

INDUSTRI  VÄRDEN

ANNUAL REPORT

2023



Long-term active owner of leading companies





Contents

Business review	4
Industrivärden at a glance	4
Performance 2023	6
Chairman's message	7
CEO's message	8
Operations	10
Mission, strategy, and objective	10
Business model	11
Sustainable value creation	16
Ownership stakes and development	20
Portfolio companies	24
Volvo	24
Sandvik	26
Handelsbanken	28
Essity	30
SCA	32
Skanska	34
Ericsson	36
Alleima	38
Value creation	40
Net asset value	40
Industrivärden's stock	42
Key ratios, ten-year overview	46
Industrivärden's history	47
Annual Report	49
Board of Directors' Report	50
Administration of the Company	50
Corporate Governance Report	52
Board of Directors and Executive Management	58
Financial statements	60
Income statement	60
Balance sheet	61
Shareholders' equity	62
Statement of cash flows	63
Notes to the financial statements	64
Proposed distribution of earnings	73
Auditor's report	74
Auditor's report on the statutory sustainability report	78
Other information	79
Definitions and Alternative Performance Measures	80
Detailed sustainability information	82
GRI Index and TCFD Reference	91
Annual General Meeting and shareholder information	95

This is Industrivärden's Business Review and Annual Report for 2023. The Business Review is presented on pages 4–47, and the Annual Report submitted by the CEO and Board of Directors is presented on pages 49–73. The Sustainability Report is presented on pages 16–17 and 82–94

The Swedish version of the Annual Report, signed by the Board of Directors, 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, 2023, Industrivärden's portfolio consisted of sizable ownership stakes in the eight portfolio companies Volvo, Sandvik, Handelsbanken, Essity, SCA, Skanska, Ericsson and Alleima.

Industrivärden's Class A and C shares are listed on the Stockholm Stock Exchange (Nasdaq Stockholm), Large Cap segment. At year-end 2023 the market capitalization was SEK 142 billion.

Portfolio

	Market value, SEK bn	Share of value, %	Ownership stake, %	
			Capital	Votes
Volvo	49	31	9.1	27.9
Sandvik	39	24	14.1	14.1
Handelsbanken	25	16	11.5	11.7
Essity	18	11	10.2	29.7
SCA	11	7	10.5	29.5
Skanska	6	4	7.7	24.5
Ericsson	6	4	2.6	15.1
Alleima	4	2	20.0	20.0
Other	0	0		
Total	158	100		
Net debt	-7			
Net asset value	150			

Average annual growth in value

NET ASSET VALUE

7%

3 YRS

12%

5 YRS

9%

10 YRS

TOTAL RETURN
(CLASS C SHARES)

10%

3 YRS

15%

5 YRS

13%

10 YRS

Performance in 2023

The year was characterized by continued rapid change and significant geopolitical uncertainty. Owing to leading portfolio companies with strong finances that provide flexibility and value-creating active ownership, Industrivärden performed well.

348 SEK/share

NET ASSET VALUE

33%

TOTAL RETURN (CLASS C SHARES)

7.75 SEK/share

PROPOSED DIVIDEND 2024

- **Net asset value** at year-end was SEK 348 per share, an increase of 19% during the year
- **The portfolio's value**, adjusted for purchases and sales, increased by SEK 20.9 billion to SEK 157.5 billion. The total return was 21%
- During the year, **shares were purchased** for a total of SEK 2.9 billion, of which SEK 1.1 billion in Sandvik, SEK 0.9 billion in Volvo, SEK 0.6 billion in Handelsbanken, and SEK 0.2 billion in SCA
- The **debt-equities ratio** was 5%
- **The total return** was 33% 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 7.75 per share (7.25)

Key data on December 31

	2023	2022
Total return, Industrivärden's stock		
Class A shares, %	33	-10
Class C shares, %	33	-9
Total return index (SIXRX), %	19	-23
Total return index (OMXS30GI), %	21	-13
Equities portfolio		
Market value, SEK M	157,547	133,832
Total return, %	21	-9
Net debt		
Value, SEK M	-7,295	-7,355
Debt-equities ratio, %	5	5
Net asset value		
Value, SEK M	150,252	126,477
Value per share, SEK	348	293
Growth, %	19	-12
Equity ratio, %		
	95	94
Dividend		
Dividend per share, SEK	7.75 ¹	7.25

1) Proposed by the Board of Directors.

A successful year as an ownership company

Surging inflation and tight monetary policy were the hallmarks of macroeconomic conditions in 2023. This was a reaction to the ultra-relaxed monetary policy during the pandemic and several years beforehand. Throughout the year, however, we saw the rate of inflation moderate significantly. In the second half of the year, expectations of continued tight monetary policy also gradually moderated. General opinion now is that interest rates have reached their peak and will be followed by interest rate cuts in the coming year. However, it is unclear how quickly this will happen.

Stock markets in Sweden, Europe and the US were periodically very volatile during the year. In the last quarter, however, there was a sharp turnaround where stock prices rose relatively sharply. This meant that the Stockholm Stock Exchange ultimately achieved a total return of 19 percent for the year. Leading stock exchanges in Europe and the US experienced similar trends. Economic growth was weak in Europe in 2023, and the Swedish economy shrank. In the US, growth was slightly higher than in Europe and in China economic growth was weaker than expected. However, we have made it through a monetary policy tightening unparalleled in modern times. In light of this, we can reasonably conclude that the global economy displayed a degree of relative resilience.

As we enter 2024, the economic outlook is uncertain. In 2023, companies exposed to consumer or construction activities faced major challenges, while companies focused on investment goods fared better. For companies with a high level of debt, the increased cost of capital has had a clear impact on performance. Many real estate companies that expanded rapidly in recent years through increased borrowing have run into trouble. There is much to suggest that 2024 will be characterized by weak global economic growth, despite some positive signs at the beginning of the year, especially in the US. In addition, geopolitical tensions appear unlikely to ease, feeding continued uncertainty. Interest rates will probably ease, although not return to levels seen before the tightening of monetary policy.

For Industrivärden as an owner company, 2023 was a successful year. Of our eight portfolio companies, Volvo, Sandvik, Handelsbanken and Alleima posted record profits. Our other portfolio companies are mainly performing well, reporting strong results and with good financial stability. Total return on the Industrivärden share in 2023 was 33 percent. Dividends received from the portfolio companies exceeded dividends paid to Industrivärden's share-

holders by SEK 3.3 billion. In line with our long-term orientation, we continued to increase ownership shares in a number of portfolio companies without increasing net debt.

In order to embed stability and a long-term approach, it is extremely important that companies have a primary shareholder who takes active responsibility. We fulfil this role as an owner company in all our portfolio companies, with the exception of Ericsson, in which we are the second largest shareholder in terms of votes, although with a clear ownership commitment. Leadership in all our portfolio companies is of high quality. Broad-based responsibility through decentralized organizations creates power to act and counteracts bureaucracy. We attach great importance to recruiting competent and suitable board members for the various companies. This is work that takes place on a continuous basis and in collaboration with other major shareholders. In this way, we strengthen the boards' collective competence and decision-making power over time. Changes of chairman are proposed in three of the portfolio companies in 2024 annual general meetings. I would like to convey my and the Board of Director's thanks to the company boards, management and employees of the portfolio companies for performing their duties so well in the past year. The companies are in strong positions and there is therefore every reason to look to the future with confidence.

