6 | 15.1 | 7,728 | 18 | 5 | 2,588 |
| Ericsson B | 1,000,000 | | | 90 | | | |
| Skanska A | 12,667,500 | 7.7 | 24.5 | 2,948 | 17 | 4 | 1,834 |
| Skanska B | 19,500,000 | | | 4,538 | | | |
| Alleima | 51,200,000 | 20.4 | 20.4 | 3,845 | 9 | 2 | 45 |
| Other | | | | 479 | 1 | 0 | 0 |
| Total | | | | 166,504 | 386 | 100 | 12,902 |

Investments

| SEK mn | Net purchases (+) / sales (-) | | |
|---|-------------------------------|---------------|---------------|
| | 2024 | 3 yrs | 5 yrs |
| Volvo | 1,548 | 3,714 | 6,648 |
| Sandvik | 1,485 | 3,089 | 5,880 |
| Handelsbanken | – | 992 | 2,068 |
| Essity | 699 | 898 | 2,039 |
| SCA | 770 | 998 | 1,353 |
| Ericsson | – | – | – |
| Skanska | – | 174 | 174 |
| Alleima | 63 | 738 | 738 |
| Total, portfolio companies | 4,566 | 10,604 | 18,900 |
| Other | – | – | 73 |
| Divested portfolio companies ¹ | – | – | -2,004 |
| Total | 4,566 | 10,604 | 16,969 |

1) Pertains to SSAB.

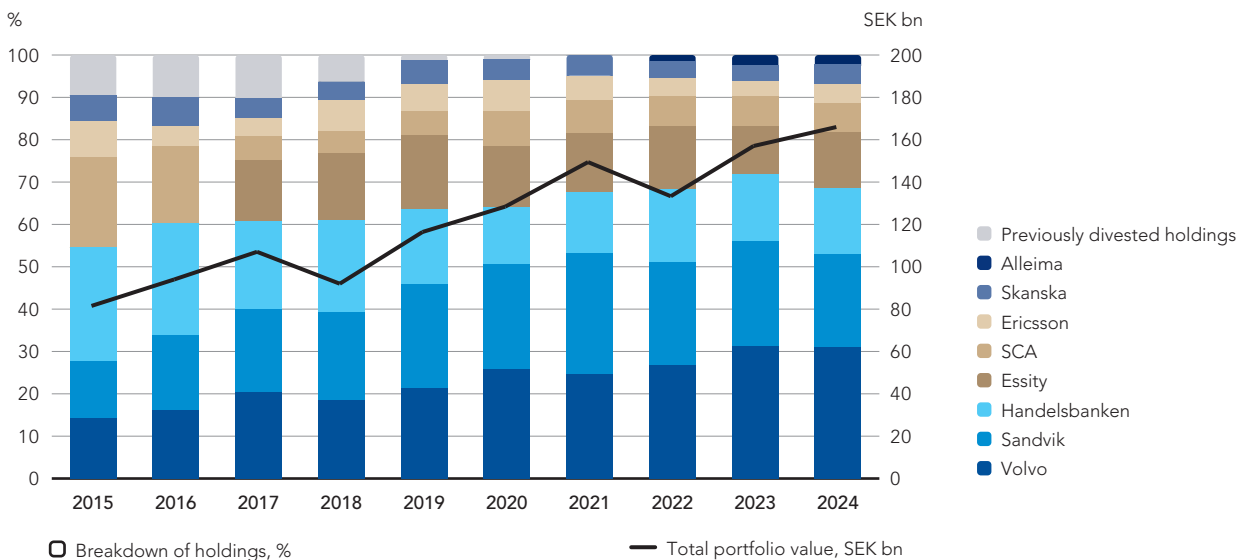
Dividends

| SEK mn | Dividends received | | |
|---------------|--------------------|---------------|---------------|
| | 2024 | 3 yrs | 5 yrs |
| Volvo | 3,352 | 8,205 | 12,375 |
| Sandvik | 989 | 2,652 | 3,690 |
| Handelsbanken | 2,967 | 5,832 | 7,624 |
| Essity | 555 | 1,576 | 2,468 |
| SCA | 207 | 626 | 770 |
| Ericsson | 235 | 688 | 992 |
| Skanska | 177 | 730 | 1,127 |
| Alleima | 102 | 173 | 173 |
| Total | 8,585 | 20,481 | 29,219 |

Ownership stake over time

| | 12/31/2024 | | 12/31/2023 | | 12/31/2022 | | 12/31/2021 | | 12/31/2020 | |
|---------------|--------------------|-------|--------------------|-------|--------------------|-------|--------------------|-------|--------------------|-------|
| | Ownership stake, % | | Ownership stake, % | | Ownership stake, % | | Ownership stake, % | | Ownership stake, % | |
| | Capital | Votes | Capital | Votes | Capital | Votes | Capital | Votes | Capital | Votes |
| Volvo | 9.4 | 28.0 | 9.1 | 27.9 | 8.9 | 27.8 | 8.6 | 27.7 | 8.4 | 27.5 |
| Sandvik | 14.6 | 14.6 | 14.1 | 14.1 | 13.6 | 13.6 | 13.4 | 13.4 | 12.5 | 12.5 |
| Handelsbanken | 11.5 | 11.7 | 11.5 | 11.7 | 11.2 | 11.4 | 11.0 | 11.1 | 10.7 | 10.9 |
| Essity | 10.5 | 29.7 | 10.2 | 29.7 | 10.2 | 29.6 | 10.1 | 29.5 | 9.8 | 29.3 |
| SCA | 11.2 | 29.7 | 10.5 | 29.5 | 10.3 | 29.3 | 10.3 | 29.3 | 10.3 | 29.3 |
| Ericsson | 2.6 | 15.1 | 2.6 | 15.1 | 2.6 | 15.1 | 2.6 | 15.1 | 2.6 | 15.1 |
| Skanska | 7.7 | 24.5 | 7.7 | 24.5 | 7.7 | 24.5 | 7.4 | 24.3 | 7.4 | 24.3 |
| Alleima | 20.4 | 20.4 | 20.0 | 20.0 | 20.0 | 20.0 | – | – | – | – |

Breakdown of holdings



Portfolio companies’ financial value creation

Through active ownership, Industrivärden works long-term to develop and create value in its portfolio companies. Shareholder value generated in Industrivärden is based on the stock market’s valuation of the portfolio companies’ financial performance, dividend capacity, risk exposure and future prospects.

Industrivärden’s combined share of the portfolio companies’ profit generation capacity can be illustrated as the capital-weighted share of the portfolio companies’ operating profit. During the period 2018 through 2024, aggregated weighted operating profit has increased by an average of 11.2% annually, compared with 9.2% annually for Large Cap companies on the Stockholm Stock Exchange.

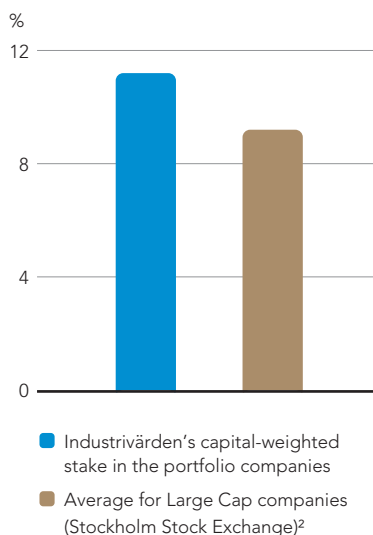
Correspondingly, the capital-weighted dividend yield of Industrivärden’s portfolio companies amounted to 5.7% on December 31, 2024, compared with 2.0% for Large Cap companies on the Stockholm exchange.

Industrivärden’s portfolio companies generally have a balanced range of gearing, which limits the associated risk. This can be illustrated in the form of the capital-weighted net debt as a percentage of operating profit before depreciation and amortization (EBITDA). The ratio amounts to 0.1x compared with 1.3x for Large Cap companies on the Stockholm exchange.

Industrivärden’s illustrative capital-weighted performance

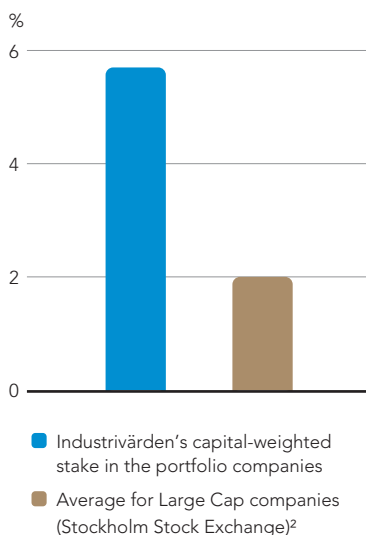
Operating profit growth

(Annual average: 2018–2024)



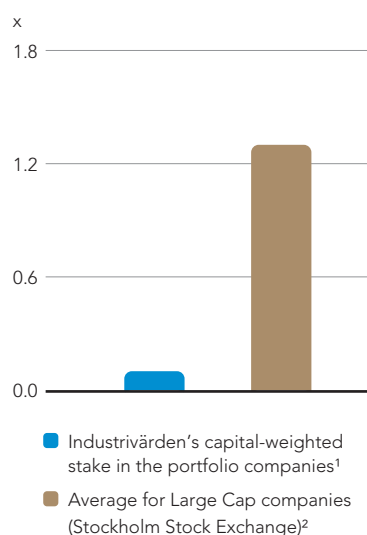
Dividend yield

(December 31, 2024)



Net debt/Operating profit before depreciation and amortization (EBITDA)

(December 31, 2024)



1) Excluding Handelsbanken.

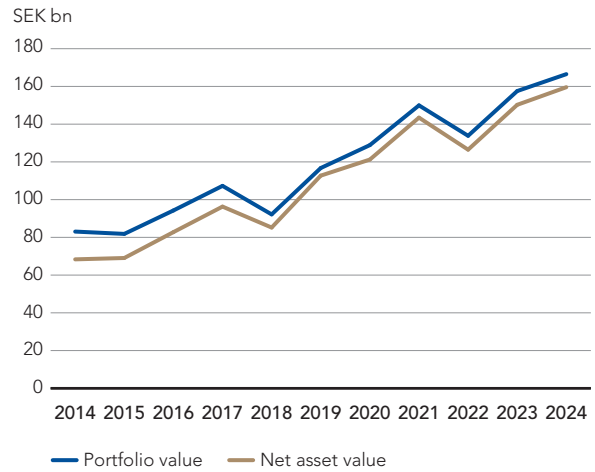
2) For companies that have not yet reported for 2024, equity analysts’ consensus estimates are used (FactSet).

The stock market continuously measures the portfolio companies' financial performance and future outlook, expressed in terms of the respective companies' market capitalizations. During the last ten-year period, the aggregate market value of Industrivärden's ownership stakes in the portfolio companies has increased by an average of 7% per year. During the corresponding period, net asset value has grown by an average of 9% per year.

Growth in value of the portfolio and net asset value over time are shown in the chart to the right and the respective portfolio company's total return (in % and SEK bn, respectively) in 2024 is shown in the charts below.

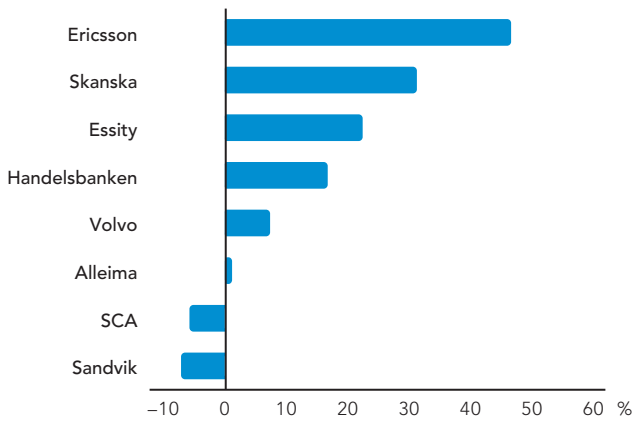
Further information regarding net asset value and Industrivärden's stock is presented on pages 36–41.

Development of portfolio value and net asset value

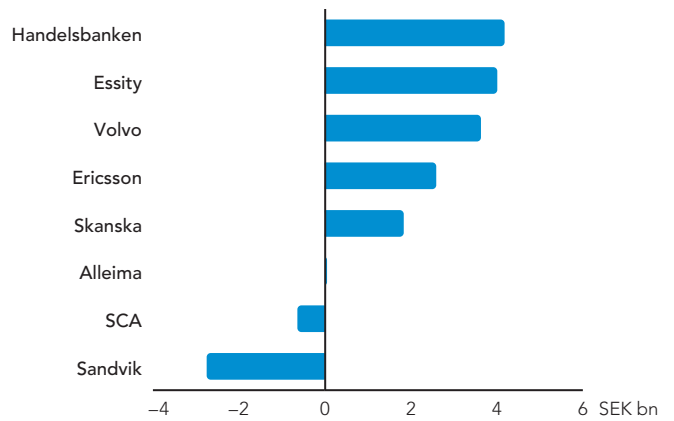


Total return shareholdings 2024

(Development, %)



(Development, SEK bn)



VOLVO

Volvo Group has a leading position in transport and infrastructure solutions with trucks, buses, construction equipment and marine and industrial engines, as well as financing and services that increase customers' operational uptime and productivity

→ [volvogroup.com](https://www.volvogroup.com)

Volvo's business model is based on the company's strong brands, competitive products and leading technologies, outstanding service and financing solutions, and successful partnerships and collaborations aimed at providing reliable, safe, effective and sustainable solutions that create value for customers. The company conducts structured innovation work in the areas of electrification, automation and connectivity, and is currently driving development of sustainable transport and infrastructure solutions of the future.

Key data

| | 2024 | 2023 |
|---|---------|---------|
| Net sales, SEK mn | 526,816 | 552,252 |
| Earnings (adj. EBIT), SEK mn | 65,718 | 78,155 |
| Operating margin (adj.), % | 12.5 | 14.0 |
| Earnings per share, SEK | 24.78 | 24.50 |
| Operating cash flow, SEK mn ¹ | 45,295 | 45,821 |
| Debt-equities ratio, net, % ^{1 2} | -50 | -52 |
| Ordinary dividend per share, SEK ³ | 8.00 | 7.50 |

1) Pertains to industrial operations.

2) Financial net position excluding pensions, similar obligations and lease liabilities over shareholders' equity.

3) Total dividend of SEK 18.50 per share (18.00), of which an extra dividend of SEK 10.50 per share (10.50).

Largest shareholders

| December 31, 2024 | Votes, % | Capital, % |
|--|----------|------------|
| Industrivärden | 28.0 | 9.4 |
| Geely Holding | 14.7 | 4.4 |
| AMF Pension & Funds | 5.6 | 3.7 |
| Alecta Occupational Pension | 4.0 | 2.7 |
| BlackRock | 2.4 | 3.6 |
| AFA Insurance | 2.3 | 0.8 |
| Vanguard | 2.3 | 3.5 |
| Swedbank Robur Funds | 1.8 | 4.5 |
| Fourth Swedish National Pension Fund (AP4) | 1.6 | 0.5 |
| Capital Group | 1.3 | 3.7 |

Source: Holdings.

CEO: Martin Lundstedt

Chairman: Pär Boman

SEK **547** bn

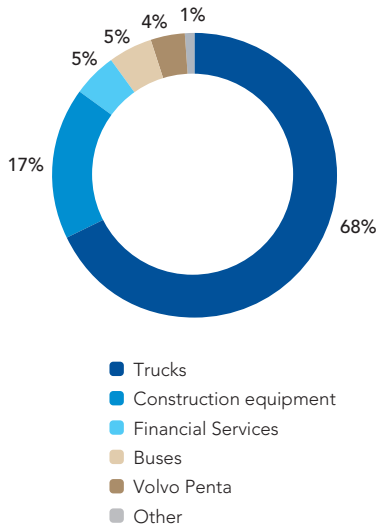
MARKET CAP, DECEMBER 31, 2024

Industrivärden's holding

31%

OF PORTFOLIO VALUE

Sales per area

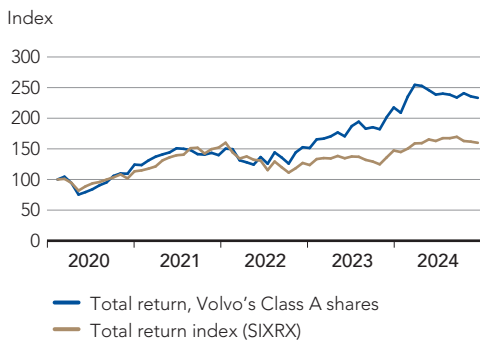


Active owner position since 2009

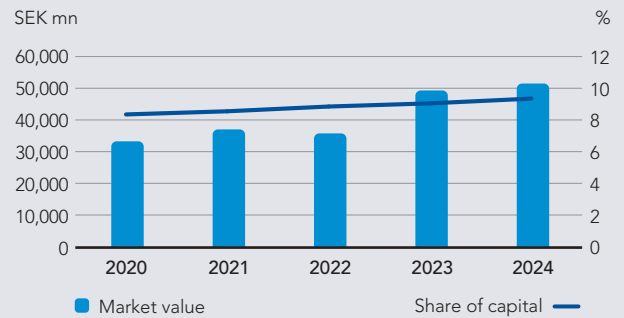
Key data

| | 2024 | 2023 |
|---------------------------|-------------|-------------|
| Shareholding, no. shares: | | |
| Class A shares | 166,600,000 | 166,600,000 |
| Class B shares | 24,100,000 | 18,400,000 |
| Market value, SEK mn | 51,489 | 49,297 |
| Share of capital, % | 9.4 | 9.1 |
| Share of votes, % | 28.0 | 27.9 |
| Total return, SEK mn | 3,633 | 15,914 |

Growth in value, Volvo's stock



Holding over time



Nominating committee representative: Fredrik Persson

Board members with ties to Industrivärden: Pär Boman and Helena Stjernholm



Sandvik is a global high-tech engineering group that offers innovative products and services that enhance customer productivity, profitability and sustainability

→ [sandvik.com](https://www.sandvik.com)



Sandvik's business model aims to create value for customers through focus on optimizing their processes that enable important shifts in productivity and sustainability. The company's strengths consist of leading market positions, close cooperation with customers, a keen innovative ability and technological leadership, as well as extensive knowledge of industrial processes and digital solutions. The company delivers solutions for operations primarily in the mining, engineering, automotive, energy, infrastructure and aerospace sectors. Important products include tools and tooling systems and equipment for the mining and infrastructure industries.

Key data

| | 2024 | 2023 |
|--|---------|---------|
| Net sales, SEK mn | 122,878 | 126,503 |
| Earnings (adj. EBIT), SEK mn | 21,635 | 23,300 |
| Operating margin (adj.), % | 17.6 | 18.4 |
| Earnings per share (adj.), SEK | 11.90 | 12.69 |
| Operating cash flow, SEK mn | 21,194 | 19,582 |
| Debt-equities ratio, net, % ¹ | 42 | 50 |
| Ordinary dividend per share, SEK | 5.75 | 5.50 |

1) Net debt over shareholders' equity.

Largest shareholders

| December 31, 2024 | Votes, % | Capital, % |
|-----------------------------------|----------|------------|
| Industrivärden | 14.6 | 14.6 |
| Alecta Occupational Pension | 4.5 | 4.5 |
| BlackRock | 3.5 | 3.5 |
| Swedbank Robur Funds | 3.4 | 3.4 |
| Vanguard | 3.3 | 3.3 |
| L E Lundbergföretagen | 3.1 | 3.1 |
| Handelsbanken Funds | 2.7 | 2.7 |
| Norges Bank Investment Management | 1.9 | 1.9 |
| SEB Investment Management | 1.9 | 1.9 |
| Folksam | 1.4 | 1.4 |

Source: Holdings.

CEO: Stefan Widing

Chairman: Johan Molin

SEK **249** bn

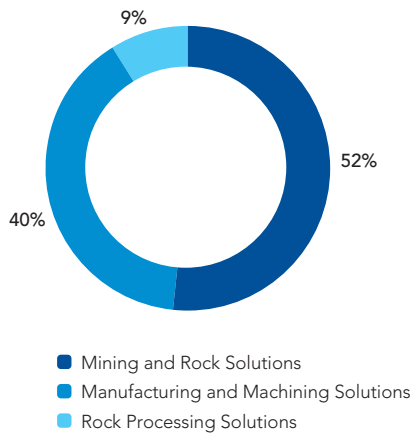
MARKET CAP, DECEMBER 31, 2024

Industrivärden's holding

22%

OF PORTFOLIO VALUE

Sales per area

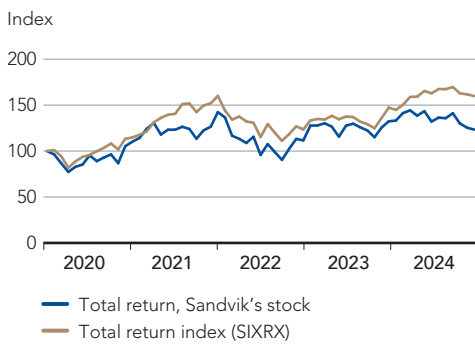


Active owner position since 1997

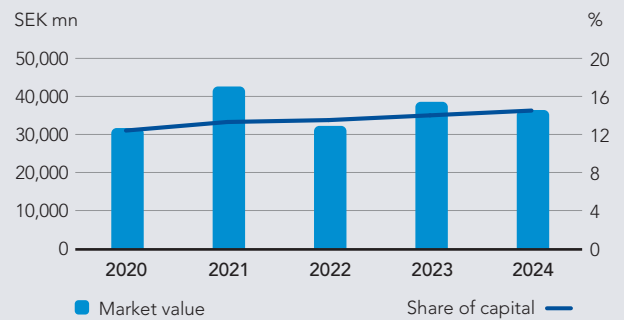
Key data

| | 2024 | 2023 |
|---------------------------|-------------|-------------|
| Shareholding, no. shares: | 183,700,000 | 176,900,000 |
| Market value, SEK mn | 36,428 | 38,582 |
| Share of capital, % | 14.6 | 14.1 |
| Share of votes, % | 14.6 | 14.1 |
| Total return, SEK mn | -2,752 | 6,100 |

Growth in value, Sandvik's stock



Holding over time



Nominating committee representative: Fredrik Lundberg

Board members with ties to Industrivärden:
Helena Stjernholm and Marika Fredriksson

Handelsbanken

Handelsbanken is one of the world's strongest banks with the ambition to provide the best banking offering in financing, savings and advice in Sweden, Norway, the UK and the Netherlands. A high degree of customer satisfaction enables strong business development and profitable growth at low risk

→ handelsbanken.com

Handelsbanken's business model is based on a clear risk and sustainability perspective. Local presence and a decentralized approach enable a focus on customer value and long-term customer relationships based on trust. The bank's core customers include private individuals, property companies and small businesses. Operations are conducted with long-term stable finances, strong profitability, sustainable corporate responsibility, low risk tolerance and low costs.

Key data

| | 2024 | 2023 |
|---|--------|--------|
| Income, SEK mn | 62,345 | 62,249 |
| Earnings, SEK mn | 35,016 | 36,322 |
| Earnings per share, SEK | 13.86 | 14.70 |
| Common equity tier 1 capital ratio, % | 18.8 | 18.8 |
| Ordinary dividend per share, SEK ¹ | 7.50 | 6.50 |

1) Total dividend of SEK 15.00 per share (13.00), of which an extra dividend of SEK 7.50 per share (6.50).

Largest shareholders

| December 31, 2024 | Votes, % | Capital, % |
|-----------------------------------|----------|------------|
| Industrivärden | 11.7 | 11.5 |
| Oktogonen Foundation | 8.2 | 8.0 |
| BlackRock | 3.4 | 3.3 |
| L E Lundbergföretagen | 3.2 | 3.1 |
| Vanguard | 2.9 | 2.9 |
| Handelsbanken Funds | 2.3 | 2.3 |
| SEB Investment Management | 1.6 | 1.5 |
| Fredrik Lundberg incl. companies | 1.2 | 1.2 |
| Swedbank Robur Funds | 1.1 | 1.1 |
| First Eagle Investment Management | 1.1 | 1.1 |

Source: Holdings.

CEO: Michael Green

Chairman: Pär Boman

SEK **227** bn

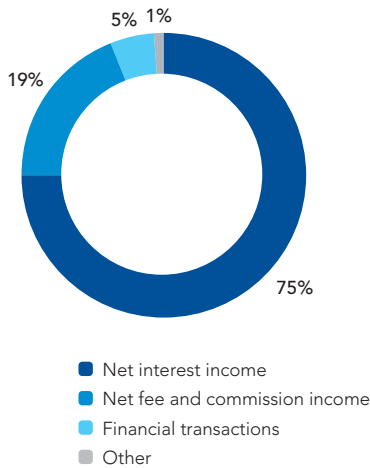
MARKET CAP, DECEMBER 31, 2024

Industrivärden's holding

16%

OF PORTFOLIO VALUE

Income per area

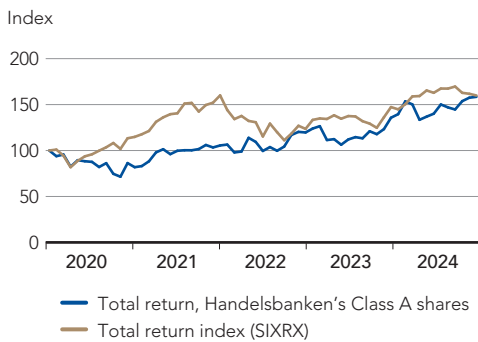


Active owner position since 1980

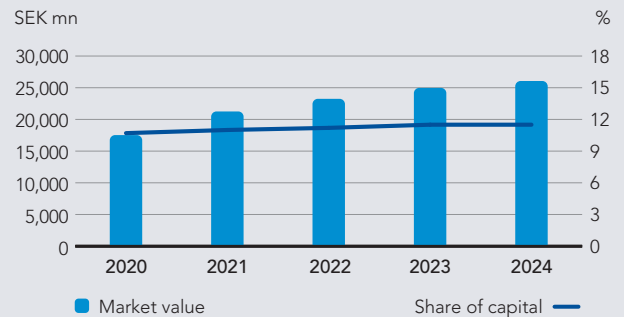
Key data

| | 2024 | 2023 |
|---------------------------|-------------|-------------|
| Shareholding, no. shares: | | |
| Class A shares | 228,200,000 | 228,200,000 |
| Market value, SEK mn | 26,060 | 24,976 |
| Share of capital, % | 11.5 | 11.5 |
| Share of votes, % | 11.7 | 11.7 |
| Total return, SEK mn | 4,184 | 3,249 |

Growth in value, Handelsbanken's stock



Holding over time



Nominating committee representative: Helena Stjernholm

Board members with ties to Industrivärden: Pär Boman and Fredrik Lundberg



Essity is a leading global hygiene and health company that develops, produces and sells products, solutions and services in its Health & Medical, Consumer Goods and Professional Hygiene business areas

→ [essity.com](https://www.essity.com)

Essity's business model is based on a strong brand portfolio with global, leading brands and exceptional innovative ability. The innovation process is based on megatrends, customer and consumer insights, new technology, digitalization, new business models and the company's goal to contribute to a sustainable and circular society. The product offering includes incontinence products, feminine care products, baby diapers, toilet paper and paper towels, wound care products, compression therapy and orthopedic products, hygiene solutions and more. Sales are made in approximately 150 countries under many strong brands, of which some are global leaders.

Key data

| | 2024 | 2023 |
|---|---------|---------|
| Net sales, SEK mn ¹ | 145,546 | 147,147 |
| Earnings (adj. EBIT), SEK mn ¹ | 19,234 | 17,789 |
| Operating margin (adj.), % ¹ | 13.2 | 12.1 |
| Earnings per share (adj.), SEK ¹ | 19.29 | 17.56 |
| Operating cash flow, SEK mn ¹ | 17,242 | 17,685 |
| Debt-equities ratio, net, % ¹ | 35 | 68 |
| Ordinary dividend per share, SEK | 8.25 | 7.75 |

1) Pertains to remaining operations.

Largest shareholders

| December 31, 2024 | Votes, % | Capital, % |
|---------------------------------------|----------|------------|
| Industrivärden | 29.7 | 10.5 |
| Norges Bank Investment Management | 7.4 | 5.6 |
| AMF Pension & Funds | 6.0 | 1.3 |
| Swedbank Robur Funds | 2.5 | 4.5 |
| BlackRock | 2.1 | 3.8 |
| Vanguard | 2.0 | 3.5 |
| Skandia Mutual Life Insurance Company | 1.9 | 0.8 |
| Handelsbanken Funds | 1.7 | 2.9 |
| T. Rowe Price | 1.2 | 2.2 |
| Carnegie Funds | 1.1 | 2.0 |

Source: Holdings.

CEO: Magnus Groth

Chairman: Jan Gurander

SEK **208** bn

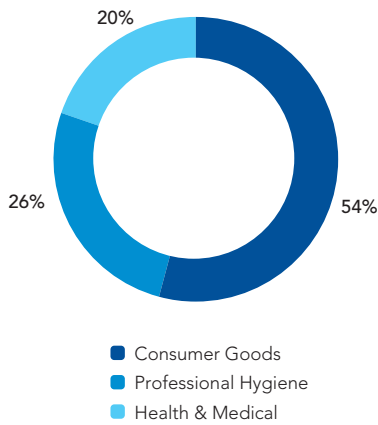
MARKET CAP, DECEMBER 31, 2024

Industrivärden's holding

13%

OF PORTFOLIO VALUE

Sales per area

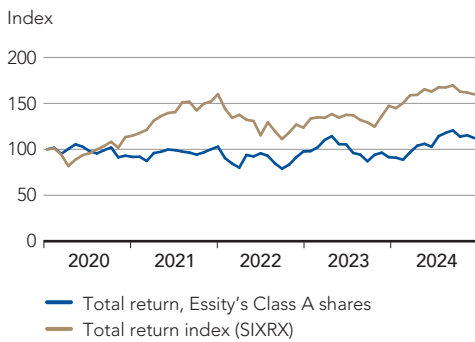


Active owner position since 2017

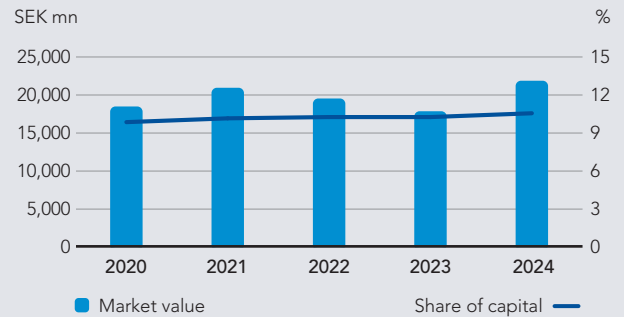
Key data

| | 2024 | 2023 |
|---------------------------|------------|------------|
| Shareholding, no. shares: | | |
| Class A shares | 32,700,000 | 33,257,000 |
| Class B shares | 41,300,000 | 38,400,000 |
| Market value, SEK mn | 21,875 | 17,864 |
| Share of capital, % | 10.5 | 10.2 |
| Share of votes, % | 29.7 | 29.7 |
| Total return, SEK mn | 4,008 | -1,230 |

Growth in value, Essity's stock



Holding over time



Nominating committee representative: Helena Stjernholm
 Board member with ties to Industrivärden: Karl Åberg



SCA is a leading forestry and forest products company that, with Europe's largest private forest holdings, conducts resource-efficient operations to generate the highest possible value in and from the forest

→ [sca.com](https://www.sca.com)

SCA's business model aims to provide the company's customers with renewable products based on raw materials from responsibly managed forests and an integrated, well-invested and resource-efficient value chain. With growing forests and renewable products, SCA also contributes to a circular society and the sequestration of carbon dioxide, and supplies the market with products that can replace products that have the highest fossil footprint, such as plastic and concrete. SCA's business strategy is to grow the renewable forest asset, invest in the integrated value chain and achieve a high degree of self-sufficiency in raw materials, energy and logistics. SCA owns and manages forestland in Sweden, Estonia, Latvia and Lithuania, conducts sawmill and wood processing operations and produces pulp and packaging paper. The company also has expanding business activities in renewable energy including wind power, biofuels and solid biofuels.

Key data

| | 2024 | 2023 |
|----------------------------------|--------|--------|
| Net sales, SEK mn | 20,232 | 18,081 |
| Earnings (EBIT), SEK mn | 5,027 | 4,857 |
| Operating margin, % | 24.8 | 26.9 |
| Earnings per share, SEK | 5.18 | 5.23 |
| Operating cash flow, SEK mn | 3,187 | 2,985 |
| Debt-equities ratio, net, % | 11 | 10 |
| Ordinary dividend per share, SEK | 3.00 | 2.75 |

Largest shareholders

| December 31, 2024 | Votes, % | Capital, % |
|--|----------|------------|
| Industrivärden | 29.7 | 11.2 |
| Norges Bank Investment Management | 9.7 | 7.2 |
| AMF Pension & Funds | 7.0 | 9.5 |
| Handelsbanken Pension Foundation | 3.5 | 1.4 |
| BlackRock | 2.6 | 4.8 |
| Alecta Occupational Pension | 2.1 | 3.8 |
| Vanguard | 2.0 | 3.4 |
| Skandia Mutual Life Insurance Company | 1.3 | 0.5 |
| Pensionskassan SHB Försäkringsförening | 1.3 | 0.7 |
| Handelsbanken Funds | 1.0 | 1.9 |

Source: Holdings.

CEO: Ulf Larsson

Chairman: Helena Stjernholm

SEK **99** bn

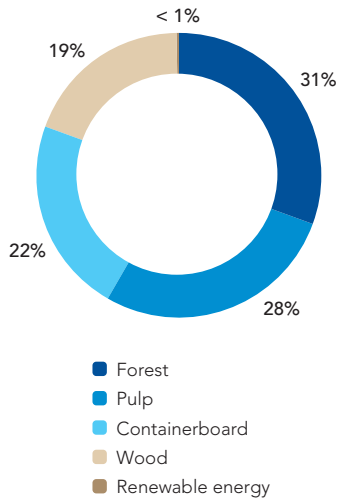
MARKET CAP, DECEMBER 31, 2024

Industrivärden's holding

7%

OF PORTFOLIO VALUE

Sales per area

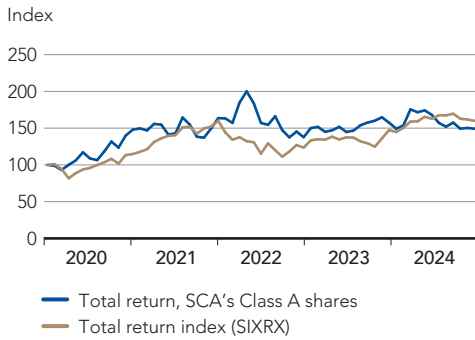


Active owner position since 1950

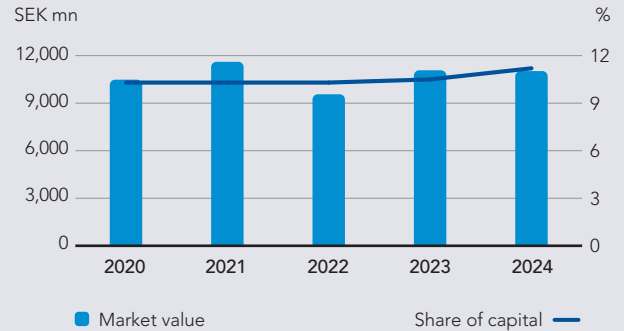
Key data

| | 2024 | 2023 |
|---------------------------|------------|------------|
| Shareholding, no. shares: | | |
| Class A shares | 33,300,000 | 33,785,290 |
| Class B shares | 45,400,000 | 39,800,000 |
| Market value, SEK mn | 11,025 | 11,075 |
| Share of capital, % | 11.2 | 10.5 |
| Share of votes, % | 29.7 | 29.5 |
| Total return, SEK mn | -638 | 1,488 |

Growth in value, SCA's stock



Holding over time



Nominating committee representative: Bengt Kjell
Board member with ties to Industrivärden: Helena Stjernholm

ERICSSON

Ericsson is a leading provider of mobile connectivity solutions to telecom operators, enterprises and the public sector

→ ericsson.com

Ericsson's business model is to deliver high-performing, programmable and energy-efficient networks that enable greater service differentiation. Ericsson's enterprise solutions provide superior connectivity to businesses and advanced network capabilities to application developers. Ericsson's core strengths are technology leadership, focused research, cost efficiency, global economies of scale and global expertise. Ericsson strives to leverage its leadership in mobile connectivity solutions to drive a focused expansion in the enterprise market, lead the industry through critical innovations and seize strategic business opportunities.

Key data

| | 2024 | 2023 |
|---|---------|---------|
| Net sales, SEK mn | 247,880 | 263,351 |
| Earnings (adj. EBIT), SEK mn ¹ | 24,658 | 18,111 |
| Operating margin (adj.), % ¹ | 9.9 | 6.9 |
| Earnings per share, SEK | 0.01 | -7.94 |
| Operating cash flow, SEK mn ² | 40,034 | -1,084 |
| Debt-equities ratio, net, % ³ | -41 | -8 |
| Ordinary dividend per share, SEK | 2.85 | 2.70 |

1) Pertains to EBIT excluding impairments on goodwill and intangible assets.

2) Free cash flow before M&A.

3) Net cash over shareholders' equity.

Largest shareholders

| December 31, 2024 | Votes, % | Capital, % |
|-------------------------------------|----------|------------|
| Investor | 24.5 | 9.3 |
| Industrivärden | 15.1 | 2.6 |
| AMF Pension & Funds | 5.0 | 3.0 |
| Vanguard | 3.0 | 5.1 |
| Cevian Capital | 2.7 | 4.6 |
| Hotchkis & Wiley Capital Management | 2.7 | 4.5 |
| Fidelity International (FIL) | 2.4 | 4.2 |
| AFA Insurance | 2.2 | 0.4 |
| BlackRock | 2.1 | 3.6 |
| Swedbank Robur Funds | 1.5 | 2.5 |

Source: Holdings.

CEO: Börje Ekholm

Chairman: Jan Carlson

SEK **301** bn

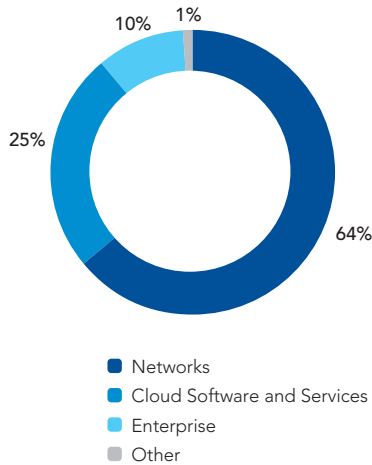
MARKET CAP, DECEMBER 31, 2024

Industrivärden's holding

5%

OF PORTFOLIO VALUE

Sales per area

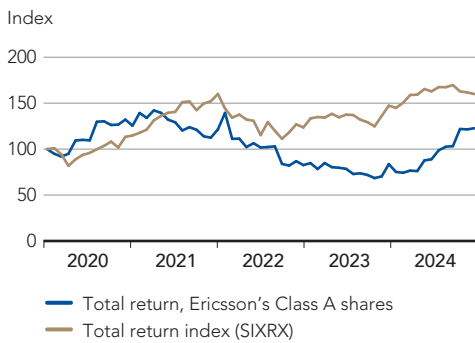


Active owner position since 1944

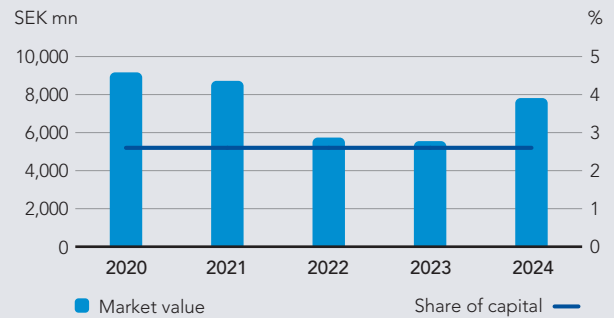
Key data

| | 2024 | 2023 |
|---------------------------|------------|------------|
| Shareholding, no. shares: | | |
| Class A shares | 86,052,615 | 86,052,615 |
| Class B shares | 1,000,000 | 1,000,000 |
| Market value, SEK mn | 7,817 | 5,553 |
| Share of capital, % | 2.6 | 2.6 |
| Share of votes, % | 15.1 | 15.1 |
| Total return, SEK mn | 2,588 | 76 |

Growth in value, Ericsson's stock



Holding over time



Nominating committee representative: Helena Stjernholm
 Board member with ties to Industrivärden: Karl Åberg

SKANSKA

Skanska is one of the world's largest project development and construction companies, and is active on selected markets in the Nordics, Europe and the US

→ [skanska.com](https://www.skanska.com)

Skanska's business model is based on a strong customer offering throughout the value chain, and includes four business streams: Construction, Residential Development, Commercial Property Development and Investment Properties. The company combines global experience with local expertise and financial strength, enabling it to manage some of the world's most complex construction projects. Construction is Skanska's largest business stream and includes the construction of buildings and industrial facilities for private and public customers. With this as a base, the company generates cash flow that can be invested in value-creating project development. Skanska's ambition is to be an industry leader in sustainable solutions in the built environment.

Key data

| | 2024 | 2023 |
|----------------------------------|---------|---------|
| Net sales, SEK mn | 177,208 | 157,052 |
| Earnings (EBIT), SEK mn | 7,087 | 3,231 |
| Operating margin, % | 4.0 | 2.1 |
| Earnings per share, SEK | 14.12 | 7.89 |
| Operating cash flow, SEK mn | 6,745 | 1,148 |
| Debt-equities ratio, net, % | -25 | -16 |
| Ordinary dividend per share, SEK | 8.00 | 5.50 |

Largest shareholders

| December 31, 2024 | Votes, % | Capital, % |
|-----------------------|----------|------------|
| Industrivärden | 24.5 | 7.7 |
| L E Lundbergföretagen | 12.9 | 5.3 |
| AMF Pension & Funds | 3.5 | 5.0 |
| BlackRock | 2.4 | 3.4 |
| Handelsbanken Funds | 2.3 | 3.3 |
| Vanguard | 2.3 | 3.3 |
| Carnegie Funds | 1.8 | 2.5 |
| Skanska | 1.4 | 2.0 |
| Folksam | 1.2 | 1.8 |
| Skanska Employees US | 1.2 | 1.7 |

Source: Holdings.

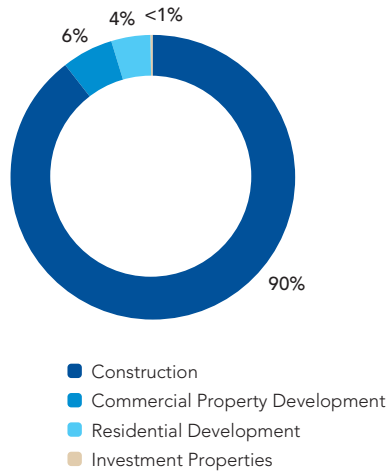
CEO: Anders Danielsson

Chairman: Hans Biörck

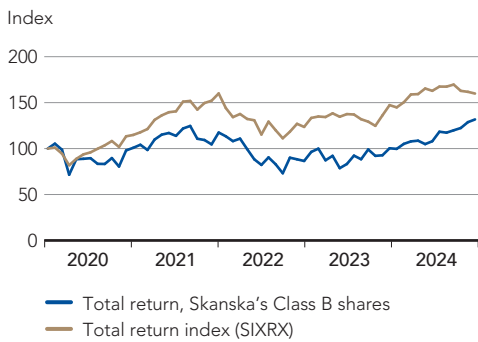
SEK **98** bn

MARKET CAP, DECEMBER 31, 2024

Sales per area



Growth in value, Skanska's stock



Industrivärden's holding

4%

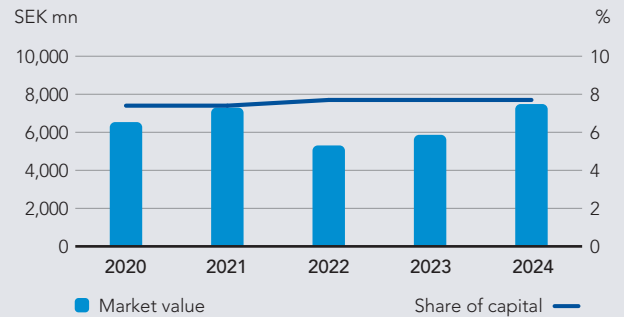
OF PORTFOLIO VALUE

Active owner position since 1987

Key data

| | 2024 | 2023 |
|---------------------------|------------|------------|
| Shareholding, no. shares: | | |
| Class A shares | 12,667,500 | 12,667,500 |
| Class B shares | 19,500,000 | 19,500,000 |
| Market value, SEK mn | 7,485 | 5,866 |
| Share of capital, % | 7.7 | 7.7 |
| Share of votes, % | 24.5 | 24.5 |
| Total return, SEK mn | 1,834 | 848 |

Holding over time



Nominating committee representative: Helena Stjernholm

Board members with ties to Industrivärden: Fredrik Lundberg and Pär Boman



Alleima is a world-leading developer, manufacturer and supplier of highly refined products in advanced stainless steels and special alloys and industrial heating products for a large number of demanding end-markets

→ alleima.com

Alleima's business model is based on close, long-term customer collaborations in which the company develops products, applications and processes in the most demanding industries with materials that are lightweight, durable, corrosion-resistant and able to withstand extremely high temperatures and pressures. The company's offering and extensive know-how in materials technology, metallurgy and industrial processes help customers become more efficient, profitable, safe and sustainable.

Key data

| | 2024 | 2023 |
|----------------------------------|--------|--------|
| Net sales, SEK mn | 19,691 | 20,669 |
| Earnings (adj. EBIT), SEK mn | 1,944 | 2,141 |
| Operating margin (adj.), % | 9.9 | 10.4 |
| Earnings per share (adj.), SEK | 6.27 | 6.56 |
| Operating cash flow, SEK mn | 1,266 | 1,688 |
| Debt-equities ratio, net, % | -4 | -2 |
| Ordinary dividend per share, SEK | 2.30 | 2.00 |

Largest shareholders

| December 31, 2024 | Votes, % | Capital, % |
|---|----------|------------|
| Industrivärden | 20.4 | 20.4 |
| L E Lundbergföretagen | 10.0 | 10.0 |
| First Swedish National Pension Fund (AP1) | 4.7 | 4.7 |
| Swedbank Robur Funds | 4.4 | 4.4 |
| AFA Insurance | 3.5 | 3.5 |
| Vanguard | 2.8 | 2.8 |
| Göransson's Foundations | 2.4 | 2.4 |
| SEB Investment Management | 2.4 | 2.4 |
| BlackRock | 2.1 | 2.1 |
| Handelsbanken Funds | 1.8 | 1.8 |

Source: Holdings.

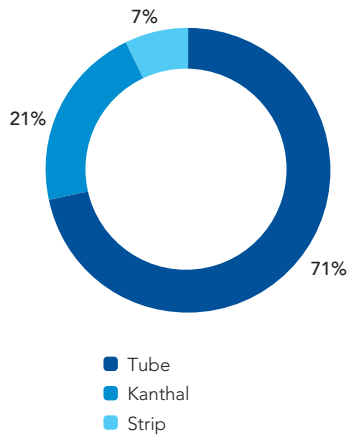
CEO: Göran Björkman

Chairman: Andreas Nordbrandt

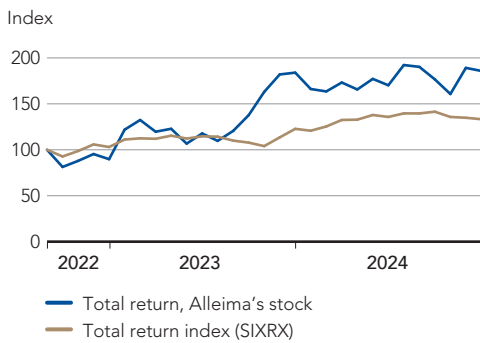
SEK **19** bn

MARKET CAP, DECEMBER 31, 2024

Sales per area



Growth in value, Alleima's stock



Industrivärden's holding

2%

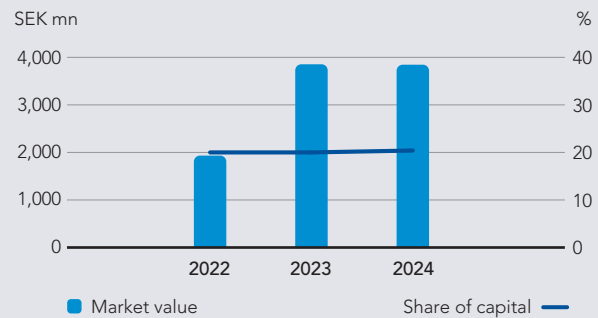
OF PORTFOLIO VALUE

Active owner position since 2022

Key data

| | 2024 | 2023 |
|---------------------------|------------|------------|
| Shareholding, no. shares: | 51,200,000 | 50,300,000 |
| Market value, SEK mn | 3,845 | 3,854 |
| Share of capital, % | 20.4 | 20.0 |
| Share of votes, % | 20.4 | 20.0 |
| Total return, SEK mn | 45 | 2,028 |

Holding over time



Nominating committee representative: Fredrik Lundberg
 Board member with ties to Industrivärden: Karl Åberg

Long-term growth in net asset value

Net asset value expresses the total managed asset value, defined as the market value of the equities portfolio less net debt. Net asset value at year-end 2024 was SEK 159,590 mn (150,252), or SEK 370 per share (348).

During 2024, net asset value increased by 6%. The average annual growth of net asset value for the last five- and ten-year period was 7% and 9%, respectively.

Portfolio

On December 31, 2024, the portfolio had a market value of SEK 166,504 mn (157,547), corresponding to SEK 386 per Industrivärden share (365). See also page 16.

During the year the portfolio's value, adjusted for purchases and sales, increased by SEK 4,391 mn. Total return was 8%.

Investment activities

During the year shares were purchased for SEK 1,548 mn in Volvo, SEK 1,485 mn in Sandvik, SEK 770 mn in SCA, SEK 699 mn in Essity and SEK 63 mn in Alleima.

Dividends paid

The 2024 Annual General Meeting resolved in accordance with the Board's recommendation for a dividend of SEK 7.75 per share (7.25). The total dividend amounted to SEK 3,347 mn (3,131).

Dividends received

In 2024 dividends received totaled SEK 8,585 mn (6,418). Dividends received from the respective portfolio companies are shown on page 37.

Management cost

Industrivärden's management cost in 2024 amounted to SEK 124 mn (126), corresponding to 0.07% of the equities portfolio's value on December 31, 2024 (0.08%).

Financing

Industrivärden has a strong financial position, which provides good flexibility to seize investment opportunities and act over time.

Gearing policy

Industrivärden's gearing policy states that the debt-equities ratio shall be in the range of 0–10%, but may periodically exceed or fall below this range.

Dividend policy

Under Industrivärden's dividend policy, the Company shall generate a positive cash flow before portfolio changes and after dividends paid. For more information, see page 39.

Net debt

At year-end 2024, net debt amounted to SEK 6,914 mn (7,295), corresponding to SEK 16 per Industrivärden share. The debt-equities ratio was 4% (5%).

The debt portfolio consists primarily of bonds issued within the framework of Industrivärden's Medium Term Note (MTN) program, and commercial paper. The average maturity of the debt portfolio on December 31, 2024, was 20 months (25). During the third quarter of the year, a new bond of SEK 500 mn was issued with a tenor of five. The loan pertains to refinancing and was issued within the framework of the MTN program.

Information about debt financing, such as framework amounts and term sheets, is available on Industrivärden's website. No part of Industrivärden's debt financing is dependent on certain criteria in relation to financial performance measures (covenants) being met.

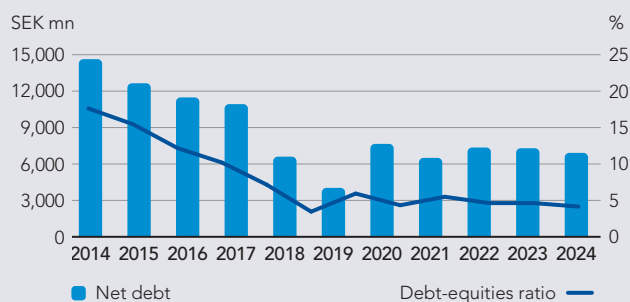
Credit rating

S&P Global Ratings has assigned Industrivärden a credit rating of A+/Stable/A-1.

Growth in net asset value



Development of net debt



Composition of net asset value

| SEK mn | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|----------------|----------------|----------------|----------------|----------------|
| Volvo | 51,489 | 49,297 | 35,755 | 37,013 | 33,251 |
| Sandvik | 36,428 | 38,582 | 32,254 | 42,614 | 31,685 |
| Handelsbanken | 26,060 | 24,976 | 23,248 | 21,255 | 17,528 |
| Essity | 21,875 | 17,864 | 19,541 | 20,951 | 18,492 |
| SCA | 11,025 | 11,075 | 9,561 | 11,610 | 10,482 |
| Ericsson | 7,817 | 5,553 | 5,740 | 8,722 | 9,168 |
| Skanska | 7,485 | 5,866 | 5,308 | 7,299 | 6,536 |
| Alleima | 3,845 | 3,854 | 1,933 | – | – |
| Divested holdings ¹ | – | – | – | – | 1,299 |
| Other | 479 | 479 | 493 | 491 | 453 |
| Market value of equities portfolio | 166,504 | 157,547 | 133,832 | 149,955 | 128,893 |
| Net debt | -6,914 | -7,295 | -7,355 | -6,500 | -7,654 |
| Net asset value | 159,590 | 150,252 | 126,477 | 143,455 | 121,239 |

1) Pertains to SSAB.

Cash flow

| SEK mn | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|---------------|---------------|---------------|---------------|---------------|
| Operating activities | | | | | |
| Dividends received | | | | | |
| Volvo | 3,352 | 2,537 | 2,317 | 4,170 | – |
| Sandvik | 989 | 861 | 801 | 1,038 | – |
| Handelsbanken | 2,967 | 1,770 | 1,096 | 870 | – |
| Essity | 555 | 520 | 502 | 467 | 425 |
| SCA | 207 | 184 | 234 | 144 | – |
| Ericsson | 235 | 235 | 218 | 174 | 131 |
| Skanska | 177 | 241 | 312 | 296 | 101 |
| Alleima | 102 | 70 | – | – | – |
| Management costs paid | -123 | -159 | -132 | -137 | -133 |
| Other operating activities | -172 | -202 | -111 | -34 | -33 |
| Cash flow from operating activities | 8,290 | 6,057 | 5,237 | 6,988 | 491 |
| Investing activities | | | | | |
| Net purchases and sales | | | | | |
| Volvo | -1,548 | -853 | -1,312 | -808 | -2,127 |
| Sandvik | -1,485 | -1,137 | -467 | -2,484 | -307 |
| Handelsbanken | – | -635 | -357 | -489 | -587 |
| Essity | -699 | – | -199 | -482 | -658 |
| SCA | -770 | -228 | – | – | -355 |
| Ericsson | – | – | – | – | – |
| Skanska | – | – | -174 | – | – |
| Alleima | -63 | – | -676 | – | – |
| Divested holdings ¹ | – | – | – | 2,004 | – |
| Other | – | – | – | – | -73 |
| Cash flow from investing activities | -4,566 | -2,854 | -3,184 | -2,258 | -4,106 |
| Financing activities | | | | | |
| Dividends paid | -3,347 | -3,131 | -2,915 | -3,590 | – |
| Change in financial liabilities | -403 | 2 | 960 | -567 | 3,559 |
| Other financing activities | 0 | – | 1 | 125 | – |
| Cash flow from financing activities | -3,750 | -3,129 | -1,955 | -4,033 | 3,559 |
| Net cash flow for the year | -26 | 74 | 98 | 697 | -56 |

1) Pertains to SSAB.