Industrivärden's financial position remains strong with net debt at five percent. In light of this, and the companies' strong performance, the Board of Directors therefore proposes to the Annual General Meeting that the dividend to shareholders be increased from SEK 7.25 to SEK 7.75 per share.

The work of the Industrivärden board went well in 2023. We held 10 board meetings and several meetings of the compensation and audit committees. A number of managing directors visited our board meetings and spoke about their respective companies. The Board also visited Alleima in Sandviken in June.

CEO Helena Stjernholm, together with her colleagues, regularly shared their views on our portfolio companies. Highly well-researched analyses have been presented. In addition, the Board discussed macroeconomic conditions and the geopolitical situation as well as important technology shifts affecting the portfolio companies, such as AI and electrification. The financial situation in Industrivärden and our portfolio companies has also been noted. Sustainability issues have received increased attention in recent years. The Board believes that these themes should be integrated into the respective company's operations and function as a means of increasing efficiency and profitability.

Throughout 2023, Helena performed her tasks with great skill and good judgement. Her work with the three portfolio companies in which she is a board member is highly appreciated and widely respected. 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 co-operation during the past year.

Stockholm, February 2024
Fredrik Lundberg





Strong performance despite challenging global conditions

At the beginning of 2023, economic expectations were subdued due to strict monetary policy, rapidly rising interest rates and high inflation, the energy crisis in Europe and geopolitical uncertainty with the continued impact of the war in Ukraine. Given these conditions, it is not surprising that economic growth was weak in Europe in 2023. The US economy performed somewhat better on the back of more expansionary fiscal policy and surprisingly robust domestic private consumption. China's growth was lower than expected, with consumption failing to pick up and investment remaining weak. Although the geopolitical situation presented many challenges, with low growth in several of the developed economies, the global economy held up relatively well. In the second half of the year, underlying inflation decreased markedly, and market interest rates fell.

As we move into 2024, markets anticipate continued subdued global inflation and lower interest rates, but this is expected to happen gradually over a longer period. This was evident, among other things, from the IMF's global outlook, published in the beginning of 2024, which forecast unchanged global growth of 3.1 percent in 2024, but with continued weak growth in several developed economies. Significant geopolitical uncertainty is expected to persist.

The stock market performed well in 2023 overall, and especially in the fourth quarter, when interest rates appeared to peak, and a soft landing increasingly emerged as the most likely scenario. However, there were considerable differences in share price performance between different geographies and sectors.

Despite the challenging geopolitical outlook, Industrivärden's portfolio companies performed strongly, with several achieving record results in 2023. The strong performance of the portfolio companies was reflected in their share prices, which resulted in good value growth for Industrivärden. At the end of 2023, our net asset value amounted to SEK 150 billion, an increase of 19 percent. This in turn enabled a total return for Industrivärden's Class A and Class C shares in 2023 of 33 percent, compared to the Stockholm Stock Exchange's total return of 19 percent.

Industrivärden's business model and historical achievements clearly show that shareholder value can be created with large shareholdings in a small number of companies over an

extended period of time. Our strategy is to invest in and actively develop quality companies that perform well and have strong cash flow generation. Viewed longer-term, in the past five years, our portfolio companies have achieved higher earnings growth and dividend yield by capital-weighted portfolio than the average for the Stockholm Stock Exchange's Large Cap companies. At the same time, using the same calculation method, this has been achieved with relatively lower net debt in relation to operating profit before depreciation and amortization. This clearly shows that stable and well-managed companies enable good value growth.

Our portfolio companies have leading market positions and proven business models within their respective industries. Maintaining and continuously strengthening these positions is necessary for long-term value creation. Portfolio companies therefore need to be able to adapt to rapid change, while streamlining and improving their existing operations over the long term. In parallel to this, the companies must take advantage of new opportunities in digitalization and artificial intelligence and automation and electrification, for example. Although each company should operate in the context of its own conditions, Industrivärden has a number of basic principles for long-term value creation. These are the right leadership, strategic focus, decentralization, operational flexibility and efficiency, financial strength, and a sustainable approach. As a long-term active owner, we are convinced that these are key capacities that benefited the portfolio companies in 2023 and that build strong positions going forward.

A sustainable approach goes hand-in-hand with long-term value creation because it reduces risk and increases long-term opportunities. Industrivärden therefore attaches great importance to analyzing, understanding, and, when necessary, influencing the portfolio companies in material sustainability issues. Like all companies, Industrivärden's portfolio companies face various sustainability-related challenges, and for us as owners it is crucial that sustainability work is fully integrated into operations. Only then will sustainability become a powerful tool to contribute to value growth in our portfolio companies over time.

From a foundation of significant influence, industrial expertise and financial strength, we engage in the portfolio companies' corporate governance and strategic development.

We take responsibility, set demands, evaluate, and function as a long-term supportive owner.

A successful business requires well-adapted boards and strong management teams with the ability to realize company strategies, build good corporate cultures, and adapt operations to changing conditions. The importance of competent and well-adjusted leadership cannot be overestimated. In this context, as owners, we attach considerable importance to being involved in nominating committee work and to building networks with suitable individuals for key roles in our portfolio companies. With this in mind, I would like to provide some illustrative examples of important measures and development steps that were taken in the companies in 2023.

Volvo has a leading position in sustainable transport solutions and performed strongly in 2023. Underlying business activity improved significantly, despite cost inflation, continued supply disruption, and a pronounced slowdown in certain geographies and segments. *Volvo* continued its transformation journey during the year with the expansion of electric truck production, which now takes place at four of the company's manufacturing plants. In addition, several steps were taken to strengthen its future position, for example with the acquisition of battery assets from *Proterra*. Restructuring measures were initiated with the aim of strengthening operations in the bus segment. *Volvo's* outstanding operational performance in 2023 resulted in strong growth, profitability and cash flow.

In 2023, *Sandvik* continued to deliver on its strategy for increased growth. Today, the company has a leading position in battery-powered electric equipment and automation solutions for the mining industry. In the tooling segment, the company continues to strengthen its offering with, for example, a clear focus on product development and software solutions for increased efficiency and automation. *Sandvik's* products improve customers' productivity, profitability and sustainability. *Sandvik* received several large orders and showed growth, while strengthening operating profit and improving operational cash flow generation.

Handelsbanken took further steps in focusing its operations, including by divesting parts of its banking operations in Finland. Investments were also made to increase efficiency. Michael Green was appointed CEO, effective January 1, 2024. *Handelsbanken* reported strong income for 2023 with good profitability, largely driven by net interest growth and low credit losses. Credit quality remained strong, and the bank has a robust financial position.

Essity conducted a strategic review of certain tissue assets, including its holding in Hong Kong-based *Vinda*. As part of this process, *Essity* announced that it backs the conditional public offering in *Vinda* submitted by Asia-based *RGE*. The move aims to reduce *Essity's* exposure in the tissue segment and enable increased focus on investment and growth in higher yielding categories. The company also continued to conduct activities to structurally strengthen profitability, including restructuring of the Professional Hygiene segment. After a couple of challenging years, it can be noted that *Essity's* financial performance improved in 2023, with a strengthened profit margin and continued good organic growth.

SCA continued its ongoing expansion of existing facilities, including ramping up its new paper machine for kraftliner at its *Obbola* plant. The company is continuously strengthening its forest-based assets and increased harvesting of its own forests in 2023. Additional investments were made in the Renewable

Energy business area, with, for example, further development of its wind power business. *SCA* reported strong financial results, despite a more challenging market environment, driven by a high degree of self-sufficiency and a strong operational performance.

Due to a commercial focus and prioritization of profitability over volume, *Skanska* continued to report strong operational performance in its construction business, despite challenging market conditions. The company continued to invest in the project development businesses and in building up its own property portfolio within Investment Properties. The full year 2023 was characterized by a good operating margin in the Construction business, solid order intake and a strong financial position, but with write-downs in the project development businesses.

Ericsson continued to execute on its strategy of strengthened leadership in mobile networks, a growing enterprise operation, and a culture transformation. Several important deals were concluded, and partnerships formed, for example a co-operation agreement with *AT&T* regarding the expansion of open radio access network (RAN) solutions in the US. Within enterprise operations, several important agreements were also reached, although a substantial write-down was also made. In mobile networks, large volumes were delivered to the Indian market. Considerable focus was also placed on operational efficiency and the implementation of a previously announced cost savings program as a response to the challenging conditions in the mobile network market.

During its first full year of operation as an independent listed company, *Alleima* strengthened its positions in prioritized customer segments. Based on its leading niche market positions, the company developed selected businesses and conducted a number of strategic deals for increased value creation. Overall, several important steps were taken that will strengthen the company's financial performance measures over time. Net sales increased, profitability improved, and *Alleima* delivered strong operational cash flow growth resulting in a strong financial position. The stock market welcomed the company's achievements and the *Alleima* share performed extremely strongly in 2023.

A key aspect of *Industrivärden's* strategy is to continuously invest in its portfolio companies to increase financial returns from active ownership. It is therefore absolutely vital that we own financially stable and quality companies with strong cash flow generation that enable the payment of good dividends to shareholders. In this way, *Industrivärden* generates stable dividend surpluses that can be reinvested in portfolio companies. This interest on interest effect further increases shareholder value over time. In 2023, we invested SEK 2.9 billion in the portfolio companies and during the past five-years we have invested SEK 17 billion.

In conclusion, we can say that 2023 was a very good year for *Industrivärden*. The portfolio companies strengthened their respective positions and performed strongly, thereby enabling *Industrivärden* to generate good total returns for its shareholders. I would like to take this opportunity to thank my colleagues and our portfolio companies for their excellent efforts throughout the year.

Stockholm, February 2024
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 11–15.



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 40–45.



Approach

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

Sustainability work is described on pages 16–17 and 82–94.

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 Swedish companies Volvo, Sandvik, Handelsbanken, Essity, SCA, Skanska, Ericsson, 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 the flexibility to support the portfolio companies when needed. Major 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 21.

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, and that can provide financial support when needed. 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 longer 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 preconditions.

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 under-

Clear owner agendas based on fundamental principles

In-depth owner agendas...

- Fact-based analysis focused on the company, customers, competitors, markets, and global conditions including megatrends
- Identify opportunities for value creation and governance, 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 situations
- Clear strategic focus fully integrated in the business
- Decentralized governance model
- High degree of operational flexibility and efficiency
- Financial strength
- A sustainable approach

standing of these shifts is of major importance for being able to assess the portfolio 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

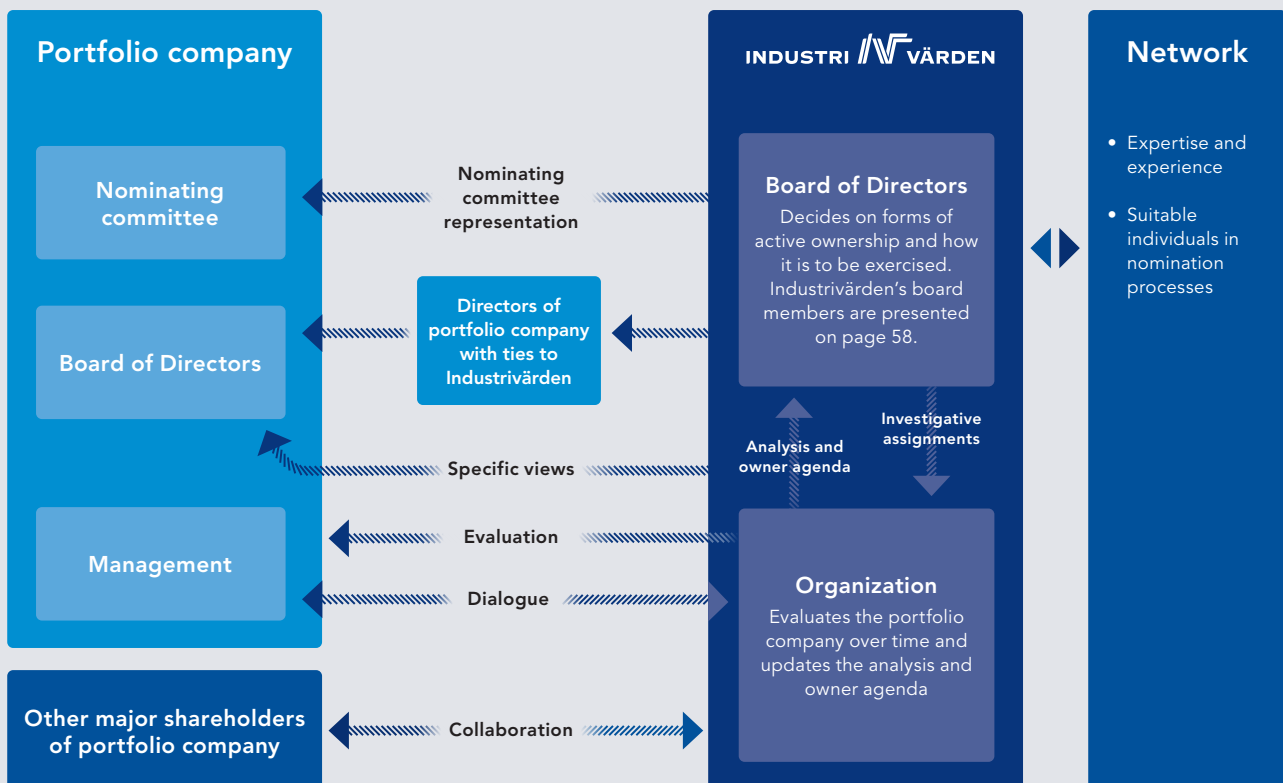
The portfolio companies' boards play a decisive role in the companies' governance and the appointment of the right CEO. A suitably composed board is crucial. The portfolio companies' boards must have the combined expertise and experience required to deal with the respective companies' challenges and 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
Skanska	Helena Stjernholm	Chairman
Ericsson	Bengt Kjell	Member
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 good 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 eight 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 52–59.