Sustained shareholder value at balanced risk

Value and trading volume

Industrivärden's Class A and C shares are listed on the Stockholm Stock Exchange (Nasdaq Stockholm), Large Cap segment. At year-end Industrivärden's market capitalization was SEK 150,847 mn (141,945). During 2024 the price of Industrivärden's Class A shares increased by 6.2%, from SEK 328.90 to SEK 349.40, and the price of Class C shares increased by 6.3%, from SEK 328.30 to SEK 349.10. The highest price paid for Class A and Class C shares was SEK 379.40 and SEK 378.60, respectively, and the lowest price paid was SEK 313.50 and SEK 313.10, respectively.

Trading volume in Industrivärden shares on the Stockholm Stock Exchange in 2024 totaled SEK 39,819 mn (42,402), corresponding to a turnover rate of 12% for Class A shares (18%) and 44% for Class C shares (58%). Average daily trading volume was approximately 116,000 Class A shares and approximately 330,000 Class C shares.

Share and shareholder structure

Industrivärden had approximately 191,000 shareholders (196,000) at year-end.

A significant majority of shareholders are private individuals, while a significant share of the capital is owned by institutional investors such as pension and asset management companies, and foundations. Foreign shareholders own 23% (23%) of the capital.

At year-end 2024 share capital totaled SEK 1,088 mn, distributed among 431,899,108 registered shares with a share quota value of SEK 2.52. Each Class A share carries entitlement to one vote, and each Class C share carries entitlement to 1/10 of a vote. All shares carry equal entitlement to the Company's assets, earnings and dividends.

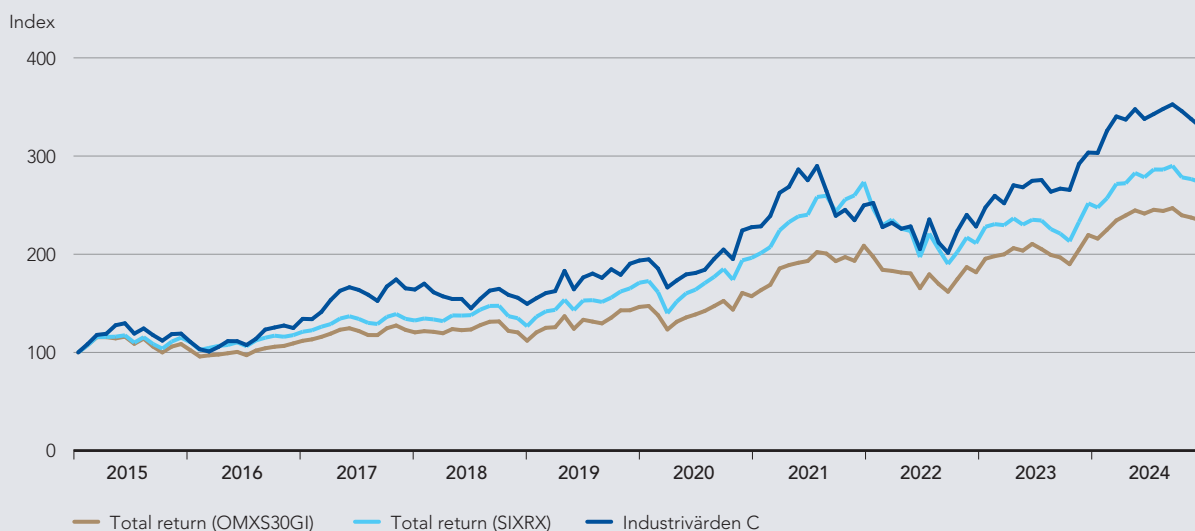
Return

Total return for the Class A shares, as well as for the Class C shares, was 9%, compared with 9% for the Stockholm Stock Exchange (SIXRX) and 7% for OMXS30 (OMXS30GI).

During the last ten-year period the average annual total return was 12% for Industrivärden's Class A shares and 13% for the Class C shares, compared with a total return of 11% for the Stockholm Stock Exchange (SIXRX) and a total return of 9% for OMXS30 (OMXS30GI). Since Industrivärden's introduction on the stock market in 1945, the Class A shares have generated a total return of approximately 2,920,000%, compared with approximately 1,340,000% for the total return index (SIXRX).

Standard deviation and beta describe the stock's volatility compared with its average return, and volatility compared with the market, respectively. Industrivärden's Class A and C shares had standard deviations of 13.9% and 13.8%, respectively, and beta values in relation to the total return index (SIXRX) of 1.07 and 1.05, respectively, for the full-year 2024.

Total return over time



Dividend policy

Under Industrivärden's dividend policy, the Company shall generate a positive cash flow before portfolio changes and after dividends paid in order to build investment capacity over time. The dividend shall be well-balanced with respect to the goal, scope and risk of operations.

Proposed dividend

The Board of Directors has proposed a dividend of SEK 8.25 per share (7.75) to the 2025 Annual General Meeting. In total, the proposed dividend amounts to SEK 3,563 mn. The dividend yield on December 31, 2024, was 2.4% for both Industrivärden's Class A and Class C shares.

Employee ownership

Industrivärden encourages its employees to make private investments in Industrivärden shares, as this aligns the interests of the Company's employees with other shareholders. The long-term incentive programs adopted by the Annual General Meeting make up part of employees' total compensation and aim to increase employees' ownership of stock in the Company. Information on the incentive programs and on shareholdings of Board members and members of the Executive Management is provided on pages 52–54 and in Note 8 on pages 63–64.

Conversion of Class A shares to Class C shares

At the 2011 Annual General Meeting a share conversion clause was added to Industrivärden's Articles of Association to give shareholders greater flexibility. Shareholders have the right at any time to request conversion of Class A shares to Class C shares. In 2024, 16,412,560 Class A shares were converted to Class C shares.

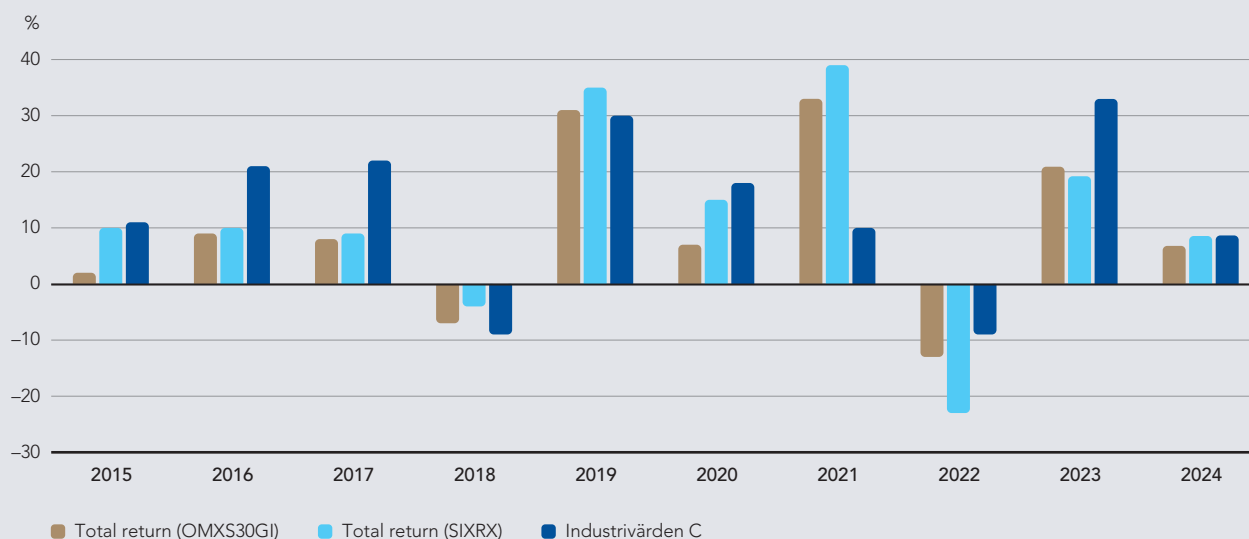
Investor relations

Industrivärden's investor contacts and financial institutions that monitor the Company are presented on page 94.

Share structure, December 31, 2024

| Share class | No. shares | No. votes | Capital, % | Votes, % |
|---------------|--------------------|----------------------|--------------|--------------|
| A (1 vote) | 238,376,934 | 238,376,934.0 | 55.2 | 92.5 |
| C (1/10 vote) | 193,522,174 | 19,352,217.4 | 44.8 | 7.5 |
| Total | 431,899,108 | 257,729,151.4 | 100.0 | 100.0 |

Total return per calendar year



Shareholder structure

| No. shares | No. shareholders | Capital, % |
|---------------|------------------|------------|
| 1–500 | 166,965 | 3 |
| 501–1,000 | 9,806 | 2 |
| 1,001–5,000 | 10,099 | 5 |
| 5,001–10 000 | 1,360 | 2 |
| 10,001–15,000 | 403 | 1 |
| 15,001–20,000 | 206 | 1 |
| 20,001– | 661 | 86 |

Source: Euroclear.

Largest shareholders

| Shareholder | Capital, % | Votes, % |
|--|------------|----------|
| L E Lundbergföretagen | 20.5 | 26.0 |
| Jan Wallander's and Tom Hedelius' Foundation | 6.4 | 10.8 |
| Spiltan Funds | 5.6 | 1.5 |
| Fredrik Lundberg incl. companies | 3.5 | 2.2 |
| BlackRock | 2.7 | 2.1 |
| Vanguard | 2.5 | 2.0 |
| SCA Pension Foundation | 2.1 | 3.5 |
| Essity Vorsorge-Treuhand | 2.1 | 3.5 |
| Essity Pension Foundation for Officials | 2.0 | 3.3 |
| SEB Investment Management | 1.7 | 1.2 |
| Handelsbanken Funds | 1.2 | 1.3 |
| Louise Lindh | 1.1 | 0.9 |
| Katarina Martinson incl. companies | 1.1 | 0.9 |
| Norges Bank Investment Management | 1.0 | 1.7 |
| Swedbank Robur Funds | 1.0 | 0.8 |

Source: Industrivärden and Holdings on December 31, 2024.

Dividend and return

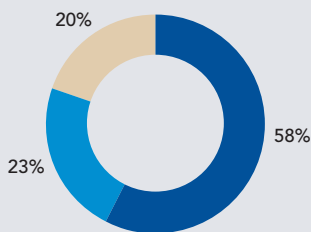
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|-------------------|--------|--------|--------|-------------------|--------|--------|--------|--------|--------|
| Dividend/share, SEK | 8.25 ¹ | 7.75 | 7.25 | 6.75 | 8.25 ² | 0.00 | 5.75 | 5.50 | 5.25 | 5.00 |
| Dividend growth, ordinary, % | 6 | 7 | 7 | 8 | n/a | neg | 5 | 5 | 5 | neg |
| Dividend growth, total, % | 6 | 7 | 7 | neg | n/a | neg | 5 | 5 | 5 | neg |
| Dividend yield Class C shares, % | 2.4 | 2.4 | 2.9 | 2.4 | 3.1 | – | 3.2 | 2.7 | 3.1 | 3.4 |
| Total return Class C shares, % | 9 | 33 | –9 | 10 | 18 | 30 | –9 | 22 | 21 | 11 |
| Share price on December 31, Class C shares, SEK | 349.10 | 328.30 | 253.00 | 284.10 | 265.50 | 225.90 | 179.20 | 202.50 | 169.80 | 145.10 |

1) Proposed by the Board of Directors.

2) Of which, extra dividend of SEK 2.00 per share.

Owner categories

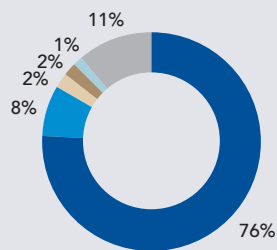
Share of capital



- Swedish legal entities
- Foreign owners
- Swedish natural persons

Geographic distribution of owners

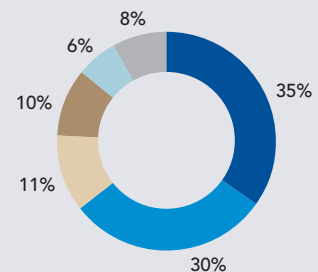
Share of capital



- Sweden
- USA
- Germany
- UK
- Norway
- Other

Trading per marketplace

Share of monetary trading volume



- OTC
- Stockholm Stock Exchange
- Cboe BXE
- Cboe DXE
- Cboe BATS
- Other

Source: Euroclear and Bloomberg on December 31, 2024.



Industrivärden investment case

- Exposure to a number of leading listed companies characterized by strong market positions, good cash flows, financial strength and clear capacity for development
- Strong position of influence and active ownership through board and nomination committee representation
- Professional and well-adapted organization with proven track record of long-term value creation

7%
resp.
9%

Good net asset value growth
Annually for the past 5 and 10 years, respectively

3%
resp.
3%

Strong dividend yield¹
Average per year in the past 5 and 10 years, respectively

A+

Balanced risk
A+/Stable/A-1 credit rating from S&P Global Ratings

11%
resp.
13%

Attractive returns²
Annually for the past 5 and 10 years, respectively

<0.1%

Low management cost
Proportion of managed capital

1) Dividend 2024 proposed by the Board.
2) Refers to Industrivärden C.

Performance over time

Key ratios

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net asset value | | | | | | | | | | |
| <i>Equities portfolio</i> | | | | | | | | | | |
| market value, SEK mn | 166,504 | 157,547 | 133,832 | 149,955 | 128,893 | 116,750 | 92,170 | 107,289 | 94,250 | 81,835 |
| total return, % | 8 | 21 | -9 | 21 | 7 | 33 | -8 | 17 | 20 | 4 |
| net purchases/sales, SEK mn | 4,566 | 2,854 | 3,184 | 2,258 | 4,106 | -1,163 | -3,252 | 103 | -834 | -1,894 |
| <i>Net debt</i> | | | | | | | | | | |
| value, SEK mn | -6,914 | -7,295 | -7,355 | -6,500 | -7,654 | -4,032 | -6,601 | -10,930 | -11,481 | -12,648 |
| debt-equities ratio, % | 4 | 5 | 5 | 4 | 6 | 3 | 7 | 10 | 12 | 15 |
| <i>Net asset value</i> | | | | | | | | | | |
| value, SEK mn | 159,590 | 150,252 | 126,477 | 143,455 | 121,239 | 112,718 | 85,201 | 96,299 | 82,769 | 69,056 |
| value per share, SEK | 370 | 348 | 293 | 332 | 279 | 259 | 196 | 221 | 191 | 160 |
| growth, % | 6 | 19 | -12 | 18 | 8 | 32 | -12 | 16 | 20 | 1 |
| Industrivärden's stock | | | | | | | | | | |
| Number of shareholders | 191,000 | 196,000 | 197,000 | 204,000 | 104,000 | 88,000 | 80,000 | 75,000 | 69,000 | 63,000 |
| <i>Industrivärden's market capitalization</i> | | | | | | | | | | |
| value, SEK mn | 150,847 | 141,945 | 109,401 | 123,824 | 117,872 | 99,950 | 79,062 | 90,570 | 76,201 | 66,434 |
| value per share, SEK | 349 | 329 | 253 | 287 | 271 | 230 | 182 | 208 | 176 | 154 |
| <i>Number of shares outstanding</i> | | | | | | | | | | |
| total, thousands | 431,899 | 431,899 | 431,899 | 431,899 | 435,210 | 435,210 | 435,210 | 435,210 | 432,341 | 432,341 |
| of which, Class A shares, thousands | 238,377 | 254,789 | 260,744 | 260,796 | 267,112 | 268,183 | 268,183 | 268,184 | 268,185 | 268,185 |
| of which, Class C shares, thousands | 193,522 | 177,110 | 171,156 | 171,103 | 168,098 | 167,026 | 167,026 | 167,025 | 164,155 | 164,155 |
| <i>Dividends paid</i> | | | | | | | | | | |
| value, SEK mn | 3,563 | 3,347 | 3,131 | 2,915 | 3,590 | 0 | 2,502 | 2,394 | 2,285 | 2,162 |
| value per share, SEK | 8.25 | 7.75 | 7.25 | 6.75 | 8.25 | 0.00 | 5.75 | 5.50 | 5.25 | 5.00 |
| dividend growth, ordinary, % | 6 | 7 | 7 | 8 | n/a | neg | 5 | 5 | 5 | neg |
| dividend growth, total, % | 6 | 7 | 7 | neg | n/a | neg | 5 | 5 | 5 | neg |
| dividend yield, Class C shares, % | 2.4 | 2.4 | 2.9 | 2.4 | 3.1 | - | 3.2 | 2.7 | 3.1 | 3.4 |
| Total return, Industrivärden's stock | | | | | | | | | | |
| Class A shares, % | 9 | 33 | -10 | 8 | 18 | 30 | -11 | 20 | 17 | 15 |
| Class C shares, % | 9 | 33 | -9 | 10 | 18 | 30 | -9 | 22 | 21 | 11 |
| Total return index (SIXRX), % | 9 | 19 | -23 | 39 | 15 | 35 | -4 | 9 | 10 | 10 |
| Total return index (OMXS30GI), % | 7 | 21 | -13 | 33 | 7 | 31 | -7 | 8 | 9 | 2 |
| Other key ratios | | | | | | | | | | |
| Earnings per share, SEK | 29.30 | 62.15 | -32.34 | 61.57 | 19.54 | 68.56 | -19.14 | 35.76 | 38.05 | 7.18 |
| Management cost, % of portfolio value | 0.07 | 0.08 | 0.09 | 0.08 | 0.10 | 0.10 | 0.13 | 0.10 | 0.12 | 0.17 |
| Dividends received, SEK mn | 8,585 | 6,418 | 5,479 | 8,081 | 657 | 4,093 | 3,764 | 2,786 | 3,078 | 3,184 |
| Shareholders' equity, SEK mn | 159,178 | 149,880 | 126,180 | 143,079 | 120,976 | 112,528 | 85,142 | 95,880 | 82,129 | 67,850 |
| Equity ratio, % | 95 | 95 | 94 | 95 | 94 | 96 | 91 | 88 | 86 | 82 |

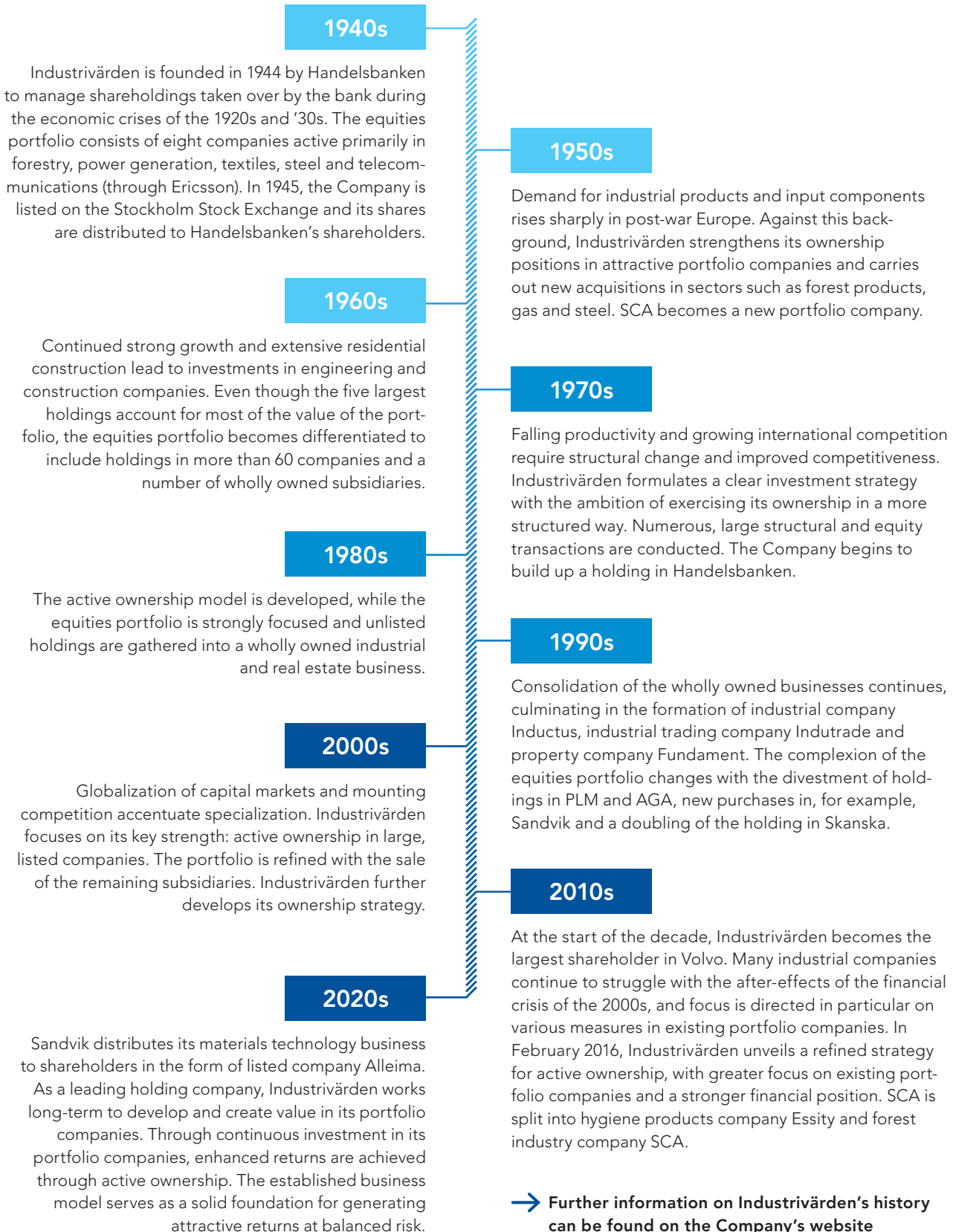
Values and calculations pertain to the respective year-end.

Dividend for 2024 according to the Board of Directors' proposal; see page 71.

The dividend for 2020 includes an extra dividend of SEK 2.00 per share.

Earnings per share for 2020 have been retroactively recalculated due to the change in share base that occurred in 2021. Other periods have not been recalculated.

Industrivärden's history





Annual Report

The Board of Directors and CEO of AB Industrivärden (publ), corporate identity number 556043-4200, herewith submit the Annual Report for the 2024 financial year for the Group and Parent Company. The Company's Sustainability Report is presented on pages 80–92.

The Board of Directors' registered office is in Stockholm, Sweden.

Board of Directors' Report

Industrivärden is a listed holding company that invests in and works long-term to develop and create value in its portfolio companies. Active ownership is exercised through sizable ownership stakes in a selection of listed companies with strong market positions, good cash flows, financial strength and clear development capacity. With a foundation in a well-developed ownership model and a sustainable approach, the goal is to generate an attractive return at balanced risk. Operations are conducted by the Parent Company, AB Industrivärden (publ), where some of the wholly owned subsidiaries have a supporting function.

Important events

Shares were purchased for a total of SEK 4,566 mn in 2024, of which SEK 1,548 mn in Volvo B, SEK 1,485 mn in Sandvik, SEK 770 mn in SCA B, SEK 699 mn in Essity B and SEK 63 mn in Alleima.

Financial performance

Net asset value

Net asset value on December 31, 2024, was SEK 159,590 mn (150,252), or SEK 370 per share (348), an increase of 6% (19%) during the year.

Equities portfolio

The value of the equities portfolio on December 31, 2024, was SEK 166,504 mn (157,547). The value increased by SEK 4,391 mn (20,861) during the year, adjusted for purchases and sales. Total return was 8% (21%). The composition and performance of the equities portfolio are presented on page 16 and in Note 12 on page 66.

Net debt

Net debt on December 31, 2024, was SEK 6,914 mn (7,295). The debt-equities ratio was 4% (5%).

Parent Company

The Parent Company's income after financial items as per December 31, 2024, was SEK 5,084 mn (23,133). Shareholders' equity was SEK 93,016 mn (91,288).

Risks and uncertainties

Industrivärden's most significant risks consist of share price risk and to a smaller extent a few other financial and operational risks. For further information, please see page 51 and Note 25 on page 70.

Expected future performance

Industrivärden has a strong financial position, a proven business model for long-term value creation through active ownership and sizable shareholdings in large, well-managed companies with good future opportunities.

Sustainability Report

Operations are based on a sustainable approach. The Sustainability Report is presented on pages 80–92 and is separate from the 2024 Annual Report.

Industrivärden's stock

The number of shares outstanding in Industrivärden on December 31, 2024, was 431,899,108, of which 238,376,934 were Class A shares and 193,522,174 were Class C shares. Each Class A share carries an entitlement to one vote and each Class C share carries entitlement to 1/10 vote. During 2024, 16,412,560 Class A shares were converted to Class C shares. More information about Industrivärden's stock and share ownership is presented on page 47.

Return

Total return was 9% (33%) for Class A shares and Class C shares, compared with 9% (19%) for the Stockholm Stock Exchange's total return index (SIXRX).

Employees

Industrivärden's success depends on qualified and committed employees. To be able to attract and retain competent and committed employees, major emphasis is put on the recruiting process, leadership, competence development and a good company culture. Industrivärden's ethical core values and ambitions as an employer are set out in the Company's Code of Conduct, which addresses areas such as the work environment, diversity and business ethics. Employees' total compensation shall be in line with current market rates and competitive.

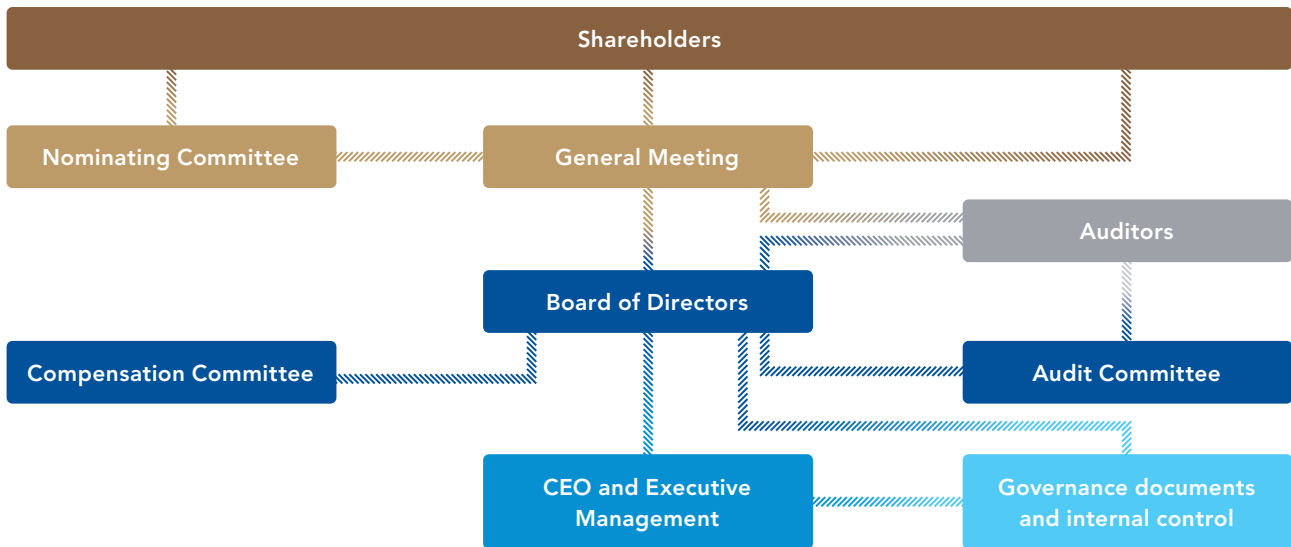
Guidelines for compensation of senior executives

For information on compensation of senior executives and ongoing long-term incentive programs, see Note 8 on pages 63–65. The guidelines for compensation of senior executives adopted by the 2024 Annual General Meeting, which continue to apply unchanged, can be found in the same note.

Proposed distribution of earnings

According to the Parent Company balance sheet, retained earnings totaling SEK 90,866 mn are at the disposal of the Annual General Meeting. The Board of Directors proposes that these earnings be distributed as follows: payment of a dividend to the shareholders of SEK 8.25 per share, or a total SEK 3,563 mn. The balance to be carried forward next year is SEK 87,302 mn. The Board's proposal for distribution of earnings is presented in its entirety on page 71.

Corporate Governance Report



Corporate governance structure

Industrivärden is a Swedish, public limited liability company listed on Nasdaq Stockholm. Corporate governance at Industrivärden is based on external rules and regulations such as the Swedish Companies Act, applicable EU regulations, the Swedish Corporate Governance Code (“the Code”) and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares. These frameworks are complemented by internal governance documents such as the Articles of Association, the Rules of Procedure for the Board of Directors and board committees, the instructions for the Chief Executive Officer (CEO), and policies and guidelines for the Company’s operations and organization.

The corporate governance structure emanates from the shareholders, who exercise their influence at general meetings, such as by appointing a board of directors and auditor. The Board of Directors appoints the CEO. The CEO leads the Company’s continuing operations in accordance with the Board’s guidelines. The auditor audits the annual report and oversees the Board’s and CEO’s administration. The Nominating Committee, which is appointed in the manner decided by a general meeting of shareholders, is tasked with, among other things, recommending board members, the Chairman of the Board and the auditor for election at the Annual General Meeting (AGM). For more information on the Code and the Swedish corporate governance model, visit www.bolagsstyrning.se.

This corporate governance report for the 2024 financial year has been prepared in accordance with the Annual

Accounts Act and the Code, and has been reviewed by the Company’s auditor. During 2024 Industrivärden did not depart from the Code. Nor did Industrivärden breach any applicable stock market rules or generally accepted practice in the stock market as decided by the Disciplinary Committee of Nasdaq Stockholm or the Swedish Securities Council.

Shares and shareholders

Industrivärden has issued two classes of stock: Class A shares and Class C shares. Class A shares carry entitlement to one vote, and Class C shares carry entitlement to one-tenth of a vote. In other respects there are no restrictions regarding how many votes each shareholder may cast at a general meeting. Both classes of stock carry equal entitlement to dividends.

On December 31, 2024, Industrivärden had approximately 191,000 shareholders according to Euroclear Sweden AB’s register of shareholders. Two shareholders (L E Lundberg-företagen and the Jan Wallander and Tom Hedelius Foundation) each control 10% or more of the total number of votes in the Company. For more information about Industrivärden’s stock and ownership structure, see pages 38–40.

General meetings

The shareholders’ influence is exercised at a general meeting of shareholders, which is the Company’s highest governing body. Through the Articles of Association the shareholders have stipulated, among other things, the object of the Company’s business, the minimum and maximum number of

directors on the Company's board and the forms for conducting general meetings. Apart from what is prescribed by law regarding the shareholders' right to participate at general meetings, the Articles of Association prescribe that advance notification shall be made within a period of time stated in the notice of a general meeting.

At the Annual General Meeting (AGM), which is held within six months after the end of the financial year, the shareholders appoint the Board of Directors and auditor. Other decisions are also made at the AGM based on recommendations from the Nominating Committee, the Board and shareholders, and other statutory matters are addressed. Among other things, the income statement and balance sheet are adopted, a decision is made regarding the dividend, the Board of Directors' and auditor's fees are set, and a decision is made on whether to discharge the directors and the CEO from liability. Guidelines for compensation of senior executives are adopted at least every four years, while a remuneration report is submitted to the AGM yearly for approval. In accordance with the Articles of Association, the Board may decide that the shareholders also be able to exercise their voting rights by post prior to a general meeting in accordance with the procedure stipulated in the Swedish Companies Act.

The Annual General Meeting of Industrivärden was held on April 11, 2024. Resolutions made at the AGM included:

- A dividend of SEK 7.75 per share (7.25)
- Discharge of the board members and CEO from liability for the 2023 financial year
- Increase of the number of members of the Board of Directors to nine ordinary directors and no deputy directors
- Re-election of all board members and election of Fredrik Persson as new director
- Re-election of Fredrik Lundberg as Chairman of the Board
- Approval of directors' fees in accordance with the Nominating Committee's recommendation
- Re-election of Deloitte AB as auditor
- Approval of new guidelines for compensation of senior executives
- Approval of the Board's remuneration report pursuant to Ch. 8 § 53 a of the Swedish Companies Act
- Approval of a long-term share savings program for Industrivärden employees

Further information about Industrivärden's 2024 AGM and the Nominating Committee's work in 2024 is available on Industrivärden's website.

Industrivärden's 2025 Annual General Meeting will be held on April 10, 2025. For more information, see page 94 and Industrivärden's website.

Nominating Committee

As a drafting body the Nominating Committee is responsible for drawing up recommendations for, among other things, election of the members of the Board of Directors

and the Chairman of the Board, and – based on a recommendation by the Audit Committee – the auditor as well as directors' and the auditor's fees, for decision by the Annual General Meeting.

In accordance with the Nominating Committee's instructions (adopted by the 2011 AGM and which apply until further notice), Industrivärden's Nominating Committee shall be composed of representatives of four among the largest owner-registered shareholders in terms of votes in Euroclear Sweden AB's printout of the register of shareholders as per the last business day in August, as well as the Chairman of the Board (convening member). The Nominating Committee appoints a committee chair from among its members. The Nominating Committee's instructions are posted on Industrivärden's website.

Prior to the 2025 AGM, the Nominating Committee's members are Bo Selling (L E Lundbergföretagen), Håkan Sandberg (the Jan Wallander and Tom Hedelius Foundation and others), Jan Svedjebrant (SCA Pension Foundations and others), Mikael Schmidt (Essity Pension Foundations and others) and Fredrik Lundberg (Chairman of the Board of Industrivärden). Bo Selling has been appointed as committee chair. Information about the Nominating Committee's recommendations and its report on its work ahead of the 2025 AGM are published over time on Industrivärden's website. The Nominating Committee's complete recommendations to the 2025 AGM are made public no later than in conjunction with publication of the AGM notice.

Board of Directors

The Board's role, composition and independence conditions

The Board of Directors has ultimate responsibility for the Company's organization and administration. The Board appoints the CEO, who is responsible for the day-to-day operations within the Company, in accordance with the Board's guidelines.

The Board of Directors of Industrivärden plays a central role in the Company's business model for exercising a long-term active ownership. It is responsible for, among other things, the Company's strategy, formulation and application of the methods for active ownership, and overarching ownership matters concerning the portfolio companies. The Articles of Association stipulate that the Board shall consist of a minimum of three and a maximum of nine directors. The Board's composition and the directors' attendance at board and committee meetings are shown in the table on page 49. For a more detailed presentation of the board members, see pages 52–53 and Industrivärden's website.

The Nominating Committee's reasoned statement ahead of the 2024 AGM certifies that in formulating its recommendations for members of the Board of Directors, the Nominating Committee relied on Rule 4.1 of the Code as its diversity policy. The aim of the policy is that the Board shall have a suitable composition in respect of the Company's operations, phase of development and conditions in general, distinguished by a diversity and breadth of expertise, experience and backgrounds, whereby an even gender balance shall be strived for.

The 2024 AGM resolved to appoint board members in accordance with the Nominating Committee's recommendation. With respect to gender breakdown, this entailed that of nine elected directors, three were women and six were men.

The composition of Industrivärden's board meets the Code's requirement for independent directors. The Nominating Committee's assessment regarding the directors' independence status ahead of the 2024 AGM is outlined in the table on page 49.

The Board has appointed an audit committee and a compensation committee tasked with conducting preparatory work for audit and compensation matters, respectively, for decision by the Board. The aim of the committees is to take a more in-depth look at, streamline and quality-assure the Board's work on these matters. The committees are described in more detail on page 50.

The Board's work

The Board's work is laid out in the Rules of Procedure (including the CEO's instruction), which are adopted yearly at the statutory board meeting. Among other things, the Rules of Procedure and the CEO's instruction regulate and structure the Board's duties during the year, clarify internal decision-making processes, prescribe the routine for dealing with conflicts of interest and stipulate the division of responsibility vis-à-vis the CEO. In addition to the Rules of Procedure, the Board adopts a number of governance documents for the Company's operations. For further information about governance documents, see the section "Internal control over financial reporting" on page 51.

Every board meeting follows an agenda that has been distributed to the directors along with relevant documentation. All board decisions are based on extensive documentation and are made following a discussion that is led by the Chairman of the Board. Senior executives of Industrivärden and employees in the investment organization participate in board meetings by making presentations on specific matters.

In addition to the statutory board meeting, which is held in conjunction with the AGM, the Board normally meets eight times per year (regular meetings, including meetings

in connection with the publication of interim and year-end reports). Extra board meetings are called when necessary.

The Board held a total of 11 meetings in 2024. At the regular board meetings, a number of set agenda points were addressed, including reports on the financial result of operations, the development of net asset value and performance of the equities portfolio, and equity transactions that have been carried out along with an update on macroeconomic conditions. Within the framework of active ownership, a significant proportion of the board's work has consisted of hearing reports, discussing and evaluating the performance of the portfolio companies, and Industrivärden's owner agenda for exercising its active ownership, including specific investigative projects related to the portfolio companies. The Board also works actively on a continuous basis with the issue of responsibility and compliance with laws and regulations, which included the yearly review of the Company's Code of Conduct and other internal policies.

In 2024, the Board continued to place considerable emphasis on discussing the effects of the geopolitical and macroeconomic conditions, such as the consequences of a challenging and difficult-to-assess macro environment and a rapidly changing geopolitical environment, economic, inflation and interest rate trends, as well as what this environment means for the portfolio companies and the industries and markets in which they operate. Furthermore, the Board discussed and evaluated the portfolio companies' approach to a number of material issues, such as current technological and digitalization shifts, with particular focus on AI. The CEOs of the portfolio companies regularly give presentations to the Board on their respective companies' operations. In 2024, the CEOs of Volvo, Sandvik and Essity gave such presentations.

Each year the Board evaluates Industrivärden's financial reporting and makes demands on its content and structure to ensure it maintains a high level of quality. In connection with the board meeting that covers the annual financial statements, the Board of Directors' Report, the proposed distribution of earnings and the year-end report, the Company's auditor submits a report on its observations and assessments from the performed audit.

Composition, independence conditions and attendance 2024

| Name | Role | | | Independent in relation to | | Attendance at meetings | | |
|------------------------------|---------------|-----------------|------------------------|--------------------------------------|--------------------|------------------------|-----------------|------------------------|
| | Role on Board | Audit Committee | Compensation Committee | The Company and Executive Management | Major shareholders | Board | Audit Committee | Compensation Committee |
| Fredrik Lundberg | Chairman | Member | Chair | Yes | No | 11 / 11 | 4 / 4 | 3 / 3 |
| Pär Boman | Vice Chairman | Chair | | Yes | No | 10 / 11 | 4 / 4 | |
| Christian Caspar | Director | Member | | Yes | Yes | 11 / 11 | 4 / 4 | |
| Marika Fredriksson | Director | | Member | Yes | Yes | 11 / 11 | | 3 / 3 |
| Bengt Kjell | Director | | | Yes | Yes | 11 / 11 | | |
| Katarina Martinson | Director | | | Yes | No | 11 / 11 | | |
| Fredrik Persson ¹ | Director | | | Yes | Yes | 7 / 7 | | |
| Lars Pettersson | Director | | Member | Yes | No | 11 / 11 | | 3 / 3 |
| Helena Stjernholm | Director | | | No | Yes | 11 / 11 | | |

1) Elected as new director at the 2024 AGM

Evaluation of the Board's work

The Board's work is evaluated yearly through a structured process conducted under the direction of the Chairman of the Board. The 2024 evaluation was conducted via a questionnaire that each board member was requested to complete, with the aim of gaining an idea about the directors' views on, among other things, how board work has been conducted and which measures can be taken to improve board work as well as which matters the directors feel should be given more attention. The evaluation also aims to provide information about areas the directors feel may be suitable to have additional expertise on the Board. This could pertain to expertise related to Industrivärden's operations, business environment, internal policies and core values, but also expertise related to the portfolio companies' operations, sectors and markets, and sustainability issues and relevant megatrends. The Chairman of the Board also held individual discussions with directors on the years' board work. The results of the board evaluation were reported to and discussed by the Board, and were also reported on in the Nominating Committee.

Audit Committee

The Audit Committee serves in a preparatory and oversight role with respect to the Company's risk management, governance and control over financial reporting.

The Audit Committee held four meetings in 2024. The Company's auditor participated at three of these meetings. The committee's work entailed, among other things, maintaining regular contact with the auditor to ensure that the Company's external reporting meets the requirements placed on a listed company, monitoring the effectiveness of the Company's internal control over financial reporting, staying informed about the audit of the annual report and consolidated financial statements, and discussing the scope and focus of the audit work with the auditor. In addition, the Audit Committee reviewed and conducted oversight of the auditor's impartiality and independence, and issued guidelines for which other services than auditing may be procured from the Company's auditor. The Audit Committee also made a recommendation for election of the auditor to the 2024 AGM. The auditor reported on its observations to the Audit Committee on a regular basis.

The members of the Audit Committee are shown in the table on page 49. Meetings of the Audit Committee are documented by minutes, which are reported on orally at board meetings. No fees have been paid to board members for their work on the committee.

Compensation Committee

The Compensation Committee is tasked with conducting preparatory work, following up and evaluating principles for compensation in the Company.

The Compensation Committee held three meetings in 2024. The committee's work included following up and evaluating application of the compensation guidelines for senior executives that the AGM has decided on, preparing

recommendations for compensation and other terms of employment for the CEO, and following up and evaluating long-term variable compensation programs that were concluded during the year. In addition, the committee addressed matters related to compensation structures and compensation levels in the Company as well as succession planning. The committee drafted the Board's proposed remuneration report and prepared the Board's proposal for guidelines for compensation of senior executives which were presented to the 2024 AGM.

The members of the Compensation Committee are shown in the table on page 49. Meetings of the Compensation Committee are documented by minutes, which are reported on orally at board meetings. No fees have been paid to board members for their work on the committee.

CEO and Executive Management

Industrivärden's CEO is responsible for the Company's operating activities in accordance with the objectives and strategies set by the Board of Directors and in accordance with the division of responsibilities laid out in the CEO's instruction. The CEO's duties include leading and structuring the investment and analysis operations, deciding on equity transactions and drafting owner agendas, and responsibility for personnel, finance and business administration matters.

The CEO organizes the operations and appoints the senior executives who make up Industrivärden's Executive Management. The Executive Management supports the CEO in her assignment. Decisions on equity transactions in the continuing administration are made by the CEO, where applicable after consideration by the Company's Investment Committee. The Investment Committee, which is made up of relevant members of the Executive Management and representatives of the investment organization, also conducts drafting work on owner agendas for exercising active ownership in the portfolio companies and other specific investigative projects related to the portfolio companies.

The CEO reports to the Board of Directors on a regular basis on the performance of operations in order to facilitate well-informed board decisions. The Board continuously evaluates the CEO's work by monitoring performance of operations based on set goals, and a comprehensive evaluation is performed yearly. For a more detailed presentation of Industrivärden's CEO and Executive Management, see page 54 and Industrivärden's website.

Compensation

Directors' fees

The AGM resolved on directors' fees in accordance with the table below.

Directors' fees pursuant to resolution by the 2024 AGM, SEK

| | |
|----------------------------|-----------|
| Chairman of the Board | 2,350,000 |
| Vice Chairman of the Board | 1,425,000 |
| Directors | 712,000 |

Compensation of members of the Executive Management

The Board decides on the CEO's total compensation. The CEO decides on the compensation for other members of the Executive Management based on the criteria drawn up by the CEO in consultation with the Compensation Committee.

Compensation of members of the Executive Management is ultimately based on the guidelines for compensation of senior executives that are adopted by a general meeting of shareholders. Information on the most recently adopted guidelines for compensation of senior executives, which were adopted by the 2024 AGM, is provided in Note 8 on pages 63–65 and on Industrivärden's website. The Board is to draw up a recommendation for new guidelines at least every four years for decision by a general meeting of shareholders.

A remuneration report prepared by the Board on application of the compensation guidelines in 2024 will be published on Industrivärden's website prior to the 2025 AGM. The remuneration report includes information on the CEO's and the Deputy CEO's compensation as well as a summary of outstanding long-term share savings programs.

Auditor

The Annual General Meeting appoints the Company's auditor. The auditor audits the annual report, the bookkeeping and the Board's and CEO's administration of the Company, among other things, and reports to the Annual General Meeting.

At the 2024 AGM, Deloitte AB was re-elected as auditor for a term lasting through the 2025 AGM. The chief auditor is Hans Warén, Authorized Public Accountant. In 2024 the auditor reviewed the half-year report and year-end report, and audited the annual report, consolidated financial statements and ESEF report. In addition, the auditor has examined the corporate governance report and the sustainability report. The auditor has submitted written as well as oral reports to the Audit Committee and the Board. The auditor's report and opinion regarding the sustainability report are provided on pages 72–75 and page 93, respectively. The auditor's opinion on whether the Company has adhered to the guidelines adopted by the general meeting on compensation of senior executives is posted on Industrivärden's website. The auditor's fee is shown in Note 4 on page 62.

Internal control over financial reporting

Control environment

Internal control at Industrivärden aims primarily to ensure a correct valuation of outstanding equity positions as well as effective and reliable controls in the reporting of purchases and sales of shares and other securities.

Industrivärden's control environment is built upon a clear division of duties and responsibilities between the Company's various bodies and functions, a sound company culture and transparent operations. Relevant policies and guidelines are decided on and evaluated on a continuing basis by the Company's board and management. These frameworks, together with internal, formal process descriptions, are well-established and known by the pertinent employees.

Relevant governance documents adopted by the Board of Directors include the CEO's instructions, which stipulate the division of responsibility between the Board and the CEO, and the Investment and Finance Policy, which lays out the frameworks for investments in financial instruments, financing and management of financial risks.

Decision-making channels, authority and responsibility at the operational level are defined in more detail by the CEO in investment rules, the Risk Policy and authorization instructions. Other frameworks for internal control include the Code of Conduct, the Insider Policy and the IT Policy.

Risk assessment

Industrivärden continuously identifies, assesses and manages risks for material errors in the financial reporting. This process is fundamental for ensuring that the financial reporting is reliable. The Company's assessments and measures are reported on a regular basis to the Audit Committee. Risk management is described in more detail in Note 25 on page 70.

Control activities

Industrivärden has established a number of different control activities aimed at ensuring the effectiveness of the measures taken to prevent material errors in the financial reporting. Relevant control and monitoring activities make up an integral part of Industrivärden's business, decision-making and accounting processes.

The Board of Directors continuously evaluates the financial reporting that is received in connection with board meetings and which covers the equities portfolio, gearing and other important conditions. The Audit Committee carries on a continuous dialogue with the Company's auditor on the scope and quality of the Company's financial reporting.

Against the background of Industrivärden's operations, organizational structure and how the financial reporting in other respects is organized, in 2024 the Board did not find a need for a dedicated audit function in the form of internal audit.

Information

Industrivärden's external communication of information is regulated by an Information Policy that is adopted by the Company's board. In addition, internal guidelines are in place to ensure information security as well as correct and reliable communication of information.

Monitoring

Industrivärden's board and management continuously evaluate the effectiveness and quality of internal control over financial reporting. Management reports on the Company's operational and financial development to the Board on a regular basis in connection with forthcoming interim reporting, and board and Audit Committee meetings. Between such occasions, reporting is conducted as needed. The Company's auditor reports its observations to the Audit Committee on a continuing basis.

Board of Directors



Fredrik Lundberg (1951)

Chairman of the Board since 2015

Director since 2004

M.Sc. Eng., M.Sc. BA., Dr. h.c. mult.

President and CEO of L E Lundbergföretagen.

Chairman of Holmen and Hufvudstaden. Vice Chairman of Handelsbanken. Director of L E Lundbergföretagen and Skanska.

Active in L E Lundbergföretagen since 1977.

Shareholding (own and closely related parties): 103,646,153¹



Pär Boman (1961)

Vice Chairman since 2015

Director since 2013

Engineering and Business/Economics degree, Dr. h.c. econ.

Chairman of Handelsbanken and Volvo. Director of Skanska. Chair of Jan Wallander's and Tom Hedelius' Foundation and Tore Browaldh's Foundation. Chair of Pensionskassan SHB Tjänstepensionsförening.

Former President and CEO of Handelsbanken.

Shareholding (own and closely related parties): 14,538



Christian Caspar (1951)

Director since 2011

M.Sc. BA.

Director of Goodgrower SA and Stena.

More than thirty years of experience from leading positions at McKinsey & Company.

Shareholding (own and closely related parties): 1,000



Marika Fredriksson (1963)

Director since 2020

M.Sc. BA.

Director of A.P. Møller-Maersk A/S, KONE Oyj and Sandvik.

Former CFO of Vestas Wind Systems A/S, Gambro, Autoliv and Volvo Construction Equipment.

Shareholding (own and closely related parties): –



Bengt Kjell (1954)

Director since 2015

M.Sc. BA.

Director of ICA Gruppen, Pandox and The Dunker Foundations.

Former acting CEO and Deputy CEO of Industrivärden, CEO of AB Handel och Industri, partner at Navet.

Shareholding (own and closely related parties): 37,400



Katarina Martinson (1981)

Director since 2022

M.Sc. BA.

Chairman of Indutrade. Director of L E Lundbergföretagen and other companies in the Lundberg sphere, Fidelio Capital and Husqvarna.

Former Vice President at Strategas Research Partners, analyst at International Strategy & Investment Group.

Shareholding (own and closely related parties): 4,839,596²

Information regarding directorships and shareholdings as of December 31, 2024, unless otherwise stated. Shareholdings include holdings of closely related parties, where applicable.

- 1) Pertains to own and closely related natural persons' holdings of 11,846,153 shares and closely related legal entities' holdings of 91,800,000 shares, of which 88,550,000 shares through L E Lundbergföretagen AB and 3,250,000 shares through Förvaltnings AB Lunden. Total holding amounts to 69,121,153 Class A shares and 34,525,000 Class C shares.
- 2) Pertains to own and closely related natural persons' holdings of 4,132,981 shares and a closely related legal entity's holding of 706,615 shares, through Katarina Martinson AB. Total holding amounts to 2,001,059 Class A shares and 2,131,922 Class C shares.



Fredrik Persson (1968)

Director since 2024

M.Sc. BA.

Chairman of Ellevio, JM och The Confederation of European Business (BusinessEurope), Director of A. Ahlström Oy, Holmen, Hufvudstaden, ICA Gruppen and Interogo Holding AG.

Former President and CEO of Axel Johnson and CFO of Axel Johnson; previously held various positions within ABB Financial Services.

Shareholding (own and closely related parties): 4,000



Lars Pettersson (1954)

Director since 2015

M.Sc. Eng., Dr. h.c. phil.

Director of L E Lundbergföretagen, Indutrade and Husqvarna.

Former President and CEO of Sandvik; previously held executive positions in the Sandvik Group.

Shareholding (own and closely related parties): 5,000



Helena Stjernholm (1970)

Director since 2016

President and CEO since 2015

M.Sc. BA.

Chairman of SCA. Director of Sandvik and Volvo.

Former partner and Chief Investment Officer at IK Partners, strategic consultant at Bain & Company.

Shareholding (own and closely related parties): 126,910 and 75,000 call options

Information regarding directorships and shareholdings as of December 31, 2024, unless otherwise stated. Shareholdings include holdings of closely related parties, where applicable.

Executive Management



Helena Stjernholm (1970)

President and CEO

Industrivärden employee since 2015
M.Sc. BA.

Chairman of SCA. Director of Sandvik and Volvo.
Former partner and Chief Investment Officer at IK Partners, strategic consultant at Bain & Company.

Shareholding (own and closely related parties):
126,910 and 75,000 call options



Karl Åberg (1979)

Deputy Chief Executive Officer, Head of Investment Organization and Finance Function

Industrivärden employee since 2017
M.Sc. BA.

Director of Alleima, Ericsson and Essity.
Former partner and company head at Zeres Capital, partner at CapMan, various roles at Handelsbanken Capital Markets.

Shareholding (own and closely related parties):
24,360



Jennie Knutsson (1976)

General Counsel

Industrivärden employee since 2015
LL.M.

Former Legal Counsel at Industrivärden and Associate at Mannheimer Swartling Advokatbyrå.

Shareholding (own and closely related parties):
11,600



Sverker Sivall (1970)

Head of Corporate Communications and Sustainability

Industrivärden employee since 1997
M.Sc. BA.

Former Head of Investor Relations for Industrivärden, Investment Controller at AstraZeneca.

Shareholding (own and closely related parties):
18,900

Co-opted to the management

Sofie Arkelid (1985)

Finance Manager

Industrivärden employee since 2016
Co-opted member of the executive management team since 2023

Shareholding (own and closely related parties):
3,600

Information regarding directorships and shareholdings as at December 31, 2024, unless otherwise stated. Shareholdings include holdings of closely related parties, where applicable.



Income statement

| SEK mn | Note | Group | | Parent Company | |
|--|------|---------------|---------------|----------------|---------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Dividend income | 2 | 8,585 | 6,418 | 4,739 | 3,853 |
| Change in value of shares, etc. | 3 | 4,393 | 20,851 | 820 | 19,702 |
| Management cost | 4, 8 | -124 | -126 | -124 | -126 |
| Operating income | | 12,854 | 27,143 | 5,435 | 23,429 |
| Financial income | 6 | 62 | 54 | 5 | 20 |
| Financial expenses | 7 | -194 | -210 | -356 | -316 |
| Income after financial items | | 12,722 | 26,987 | 5,084 | 23,133 |
| Tax | 9 | -68 | -143 | - | - |
| Net income for the year | | 12,654 | 26,844 | 5,084 | 23,133 |
| Earnings per share (no dilution effect exists), SEK | 10 | 29.30 | 62.15 | | |

Statement of comprehensive income

| | | | | |
|--|---------------|---------------|--------------|---------------|
| Net income for the year | 12,654 | 26,844 | 5,084 | 23,133 |
| Other comprehensive income | | | | |
| <i>Items that are not to be reclassified in the income statement</i> | | | | |
| Actuarial gains and losses pertaining to pensions | -5 | -9 | -5 | -9 |
| Comprehensive income for the year | 12,649 | 26,835 | 5,079 | 23,124 |

Balance sheet

| SEK mn | Note | Group | | Parent Company | |
|---|------------|----------------|----------------|----------------|----------------|
| | | Dec 31 2024 | Dec 31 2023 | Dec 31 2024 | Dec 31 2023 |
| ASSETS | | | | | |
| Tangible fixed assets | 11 | 19 | 25 | 19 | 25 |
| Equities | 12, 16 | 166,504 | 157,547 | 44,030 | 47,735 |
| Participations in associated companies | 12, 13, 16 | – | – | 61,157 | 53,536 |
| Participations in group companies | 14, 15, 16 | – | – | 395 | 1,735 |
| Total non-current assets | | 166,523 | 157,572 | 105,601 | 103,032 |
| Current financial receivables | | 32 | 36 | – | – |
| Other current receivables | 17 | 46 | 49 | 38 | 46 |
| Cash and cash equivalents | | 843 | 869 | 0 | 718 |
| Total current assets | | 921 | 954 | 38 | 764 |
| TOTAL ASSETS | | 167,444 | 158,526 | 105,639 | 103,796 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | | |
| Share capital | 18 | 1,088 | 1,088 | 1,088 | 1,088 |
| Other capital contributions/Statutory reserve | | 1,063 | 1,063 | 1,063 | 1,063 |
| Retained earnings | 18 | 144,373 | 120,885 | 85,781 | 66,004 |
| Net income for the year | | 12,654 | 26,844 | 5,084 | 23,133 |
| Total shareholders' equity | | 159,178 | 149,880 | 93,016 | 91,288 |
| Non-current financial liabilities | 19 | 5,004 | 6,509 | 5,004 | 6,509 |
| Provisions for pensions | 20 | 0 | 0 | 0 | 0 |
| Deferred tax liability | 9 | 228 | 228 | – | – |
| Other non-current liabilities | 21 | 69 | 40 | 69 | 40 |
| Total non-current liabilities | | 5,301 | 6,777 | 5,073 | 6,549 |
| Current financial liabilities | 22 | 2,785 | 1,691 | 7,416 | 5,812 |
| Other current liabilities | 23 | 180 | 178 | 134 | 147 |
| Total current liabilities | | 2,965 | 1,869 | 7,550 | 5,959 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 167,444 | 158,526 | 105,639 | 103,796 |

Information about pledged assets and contingent liabilities is provided in Note 27.