Board members with ties to Industrivärden

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

The ownership role is based on significant influence, industrial knowledge, a long-term perspective, and financial strength

Sustainability: an important value driver

Industrivärden's strategy to develop and create value in its portfolio companies over the long term entails a natural focus on sustainability. Sustainable growth in value 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 sustainable 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 sustainable 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.

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

Industrivärden's sustainability strategy, risk management and governance of sustainability work are described in detail on pages 82–90.

Industrivärden's 2023 sustainability report constitutes of the sustainability introduction on pages 16–17, the Detailed sustainability information section on pages 82–90, and the GRI Index and TCFD Reference on pages 91–94.

Central activities

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

Industrivärden's expectations

The 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

To be able to conduct a qualitative analysis of the portfolio companies' sustainability work and exercise influence in sustainability, Industrivärden must have a depth of knowledge about respective companies' operations and sustainability-related matters. Sustainability analysis is therefore an integral part of Industrivärden's fundamental analysis that is conducted of respective portfolio companies. In this way, sustainability issues are addressed from a holistic perspective, with a base in the portfolio companies' respective operations, geographies and stages of development. This means that sustainability is integrated into assessments of the portfolio companies' boards and management teams, strategic issues, and financial performance.

Individuals who represent or have ties to Industrivärden on the portfolio companies' nominating committees and boards must have a current and thorough understanding of identified value creation measures. Against this background, Industrivärden's owner agendas for the respective portfolio companies are discussed and evaluated on a continuous basis by Industrivärden's board. This allows Industrivärden to exercise 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 sustainable 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. Key areas include responsible corporate governance and a sustainable societal role, minimized negative climate and environmental impacts, and sustainable production and innovation. Based on these focus areas, relevant goals have been established with guidance from the UN's Agenda 2030 framework for the Sustainable Development Goals. Specific goals and achievements are described in the detailed sustainability information on pages 82–90.

Development of sustainability work in 2023

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. Based on the stakeholder analysis, Industrivärden's capacity to influence, and a materiality perspective, it was possible to establish the materiality of Industrivärden's sustainability-related focus areas. In addition, the importance of sustainability perspectives in the portfolio companies' value chains have been addressed in particular.

Continued development of Industrivärden's sustainability reporting

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

Thematic reviews

Industrivärden continuously conducts reviews of key areas of influence such as electrification, digitalization, etc. In 2023 a review was conducted into the portfolio companies' use of AI and the impact of AI on the portfolio companies.

Focus areas and overarching goals

Based on Industrivärden's materiality analysis, its sustainability work has particular focus on the following areas:

Responsible corporate governance and sustainable societal role



Good corporate governance, good business ethics and anti-corruption



Greater diversity



Decent working conditions

Minimize negative climate and environmental impacts



Reduced climate impact

Sustainable production



Sustainable production



Sustainable innovation

The goals are described in more detail on pages 82–90.

Sustainability: Sandvik as an example

Between four to six percent of the world's total energy consumption can be linked to the mining sector. Increasingly tough demands are being made on the mining industry to develop and deliver sustainable solutions as a result. With its industry-leading expertise in industrial processes, a strong culture of innovation and significant investment in research, Sandvik has accepted the challenge of leading the shift towards a greener and more profitable mining

industry. Sandvik has pledged to halve its scope 1 and 2 greenhouse gas emissions by 2030 and to achieve net zero emissions across its entire value chain by 2050. By taking advantage of its unique materials expertise, its strong innovation culture, and close co-operation with customers, Sandvik is taking concrete steps towards fulfilling these ambitious goals, while creating the conditions for long-term profitability.

Example 1: World-first recovery of tungsten carbide pins for drilling

Sandvik aims to achieve 90 percent circularity by 2030. To realize this goal, the company is actively working to improve materials and resource utilization in all its development projects.

One of Sandvik's most prominent circularity initiatives is the company's unique tungsten carbide recycling program. Tungsten carbide is a key component in the production of new cemented carbide products. Under the program, Sandvik buys and recycles customers' spent tungsten carbide pins. The pins are extracted from rock drills at customer sites using an inductive heating process. The spent material is then transported to Sandvik's tungsten carbide powder manufacturing unit in Austria for recycling and processing. The recycled material can then be reused for new cemented carbide products from the Sandvik Mining and

Rock Solutions business area. Sandvik produces tens of millions of tungsten carbide pins every year and is aiming to buy back 90 percent of the total production volume from its customers. The recycling program was rolled out for all Sandvik's customers globally in 2023.

The initiative has a significant impact, by significantly reducing the need to mine new resources for the extraction of tungsten carbide. In production terms, the initiative will result in a reduction in energy use of as much as 70 percent and a reduction in carbon dioxide emissions of 64 percent. In addition, the program reduces risk in the supply chain and creates new job opportunities. Customers are compensated for the material used and Sandvik is able to reduce its materials costs, while at the same time reducing its climate footprint.

Example 2: Continued innovation in electrification

In 2023, Sandvik Mining and Rock Solutions unveiled its ground-breaking "Charging while drilling" technology – a patented method that revolutionizes battery-electric drilling equipment in underground applications. The technology is used to streamline the drilling cycle so that batteries in drilling tools can be charged while drilling is in progress. This innovative approach ensures that drilling tools are fully charged at the end of the drilling cycle, enabling uninterrupted use. The new technology replaces the previous time-consuming and interruptive loading procedure, and

the result is a shortening of the drilling cycle by about 15 percent and an increase in drill productivity of about 18 percent. One of the most prominent advantages of "Charging while drilling" is that it requires no changes to customers' existing drilling methods or mining infrastructure. In addition to obvious operational efficiency benefits, the technology also makes mining operations more sustainable by eliminating approximately 12 tons of carbon dioxide emissions per drilling rig and year. It also contributes to a better working environment by reducing heat and noise levels.

► More detailed information is available in the Sandvik sustainability report.

71%

WASTE CIRCULARITY
IN 2023¹

64%

EMISSION REDUCTION IN
PRODUCTION OF TUNGSTEN
CARBIDE PINS²

12
tons CO₂

EMISSION REDUCTION
PER DRILLING RIG/YEAR³

- 1) Percentage share of waste that was reused or recycled in 2023
- 2) Percentage share reduction of carbon dioxide emissions in production of tungsten carbide pins with recycled raw material
- 3) Pertains to the "Charging while drilling" method

Portfolio companies with good value potential at balanced risk

Industrivärden has sizable ownership stakes in the eight portfolio companies Volvo, Sandvik, Handelsbanken, Essity, SCA, Skanska, Ericsson, and Alleima. On December 31, 2023, the portfolio had a market value of SEK 157,547 M (133,832), corresponding to SEK 365 (310) 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 11–15.