Shareholders' equity

Group

| SEK mn | Share capital ¹ | Other capital contributions | Retained earnings | Net income for the year | Total shareholders' equity |
|--|----------------------------|-----------------------------|-------------------|-------------------------|----------------------------|
| Shareholders' equity as per December 31, 2022 | 1,088 | 1,063 | 137,996 | -13,967 | 126,180 |
| Net income for the year | - | - | - | 26,844 | 26,844 |
| Other comprehensive income | - | - | -9 | - | -9 |
| Comprehensive income for the year | - | - | -9 | 26,844 | 26,835 |
| Transfer of previous year's net income | - | - | -13,967 | 13,967 | - |
| Dividend to shareholders | - | - | -3,131 | - | -3,131 |
| Share savings program | - | - | -4 | - | -4 |
| SHAREHOLDERS' EQUITY AS PER DECEMBER 31, 2023 | 1,088 | 1,063 | 120,885 | 26,844 | 149,880 |
| Net income for the year | - | - | - | 12,654 | 12,654 |
| Other comprehensive income | - | - | -5 | - | -5 |
| Comprehensive income for the year | - | - | -5 | 12,654 | 12,649 |
| Transfer of previous year's net income | - | - | 26,844 | -26,844 | - |
| Dividend to shareholders ² | - | - | -3,347 | - | -3,347 |
| Share savings program | - | - | -4 | - | -4 |
| SHAREHOLDERS' EQUITY AS PER DECEMBER 31, 2024 | 1,088 | 1,063 | 144,373 | 12,654 | 159,178 |

Parent Company

| SEK mn | Restricted equity | | Unrestricted equity | | Total shareholders' equity |
|--|----------------------------|-------------------|---------------------|-------------------------|----------------------------|
| | Share capital ¹ | Statutory reserve | Retained earnings | Net income for the year | |
| Shareholders' equity as per December 31, 2022 | 1,088 | 1,063 | 82,887 | -13,739 | 71,299 |
| Net income for the year | - | - | - | 23,133 | 23,133 |
| Other comprehensive income | - | - | -9 | - | -9 |
| Comprehensive income for the year | - | - | -9 | 23,133 | 23,124 |
| Transfer of previous year's net income | - | - | -13,739 | 13,739 | - |
| Dividend to shareholders | - | - | -3,131 | - | -3,131 |
| Share savings program | - | - | -4 | - | -4 |
| SHAREHOLDERS' EQUITY AS PER DECEMBER 31, 2023 | 1,088 | 1,063 | 66,004 | 23,133 | 91,288 |
| Net income for the year | - | - | - | 5,084 | 5,084 |
| Other comprehensive income | - | - | -5 | - | -5 |
| Comprehensive income for the year | - | - | -5 | 5,084 | 5,079 |
| Transfer of previous year's net income | - | - | 23,133 | -23,133 | - |
| Dividend to shareholders ² | - | - | -3,347 | - | -3,347 |
| Share savings program | - | - | -4 | - | -4 |
| SHAREHOLDERS' EQUITY AS PER DECEMBER 31, 2024 | 1,088 | 1,063 | 85,781 | 5,084 | 93,016 |

1) On December 31, 2024, there were 431,899,108 shares (431,899,108) outstanding, of which 238,376,934 Class A shares (254,789,494) and 193,522,174 Class C shares (177,109,614). The share capital amounted to SEK 601 mn (642) for the Class A shares and SEK 488 mn (446) for the Class C shares. The share quota value is SEK 2.52 (2.52).

2) The dividend in 2024 was SEK 7.75 per share.

Statement of cash flows

| SEK mn | Note | Group | | Parent Company | |
|--|-------|---------------|---------------|----------------|---------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Operating activities | | | | | |
| Dividends received | 2 | 8,585 | 6,418 | 4,739 | 3,853 |
| Management cost paid | | -123 | -159 | -123 | -159 |
| Other items affecting cash flow | | 30 | -43 | 30 | -43 |
| Cash flow from operating activities before financial items | | 8,492 | 6,216 | 4,646 | 3,652 |
| Interest received | | 61 | 54 | 3 | 19 |
| Interest paid | | -184 | -169 | -347 | -276 |
| Tax paid | | -57 | -41 | - | - |
| Other financial items | | -22 | -2 | -20 | -2 |
| Cash flow from operating activities | | 8,290 | 6,057 | 4,282 | 3,393 |
| Investing activities | | | | | |
| Purchases of shares | 5, 16 | -4,566 | -2,854 | -3,096 | -1,990 |
| Sales of shares | 5, 16 | - | - | - | - |
| Cash flow from investing activities | | -4,566 | -2,854 | -3,096 | -1,990 |
| Financing activities | | | | | |
| Loans raised | | 1,000 | 1,499 | 1,000 | 1,499 |
| Amortization of debt | | -1,403 | -1,497 | -1,505 | -1,505 |
| Change in financing of subsidiaries | | 0 | - | 608 | 2,251 |
| Shareholder contributions | | 0 | - | 1,340 | - |
| Dividend paid | | -3,347 | -3,131 | -3,347 | -3,131 |
| Cash flow from financing activities | | -3,750 | -3,129 | -1,904 | -886 |
| NET CASH FLOW FOR THE YEAR | | -26 | 74 | -718 | 517 |
| Cash and cash equivalents at start of year | | 869 | 795 | 718 | 201 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | 843 | 869 | 0 | 718 |

Notes to the financial statements

Note 1 Accounting policies

General information

Industrivärden is a listed holdings company that invests in and works long-term to develop and create value in its portfolio companies. Operations are conducted by the Parent Company, AB Industrivärden (publ), where some of the wholly owned subsidiaries have a supporting function. The Parent Company is a Swedish limited company with its principal place of business in Stockholm, Sweden. Headquarters address: Storgatan 10, 114 51 Stockholm, Sweden.

Prerequisites for preparation

The financial statements are presented in Swedish kronor (SEK), which is the functional currency and also the presentation currency for the Parent Company and Group.

Transactions in foreign currency are translated to the functional currency using the exchange rate in effect on the transaction date. Assets and liabilities in foreign currency are translated to the functional currency using the exchange rate in effect on the balance sheet date.

All amounts are stated in millions of Swedish kronor (SEK mn), unless otherwise stated. Amounts stated are rounded per individual line items, which means that tables and calculations do not always add up. Amounts stated in text, within parentheses, refer to the corresponding value in the previous year.

Conformity with norms and laws

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as endorsed by the EU. In addition, Swedish Financial Reporting Board recommendation RFR 1, Supplementary Reporting Rules for Groups, has been applied.

The annual report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and with application of RFR 2, Accounting for Legal Entities.

New or revised IFRS Accounting Standards and interpretations from the IFRS Interpretations Committee (IFRIC) have not had any significant effect on the Group's or Parent Company's result of operations or financial position during the year.

Principles of consolidation

According to IFRS 10, Industrivärden is classified as an Investment Entity and as such does not consolidate certain subsidiaries. Subsidiaries that serve in a supporting function for the Parent Company are consolidated in accordance with the acquisition method. Subsidiaries that are investments are measured at fair value through profit or loss. For more information, see Notes 12 and 15.

Associated companies that are investments are not consolidated, but are measured at fair value through profit or loss, in accordance with IFRS 9 and IAS 28, and are presented under the line item *Equities*. For further information, see Note 12.

Parent Company reporting

The Parent Company reports participations in subsidiaries at cost, while associated companies and other holdings are carried at fair value. The capital gain or loss generated upon the sale of shares and participations is calculated accordingly.

Dividends

Dividend income is recognized when the right to receive the dividend has been determined.

Tax

The Group's total income tax consists of current tax and deferred tax. According to the Income Tax Act, the Parent Company is classified as an investment company and therefore applies certain, special tax rules. Other companies in the Group apply the general rules of the Income Tax Act. The main principles concerning taxation of investment companies are that dividends received and interest income are taxable, while dividends paid, interest expenses and management costs are tax deductible. In addition, capital gains on sales of shares are tax exempt, but in return, a standardized level of income, which amounts to 1.5% of the market value of the equities portfolio at the start of the financial year, is taxed. The standardized level of income does not apply for unlisted shares and market-listed shares where the holding corresponds to at least 10% of the number of votes. In order for market-listed shares to be excluded from the standardized income calculation, they must have been held for at least one year. The tax rules for investment companies entail that the Parent Company, as an intermediary, has the option to avoid a taxable surplus by paying dividend. Any tax-loss carryforwards are deductible and may be accumulated in order to be deducted from future taxable surpluses. As a result of applicable rules, the Parent Company normally does not pay any income tax and therefore nor does it report any deferred tax assets for tax-loss carryforwards. Subsidiaries that are taxed in accordance with the general rules of the Income Tax Act report, where applicable, deferred tax calculated on temporary differences. In addition, the tax rules for investment companies also entail that the Parent Company can neither pay nor receive Group contributions. For further information, see Note 9.

Earnings per share

Earnings per share is calculated as net income for the year divided by the weighted average number of shares outstanding.

Tangible fixed assets

Equipment is carried at cost after deducting accumulated depreciation and any impairment losses. Depreciation is recognized on a straight-line basis over the asset's estimated useful life, which is estimated to be between three and five years. An estimation of an asset's residual value and useful life is made yearly.

Leases are recognized as a right of use measured at cost less depreciation. In addition, a lease liability is recognized, measured as the present value of lease payments that have not been paid at that point in time.

Financial instruments

Financial assets and liabilities are classified in the following categories: financial assets and liabilities measured at amortized cost, and financial assets and liabilities measured at fair value through profit or loss. The classification of financial assets is based on the Group's business model and the cash flow characteristics of the assets. Financial liabilities are classified at amortized cost, apart from derivatives, which are measured at fair value through profit or loss.

All listed shareholdings and equity derivatives are measured at fair value through profit or loss. Purchases and sales of financial instruments are recognized as per the transaction date. For further information, see Notes 3 and 5.

Cash and cash equivalents

In addition to cash and bank balances cash and cash equivalents include short-term financial investments with a maturity of less than three months from the date of acquisition.

Note 1 Accounting policies, cont.

Issued stock options

Option premiums received are booked as a liability and are deducted from premiums paid upon repurchase. If an issued option expires without being exercised, the premium is recognized as income. Upon exercise of an issued option, the premium increases the exercise price upon the sale of shares or reduces the exercise price upon the purchase of shares.

The fair value of issued options is determined on the balance sheet date, and the difference between fair value and the difference in value against premiums received as liability is reported in the income statement as *Change in value of shares, etc.*

Statement of cash flows

The statement of cash flows for the Parent Company and the Group is prepared using the direct method.

Employee compensation

Pensions

The Group has both defined contribution and defined benefit pension plans. Costs for defined contribution pension plans are expensed in pace with payment of premiums. Defined benefit pension plans with Alecta are reported as defined contribution plans, since insufficient information is available to report these as defined benefit plans. No current employees have defined benefit plans. The pension liability pertains to defined benefit pension obligations, calculated annually for the Group in accordance with IAS 19 with the assistance of an independent actuary. All changes in the pension liability are recognized when they arise. Service and interest costs are recognized in the income statement, while remeasurements such as of actuarial gains and losses are recognized in other comprehensive income.

Long-term incentive programs

Industrivärden's current long-term incentive programs are share savings programs where employees can invest a certain portion of their fixed annual salary in Industrivärden shares, and after three years receive performance shares, conditional upon continued employment and outcome based on performance targets. For more information about the programs, see Note 8.

The share savings programs are classified as equity-settled programs in accordance with IFRS 2. Reporting of such share-based compensation programs entails that the instrument's fair value on the grant date is allocated over the term of the program and is reported under the line *Management cost* in the income statement, with a corresponding adjustment of shareholders' equity. On every book-closing date during the vesting period, the expected number of granted shares and the effect of any change of previous assessment of the number of granted shares is reported in the income statement under the line *Management cost* with a corresponding adjustment of shareholders' equity. Social security costs attributable to a share savings program are expensed over the term of the program.

Industrivärden has entered into a share swap agreement to limit the cost of the programs described above. The share swap is remeasured on a continuing basis at fair value in accordance with IFRS 9, and the change in value is reported in income statement as *Management cost*. Allocation of shares within the Company's share savings programs does not give rise to any dilution effect regarding earnings per share.

Significant assessments and estimations

In preparation of the financial statements, the Executive Management has determined that there are no significant areas that rely on large assessments and estimations that affect reported amounts.

Note 2 Dividend income

| | Group | | Parent Company | |
|---------------|--------------|--------------|----------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Volvo | 3,352 | 2,537 | 3,242 | 2,451 |
| Sandvik | 989 | 861 | 983 | 856 |
| Handelsbanken | 2,967 | 1,770 | – | – |
| Essity | 555 | 520 | – | – |
| SCA | 207 | 184 | – | – |
| Ericsson | 235 | 235 | 235 | 235 |
| Skanska | 177 | 241 | 177 | 241 |
| Alleima | 102 | 70 | 102 | 70 |
| Total | 8,585 | 6,418 | 4,739 | 3,853 |

Note 5 Purchases (+) and sales (–)

| | Group | | Parent Company | |
|------------------------|--------------|--------------|----------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Volvo | 1,548 | 853 | 1,548 | 853 |
| Sandvik | 1,485 | 1,137 | 1,485 | 1,137 |
| Handelsbanken | – | 635 | – | – |
| Essity | 699 | – | – | – |
| SCA | 770 | 228 | – | – |
| Alleima | 63 | – | 63 | – |
| Total purchases | 4,566 | 2,854 | 3,096 | 1,990 |
| Total sales | – | – | – | – |
| Total | 4,566 | 2,854 | 3,096 | 1,990 |

Note 3 Change in value of shares, etc.

| | Group | | Parent Company | |
|---------------|--------------|---------------|----------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Volvo | 643 | 12,689 | 623 | 12,269 |
| Sandvik | –3,640 | 5,191 | –3,618 | 5,158 |
| Handelsbanken | 1,084 | 1,093 | – | – |
| Essity | 3,312 | –1,676 | – | – |
| SCA | –820 | 1,286 | – | – |
| Ericsson | 2,264 | –187 | 2,264 | –187 |
| Skanska | 1,620 | 558 | 1,620 | 558 |
| Alleima | –72 | 1,921 | –71 | 1,913 |
| Other | 0 | –14 | – | – |
| Shares | 4,391 | 20,861 | 818 | 19,712 |
| Other, net | 2 | –10 | 2 | –10 |
| Total | 4,393 | 20,851 | 820 | 19,702 |

Note 6 Financial income

| | Group | | Parent Company | |
|------------------|-----------|-----------|----------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Financial income | 62 | 54 | 5 ¹ | 20 |
| Total | 62 | 54 | 5 | 20 |

1) Of which, intra-Group interest income of SEK 1 mn (1).

Note 7 Financial expenses

| | Group | | Parent Company | |
|--------------------------|-------------|-------------|-------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest expenses | –181 | –197 | –344 ¹ | –304 |
| Other financial expenses | –13 | –13 | –12 | –12 |
| Total | –194 | –210 | –356 | –316 |

1) Of which, intra-Group interest expenses of SEK –172 mn (–113).

Note 4 Auditors' fees

| | Group | | Parent Company | |
|---|------------|------------|----------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Audit assignment | 1.1 | 1.1 | 1.1 | 1.1 |
| Auditing activities in addition to audit assignment | 0.0 | – | 0.0 | – |
| Other services | 0.1 | 0.1 | 0.1 | 0.1 |
| Total | 1.2 | 1.2 | 1.2 | 1.2 |

Audit assignment pertains to the auditor's fee for the statutory audit, which includes audit of Annual Report, Group reporting, accounting, the Board of Directors' and the CEO's administration and fees for audit consultancy that has been provided as part of the audit assignment. *Auditing activities in addition to the audit assignment* pertains to other tasks that the Company's auditors perform as well as consultancy or other assistance that arise due to findings from these activities. All other assignments are defined as *Other services*.

Note 8 Employees and personnel costs

Average number of employees

| | 2024 | | | | | 2023 | | | | |
|-----------------------------|-------------------|----------------|----|--------------|----|-------------------|----------------|----|--------------|----|
| | Average employees | of whom, women | | of whom, men | | Average employees | of whom, women | | of whom, men | |
| | number | number | % | number | % | number | number | % | number | % |
| Parent Company ¹ | 14 | 6 | 43 | 8 | 57 | 14 | 7 | 50 | 7 | 50 |

1) All employees in the Group are employed by the Parent Company.

Salaries, other compensation and social security costs

| | 2024 | | | | 2023 | | | |
|----------------|-----------------|---------------------------------|-----------------------|-------------------------|-----------------|---------------------------------|-----------------------|-------------------------|
| | Directors' fees | Salaries and other compensation | Social security costs | Of which, pension costs | Directors' fees | Salaries and other compensation | Social security costs | Of which, pension costs |
| Parent Company | 7 | 44 | 33 | 10 | 6 | 47 | 34 | 10 |

Executive Management's compensation and pension costs

| | 2024 | | | | | |
|---|--------------------------|-----------------|------------------------|----------------|---------------|--|
| | Base salary ¹ | Variable salary | Share savings programs | Other benefits | Pension costs | |
| Chief Executive Officer Helena Stjernholm | 13.0 | 5.9 | 3.2 | 0.2 | 5.2 | |
| Deputy Chief Executive Officer Karl Åberg | 5.1 | 2.3 | 0.9 | 0.2 | 1.6 | |
| Other members of Executive Management (2 persons) | 4.5 | 1.6 | 0.8 | 0.2 | 1.4 | |
| Total | 22.6 | 9.7 | 4.9 | 0.7 | 8.2 | |

| | 2023 | | | | | |
|---|--------------------------|-----------------|------------------------|----------------|---------------|--|
| | Base salary ¹ | Variable salary | Share savings programs | Other benefits | Pension costs | |
| Chief Executive Officer Helena Stjernholm | 12.5 | 5.6 | 3.1 | 0.2 | 5.0 | |
| Deputy Chief Executive Officer Karl Åberg | 4.8 | 1.9 | 0.8 | 0.2 | 1.5 | |
| Other members of Executive Management (2 persons) | 4.8 | 1.5 | 0.9 | 0.2 | 1.5 | |
| Total | 22.1 | 9.1 | 4.7 | 0.6 | 8.0 | |

1) Base salary according to contract, from which deductions are made for received directors' fees from portfolio companies, etc. The CEO received a base salary of SEK 13.0 mn (12.5) before deductions for directors' fees of SEK 5.7 mn (4.2) and the Deputy CEO received a base salary of SEK 5.1 mn (4.8) before deductions for directors' fees of SEK 2.6 mn (1.7).

Fees and compensation

Board of Directors

The Nominating Committee, which has been appointed in the manner decided by the Annual General Meeting (AGM), submits recommendations for directors' fees to the AGM. The 2024 AGM resolved, in accordance with the nominating committee's proposal, on a fee of SEK 2.4 mn (2.3) to the Chairman of the Board, SEK 1.4 mn (1.4) to the Vice Chairman and SEK 0.7 mn (0.7) to each of the other directors. No fees are issued for committee work. Members of the Board of Directors received SEK 7.3 mn (6.4) in fees in 2024. For further information about the Board of Directors and fees, see pages 48–50 in the Corporate Governance Report.

CEO, Deputy CEO and other members of Executive Management

Compensation of the CEO, the Deputy CEO and other members of the Executive Management is based on the guidelines adopted by the AGM. The Compensation Committee submits a recommendation to the Board on the CEO's compensation and draws up, in consultation with the CEO, criteria for compensation for the Deputy CEO and other members of the Executive Management. A remuneration report for 2024 is published on Industrivärden's website.

The CEO received a base salary of SEK 13.0 mn, before deductions of SEK 5.7 mn for directors' fees from portfolio companies etc., during 2024. Variable salary for 2024, which is based on the Board's annual evaluation, amounted to SEK 5.9 mn and will be paid out in 2025. The cost for the vested portion of ongoing share savings programs amounted to SEK 3.2 mn. The share savings program that expired in 2024 resulted in a grant of 16,040 (14,834) Industrivärden Class C shares to the CEO, for a value of SEK 5.9 mn (4.2). The cost of defined contribution pension premiums was SEK 5.2 mn. Other benefits pertain to a car benefit, etc. In the event the Company serves notice of termination of the employment contract, a two-year notice period applies. For notice given by the CEO, a six-month notice period applies.

The Deputy CEO received a base salary of SEK 5.1 mn, before deductions of SEK 2.6 mn for directors' fees from portfolio companies during 2024. Variable salary for 2024, which is based on achievement of individually set goals and criteria, amounted to SEK 2.3 mn and will be paid out in 2025. The cost for the vested portion of ongoing share savings programs amounted to SEK 0.9 mn. The share savings program that expired in 2024 resulted in a grant of 3,840 (4,951) Industrivärden Class C shares to the Deputy CEO, for a value of SEK 1.4 mn (1.4). The cost of defined contribution pension premiums was SEK 1.6 mn. Other benefits pertain to a car benefit, etc. In the event the Company serves notice of termination of the employment contract, a two-year notice period applies. For notice given by the Deputy CEO, a six-month notice period applies.

The other two members of Executive Management together received base salaries of SEK 4.5 mn. Variable salary for 2024 amounted to SEK 1.6 mn which will be paid out in 2025. The outcome is based on the employee's achievement of individually set goals. The cost for the vested portion of ongoing share savings programs amounted to SEK 0.8 mn. The share savings program that expired in 2024 resulted in grants of 5,034 (7,715) Industrivärden Class C shares to other members of the Executive Management, for a value of SEK 1.8 mn (2.2). The combined cost of defined contribution pension premiums was SEK 1.4 mn. Other benefits pertain to car benefits, etc. In the event of the Company serves notice of termination of an executive's employment contract, a one- or two-year notice period applies. For notice given by the executive, a six-month notice period applies.

Long-term share savings programs

Since 2012, the AGMs have resolved on long-term share savings programs for the Company's employees. The programs are part of a market-based total compensation package 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

has a term of 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 and grants of shares are conditional upon continued employment. The share savings programs are deemed to increase Industrivärden's opportunities to recruit and retain qualified employees as well as the participants' interest in and commitment to Industrivärden's business and development. Against this background, the programs are deemed to have a positive impact on Industrivärden's continued development and thereby be beneficial for shareholders and Industrivärden employees. Under the three current programs, a maximum of 93,837 performance shares may be granted. Grants of performance shares require that the total return for Industrivärden's Class C shares during the period is equal to or higher than 10%. Further, additional performance shares may be granted under the condition that the average annual total return for Industrivärden's Class C shares during the period is equal to or exceeds the SIXRX index. A full grant to the CEO and other senior executives requires that the average annual total return for Industrivärden's Class C shares during the lock-in period exceeds the SIXRX index by three and two percentage points, respectively. For 2024, costs of SEK 8.0 mn (3.9) are reported under *Management cost* in the income statement.

Long-term share savings program 2024

The 2024 AGM resolved to offer a long-term share savings program to a maximum of 20 employees in the Industrivärden Group. During 2024, 8,759 shares were bought by employees within the program, which can qualify for a maximum grant of 26,661 performance shares.

Long-term share savings programs 2022 and 2023

The 2022 and 2023 share savings programs include a total of 21,609 purchased shares, which can qualify for grants of a maximum of 67,176 performance shares.

Long-term share savings program 2021

The 2021 share savings program expired in October 2024. In connection with this, a total of 29,001 Industrivärden Class C shares were granted for a value of SEK 10.7 mn. The value was calculated based on the price of Industrivärden Class C shares on the grant date.

Guidelines for compensation of senior executives

The guidelines for compensation of senior executives are to be adopted at least every four years. The 2024 AGM adopted updated guidelines for compensation of senior executives, which are presented below.

Guidelines for compensation of senior executives decided by the 2024 AGM

The guidelines apply to Industrivärden's CEO and other senior executives. The guidelines must be applied to compensation that is agreed, and changes that are made to previously agreed compensation, after the guidelines are adopted by the 2024 AGM. Compensation decided by the AGM is not covered by the guidelines.

No substantive changes have been made to the guidelines for compensation to senior executives compared to those most recently adopted by the 2020 AGM, except under the heading *Forms of compensation etc.*, where a simplification has been made in the passage concerning Pension benefits by deleting the regulation of retirement age in respect of the right to receive pension benefits, and the cap on Other benefits has been increased. In addition, certain editorial changes have been made.

The guidelines' promotion of the Company's business mission, long-term interests and sustainability

The Company's business mission, goals and strategy are presented on Industrivärden's website: www.industrivarden.net.

The successful and sustainable implementation of the Company's business mission, goals and strategy to safeguard the Company's long-term interests require the Company to recruit and retain qualified employees. The guidelines support this in that senior executives can be offered a market-based and competitive total compensation in relation to responsibility and authority.

Forms of compensation, etc.

Compensation must be market-based and competitive and be related to individual performance as well as the Company's performance. Compensation may consist of the following components: fixed cash salary, short-term variable cash compensation, pension benefits and other benefits.

Short-term variable cash compensation may amount to a maximum of 50 percent of fixed annual cash salary. Compensation must be linked to fulfillment of individual criteria which are determined annually and evaluated based on the executive's effort and performance. Criteria may be financial or non-financial, and consist of individually adapted quantitative or qualitative goals. Criteria must be designed so that they have a clear connection to value creation for the Company and promote the Company's business mission and a sustainable implementation of the Company's long-term interests.

Fulfillment of criteria for payment of short-term variable cash compensation must be measured over a period of one year. The Compensation Committee is responsible for assessing to what extent criteria for payment of short-term variable cash compensation to the CEO have been met.

The Board then determines the compensation for the CEO. The CEO is responsible for the assessment of fulfillment of the criteria for short-term variable cash compensation to other senior executives. Short-term variable cash compensation shall not be pensionable.

The Board must have the opportunity, according to law or agreement, with the limitations that may follow therefrom, to wholly or partially reclaim variable cash compensation paid on incorrect grounds.

Pension benefits, including health insurance, must be defined contributions, unless the executive has a defined benefit pension according to mandatory collective bargaining provisions. Premiums and other costs due to defined contribution pension benefits are paid to the CEO and other senior executives in a total amount of up to 40 percent of fixed annual cash salary, depending on the senior executive's position.

Other benefits may include life insurance, health insurance, car benefit and fitness benefits. Such benefits may amount to no more than ten (10) percent of fixed annual cash salary, depending on the position of the executive.

In addition to the above – and independently of these guidelines – the AGM may decide on share and share price-related compensation. Since 2012, the Company has established long-term incentive programs, as resolved by the AGM. The programs are open to all employees, require employees to buy shares in the Company, and have three-year terms. Results are assessed based on performance targets that relate to the performance of Industrivärden's Class C shares. Current share incentive programs and those that have ended during the year are presented in more detail on Industrivärden's website: www.industrivarden.net.