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, construction, telecommunications 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 24–39.

Through its active ownership, Industrivärden contributes to the portfolio companies' development, enhanced earnings generation, and development of value over time. Value creation is described further on pages 40–45.

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 2023 shares were purchased for SEK 1,137 M in Sandvik, SEK 853 M in Volvo, SEK 635 M in Handelsbanken, and SEK 228 M in SCA. During the last five-year period, shares for a combined value of SEK 17,314 M, net, were bought in the current portfolio companies.

Dividends received

Dividends received in 2023 amounted to SEK 6,418 M (5,479). During the last five-year period, dividends received from portfolio companies totaled SEK 24,728 M.

Portfolio

Holdings	Number of shares	Ownership stake, %		Market value		Share of value, %	Total return per shareholding, SEK M
		Capital	Votes	12/31/2023			
				SEK M	SEK/share		
Volvo A	166,600,000	9.1	27.9	44,482	114	31	15,914
Volvo B	18,400,000			4,815			
Sandvik	176,900,000	14.1	14.1	38,582	89	24	6,100
Handelsbanken A	228,200,000	11.5	11.7	24,976	58	16	3,249
Essity A	33,257,000	10.2	29.7	8,264	41	11	-1,230
Essity B	38,400,000			9,600			
SCA A	33,785,290	10.5	29.5	5,061	26	7	1,488
SCA B	39,800,000			6,014			
Skanska A	12,667,500	7.7	24.5	2,310	14	4	848
Skanska B	19,500,000			3,556			
Ericsson A	86,052,615	2.6	15.1	5,490	13	4	76
Ericsson B	1,000,000			63			
Alleima	50,300,000	20.0	20.0	3,854	9	2	2,028
Other				479	1	0	-14
Total, portfolio value				157,547	365	100	28,459

Investments

SEK M	Net purchases (+) / sales (-)		
	2023	3 yrs	5 yrs
Volvo	853	2,973	6,698
Sandvik	1,137	4,088	4,877
Handelsbanken	635	1,481	2,257
Essity	–	681	1,336
SCA	228	228	700
Skanska	–	174	525
Ericsson	–	–	–
Alleima	–	676	676
Other	–	–	246
Total, portfolio companies	2,854	10,301	17,314
Divested portfolio companies ¹	–	–2,004	–6,073
Total	2,854	8,297	11,241

1) Pertains to SSAB and ICA Gruppen.

Dividends

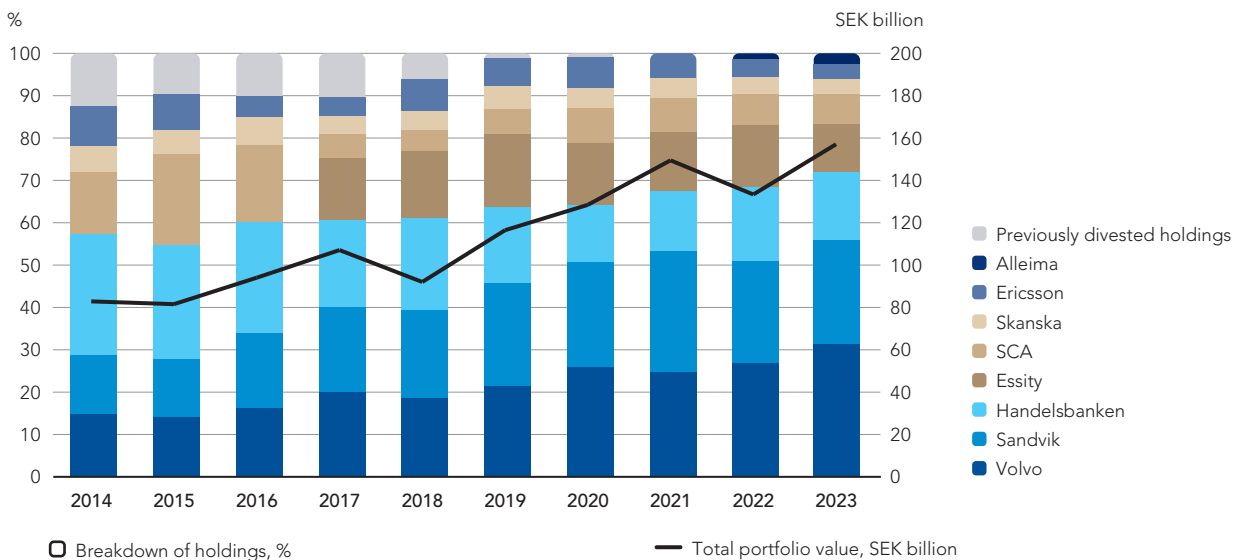
SEK M	Dividends received		
	2023	3 yrs	5 yrs
Volvo	2,537	9,024	10,486
Sandvik	861	2,700	3,355
Handelsbanken	1,770	4,658	5,774
Essity	520	1,489	2,298
SCA	184	562	679
Skanska	241	849	1,133
Ericsson	235	627	845
Alleima	70	70	70
Total, portfolio companies	6,418	19,978	24,639
Divested portfolio companies ¹	–	–	89
Total	6,418	19,978	24,728

1) Pertains to SSAB and ICA Gruppen.

Ownership stake over time

	12/31/2023		12/31/2022		12/31/2021		12/31/2020		12/31/2019	
	Ownership stake, %		Ownership stake, %		Ownership stake, %		Ownership stake, %		Ownership stake, %	
	Capital	Votes	Capital	Votes	Capital	Votes	Capital	Votes	Capital	Votes
Volvo	9.1	27.9	8.9	27.8	8.6	27.7	8.4	27.5	7.4	24.1
Sandvik	14.1	14.1	13.6	13.6	13.4	13.4	12.5	12.5	12.4	12.4
Handelsbanken	11.5	11.7	11.2	11.4	11.0	11.1	10.7	10.9	10.3	10.5
Essity	10.2	29.7	10.2	29.6	10.1	29.5	9.8	29.3	9.5	29.2
SCA	10.5	29.5	10.3	29.3	10.3	29.3	10.3	29.3	9.7	29.0
Skanska	7.7	24.5	7.7	24.5	7.4	24.3	7.4	24.3	7.4	24.3
Ericsson	2.6	15.1	2.6	15.1	2.6	15.1	2.6	15.1	2.6	15.1
Alleima	20.0	20.0	20.0	20.0	–	–	–	–	–	–

Breakdown of holdings



Focus on 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.

The portfolio companies' profit generation performance, which is shared by Industrivärden, can be illustrated as Industrivärden's capital-weighted share of the portfolio companies' operating profit. In the past five-year period, aggregated weighted operating profit has increased by an average of 17.1% annually, compared to 10.5% annually for Large Cap companies on the Stockholm Stock Exchange.

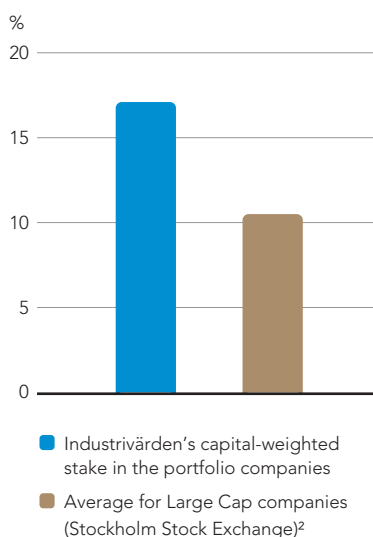
Correspondingly, the capital-weighted dividend yield of Industrivärden's portfolio companies amounted to 5.5% on 31 December 2023, compared to 2.1% for Large Cap companies on the Stockholm exchange.

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 0.3x compared to 1.1x for Large Cap companies on the Stockholm exchange.

Industrivärden's illustrative capital-weighted performance

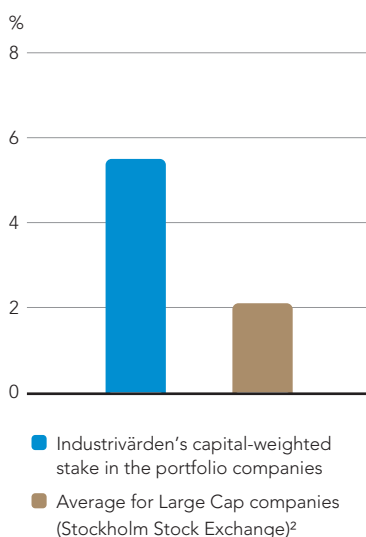
Operating profit growth over the past five years

(Annual average: 2018–2023)



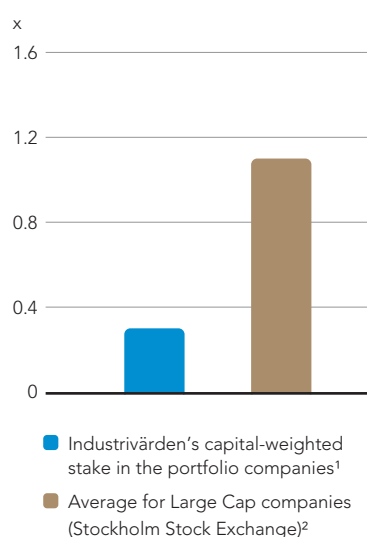
Dividend yield

(December 31, 2023)



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

(December 31, 2023)



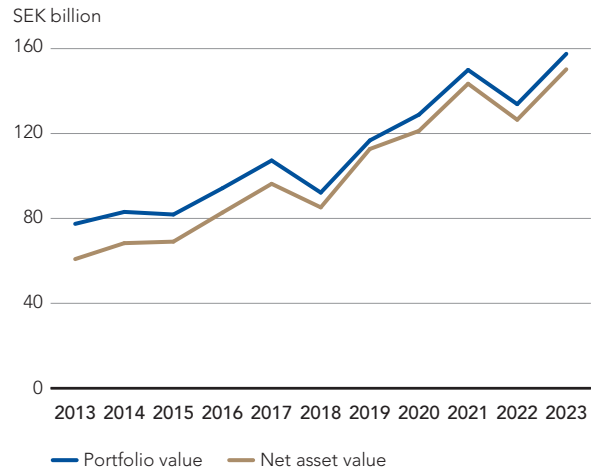
1) Excluding Handelsbanken.

2) For companies that have not yet reported for 2023, equity analysts' consensus estimates are used (FactSet).

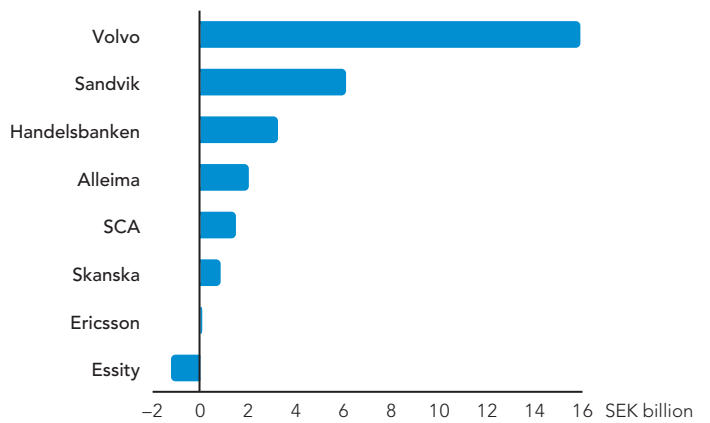
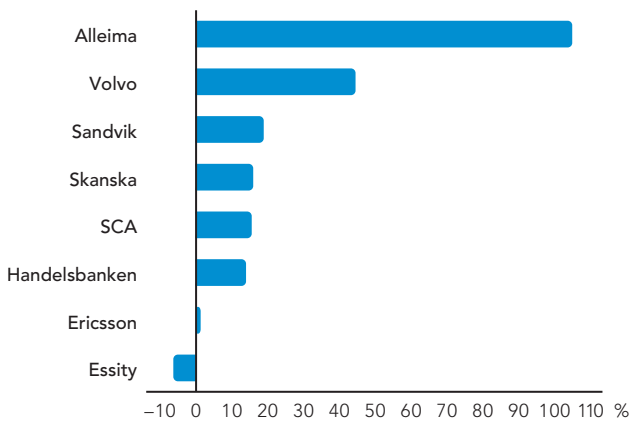
The stock market continuously measures the portfolio companies' financial performance and future outlook, expressed in terms of the respective companies' market capitalizations. During the last ten-year period, the aggregate market value of Industrivärden's ownership stakes in the portfolio companies 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 at right, and performance of the respective portfolio companies in 2023 is shown in the charts below. Further information regarding net asset value and Industrivärden's stock is presented on pages 40-44.

Development of portfolio value and net asset value



Total return shareholdings 2023



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 time 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 concerted 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

	2023	2022
Net sales, SEK M	552,764	473,479
Earnings (adj. EBIT), SEK M	77,638	50,467
Operating margin (adj.), %	14.0	10.7
Earnings per share, SEK	24.50	16.09
Operating cash flow, SEK M ¹	45,821	35,327
Debt-equity ratio, net, % ²	-52	-50
Ordinary dividend per share, SEK ³	7.50	7.00

1) Pertains to industrial operations.

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

3) Total dividend of SEK 18.00 per share (14.00), of which an extra dividend of SEK 10.50 per share (7.00).

Largest shareholders

December 31, 2023	Votes, %	Capital, %
Industrivärden	27.9	9.1
Geely Holding	15.5	6.8
AMF Pension & Funds	5.4	3.3
Alecta Pension Insurance	4.0	2.7
AFA Insurance	2.3	0.8
BlackRock	2.2	3.3
Vanguard	2.1	3.2
Swedbank Robur Funds	1.8	4.4
Fourth Swedish National Pension Fund (AP4)	1.6	0.5
Skandia Mutual Life Insurance Company	1.0	0.7

Source: Holdings.