In the event of the termination of employment by the Company, a notice period of no more than two (2) years is applicable. Fixed cash salary during the notice period and severance pay must not exceed a total corresponding to the fixed cash salary for two (2) years. In the event of termination by an executive, the notice period may be a maximum of six (6) months, without the right to severance pay.

Furthermore, compensation related to any non-compete clause may be paid. Such compensation shall compensate for any loss of income and shall only be paid to the extent that the former employee is not entitled to severance pay. Compensation may amount to no more than 60 percent of fixed cash salary at the time of notice of termination, unless otherwise stated in mandatory collective agreement provisions, and be paid during the period for which the commitment to restrict competition applies, which may be no more than 12 months after the cessation of employment.

Decision-making process for setting, revising and implementing the guidelines

The Board has established a Compensation Committee. The Committee's tasks include preparing the Board's decisions on proposed guidelines for compensation to senior executives. The Board must draw up proposals for new guidelines at least every four years and submit these proposals for resolution at the AGM. Guidelines apply until new guidelines are adopted by a general meeting of shareholders. The Compensation Committee must also monitor and evaluate variable compensation programs for Company management, the application of compensation guidelines to senior executives and the Company's current compensation structures and compensation levels.

When preparing the Board's proposal for compensation guidelines, pay and employment conditions for the Company's other employees are taken into account as information on employee's total compensation, compensation components, as well as increase and rate of increase of compensation over time have constituted part of the Compensation Committee's and the Board's decision-making basis when evaluating the fairness of the guidelines and the limitations that follows from these.

The members of the Compensation Committee are independent of the Company and Company management. When the Board reviews and decides on compensation-related matters, the CEO or others in the Company's management are not present, insofar as they are affected by such matters.

Departures from the guidelines

The Board may decide to temporarily depart from the guidelines in whole or in part if, in an individual case, there are special reasons for this and a departure is necessary to satisfy the Company's long-term interests or to ensure the Company's financial viability. The Compensation Committee's

responsibilities include preparing the Board's decisions on compensation matters, which include decisions on deviations from the guidelines.

CEO's holding of call options

Helena Stjernholm owns 75,000 call options for the same number of Industrivärden Class C shares, purchased from L E Lundbergföretagen in 2021. The call options were purchased at a premium of SEK 26.70 per option. The transaction was carried out at market terms based on the Black & Scholes option pricing model. The options expire on February 18, 2026, with an exercise price of SEK 333 per share.

Note 9 Taxes

Current tax refers to tax in subsidiaries mainly pertaining to net financial items as well as dividends and capital gains from non-business-related shares. Deferred tax refers to tax calculated on temporary differences.

Reported in net income for the year

| | Group | | Parent Company | |
|--------------|------------|-------------|----------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Current tax | -68 | -48 | - | - |
| Deferred tax | 0 | -95 | - | - |
| Total | -68 | -143 | - | - |

Information on the connection between reported income before tax and the reported tax expense

| | Group | |
|--|---------------|---------------|
| | 2024 | 2023 |
| Income before tax | 12,722 | 26,987 |
| Tax according to tax rate, 20.6% | -2,621 | -5,559 |
| Tax effect investment entity status ¹ | 727 | 678 |
| Tax effect non-deductible expenses | -3 | -83 |
| Tax effect non-taxable income | 1,675 | 4,890 |
| Tax effect temporary differences | 0 | -95 |
| Tax effect unreported loss deductions | 152 | 29 |
| Other tax effects | 0 | -3 |
| Reported tax expense | -68 | -143 |

1) According to the Income Tax Act, the Parent Company is classified as an investment company and therefore applies certain special tax rules. Refers to tax effect from standardized level of income and proposed dividend paid. For more information, see tax calculation for the Parent Company below, and in Note 1.

Tax calculation

| | Parent Company | |
|--|---------------------|---------------|
| | 2024 | 2023 |
| Standardized income 1.5% | 34 | 58 |
| Dividends received | 4,739 | 3,853 |
| Management cost, net financial items, etc. | -470 | -421 |
| Dividend paid ¹ | -3,563 ² | -3,347 |
| Taxable income | 740 | 143 |
| Tax-loss carryforwards from previous years | -8,745 | -8,888 |
| Accumulated tax-loss carryforward | -8,005 | -8,745 |

1) Payment is made during the following year pursuant to an AGM decision.

2) Proposed by the Board of Directors.

Note 10 Earnings per share

| | Group | |
|--|--------------|--------------|
| | 2024 | 2023 |
| Net income for the year, SEK mn | 12,654 | 26,844 |
| Number of shares outstanding | 431,899,108 | 431,899,108 |
| Earnings per share (no dilution effect exists), SEK | 29.30 | 62.15 |

Note 11 Tangible fixed assets

| | Group | | Parent Company | |
|---------------------------------|-----------|-----------|----------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Accumulated cost | | | | |
| Opening value | 29 | 29 | 29 | 29 |
| Investments | 0 | 16 | 0 | 16 |
| Disposals and sales | -1 | -16 | -1 | -16 |
| Closing cost | 28 | 29 | 28 | 29 |
| Accumulated depreciation | | | | |
| Opening depreciation | -4 | -15 | -4 | -15 |
| Depreciation for the year | -6 | -5 | -6 | -5 |
| Disposals and sales | 1 | 16 | 1 | 16 |
| Closing depreciation | -9 | -4 | -9 | -4 |
| Book value | 19 | 25 | 19 | 25 |

Note 12 Equities

| | 2024 | | | 2023 | |
|--|------------------|---------------------|-------------------|----------------------------|---------------------------|
| | Number of shares | Share of capital, % | Share of votes, % | Market value ¹ | Market value ¹ |
| Volvo A | 166,600,000 | 9.4 | 28.0 | 45,015 | 44,482 |
| Volvo B | 24,100,000 | | | 6,473 | 4,815 |
| Sandvik | 183,700,000 | 14.6 | 14.6 | 36,428 | 38,582 |
| Handelsbanken A | 228,200,000 | 11.5 | 11.7 | 26,060 | 24,976 |
| Essity A | 32,700,000 | 10.5 | 29.7 | 9,663 | 8,264 |
| Essity B | 41,300,000 | | | 12,212 | 9,600 |
| SCA A | 33,300,000 | 11.2 | 29.7 | 4,649 | 5,061 |
| SCA B | 45,400,000 | | | 6,376 | 6,014 |
| Ericsson A | 86,052,615 | 2.6 | 15.1 | 7,728 | 5,490 |
| Ericsson B | 1,000,000 | | | 90 | 63 |
| Skanska A | 12,667,500 | 7.7 | 24.5 | 2,948 | 2,310 |
| Skanska B | 19,500,000 | | | 4,538 | 3,556 |
| Alleima | 51,200,000 | 20.4 | 20.4 | 3,845 | 3,854 |
| Total holdings | | | | 166,025 | 157,068 |
| Other ² | | | | 479 | 479 |
| Group's holdings of equities | | | | 166,504³ | 157,547 |
| Less: associated companies (see Note 13) | | | | -61,157 | -53,536 |
| Less: non-consolidated companies | | | | -479 | -479 |
| Less: holdings owned via subsidiaries | | | | -60,838 | -55,796 |
| Parent Company's holdings of equities, excluding participations in associated and group companies | | | | 44,030 | 47,735 |

1) The market value corresponds to the book value.

2) Pertains to subsidiaries that are investments and valued at fair value.

3) The Group's total cost as per December 31, 2024, was SEK 62,775 mn (58,209).

Note 13 Participations in associated companies

| | Reg. no. | Domicile | Shareholders' equity | Income after tax | Parent Company | | | 2023 | |
|--------------|-------------|------------|----------------------|------------------|------------------|---------------------|-------------------|---------------------------|---------------------------|
| | | | | | 2024 | | | Market value ¹ | Market value ¹ |
| | | | | | Number of shares | Share of capital, % | Share of votes, % | Market value ¹ | Market value ¹ |
| Volvo | 556012-5790 | Gothenburg | 197,361 | 50,576 | 184,606,918 | 9.1 | 27.0 | 49,842 | 47,671 |
| Skanska | 556000-4615 | Stockholm | 62,617 | 5,584 | 32,167,500 | 7.7 | 24.5 | 7,486 | 5,866 |
| Alleima | 559224-1433 | Sandviken | 16,614 | 1,221 | 50,982,441 | 20.3 | 20.3 | 3,829 ² | - |
| Total | | | | | | | | 61,157 | 53,536 |

1) The market value corresponds to the book value.

2) Classified as associated company from 2024.

Note 14 Participations in group companies

| | Reg. no. | Domicile | Shareholders' equity | Parent Company | | | 2023 | |
|---------------------------------|-------------|-----------|----------------------|------------------|--------------------|------------|--------------|------------|
| | | | | 2024 | | | Book value | Book value |
| | | | | Number of shares | Ownership stake, % | Book value | Book value | |
| Industrivärden Invest AB (publ) | 556775-6126 | Stockholm | 31,088 | 1,000 | 100 | 0 | 330 | |
| Industrivärden Förvaltning AB | 556777-8260 | Stockholm | 33,043 | 1,000 | 100 | 0 | 1,010 | |
| Investment AB Promotion | 556833-0525 | Stockholm | 2,124 | 100,000 | 100 | 395 | 395 | |
| Floras Kulle AB | 556364-8137 | Stockholm | 16 | 10,000 | 100 | 0 | 0 | |
| Total | | | | | | 395 | 1,735 | |

Note 15 Group companies

| | Domicile | Country | No. shares | Share of capital, % | |
|--|-----------|---------|-------------------|---------------------|-------|
| | | | December 31, 2024 | 2024 | 2023 |
| Industrivärden Invest AB (publ) ¹ | Stockholm | Sweden | 1,000 | 100 | 100 |
| Nordinvest AB | Stockholm | Sweden | 42 | 100 | 100 |
| Fastighets AB Östermalm | Stockholm | Sweden | 1,000 | 100 | 100 |
| Cultus KB | Stockholm | Sweden | – | 0.01 | 0.01 |
| Industrivärden Förvaltning AB ¹ | Stockholm | Sweden | 1,000 | 100 | 100 |
| Investment AB Promotion ¹ | Stockholm | Sweden | 100,000 | 100 | 100 |
| Floras Kulle AB | Stockholm | Sweden | 10,000 | 100 | 100 |
| Cultus KB | Stockholm | Sweden | – | 99.99 | 99.99 |

1) The subsidiaries serve in a supporting function for the Parent Company and are consolidated in the Group in accordance with the acquisition method. Other companies are not consolidated in the Group, but are measured at fair value.

Note 16 Change in equities and participations

| | Group | |
|----------------------|----------------|----------------|
| | Equities | |
| | 2024 | 2023 |
| Opening value | 157,547 | 133,832 |
| Purchases | 4,566 | 2,854 |
| Sales | – | – |
| Change in value | 4,391 | 20,861 |
| Closing value | 166,504 | 157,547 |

| | Parent Company | | | | | | | |
|---------------------------|---------------------|---------------|--|---------------|-----------------------------------|--------------|----------------|----------------|
| | Equities | | Participations in associated companies | | Participations in group companies | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Opening value | 47,735 | 39,714 | 53,536 | 39,856 | 1,735 | 1,735 | 103,007 | 81,305 |
| Reclassification | –3,837 ¹ | – | 3,837 ¹ | – | – | – | 0 | – |
| Purchases | 1,485 | 1,137 | 1,611 | 853 | – | – | 3,096 | 1,990 |
| Sales | – | – | – | – | – | – | – | – |
| Shareholder contributions | – | – | – | – | –1,340 | – | –1,340 | – |
| Change in value | –1,354 | 6,884 | 2,172 | 12,827 | – | – | 818 | 19,712 |
| Closing value | 44,030 | 47,735 | 61,157 | 53,536 | 395 | 1,735 | 105,582 | 103,007 |

1) Pertains to Alleima.

Note 17 Other current receivables

| | Group | | Parent Company | |
|-------------------------------------|-----------|-----------|----------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Prepaid expenses and accrued income | 19 | 23 | 19 | 23 |
| Other current receivables | 27 | 26 | 19 | 23 |
| Total | 46 | 49 | 38 | 46 |

Note 18 Shareholders' equity

The Company's share capital consists of shares issued in two classes, Class A with 1 vote per share, and Class C with 1/10 vote per share. Shareholders have the right to request conversion of Class A shares to Class C shares. In 2024, 16,412,560 Class A shares were converted to Class C shares.

Distribution of earnings

According to the balance sheet, retained earnings of the Parent Company totaling SEK 90,865,574,934 are at the disposal of the Annual General Meeting. The Board of Directors proposes that the Annual General Meeting on April 10, 2025, resolve to pay a dividend of SEK 8.25 per share (7.75). The proposed dividend amounts to a total of SEK 3,563 mn (3,347). In addition, the Board proposes that the remaining amount, SEK 87,302,407,293 be carried forward.

Share capital

| | December 31, 2024 | | |
|----------------|--------------------|-------------|--------------|
| | Number | Quota value | SEK mn |
| Class A shares | 238,376,934 | SEK 2.52 | 601 |
| Class C shares | 193,522,174 | SEK 2.52 | 488 |
| Total | 431,899,108 | | 1,088 |

| | December 31, 2023 | | |
|----------------|--------------------|-------------|--------------|
| | Number | Quota value | SEK mn |
| Class A shares | 254,789,494 | SEK 2.52 | 642 |
| Class C shares | 177,109,614 | SEK 2.52 | 446 |
| Total | 431,899,108 | | 1,088 |

Note 19 Non-current financial liabilities

| | Group | | Parent Company | |
|--------------|--------------|--------------|----------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Bond issues | 5,000 | 6,500 | 5,000 | 6,500 |
| Other | 4 | 9 | 4 | 9 |
| Total | 5,004 | 6,509 | 5,004 | 6,509 |

Measurement of financial liabilities at fair value as per December 31, 2024 would result in a change in non-current financial liabilities of SEK 23 mn (-92).

Note 20 Provisions for pensions

Defined benefit plans

The pension plans include retirement pensions, disability pensions and family pensions, and ordinarily entail an obligation to pay lifetime benefits. No current employees have defined benefit plans. As per December 31, 2024, the item provision for pensions amounted to SEK 0 mn (0), which consists of pension obligations of SEK 2 mn (22) less the value of plan assets, totaling SEK 2 mn (22).

Actuarial assumptions

| | Group | |
|--------------------------|-------|------|
| | 2024 | 2023 |
| Discount rate, % | 2.4 | 4.0 |
| Anticipated inflation, % | 1.9 | 1.9 |

Obligations for former CEOs

The item provision for pensions includes net pension obligations for former CEOs totaling SEK – mn (0).

Note 21 Other non-current liabilities

| | Group | | Parent Company | |
|-------------------|-----------|-----------|----------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Derivatives, etc. | 49 | 20 | 49 | 20 |
| Other | 20 | 20 | 20 | 20 |
| Total | 69 | 40 | 69 | 40 |

Note 22 Current financial liabilities

| | Group | | Parent Company | |
|------------------|--------------|--------------|--------------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Bond issues | 2,000 | 1,500 | 2,000 | 1,500 |
| Commercial paper | 496 | – | 496 | – |
| Other | 289 | 191 | 4,920 ¹ | 4,312 |
| Total | 2,785 | 1,691 | 7,416 | 5,812 |

1) Of which, SEK 4,914 mn (4,306) pertains to liabilities to group companies.

Measurement of financial liabilities at fair value as per December 31, 2024 would result in a change in current financial liabilities of SEK 7 mn (6).

Note 23 Other current liabilities

| | Group | | Parent Company | |
|---------------------------|------------|------------|----------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Accounts payable, trade | 3 | 5 | 3 | 5 |
| Derivatives, etc. | 1 | 1 | 1 | 1 |
| Accrued expenses | 139 | 149 | 127 | 137 |
| Other current liabilities | 37 | 23 | 3 | 4 |
| Total | 180 | 178 | 134 | 147 |

Note 24 Financial instruments

Financial assets and liabilities, which are financial instruments, per valuation category

| | Group | | | | | |
|-----------------------------------|-----------------------------------|----------------|----------------|-----------------------------------|----------------|----------------|
| | December 31, 2024 | | | December 31, 2023 | | |
| | Fair value through profit or loss | Amortized cost | Total | Fair value through profit or loss | Amortized cost | Total |
| Assets | | | | | | |
| Equities | 166,504 | – | 166,504 | 157,547 | – | 157,547 |
| Current financial receivables | – | 32 | 32 | – | 36 | 36 |
| Other current receivables | – | 18 | 18 | 2 | 18 | 20 |
| Cash and cash equivalents | – | 843 | 843 | – | 869 | 869 |
| Total assets | 166,504 | 893 | 167,397 | 157,549 | 923 | 158,472 |
| Liabilities | | | | | | |
| Non-current financial liabilities | – | 5,004 | 5,004 | – | 6,509 | 6,509 |
| Other non-current liabilities | 49 | – | 49 | 20 | – | 20 |
| Current financial liabilities | – | 2,785 | 2,785 | – | 1,691 | 1,691 |
| Other current liabilities | 1 | 72 | 73 | 1 | 76 | 77 |
| Total liabilities | 50 | 7,861 | 7,911 | 21 | 8,276 | 8,297 |

Net income from financial assets and liabilities, which are financial instruments, per valuation category

| | Group | | | | | | | | | |
|-------------------------------------|-----------------------------------|----------|----------------|-------------|---------------|-----------------------------------|------------|----------------|-------------|---------------|
| | December 31, 2024 | | | | | December 31, 2023 | | | | |
| | Fair value through profit or loss | | Amortized cost | | Total | Fair value through profit or loss | | Amortized cost | | Total |
| Assets | Liabilities | Assets | Liabilities | Assets | | Liabilities | Assets | Liabilities | | |
| Operating income | | | | | | | | | | |
| Dividend income | 8,585 | – | – | – | 8,585 | 6,418 | – | – | – | 6,418 |
| Change in value of shares, etc. | 4,391 | 2 | – | – | 4,393 | 20,868 | –17 | – | – | 20,851 |
| Management cost | – | 1 | – | – | 1 | 5 | – | – | – | 5 |
| Income after financial items | | | | | | | | | | |
| Financial income | – | – | 62 | – | 62 | – | – | 54 | – | 54 |
| Financial expenses | – | – | – | –181 | –181 | – | – | – | –197 | –197 |
| Total | 12,976 | 3 | 62 | –181 | 12,860 | 27,291 | –17 | 54 | –197 | 27,131 |

Financial instruments measured at fair value

| | Group | | | | | | | |
|--------------------------------------|-------------------|-----------|------------|----------------|-------------------|-----------|------------|----------------|
| | December 31, 2024 | | | | December 31, 2023 | | | |
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | | | | | |
| Equities | 166,025 | – | 479 | 166,504 | 157,068 | – | 479 | 157,547 |
| Derivatives, etc. | – | – | – | – | – | 2 | – | 2 |
| Total assets | 166,025 | – | 479 | 166,504 | 157,068 | 2 | 479 | 157,549 |
| Liabilities | | | | | | | | |
| <i>Other non-current liabilities</i> | | | | | | | | |
| Derivatives, etc. | – | 49 | – | 49 | – | 20 | – | 20 |
| <i>Other current liabilities</i> | | | | | | | | |
| Derivatives, etc. | – | 1 | – | 1 | – | 1 | – | 1 |
| Total liabilities | – | 50 | – | 50 | – | 21 | – | 21 |

In accordance with IFRS 13, financial instruments are carried at fair value based on a 3-level hierarchy. The classification is based on the input data used in the valuation of the instruments. Instruments in Level 1 are valued at quoted prices for identical instruments in an active market. Instruments in Level 2 are valued in a valuation model which uses input data that are directly or indirectly observable in the market. Input data used in the

valuation models include interest rates, volatility and dividend estimates. Instruments in Level 3 are valued using a valuation technique based on input data which are not observable in a market. The valuation technique that is used for the financial instruments in Level 3 is based on net assets in the respective subsidiaries measured at fair value.

Note 25 Risk management

The types of financial risks that the Industrivärden Group encounters in its operations consist primarily of share price risk and – to a limited extent – other financial risks, such as interest rate risk and financing risk. Industrivärden's financing and management of financial risks are conducted in accordance with guidelines set by the Board of Directors.

Share price risk

Share price risk is the dominant risk in Industrivärden's operations and pertains to the risk of a decline in value caused by changes in prices in the stock market. A change in the price of all holdings of listed shares by one percentage point would have affected the portfolio's value on December 31, 2024, by +/- SEK 1,700 mn (1,600).

Industrivärden's role as a long-term, active owner should reduce the relative share price risk in the portfolio companies and thereby also in Industrivärden's equities portfolio.

Interest rate risk

Interest rate risk is the risk that the financing cost will vary due to changes in market interest rates. Industrivärden's financial instruments that are exposed to interest rate risk consist mainly of loans with variable interest rates. Interest rate risk can be mitigated by limiting the level of debt and taking into account fixed interest periods and the maturity structure of existing loans in connection with new borrowing. Interest rate risk can also be managed through swap agreements aimed at adjusting the terms for fixed interest periods and maturities. At year-end the majority of the Group's debt ran with fixed interest rates. On December 31, 2024, the average fixed interest period was 17 months (21).

Based on net debt and the fixed interest periods at year-end, a change in the market interest rate by 1 percentage point would have affected income after financial items in 2024 by approximately +/- SEK 12 mn (21).

With low gearing, Industrivärden also has limited interest rate risk.

Financing risk

Financing risk is the risk that financing of the operations' capital requirement at any given time will be impeded or more costly. Financing risk is reduced by maintaining an even maturity structure along with available credit frameworks and credit promises. Under a Medium-Term Note (MTN) program Industrivärden has the opportunity to issue bonds in SEK or EUR up to a framework amount of SEK 10,000 mn (10,000), of which SEK 7,000 mn (8,000) was utilized on December 31, 2024. In addition, under a commercial paper framework of SEK 4,000 mn (4,000), Industrivärden has utilized SEK 500 mn (0) on December 31, 2024. Industrivärden's net debt amounted to SEK 6,914 mn (7,295) on December 31, 2024. The average maturity, excluding pension provisions, was 20 months (25).

The credit rating agency S&P Global Ratings has assigned Industrivärden a long-term rating of A+/Stable outlook and short-term rating of A-1 and K-1, respectively.

Industrivärden has a strong financial position, with an equity ratio of 95% (95%). Combined with a strong rating, this means that the financing risk is considered to be very low and financial flexibility is considered to be good.

Note 26 Related-party transactions

There are related-party relationships with subsidiaries, associated companies, AB Industrivärdens särskilda pensionsstiftelse, directors and senior executives and related parties of these. In addition, the Parent Company is an associated company to its largest owner, L E Lundbergföretagen. Related-party transactions are carried out on market terms.

In his capacity as Director and Vice Chairman of AB Industrivärden, Pär Boman is a related party to the Company. Pär Boman is the Chairman of AB Volvo. In 2024, Industrivärden issued 300,000 call options for the same number of Volvo Class B shares to a related-party company of Pär Boman. Premium paid amounted to SEK 26.78 per option. The options have an exercise period from November 20, 2028, until maturity on November 20, 2029, with a strike price of SEK 304.10 per share. The transaction was carried out on market terms based on a Black & Scholes valuation of the options, which was confirmed by an independent third-party valuation. Reported debt as of 31 December 2024 amounts to SEK 10 mn.

The Parent Company and subsidiaries have received dividend income from associated companies; see Note 2. For information regarding compensation to directors and executive management, see Note 8.

The maturity structure of undiscounted financial liabilities and derivative instruments with negative market values on December 31, 2024, is presented below:

Maturity structure

| Maturity year | Financial liabilities | Derivatives, etc | Total | Share, % |
|---------------|-----------------------|------------------|--------------|------------|
| 2025 | 2,571 | 1 | 2,572 | 34 |
| 2026 | 2,004 | – | 2,004 | 26 |
| 2027 | 1,500 | 23 | 1,523 | 20 |
| 2028 | 1,000 | – | 1,000 | 13 |
| 2029 | 500 | 26 | 526 | 7 |
| Total | 7,575 | 50 | 7,625 | 100 |

Liquidity risk

Liquidity risk is the risk of not being able to meet payment obligations due to insufficient liquidity. Industrivärden has exposure to liquidity risk in connection with the refinancing of loans and in the event a financial instrument cannot be sold without leading to considerably higher costs. Liquidity risk can be mitigated by forecasting anticipated dividends from portfolio companies, limiting the maturities of short-term investments and ensuring that long- and short-term loan promises have been contracted. On December 31, 2024, Industrivärden had contracted long-term loan promises of SEK 4,000 mn (4,000) and short-term loan promises of SEK 500 mn (500) in the form of an overdraft facility.

Against the background of the measures outlined above, the Company's strong financial position and liquid financial instruments, the liquidity risk is considered to be low.

Counterparty risk

Counterparty risk is the risk of a party in a transaction with a financial instrument not being able to meet its obligations and thereby causing loss to the other party.

Industrivärden's internal rules and guidelines prescribe that approved counterparties have high credit ratings, which is why counterparty risk is considered to be low.

Internal control

Against the background of the share price risk described above, continuous monitoring of value exposure in the equities portfolio is the most important control process in Industrivärden's business. Industrivärden's internal control is therefore primarily focused on ensuring the reliability of valuations of outstanding equity and derivative positions and of the reporting of purchases and sales of shares and other securities. Industrivärden's control environment is built upon a clear division of duties and responsibility, well-established governance documents and guidelines and a good company culture.

Note 27 Pledged assets and contingent liabilities

There are no pledged assets or contingent liabilities in the Parent Company or Group.

Note 28 Events after the balance sheet date

No significant events have taken place after the end of the financial year.

Proposed distribution of earnings

The Board of Directors proposes a dividend of SEK 8.25 per share (7.75). The proposed dividend corresponds to 3.8% of the Parent Company's equity and 2.2% of the Group's equity. Of shareholders' equity, 65%, or SEK 60.9 billion in the Parent Company, and 65%, or SEK 103.7 billion in the Group, is attributable to market valuation of assets and liabilities. The Board is of the opinion that the proposed dividend is well balanced in view of the objectives, scope and risks of the business as well as with respect to the ability to meet the Company's future obligations. The total amount to be paid out according to the proposed dividend, based on the number of shares outstanding, is SEK 3,563 mn (3,347).

According to the Parent Company balance sheet, earnings totaling SEK 90,866 mn are at the disposal of the Annual General Meeting. The Board of Directors proposes that the earnings be disposed of as follows:

| | |
|--|----------------------|
| To the shareholders, a dividend of SEK 8.25 per share totaling | SEK 3,563 mn |
| Balance carried forward | SEK 87,302 mn |
| | <u>SEK 90,866 mn</u> |

The Board of Directors and CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting principles, that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards referred to in European Parliament and Council of Europe Regulation (EC) No. 1606/2002 of July 19, 2002, on application of International Financial Reporting Standards, that disclosures herein give a true and fair view of the Parent Company's and Group's financial position and results of operations, and that the statutory Board of Directors' Report provides a fair review of the Parent Company's and Group's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

The Group's and Parent Company's earnings and position in general are shown in the income statements, balance sheets, statements of changes in shareholders' equity, statements of cash flows and notes to the financial statements. The Annual Report and the consolidated financial statements have been approved for release by the Board of Directors and the CEO on February 20, 2025. Adoption of the Consolidated and Parent Company Income Statements and Balance Sheets will take place at the Annual General Meeting on April 10, 2025.