CEO: Martin Lundstedt

Chairman: Carl-Henric Svanberg

535 SEK bn

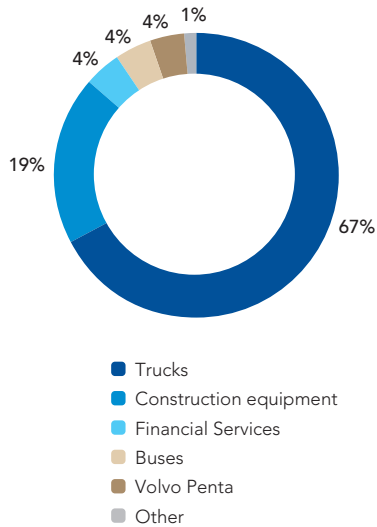
MARKET CAP, DECEMBER 31, 2023

Industrivärden's holding

31%

OF PORTFOLIO VALUE

Sales per area

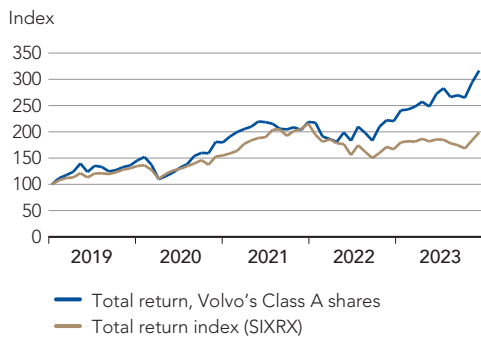


Active owner position since 2009

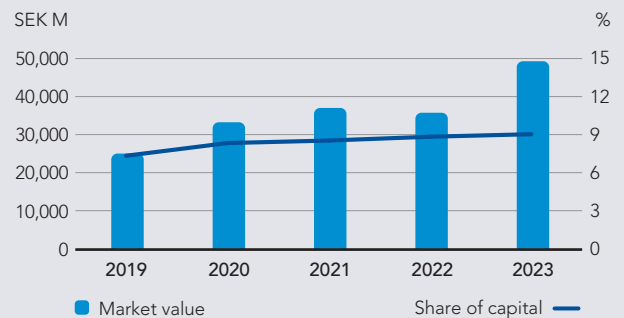
Key data

	2023	2022
Shareholding, no. shares:		
Class A shares	166,600,000	166,600,000
Class B shares	18,400,000	14,600,000
Market value, SEK M	49,297	35,755
Share of capital, %	9.1	8.9
Share of votes, %	27.9	27.8
Total return, SEK M	15,914	264

Growth in value, Volvo's stock



Holding over time



Nominating committee representative: Fredrik Persson

Board member with ties to Industrivärden:
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

	2023	2022
Net sales, SEK M ¹	126,503	112,332
Earnings (adj. EBIT), SEK M ¹	23,300	21,020
Operating margin (adj.), % ¹	18.4	18.7
Earnings per share (adj.), SEK ¹	12.69	11.98
Operating cash flow, SEK M ¹	19,582	12,103
Debt-equity ratio, net, % ^{1 2}	50	54
Ordinary dividend per share, SEK	5.50	5.00

1) Pertains to remaining operations.
2) Net debt over shareholders' equity.

Largest shareholders

December 31, 2023	Votes, %	Capital, %
Industrivärden	14.1	14.1
Alecta Pension Insurance	4.5	4.5
Swedbank Robur Funds	4.3	4.3
Vanguard	3.2	3.2
L E Lundbergföretagen	2.9	2.9
BlackRock	2.9	2.9
Handelsbanken Funds	2.4	2.4
SEB Funds	1.9	1.9
Norges Bank Investment Management	1.7	1.7
Fidelity International (FIL)	1.4	1.4

Source: Holdings.

CEO: Stefan Widing

Chairman: Johan Molin

274 SEK bn

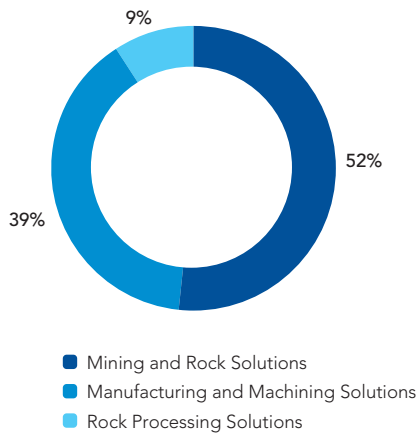
MARKET CAP, DECEMBER 31, 2023

Industrivärden's holding

24%

OF PORTFOLIO VALUE

Sales per area

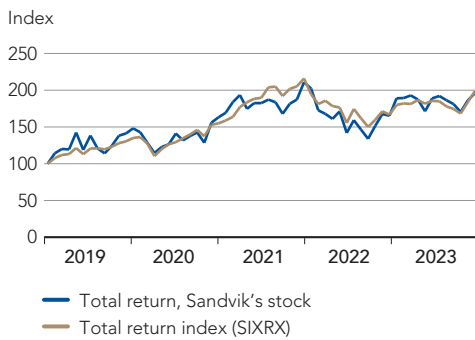


Active owner position since 1997

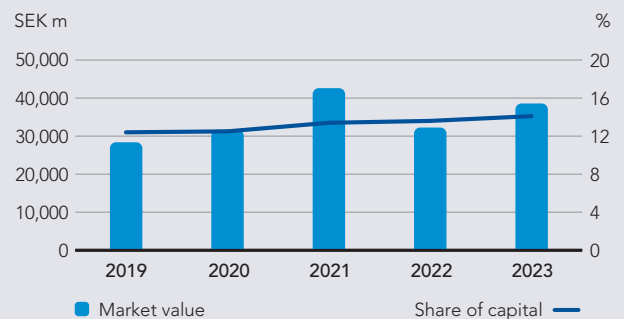
Key data

	2023	2022
Shareholding, no. shares:	176,900,000	171,200,000
Market value, SEK M	38,582	32,254
Share of capital, %	14.1	13.6
Share of votes, %	14.1	13.6
Total return, SEK M	6,100	-8,958

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, high profitability, sustainable corporate responsibility, low risk tolerance and low costs.

Key data

	2023	2022
Income, SEK M	62,249	50,375
Earnings, SEK M	36,322	26,829
Earnings per share, SEK	14.70	10.95
Common equity tier 1 capital ratio, %	18.8	19.6
Ordinary dividend per share, SEK ¹	6.50	5.50

¹) Total dividend of SEK 13.00 per share (8.00), of which an extra dividend of SEK 6.50 per share (2.50).

Largest shareholders

December 31, 2023	Votes, %	Capital, %
Industrivärden	11.7	11.5
Oktogonen Foundation	8.2	8.0
L E Lundbergföretagen	3.1	3.0
Handelsbanken Funds	3.0	3.0
BlackRock	2.9	2.9
Vanguard	2.9	2.9
SEB Funds	1.8	1.7
Swedbank Robur Funds	1.5	1.5
T. Rowe Price	1.4	1.4
Fredrik Lundberg incl. companies	1.1	1.1

Source: Holdings.