Stockholm, February 20, 2025

Fredrik Lundberg
Chairman

Pär Boman
Vice Chairman

Christian Caspar
Director

Marika Fredriksson
Director

Bengt Kjell
Director

Katarina Martinson
Director

Fredrik Persson
Director

Lars Pettersson
Director

Helena Stjernholm
CEO
Director

Our Audit Report was submitted on February 24, 2025

Deloitte AB

Hans Warén
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of AB Industrivärden (publ)
Corporate Identification Number: 556043-4200

Report on the Annual Accounts and Consolidated Accounts

Opinions

We have audited the annual accounts and consolidated accounts of AB Industrivärden (publ) for the financial year ending 31 December 2024, aside from the corporate governance report on pages 47–51. The annual accounts and consolidated accounts of the company are included on pages 45–71 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section.

We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Accounting for Quoted Investments

Description of Risk

A substantial portion of Industrivärden's total assets consist of holdings in quoted investments. The total carrying value of quoted investments amounted to SEK 166,025 million as of 31 December 2024.

In a portfolio of quoted investments such as the one held by Industrivärden, there are several considerations regarding accounting and valuation that need to be determined for a valuation in accordance with IFRS Accounting Standards.

Industrivärden's principles for accounting for quoted investments are described in note 1 and detailed disclosures regarding quoted investments are included in note 12 and in note 24 in the section associated with measurement of financial instruments.

Our Audit Procedures

Our audit procedures included, but were not limited to:

- We have obtained an understanding of the accounting and valuation process and tested key controls.
- We have evaluated Industrivärden's controls for obtaining prices and volumes from external sources and we have verified prices and volumes against external sources.
- We have reviewed transactions of quoted investments and the accounting of received dividends and fair value changes.
- We have reviewed disclosures relating to valuation of quoted investments for compliance with IFRS Accounting Standards.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–44, 77–79 and 94. Other information also includes the remuneration report. The Board of Directors and the Managing Director are responsible for this other information.

We expect to obtain the remuneration report after the date of this audit report.

Our opinion on the annual accounts and consolidated

accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors (SIA) website: revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on Other Legal and Regulatory Requirements *Opinions*

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AB Industrivärden (publ) for the financial year ending 31 December 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's Responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors (SIA) website: revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The Auditor's Examination of the ESEF Report *Opinion*

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for AB Industrivärden (publ) for the financial year ending 31 December 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the Auditors' Responsibility section. We are independent of AB Industrivärden (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

The Auditor's Examination of the Corporate Governance Report

The Board of Directors is responsible for that the corporate governance report on pages 47–51 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance report is conducted in accordance with FAR's auditing standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph in the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of AB Industrivärden (publ) by the general meeting of the shareholders on April 11, 2024 and has been the company's auditor since April 17, 2019.

Stockholm, February 24, 2025
Deloitte AB

Signature on Swedish original

Hans Warén
Authorized Public Accountant



Other information



Definitions and Alternative Performance Measures

The Annual Report includes key financial ratios that are based on IFRS rules, such as earnings per share. In addition the Company and other stakeholders use Alternative Performance Measures (APMs) to describe the Group's operations that cannot be discerned or derived from the financial statements. These APMs are to be regarded as a complement to the financial reporting presented in accordance with IFRS Accounting Standards. It should be noted that the APMs defined below may differ somewhat from other companies' definitions of the same terms. Reconciliation of APMs are provided on page 79 and on Industrivärden's website.

Market value of the equities portfolio

The value of the equities portfolio based on share prices on the balance sheet date.

Dividend yield

Dividend per share in relation to the share price on the balance sheet date.

Net debt

Financial liabilities and provisions for pensions less financial receivables and cash and cash equivalents.

Earnings per share

Net income for the year divided by the weighted average number of shares outstanding.

Debt-equities ratio

Net debt in relation to the market value of the equities portfolio.

Equity ratio

Shareholders' equity as a share of total assets.

Net asset value

The market value of the equities portfolio less net debt.

Total return shareholdings

Change in value of a shareholding including calculated reinvested dividend. Reported only for the current reporting period.

Total return, shares

Change in the share price including reinvested dividends. Total return is compared against the total return of the Stockholm Stock Exchange (SIXRX), and the total return of the OMXS30 (OMXS30GI).

Change in value of shareholdings

For shares held at both the start and end of the year, the change in market value consists of the difference in value between these two points in time. For shares sold during the year, the change in market value consists of the difference between the payment received for the shares and their value at the start of the year. For shares purchased during the year, the change in market value consists of the difference between the cost of the shares and their value at the end of the year.

Market value of the equities portfolio

The value of the equities portfolio based on share prices on the balance sheet date.

| Holding | Dec 31, 2024 | | |
|---|------------------|-------------|----------------------|
| | Number of shares | Share price | Market value, SEK mn |
| Volvo A | 166,600,000 | 270.20 | 45,015 |
| Volvo B | 24,100,000 | 268.60 | 6,473 |
| Sandvik | 183,700,000 | 198.30 | 36,428 |
| Handelsbanken A | 228,200,000 | 114.20 | 26,060 |
| Essity A | 32,700,000 | 295.50 | 9,663 |
| Essity B | 41,300,000 | 295.70 | 12,212 |
| SCA A | 33,300,000 | 139.60 | 4,649 |
| SCA B | 45,400,000 | 140.45 | 6,376 |
| Ericsson A | 86,052,615 | 89.80 | 7,728 |
| Ericsson B | 1,000,000 | 89.88 | 90 |
| Skanska A | 12,667,500 | 232.70 | 2,948 |
| Skanska B | 19,500,000 | 232.70 | 4,538 |
| Alleima | 51,200,000 | 75.10 | 3,845 |
| Other | | | 479 |
| Market value of the equities portfolio | | | 166,504 |

Dividend yield

Dividend per share in relation to the share price on the balance sheet date.

| | Dec 31, 2024 | Dec 31, 2023 |
|------------------------|---------------|---------------|
| INDU A | | |
| Proposed dividend, SEK | 8.25 | 7.75 |
| Share price, SEK | 349.40 = 2.4% | 328.90 = 2.4% |
| INDU C | | |
| Proposed dividend, SEK | 8.25 | 7.75 |
| Share price, SEK | 349.10 = 2.4% | 328.30 = 2.4% |

Net debt

Financial liabilities and provisions for pensions less financial receivables and cash and cash equivalents.

| SEK mn | Dec 31, 2024 | Dec 31, 2023 |
|-----------------------------------|--------------|--------------|
| Non-current financial liabilities | 5,004 | 6,509 |
| Current financial liabilities | 2,785 | 1,691 |
| Provisions for pensions | 0 | 0 |
| Current financial receivables | -32 | -36 |
| Cash and cash equivalents | -843 | -869 |
| Net debt | 6,914 | 7,295 |

Earnings per share

Net income for the year divided by the weighted average number of shares outstanding.

| | 2024 | 2023 |
|---------------------------------|-------------------------|-------------------------|
| Net income for the year, SEK mn | 12,654 | 26,844 |
| Number of shares outstanding | 431,899,108 | 431,899,108 |
| | SEK 29.30 /share | SEK 62.15 /share |

Debt-equities ratio

Net debt in relation to the market value of the equities portfolio.

| SEK mn | Dec 31, 2024 | Dec 31, 2023 |
|--|--------------|--------------|
| Net debt | 6,914 | 7,295 |
| Market value of the equities portfolio | 166,504 = 4% | 157,547 = 5% |

Equity ratio

Shareholders' equity as a share of total assets.

| SEK mn | Dec 31, 2024 | Dec 31, 2023 |
|----------------------|---------------|---------------|
| Shareholders' equity | 159,178 = 95% | 149,880 = 95% |
| Total assets | 167,444 | 158,526 |

Net asset value

The market value of the equities portfolio less net debt.

| SEK mn | Dec 31, 2024 | Dec 31, 2023 |
|--|----------------|----------------|
| Market value of the equities portfolio | 166,504 | 157,547 |
| Net debt | -6,914 | -7,295 |
| Net asset value | 159,590 | 150,252 |

Total return shareholdings

Change in value of a shareholding including calculated reinvested dividend.

| SEK mn | Dec 31, 2024 | Dec 31, 2023 |
|-----------------------------------|---------------|---------------|
| Change in value of shareholdings | 4,391 | 20,861 |
| Reinvested dividend | 8,512 | 7,598 |
| Total return shareholdings | 12,902 | 28,459 |

Change in value of shareholdings

For shares held at both the start and end of the year, the change in market value consists of the difference in value between these two points in time. For shares sold during the year, the change in market value consists of the difference between the payment received for the shares and their value at the start of the year. For shares purchased during the year, the change in market value consists of the difference between the cost of the shares and their value at the end of the year.

| SEK mn | 2024 | 2023 |
|---|----------------|---------------|
| Closing market value, December 31 | 166,504 | 157,547 |
| Net purchases (-) / sales (+) | + 4,566 | -2,854 |
| Opening market value, January 1 | - 157,547 | 133,832 |
| Change in value of shareholdings | = 4,391 | 20,861 |

Sustainability Report 2024

Structure of the sustainability report

Industrivärden's statutory sustainability report for the full year 2024 follows below. The sustainability work is a fully integrated part of the Company's operations. For a full understanding of this work, the formal sustainability report should therefore be read in combination with the descriptions of the Company's business model and operations on pages 10–14 of Industrivärden's Annual Report 2024.

The sustainability report has been examined by the Company's auditor in accordance with FAR's recommendation RevR 12 *Auditor's opinion regarding the statutory sustainability report*, and an opinion on the sustainability report has been provided (page 94). Information about which parts of Industrivärden's business review and annual report are included in the formal annual report that has been submitted by the Board of Directors is provided on page 3.

Industrivärden has signed the UN Global Compact, and Industrivärden's Communication on Progress (CoP) questionnaires for 2023/2024 are published on the UN Global Compact website (in March/April of the respective years). Industrivärden undertakes to continue to work for the principles of the UN Global Compact during 2024/2025. Industrivärden also reports yearly climate data, including the portfolio's carbon emissions, to the CDP, and reports its climate exposure (TCFD) in the sustainability report. To address the market's interest, general sustainability data is also reported to the largest sustainability databases, including S&P Global CSA and Sustainalytics.

Industrivärden's Code of Conduct and an SASB index for 2024 has been published on Industrivärden's website. Industrivärden's portfolio companies prepare their own sustainability reports, which can be found on the companies' respective websites.

Industrivärden's view of sustainability

Industrivärden sets clear demands for its portfolio companies. These include establishing strong market positions, good cash flows and financial strength, as well as a clear capacity for development. This forms a stable foundation for well-integrated sustainability work with innovations, products and services that contribute to sustainable development. By investing capital in operationally and financially sustainable companies and contributing to portfolio companies' strategic sustainability work, Industrivärden takes responsibility for sustainable development.

Particular focus is put on material sustainability risks and sustainability-related opportunities from risk mitigation and value-creation perspectives. Industrivärden's overarching ambition is to be a well-informed and demanding owner with a sustainability perspective that contributes to the long-term success of its portfolio companies, and to offer a long-term and sustainable investment with an attractive total return at balanced risk.

To materialize these ambitions, Industrivärden:

- Performs continuous analysis and follow-up of the respective portfolio companies in accordance with its integrated sustainability analysis;
- Formulates owner agendas for the respective portfolio companies and exerts influence in accordance with its business model;
- Conducts dialogues with selected stakeholders aimed at soliciting views in support of further development of its sustainability work.

Industrivärden expects the portfolio companies to have a sustainable approach in all aspects of their operations.

Central activities

- Continuously develop Industrivärden's sustainability work based on stakeholder dialogues
- Evaluate portfolio companies' sustainability-related risks and opportunities
- Ensure well-integrated sustainability work in the portfolio companies
- Make demands of and exercise influence in the portfolio companies

Industrivärden's expectations

Portfolio companies shall:

- View sustainability as a key strategic issue and conduct exceptional sustainability work
- Continuously develop their sustainability work in a structured way supported by relevant guidelines and measurable goals
- Monitor, evaluate and continuously communicate progress of their sustainability work

Direct and indirect sustainability influence

From an overarching perspective, Industrivärden has the greatest sustainability influence through its role as an active owner of its portfolio companies. Against this backdrop, the sustainability perspective makes up an integral part of Industrivärden’s company analyses and owner agendas. Particular emphasis is put on ensuring that portfolio companies have clear systems of corporate governance and adhere to good business ethics, maintain a transparent and well-integrated sustainability perspective, and offer attractive workplaces. The work shall be conducted according to current laws and regulations. Respective companies’ boards and management teams are responsible for conducting quality and well-integrated sustainability work. In order to evaluate and exert owner influence in these areas, Industrivärden analyzes sustainability aspects such as governance and leadership, business culture, resource efficiency, climate impact, organization, diversity, etc. In doing so, Industrivärden has an indirect sustainability influence in its portfolio companies.

In addition, Industrivärden has a direct sustainability influence through work that is conducted in its own operations in the listed company AB Industrivärden. The organization comprises approximately 15 employees at the office in Stockholm. Sustainability work encompasses all relevant aspects, although is primarily focused on being a responsible employer, striving for diversity and reducing the Company’s own climate impact. Given its active owner role, Industrivärden seeks to serve as a model and to work pro-actively with a clear sustainability focus in its own operations.

Further information about the direct sustainability work in Industrivärden’s own operations is provided on page 87.

Governance and execution

Sustainability strategy and owner influence

The principles for how Industrivärden is expected to act as a company and responsible owner are set out in the Code of Conduct, which is adopted by the Board of Directors and is revised yearly. Through its active ownership Industrivärden strives to ensure that these approaches permeate the

companies in which it is an active owner. These guidelines stipulate, among other things, that:

- the overarching goal is to generate sustainable shareholder value while taking into account stakeholders’ interests as well as the overall economic, environmental, climate and social impact of operations;
- good business ethics and clear corporate governance with a genuine sustainability perspective contribute to long-term value creation and sustainable development of society;
- the workplace shall be characterized by openness, responsiveness and mutual respect;
- the Company shall reject all forms of discrimination because diversity in all forms improves levels of knowledge, dynamism and quality in our operations;
- the Company shall uphold and integrate the ten principles of the UN Global Compact in the areas of human rights, labor, anti-corruption and the environment.

Industrivärden exercises its ownership influence based on extensive knowledge of its portfolio companies and the sectors in which they are active, mainly through representation on nominating committees and boards as well as in close dialogue with the companies. This work is an integral part of Industrivärden’s overarching model for active ownership, thereby ensuring that Industrivärden’s analysis, exertion of influence and follow-up are of high quality. The specific sustainability analysis is described below, and the process for exercising active ownership and ownership influence is described in more detail on pages 11–14.




Organization and responsibility

Industrivärden’s board is responsible for the formulation of the Company’s goals and strategy, how active ownership is exercised and the fundamental sustainability principles. Sustainability work is evaluated on a continuous basis within the framework of operations as a whole. Follow-up of and decisions on sustainability work within the own operations are conducted annually at a board meeting and when necessary. The CEO has overarching responsibility for the Company’s


Focus areas and overarching goals

Based on Industrivärden’s materiality analysis, its sustainability work has particular focus on the following areas which relate to the UN Sustainable Development Goals (SDGs):



Responsible corporate governance and sustainable societal role

-  Good corporate governance, good business ethics and anti-corruption
-  Good diversity
-  Decent working conditions

Minimize negative climate and environmental impacts

-  Reduced climate impact

Sustainable production

-  Sustainable production
-  Sustainable innovation

direct and indirect sustainability work and for integrating sustainability into analysis and ownership processes. The Head of Sustainability is responsible for Industrivärden's direct sustainability work, external communication on sustainability matters and internal collaboration in certain sustainability matters within the framework of the active ownership. Team managers are responsible for integrated sustainability analysis in respective portfolio companies.

Sustainability analysis

To be able to conduct a qualitative analysis of portfolio companies' sustainability work – and exercise influence when needed – Industrivärden needs to have a depth of knowledge about respective companies' operations and sustainability-related matters. The sustainability analysis is therefore an integral part of company analysis performed by respective portfolio companies. In this way, material sustainability aspects are evaluated from a holistic perspective, with a base in the portfolio companies' respective operations, geographies and stages of development. This means that the sustainability perspective is included in evaluations of the portfolio companies' boards and management teams, strategic issues and financial performance. The sustainability analysis also constitutes a more in-depth evaluation of sustainability issues and encompasses portfolio companies' organizations, structures, risk management, utilization of value-creating opportunities and communication.

The analysis is materiality-oriented and ranks the issues that Industrivärden intends to study further as well as matters over which it wants to exercise influence. Important areas of assessment include climate and environmental impact, social conditions, anti-corruption and prevention of human rights violations. Portfolio companies should have the boards, leadership, organizations and resources needed to integrate sustainable business practices – and thereby

long-term value creation – in their business models, processes and offerings.

The sustainability due diligence that is required of all listed companies thus makes up an integral part of Industrivärden's continuing sustainability analysis.

The main focus of the analysis is on sustainability-related risks and opportunities to create value. The analysis is made with a double materiality perspective and looks at both the portfolio companies' sustainability impact on people and society, as well as how they themselves are financially affected by external factors from a sustainability perspective. In cases where Industrivärden identifies strategic conditions, risks, or value creation opportunities in which it wants to exercise influence, these are defined in Industrivärden's respective owner agendas, which form the foundation for Industrivärden's work. The owner agendas are revised at regular intervals and are set by Industrivärden's Investment Committee, which is made up of relevant members of the Executive Management and representatives of the investment organization.

Industrivärden exercises influence through representation in the portfolio companies' nominating committees and boards. The individuals who represent or have ties to Industrivärden are to have a current and pertinent understanding of the value creation measures identified for respective portfolio companies. Against this background, Industrivärden's owner agendas are regularly presented and evaluated by the Industrivärden board. This allows Industrivärden to have an influence on strategic sustainability issues over time.

Risk management

Industrivärden's material sustainability risks and value creation opportunities exist in the portfolio companies, which are responsible for managing these within the

Key guidelines and rules

| Policy area | Type | Scope | Decision |
|--|--------------------------------|-----------------|------------------------|
| Business ethics and anti-corruption | Code of Conduct | Public | Board of Directors |
| Working conditions – general | Code of Conduct | Public | Board of Directors |
| Working conditions – Parent Company | HR policy | Internal | CEO |
| Human rights | Code of Conduct | Public | Board of Directors |
| Diversity/nondiscrimination – general | Code of Conduct | Public | Board of Directors |
| Diversity/nondiscrimination, safety, etc. – Parent Company | HR policy | Internal | CEO |
| Environment and climate – general | Code of Conduct | Public | Board of Directors |
| Environment and climate – Parent Company | Environment and climate policy | Internal | CEO |
| Information technology and cybersecurity | IT policy | Internal | CEO |
| Insider issues | Insider policy | Internal | Board of Directors/CEO |
| Risk management | Risk policy | Internal | CEO |
| Information and confidentiality | Information policy | Internal | Board of Directors/CEO |
| Protection of personal privacy | Personal data policy | Internal/public | CEO |
| Reporting of rule violations | Code of Conduct | Public | Board of Directors |

Public documents are presented on Industrivärden's website.

framework of their respective operations. Industrivärden's risk analysis aims to identify conditions that deviate from the Company's understanding of an optimal approach in respective portfolio companies. The analysis encompasses material sustainability risks in respective companies based on Industrivärden's prioritized focus areas. Climate-related financial risks are one example, where analysis includes transition risks and physical risks (effects of a changed climate) in various scenarios and time perspectives. Portfolio companies' combined sustainability risks make up part of Industrivärden's share price risk, which is described on page 70.

The overall outcome of Industrivärden's risk analysis for its prioritized areas is shown below. Where necessary, Industrivärden exercises its owner influence. Its active ownership thereby contributes to a long-term reduction of risk levels and to increased value creation.

Guidelines and rules

Industrivärden's sustainability strategy forms the foundation of the Company's sustainability work both within the Company and within the framework of its active ownership. The sustainability strategy, which is described on pages 81–82, is derived from Industrivärden's Code of Conduct. In addition, there are a number of guidelines and rules that apply for Industrivärden's approximately 15 employees. All guidelines and rules are updated at regular intervals, and Industrivärden's employees receive training in regulatory matters on a regular basis, see table on page 82.

Handling suspected violations of the Code of Conduct

Industrivärden has a routine that is set out in the Code of Conduct for handling suspected violations of the Code of Conduct.

Cooperation and frameworks

Cooperation is necessary to address sustainability challenges. Industrivärden has therefore signed the UN Global Compact and has been working to comply with its ten principles since 2015. The Company regularly conducts various types of cooperation in the sustainability area.

Industrivärden also adheres to global initiatives such as the OECD's Guidelines for Multinational Enterprises, the ILO's eight fundamental conventions and the UN Guiding Principles on Business and Human Rights.

Generated economic value

Good economic performance and financial strength are necessary for Industrivärden to create long-term value for its shareholders and support its portfolio companies over time. In this way, Industrivärden can contribute to the favorable development of portfolio companies' corporate governance as well as social and environmental development. Industrivärden's financial performance and growth in net asset value are described on pages 46–70. Industrivärden's stock performance and dividends paid are shown on pages 38–41.

Materiality analysis

Industrivärden's sustainability-related focus areas have been identified and concretized using a materiality analysis.

This analysis draws from Industrivärden's stakeholder dialogues, its abilities to influence through its ownership, and a materiality perspective.

Stakeholder dialogues

In its capacity as a holding company, Industrivärden has a financial, social and environmental influence on the world around it and on various stakeholder groups. Industrivärden therefore maintains a continuous dialogue with its stakeholders, which increases knowledge about important changes in the business environment and highlights prioritized issues for the Company's stakeholders.

Stakeholder dialogues are an integral part of the continuous contacts maintained with the companies. This takes the form of regular talks and meetings, annual reports, interim reports, annual general meetings, performance reviews with employees, memberships in various organizations, etc. Key stakeholders include shareholders, employees, other market actors, equity analysts, representatives of the portfolio companies, business partners and nongovernmental organizations (NGOs). In addition to the continuous stakeholder dialogues, a formalized dialogue with a selection of relevant stakeholders was conducted in 2023. The materiality analysis did not change to any material extent. However, clarifications were made regarding the importance of sustainability-related opportunities in the portfolio companies and the importance of the sustainability dimension in the portfolio companies' value chains.

Significant issues

The following significant issues have been identified based on respective stakeholder groups' priorities and Industrivärden's influence.

- *Attractive returns at balanced risk*
By owning quality companies with proven business models, to which Industrivärden contributes through engaged ownership, opportunities for long-term value creation increase while risk decreases. It is thus important that portfolio companies are able to minimize risks and capitalize on value creation opportunities within the framework of their own sustainability influence and external sustainability factors.
- *Owner influence to drive integration of sustainability in portfolio companies*
Industrivärden's opportunities to exercise active ownership require formal and trust-based influence in portfolio companies. It is therefore vital that Industrivärden has financial opportunities as well as trust capital to maintain its influence.
- *Good corporate governance and business ethics*
Industrivärden's and portfolio companies' corporate governance and business ethics are of major importance for sustainable value creation. In its capacity as a sizable owner, Industrivärden has good opportunities to influence corporate governance. Portfolio companies themselves are to integrate good business ethics in all parts of their operations, which is crucial for upholding the trust of their stakeholders and long-term value creation.

- **Responsible employers and good diversity**
Portfolio companies are to be responsible employers from a double materiality perspective. Attracting and retaining relevant expertise is crucial for generating enduring value creation in the portfolio companies.
Portfolio companies are required to strive for diversity from a double materiality perspective. Taking advantage of various perspectives is important for portfolio companies' long-term ability to create value and for the sustainable development of society.
- **Reduced climate and environmental impact**
Portfolio companies are required to strive for reduced climate and environmental impact from a double materiality perspective. While a reduced impact does create opportunities for value creation, a slow pace of transition may entail direct as well as indirect risks and costs.
- **Sustainable production and innovation**
The portfolio companies are required to offer sustainable products and services and carry out innovation for increased sustainability.

Stakeholders' priorities may differ somewhat between various groups. However, there is a strong consensus that Industrivärden's most important duty is to contribute to enduring shareholder value in its portfolio companies. Given Industrivärden's business model, particular emphasis should be put on ensuring well-integrated and structured sustainability work within the portfolio companies. The same applies for more owner-related matters such as corporate governance and diversity as well as the climate issue. Overall it can be noted that more strategically oriented sustainability issues are given higher priority than more operationally oriented matters.

Focus areas

Industrivärden shall be an engaged and responsible owner that contributes to well-managed companies for the sustainable development. In doing so it is able to offer long-term attractive shareholder value at balanced risk. Industrivärden's portfolio companies are active in various sectors and geographies, and thus the material sustainability issues differ from company to company. However, from a materiality perspective, certain more general, relevant matters can be identified. Moreover, given Industrivärden's business model, it has the greatest opportunity to exert an influence in corporate governance-related matters.

Our materiality analysis shows that some sustainability areas are deemed to be particularly important, within which Industrivärden exerts an active owner role. These focus areas are:

1. **Responsible corporate governance and a sustainable role in society**
Good corporate governance including good business ethics and anti-corruption, diversity and good work conditions.
2. **Minimized negative climate and environmental impact**
Reduced impact on people and environment.
3. **Sustainable production and innovation**
Development and innovation of sustainable products and services as well as sustainable production with greater resource efficiency.

Based on these focus areas, relevant goals have been established with support of the UN's Agenda 2030 framework for the Global Sustainable Development Goals (SDGs). From an influence perspective, SDGs 5, 8, 9, 12, 13 and 16 relate to Industrivärden's portfolio companies within the framework of Industrivärden's active ownership. SDGs 5 and 13 also pertain to the Company's own operations.




Industrivärden's portfolio companies – goals and outcomes

From an overarching perspective, it is Industrivärden's expectation that its portfolio companies will:

- view sustainability as an important, strategic issue and conduct salient sustainability work within their respective sectors, with sustainability aspects integrated into their business models, business cultures, strategies, processes and product offerings;
- continuously develop and strengthen their sustainability work in a structured way with support from relevant guidelines and measurable goals;
- monitor, evaluate and continuously communicate the progress of their sustainability work and convey the ways in which they contribute to long-term sustainable development in the communities in which they operate.

A number of goals have been formulated to drive the development on Industrivärden's sustainability-related focus areas as an owner.

1. Responsible corporate governance and a sustainable role in society

| | Industrivärden's goal | Outcome | Overarching risk analysis |
|---|---|---|---|
|  Good corporate governance incl. good business ethics and anti-corruption | Portfolio companies shall contribute to sustainable communities by working within the framework of their respective operations to ensure good corporate governance incl. ethical practices and targeted anti-corruption work. | <ul style="list-style-type: none"> • 100% of the portfolio companies have an anti-corruption policy. • 100% of the portfolio companies have a code of conduct and whistleblower function. • 100% of the portfolio companies provide training to their employees in the company's code of conduct. | The portfolio companies contribute to inclusive and peaceful societies by promoting long-term sustainable development in society in a structured way. All of the companies have codes of conduct for their employees and suppliers that enable reporting and follow-up of improprieties, and preventive training aimed at ensuring good business ethics and combating corruption. |
|  Good diversity | All portfolio companies shall conduct active and targeted work to promote diversity and equal opportunities in all parts of the company based on specific competency needs. The goal is that the underrepresented gender shall make up at least 40% of the portfolio companies' board members from a portfolio perspective. | <ul style="list-style-type: none"> • The underrepresented gender makes up 38% of directors on the portfolio companies' boards. • 100% of the portfolio companies have anti-discrimination principles in their codes of conduct or policies. | All portfolio companies put considerable emphasis on diversity and equality, because this strengthens their operations, and they work continuously on being an inclusive employer that offers equal opportunities to all employees. Among other things, the portfolio companies have adopted anti-discrimination principles in internal guidelines. |
|  Decent working conditions | Sustainable economic growth is a precondition for development of responsible companies that create value over time. Against this background, the portfolio companies shall conduct their operations with focus on a long-term perspective and with good business ethics and shall guarantee a safe workplace for all employees. | <ul style="list-style-type: none"> • 100% of the portfolio companies have signed the UN Global Compact for decent and productive working conditions. • 89% of the portfolio companies report their accident frequency rate. • Of the seven companies reporting this, five companies showed a reduced accident frequency compared to 2023, one company showed an increased frequency and the data for one company was not available as of 2025-02-14. | All of the portfolio companies generate sustainable value creation and have contributed to economic growth over time. The companies adhere to international conventions on human rights and working conditions, and conduct ambitious preventive work to ensure a safe work environment. All portfolio companies conduct preventive work to minimize the number of accidents. |

2. Minimized negative climate and environmental impact

Management of climate-related risks and opportunities

Long-term value creation requires reduced climate impact and successful utilization of climate-related opportunities. Industrivärden's greatest climate risk consists of the combined climate risk in the equities portfolio based on Industrivärden's share of ownership in the portfolio companies, which is described below. Industrivärden's climate work in its own operations is described in more detail on page 87.

Through its active ownership Industrivärden follows the respective portfolio companies' analysis, emissions reduction measures and climate-related opportunities. The portfolio companies are active in different sectors and geographies, and thus their climate risks differ. Industrivärden's respective sustainability analyses are therefore based on the portfolio companies' climate scenario analyses, internal and external expert knowledge, and measures taken by the companies.

Industrivärden's governance, strategy and management of climate risk are conducted in line with the model for sustainability issues that is described above in this sustainability report. Where needed, influence is exercised in accordance with Industrivärden's ownership model.

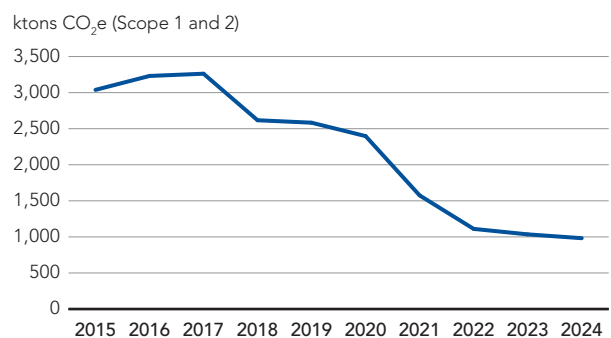
The portfolio's carbon emissions

The largest share of Industrivärden's emissions consist of indirect carbon emissions within framework of the Company's ownership in the portfolio companies (Industrivärden's

Scope 3 emissions). Greenhouse gas emissions (CO₂e) from the equities portfolio and Industrivärden's own operations have been reported since 2010, when Industrivärden also began reporting its carbon footprint to the CDP (cdp.net).

The chart below shows the portfolio's yearly emissions (portfolio companies' Scope 1 and 2) over the past ten years. Data has been obtained from the portfolio companies' own disclosures of greenhouse gas emissions (GHG Protocol, market-based method), in proportion to Industrivärden's share of ownership (equity share approach). This development illustrates the portfolio companies' determination to steadily reduce their CO₂e emissions as well as Industrivärden's divestment of its holding in steel company SSAB in 2020/2021 and its holding in ICA Gruppen in 2018/2019.

Portfolio emissions



Emissions 2024 refer to estimated data based on 2023 for Volvo.

The equities portfolio’s climate exposure

The largest share of Industrivärden’s climate risk exposure is within the framework of its ownership in the portfolio companies. Industrivärden uses the companies’ climate scenario analyses and TCFD reporting, among other things, as documentation for its analysis of their identification and management of climate risk. Given that the portfolio companies are active in varying business areas, their analyses differ, but from a portfolio perspective a number of more general risks can be described, as below. The compilation shows the portfolio companies’ disclosed climate-related risks in terms of physical risks and transition risks that could potentially impact the companies’ operations in the short, medium, and long terms. Climate-related opportunities pertain to the companies’ identified ability to create value added that contributes to growth, emission reductions and societal benefit.

Physical risks

- Disruptions caused by extreme weather events – impacts in supply chains, on transports, own production and property holdings (acute risk)
- Permanent changes to the climate and environment – higher average temperatures, rising sea levels and changed precipitation patterns – higher costs for climate adaptation measures, impact on asset values (chronic risk)
- Shortages/depletion of critical raw materials (chronic risk)

Transition risks


- Higher costs due to imposition of carbon emissions regulations and taxes (policy and regulatory risk)
- Higher reporting and compliance costs (policy and regulatory risk)
- Operational limitations for companies due to ownership rights/use regulations (policy and regulatory risk)

- Slow and/or unpredictable approval processes (policy and regulatory risk)
- Inability to develop the products, solutions and offerings needed for transition to a low-emissions economy – adaptation and limitation of impact (technological risk)
- Supply and pricing of renewable energy, raw materials, water and transport (market risk)
- Changed preferences and behaviors among customers (market risk)
- Inability to fulfill requirements and expectations of company stakeholders (reputational risk)

Opportunities



- Innovation and technological development of products, services and offerings that support the transition to a low-emissions society
- New business models and effective sustainability work result in competitive advantages, customer satisfaction and investment capital
- Products that support emissions reductions among customers and partners
- Global operations reduce geographic risks
- Longer growing seasons result in faster/larger harvests
- Own production of renewable energy is profitable
- Cooperation and partnerships with research, trade organizations and local communities

Industrivärden has reported climate-related information to the CDP since 2010. TCFD recommendations are now integrated into the CDP’s questionnaire on climate change. Industrivärden has implemented relevant parts of the TCFD’s recommendations regarding its own operations since 2020. See the TCFD reference on page 92.

| | Industrivärden’s goal | Outcome | Overarching risk analysis |
|--|--|---|--|
|  <p>Reduced climate impact</p> | <p>Portfolio companies shall minimize their carbon emissions and the environmental impact of their own production and value chains. They shall have strong focus on efficient use of resources.</p> <p>The goal is that the portfolio companies shall adopt science-based targets for reducing their carbon emissions (Scope 1–2). They shall also have clear targets for reducing emissions in their value chains (Scope 3).</p> <p>Science-based climate targets are targets based on scientific grounds, with recognized methods such as the Science Based Targets initiative, Carbon Law (Exponential Roadmap) or similar, with the aim of contributing to achievement of the Paris Agreement’s goals.</p> | <ul style="list-style-type: none"> • 88% of the portfolio companies have science-based targets for reducing their carbon emissions (Scope 1–2). The Science Based Targets initiative (SBTi) framework is used in all cases*. An additional 12% of the portfolio companies have science-based targets that have not been validated by a third-party. These targets meet the reduction goals within the framework of the Paris Agreement. • 100% of the portfolio companies have concrete goals for reducing indirect carbon emissions in their value chains (Scope 3). <p>Further information about the portfolio companies’ targets and performance can be found in respective companies’ annual and sustainability reports.</p> | <p>Several portfolio companies work in emissions-intensive industries or have large environmental impacts due to their products and services. These companies therefore need to reduce their environmental and climate impacts and take advantage of environment- and climate-related opportunities for long-term value creation. The portfolio companies have express ambitions to reduce their carbon footprints and have set concrete goals for reducing their climate-impacting emissions.</p> |

* Targets for five out of seven enrolled portfolio companies have been approved.

3. Sustainable production and innovation

| | Industrivärden's goal | Outcome and illustrative examples | Overarching risk analysis |
|---|--|--|--|
|  Sustainable production | <p>Portfolio companies shall offer long-term sustainable products and services that contribute to sustainable production and consumption. They shall have ambitious goals and be at the forefront of resource-efficiency and circular business models.</p> | <p>Illustrative examples of the portfolio companies' sustainability work within sustainable production are presented in each company's sustainability report.</p> | <p>Portfolio companies are actively striving to offer sustainable products and support the development of circular solutions. They are working actively to increase resource efficiency in production and operation, including with respect to energy consumption and waste. The portfolio companies have high ambitions to be resource efficient, using sustainability as a competitive advantage.</p> |
|  Sustainable innovation | <p>Industrivärden's portfolio companies shall have high aspirations to conduct sustainable operations, increasing their competitiveness by developing sustainable innovations that are at the forefront of their industries.</p> | <p>Illustrative examples of the portfolio companies' sustainability work within sustainable innovation are presented in each company's sustainability report.</p> | <p>To manage future sustainability-related risks and opportunities, companies need to continually strengthen and integrate sustainability aspects into their operations. The portfolio companies have a long tradition of actively promoting sustainable industrialization and innovation, and are well-equipped to manage the transition to a more sustainable approach. They contribute in various ways with innovations for sustainable industry and are leading the transition in their respective industries.</p> |



Industrivärden's own operations – goals and outcomes

Industrivärden shall be a workplace where employees enjoy their work, thrive and develop. Toward this end, evaluations are continuously conducted of performance and development opportunities, and a continuous dialogue is conducted on matters related to the workplace, forms of cooperation and personal development. Industrivärden believes that better results are achieved at a workplace characterized by gender equality and diversity.

Industrivärden has an ambition to reduce its own carbon footprint over time. Emissions come mainly from electricity and district heating consumption in the Company's office

building and from business travel. To reduce greenhouse gas emissions, environmentally certified electricity from wind and hydro power is purchased, with the remainder compensated through offsets. Consumables, IT equipment and other materials are reused and recycled. To monitor and benchmark the Company's carbon footprint, Industrivärden conducts carbon footprint reporting within the CDP framework. Industrivärden has applied the TCFD's recommendations since 2019. For further details, please see the GRI Index and TCFD Reference on pages 90–92.

Industrivärden has the following sustainability goals for its own operations.

| | Industrivärden's goal | Outcome | Overarching risk analysis |
|---|---|---|--|
|  Good diversity at a good workplace | <p>Industrivärden shall be an attractive employer with focus on competence development, openness and diversity, and will attract, recruit and retain competent employees. The goal is to maintain proportional representation of the underrepresented gender of at least 40% on Industrivärden's board and Executive Management.</p> | <ul style="list-style-type: none"> • The underrepresented gender accounts for 33% of directors on Industrivärden's board and 50% of members of the Executive Management. • Continuously developed processes for broadened competence and diversity. • Further training of all employees in the Company's sustainability strategy, Code of Conduct, anti-corruption and policy documents on the environment, climate and diversity. • Regularly recurring performance reviews with particular focus on the work environment and competence development. • Continuous evaluation of development opportunities for all employees. | <p>Industrivärden offers a workplace where employees enjoy their work, thrive and develop. To continuously improve operations, regular dialogue is conducted with the employees on matters pertaining to the workplace, forms of cooperation and personal development.</p> |
|  Reduced carbon footprint | <p>The goal is to reduce Industrivärden's Scope 1, 2 and 3 carbon emissions (excluding emissions from portfolio companies) by 50% compared with 2017. This goal is aligned with the Paris Agreement's goal to limit global warming to well below 2°C.</p> | <ul style="list-style-type: none"> • Industrivärden's carbon emissions have decreased by 40% since 2017. • Measurement and follow-up of Industrivärden's Scope 1–3 environmental impacts and carbon footprint. • Report Industrivärden's carbon footprint to the CDP and compensate for the Company's footprint through offsets. | <p>Industrivärden works actively to minimize its own negative carbon footprint and environmental impacts, and compensates for all actual greenhouse gas emissions through offsets.</p> |

Iterated sustainability analysis

In 2024, Industrivärden iterated material parts of the portfolio companies' sustainability analyses within the framework of the Company's ongoing work on company analysis. The rapid rate of change in several key impact areas signifies that sustainability is an increasingly important component in Industrivärden's analysis.

Development of sustainability work in 2024*Updated materiality analysis*

In 2023, Industrivärden updated its stakeholder analysis regarding important counterparties. Views were obtained in the usual way within the framework of ongoing contacts, as well as through a formal questionnaire. The materiality of Industrivärden's sustainability-related focus areas was established based on the stakeholder analysis, Industrivärden's capacity to influence and a materiality perspective. Particular emphasis was also placed on the importance of sustainability perspectives in the portfolio companies' value chains.

Sustainability work was conducted and further developed in 2024 within the framework of Industrivärden's active ownership.

Continued development of Industrivärden's sustainability reporting

Work was carried out to prepare for new regulations on sustainability reporting, such as the EU's Corporate Sustainability Reporting Directive (CSRD).

Thematic reviews

Industrivärden continuously conducts reviews of key areas of influence such as electrification, digitalization, etc. In 2024 an iterated review was conducted into the portfolio companies' use of AI and the impact of AI on the portfolio companies, along with an extensive review of geopolitics/macro economics.

Reporting in accordance with the EU Taxonomy

The EU Taxonomy Regulation is intended to help investors and companies identify and compare investments that contribute to sustainable development.

Industrivärden is not subject to the Taxonomy Regulation. Industrivärden's portfolio companies are subject to the Taxonomy Regulation and their taxonomy is included in respective portfolio company's sustainability reports for 2024.

GRI Index and TCFD Reference

Industrivärden's sustainability report complies with the most recent version of the Global Reporting Initiative's (GRI) Universal Standards 2021 and its Financial Services sector supplement. This is Industrivärden's seventh sustainability report produced in accordance with the GRI framework and draws from the GRI principles regarding content and quality. The report pertains to Industrivärden's own operations in 2024 (January 1–December 31, 2024).

Industrivärden's operations are conducted by approximately 15 employees at the Company's head offices in Stockholm. Since 2017, stakeholder dialogues and subsequent materiality analyses have been conducted to identify the top priority issues in the area of sustainability. These analyses form the basis for determining which disclosures are reported in Industrivärden's sustainability report and

GRI Index. Industrivärden adheres to sustainable business practices by adopting a clear sustainability perspective in its investment decisions and operations as an active owner. The portfolio companies' sustainability reports are available on the respective companies' websites.

The GRI Index describes Industrivärden's sustainability work based on the GRI Standards. The report consists of the information below as well as the information reported in the 2023 Annual and Sustainability Report, on Industrivärden's website, and on cdp.net according to the respective references provided in the GRI Index.

In 2020, Industrivärden began implementing recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) for reporting climate-related risks, but currently does not report in full compliance with the framework.

GRI Universal Standards (2021)

| General disclosures | Title of disclosure | In Industrivärden's Sustainability Report (page) | In Industrivärden's Annual Report (page) | Comments |
|---|--|--|--|--|
| Organization & reporting practices | | | | |
| 2-1 | Organizational details | | 40, 45, 60 | |
| 2-2 | Entities included in the organization's sustainability reporting | | 45, 67 | The Parent Company and all subsidiaries are included in the report. |
| 2-3 | Reporting period, frequency and contact point | | | The report, which is prepared annually, pertains to the 2024 financial year. The contact person is Sverker Sivall, Head of Corporate Communications & Sustainability, ssl@industrivarden.se. |
| 2-4 | Restatements of information | | | No significant changes have taken place since the preceding report. |
| 2-5 | External assurance | | 93 | The Company's auditor has given an opinion on the statutory sustainability report. An audit has not been conducted. |
| Activities & employees | | | | |
| 2-6 | Activities, value chain and other business relationships | | 10–14 | |
| 2-7 | Employees | 87 | 14, 46, 63–64 | All employees are active at the head offices in Stockholm. Data does not include any consultants and advisors. Industrivärden has approx. 15 employees. Apart from details required to be published under regulatory requirements, no information is disclosed that can be linked to individual persons. For average number of employees, see Note 8 on page 63. |
| 2-8 | Other workers who work for the organization | | | The organization has a facility management contract for the office building. The scope of outsourced assignments amounts to less than one full-time position in total. |

| General disclosures | Title of disclosure | In Industrivärden's Sustainability Report (page) | In Industrivärden's Annual Report (page) | Comments |
|---|--|--|--|--|
| Governance | | | | |
| 2-9 | Governance structure and composition | | 47–54 | |
| 2-10 | Nomination and selection of the board of directors | | 47–48, 94 | |
| 2-11 | Chairman of the Board of Directors | | 48–49, 52 | |
| 2-12 | The Board's role in overseeing the management of impacts | 81–82 | 47–51 | |
| 2-13 | Delegation of responsibility for managing impacts | 81–82 | | |
| 2-14 | Role of the Board of Directors in sustainability reporting | 81–82 | | |
| 2-15 | Conflicts of interest | | | Managed within the framework of Rules of Procedure and instructions, etc. |
| 2-16 | Communication of critical concerns | | | Communication of critical concerns is conducted in accordance with applicable rules and regulations. |
| 2-17 | Collective knowledge of the Board of Directors | | 48–49, 52–53 | |
| 2-18 | Evaluation of the performance of the Board of Directors | | 49 | |
| 2-19 | Remuneration policies | | 50, 63–64 | Guidelines for compensation of senior executives are posted on Industrivärden's website: Corporate governance/CEO and Executive Management/Compensation. |
| 2-20 | Process to determine remuneration | | 50, 63–64 | |
| 2-21 | Annual total compensation | | 63–64 | |
| Strategy, policies & practices | | | | |
| 2-22 | Statement on sustainable development strategy | 80–83 | 7–9, 15 | |
| 2-23 | Policy commitments | 80–81 | | Information on Industrivärden's commitments can be found on the UN Global Compact's website: https://unglobal-compact.org/what-is-gc/participants/72671-AB-Industrivarden-publ- |
| 2-24 | Embedding policy commitments | 80–88 | | |
| 2-25 | Processes to remediate negative impacts | 80–88 | | |
| 2-26 | Mechanisms for seeking advice and raising concerns | 82–83 | | Industrivärden's Code of Conduct is posted on the Company's website: Corporate governance/Governance structure/Code of Conduct. |
| 2-27 | Compliance | | | The Company has no knowledge of any incidents of non-compliance with laws and regulations, and no fines were incurred during the reporting period. |
| 2-28 | Membership associations | | | Confederation of Swedish Enterprise, Centre for Business and Policy Studies (SNS), Royal Swedish Academy of Engineering Sciences (IVA). |
| Stakeholder engagement | | | | |
| 2-29 | Approach to stakeholder engagement | 83–84 | 15 | |
| 2-30 | Collective bargaining agreements | | | All employees are covered by collective bargaining agreements. |
| Material topics | | | | |
| 3-1 | Process to determine material topics | 83–84 | | |
| 3-2 | List of material topics | 84 | | |
| 3-3 | Management of material topics | 80–83 | 11–14 | |

| General disclosures | Title of disclosure | In Industrivärden's Sustainability Report (page) | In Industrivärden's Annual Report (page) | Comments |
|---------------------|---|--|--|--|
| Economic | | | | |
| 201 | Economic Performance 2016 | | | |
| 201-1 | Direct economic value generated and distributed | 83 | 18–19, 36–41, 56–70 | |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 85–87 | | |
| 201-3 | Defined benefit obligations and other retirement plans | | 60–64, 68 | |
| 201-4 | Financial assistance received from government | | | No financial assistance was received from government bodies. |
| 205 | Anti-corruption 2016 | | | |
| 205-1 | Operations assessed for risks related to corruption | 80–83 | 11–14 | No material risks were identified in the Company's own operations. Questions related to the Company's sustainability analysis are addressed on an ongoing basis within the framework of active ownership. |
| 205-2 | Communication and training about anti-corruption policies and procedures | 82–83 | | All employees receive training in the annually revised Code of Conduct, which covers all aspects of corporate social responsibility in accordance with the Global Compact's ten principles, including anti-corruption. |
| 205-3 | Confirmed incidents of corruption and actions taken | | | No incidents occurred during the year. |
| Environment | | | | |
| 305 | Emissions 2016 | | | |
| 305-1 | Direct GHG emissions (Scope 1) | 87 | | Scope 1 emissions in 2024 amounted to 13 tons CO ₂ e (14). www.cdp.net : Industrivärden, C 7.6. |
| 305-2 | Energy indirect GHG emissions (Scope 2) | 85–87 | | Scope 2 emissions in 2024 amounted to 9 tons CO ₂ e (8) (according to market-based method). www.cdp.net : Industrivärden, C 7.7. |
| 305-3 | Other indirect GHG emissions (Scope 3) | 85–87 | | Scope 3 emissions in 2024 amounted to 18 tons CO ₂ e (16) (business travel, publications, etc.). www.cdp.net : Industrivärden, C 7.8. This GRI Index pertains to own operations. |
| 305-4 | GHG emissions intensity | 85–87 | | Information is provided in the yearly reporting to the CDP. |
| 305-5 | Reduction of GHG emissions | 85–87 | | Information is provided in the yearly reporting to the CDP. |
| 305-6 | Emissions of ozone-depleting substances (ODS) | | | No ozone-depleting emissions are caused by operations. |
| 305-7 | Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions | | | No significant emissions are caused by operations. |
| Social | | | | |
| 401 | Employment 2016 | | | |
| 401-1 | New employee hires and employee turnover | | | The Company has approx. 15 employees. Employee turnover was 0% (7%) for new hires and 7% for departures (7%). |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | | 50, 63–64 | Individual compensation structure. |
| 401-3 | Parental leave | | | During the period 2 men was on parental leave. 2 men returned to work after parental leave during the reporting period. |

| General disclosures | Title of disclosure | In Industrivärden's Sustainability Report (page) | In Industrivärden's Annual Report (page) | Comments |
|---------------------|---|--|--|--|
| 403 | Occupational Health and Safety 2018 | | | |
| 403-1 | Occupational health and safety management system | 82, 87 | | In accordance with Swedish law. Includes all employees. |
| 403-2 | Hazard identification, risk assessment, and incident investigation | 87 | | A safety assessment was carried out. |
| 403-3 | Occupational health services | 82, 87 | | All employees are offered company health care benefits. |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | 87 | | Conducted under the direction of the HR function. |
| 403-5 | Worker training on occupational health and safety | 87 | | Conducted under the direction of the HR function. |
| 403-6 | Promotion of worker health | 87 | | Measures for preventing injuries at the workplace, and wellness subsidy. |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | | | Not relevant given the nature of operations. |
| 403-8 | Workers covered by an occupational health and safety management system | | | Not relevant given the size of the workplace (approx. 15 employees). |
| 403-9 | Work-related injuries | | | No work-related injuries during the period. |
| 403-10 | Work-related ill health | | | Average absenteeism due to illness in relation to total work time was 0%. Additional information is not provided due to the size of the workplace. |
| 404 | Training and Education 2016 | | | |
| 404-1 | Average hours of training per year per employee | 87 | | The average number of hours per employee was 10. |
| 404-2 | Programs for upgrading employee skills | 87 | | Structured through individual conversations with employees. |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 87 | | All employees receive regular evaluations of their performance and career development. |
| 405 | Diversity and Equal Opportunity 2016 | | | |
| 405-1 | Diversity of board of directors, management and employees | 81–82, 87 | 47–50, 52–54, 63 | |
| 405-2 | Ratio of basic salary and remuneration of women to men | | 63–64 | Information not provided given the size of the workplace (approx. 15 employees). |

Sector-specific disclosures, financial

| | | | | |
|---------|--|-------|-------|---|
| G4 FS6 | Breakdown of investment portfolio by region, size and sector | | 16–19 | All portfolio companies are listed on Nasdaq Stockholm. |
| G4 FS10 | Percentage of companies held in the institution's portfolio with which the organization has interacted on environmental or social issues | 80–82 | 10–15 | Sustainability issues are addressed in all portfolio companies within the scope of Industrivärden's business model. |

Page references for disclosures in accordance with TCFD recommendations

Industrivärden is working on implementing TCFD recommendations for reporting of climate-related risks, but currently does not report in full compliance with the framework.

| Reference | Category | | | |
|-----------|----------------|--------------|-----------------|---------------------|
| | Governance | Strategy | Risk management | Metrics and targets |
| a) | 48–50, 81–82 | 85–87 | 82 | 85–87 |
| b) | 48–50, 81–82 | 11–13, 85–86 | 70, 82–83 | 85–87, 91 |
| c) | Not applicable | – | 82–84 | 86–87 |

Auditor’s report on the statutory sustainability report

To the general meeting of the shareholders in AB Industrivärden (publ)
Corporate Identification Number: 556043-4200

Engagement and Responsibility

The Board of Directors is responsible for the statutory sustainability report for the financial year ending 31 December 2024 on pages 80–92 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act as it was woded before 1 July 2024.

Scope of Audit

Our examination has been conducted in accordance with FAR’s standard RevR 12 *The auditor’s opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, February 24, 2025
Deloitte AB

Signature on Swedish original

Hans Warén
Authorized Public Accountant

Annual General Meeting and shareholder information

Annual General Meeting 2025

The Annual General Meeting will be held at 2 p.m. on Thursday, April 10, 2025, at the Grand Hôtel, Vinterträdgården room, Stallgatan 6, entrance at the corner of Stallgatan/Blasieholmsgatan, in Stockholm. Doors will open at 1 p.m.

Notification of participation

Shareholders who wish to participate in the Annual General Meeting must be registered as a shareholder in the register of shareholders maintained by Euroclear Sweden AB, based on the conditions on April 2, 2025, and must have notified the Company of their intention to participate in the AGM in accordance with the instructions in the AGM Notice.

In order to be eligible to participate in the AGM, a shareholder whose shares are registered in a nominee's name must request that the nominee register the shares in the shareholder's own name so that the shareholder is listed in the register of shareholders on April 2, 2025. Such registration may be temporary (voting rights registration) and is to be from the nominee pursuant to the nominee's routines in such advance time as determined by the nominee. Voting rights registrations made by nominees no later than April 4, 2025, will be taken into account in the current register of shareholders.

Dividend

The Board of Directors proposes a dividend of SEK 8.25 per share (7.75). The last day to acquire shares that carry entitlement to the dividend is April 10, 2025, entailing that Industrivärden shares will be traded ex-rights on April 11, 2025. Provided that the AGM resolves in favor of the proposal, it is expected that dividends will be sent out by Euroclear Sweden AB on April 17, 2025.

Board composition

The Nominating Committee of AB Industrivärden proposes the re-election of Pär Boman, Christian Caspar, Marika Fredriksson, Bengt Kjell, Fredrik Lundberg, Katarina Martinson, Fredrik Persson, Lars Pettersson and Helena Stjernholm as Directors. Fredrik Lundberg is proposed for re-election as Chairman of the Board.

Information regarding all proposed board members is available on AB Industrivärden's website, www.industrivarden.net.

Shareholder information

Reporting, ordering reports, subscriptions

All interim reports, annual reports, press releases and more are available on Industrivärden's website: www.industrivarden.net. Printed copies of interim reports and annual reports are distributed to shareholders and other interested parties upon request.

Financial reports and press releases can be ordered individually or by subscription by registering at www.industrivarden.net, by email at info@industrivarden.se or by phone at +46-(0)8-666 64 00.

Financial calendar 2025

| | |
|-----------------------------------|------------|
| Interim report January–March | April 8 |
| Annual General Meeting, Stockholm | April 10 |
| Interim report January–June | July 8 |
| Interim report January–September | October 16 |

Annual Report 2024

This publication constitutes the annual report for AB Industrivärden (publ). Printed copies of the annual report are distributed to shareholders and others upon request. The annual report is also available in digital form on the Company's website.

Contact persons

Queries from shareholders, investors and others may be directed to:

- Sverker Sivall, Head of Corporate Communications and Sustainability
email: ssl@industrivarden.se, phone: +46-(0)8-666 64 19
- Karl Åberg, Deputy Chief Executive Officer, Head of Investment Organization and Finance Function
email: kag@industrivarden.se, phone: +46-(0)8-666 64 06

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Box 5403, SE-114 84 Stockholm, Sweden
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Financial institutions that monitored Industrivärden at year-end 2024/2025

- ABG Sundal Collier, +46-(0)8-566 286 00
- AlphaValue, +33-(0)1-70 61 10 50
- Bank of America Merrill Lynch, +46-(0)8-535 220 80
- Danske Bank, +46-(0)75-248 00 00
- DNB Bank, +46-(0)8-473 41 00
- Handelsbanken, +46-(0)8-701 10 00
- Kepler Cheuvreux, +46-(0)8-723 51 00
- Nordea, +46-(0)771-35 03 60
- Pareto Securities, +46-(0)8-402 50 00
- SEB, +46-(0)8-763 85 43

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