CEO: Michael Green

Chairman: Pär Boman

217 SEK bn

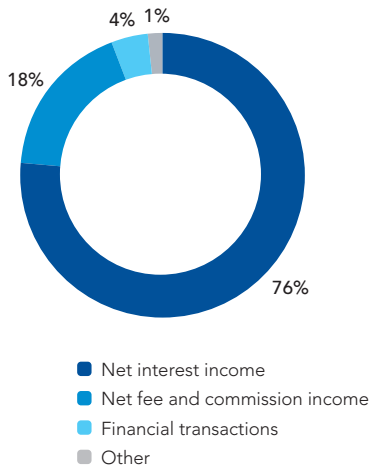
MARKET CAP, DECEMBER 31, 2023

Industrivärden's holding

16%

OF PORTFOLIO VALUE

Sales per area

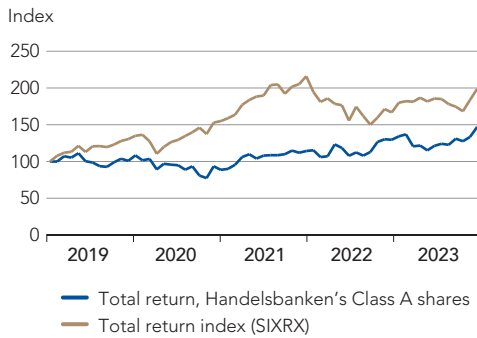


Active owner position since 1980

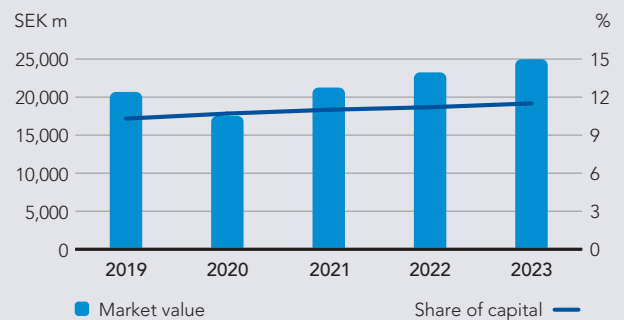
Key data

	2023	2022
Shareholding, no. shares:		
Class A shares	228,200,000	221,200,000
Market value, SEK M	24,976	23,248
Share of capital, %	11.5	11.2
Share of votes, %	11.7	11.4
Total return, SEK M	3,249	2,925

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, markets and sells products and services in 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 globally leading brands and eminent 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

	2023	2022
Net sales, SEK M ¹	147,147	131,320
Earnings (adj. EBIT), SEK M ¹	17,789	10,936
Operating margin (adj.), % ¹	12.1	8.3
Earnings per share (adj.), SEK ¹	17.56	11.60
Operating cash flow, SEK M ¹	17,685	7,680
Debt-equity ratio, net, % ¹	71	88
Ordinary dividend per share, SEK	7.75	7.25

1) Pertains to remaining operations.

Largest shareholders

December 31, 2023	Votes, %	Capital, %
Industrivärden	29.7	10.2
Norges Bank Investment Management	7.5	5.8
AMF Pension & Funds	6.3	1.8
MFS Investment Management	2.8	5.0
Swedbank Robur Funds	2.4	4.3
Skandia Mutual Life Insurance Company	1.9	0.7
Vanguard	1.8	3.3
BlackRock	1.8	3.2
Handelsbanken Funds	1.7	3.1
T. Rowe Price	1.1	2.0

Source: Holdings.

CEO: Magnus Groth

Chairman: Pär Boman

175 SEK bn

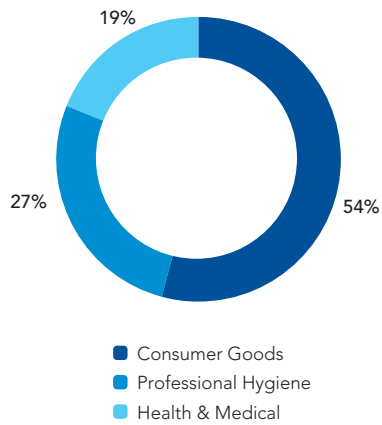
MARKET CAP, DECEMBER 31, 2023

Industrivärden's holding

11%

OF PORTFOLIO VALUE

Sales per area

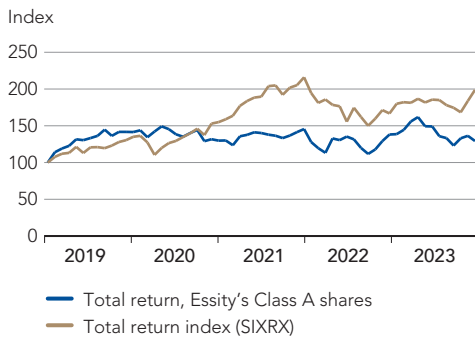


Active owner position since 2017

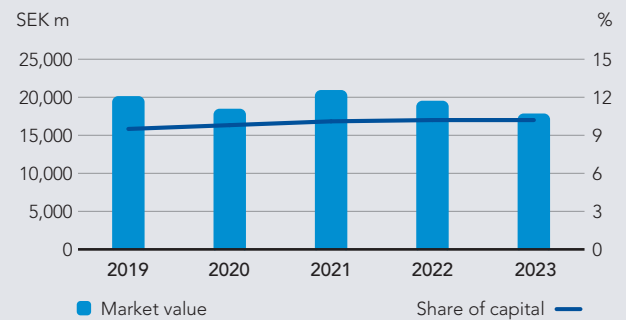
Key data

	2023	2022
Shareholding, no. shares:		
Class A shares	33,257,000	33,257,000
Class B shares	38,400,000	38,400,000
Market value, SEK M	17,864	19,541
Share of capital, %	10.2	10.2
Share of votes, %	29.7	29.6
Total return, SEK M	-1,230	-970

Growth in value, Essity's stock



Holding over time



Nominating committee representative: Helena Stjernholm
Board member with ties to Industrivärden: Pär Boman



SCA is a leading forest 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 sequestering of carbon dioxide. 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

	2023	2022
Net sales, SEK M	18,081	20,794
Earnings (EBIT), SEK M	4,857	8,642
Operating margin, %	26.9	41.6
Earnings per share, SEK	5.23	9.61
Operating cash flow, SEK M	2,985	5,685
Debt-equity ratio, net, %	10	10
Ordinary dividend per share, SEK	2.75	2.50

Largest shareholders

December 31, 2023	Votes, %	Capital, %
Industrivärden	29.5	10.5
Norges Bank Investment Management	9.6	7.2
AMF Pension & Funds	6.5	8.7
Handelsbanken Pension Foundation	3.4	1.4
Alecta Pension Insurance	2.6	4.8
T. Rowe Price	2.3	4.2
BlackRock	2.3	4.1
Vanguard	1.9	3.2
Skandia Mutual Life Insurance Company	1.3	0.5
Pensionskassan SHB Försäkringsförening	1.3	0.7

Source: Holdings.

CEO: Ulf Larsson

Chairman: Pär Boman

106 SEK bn

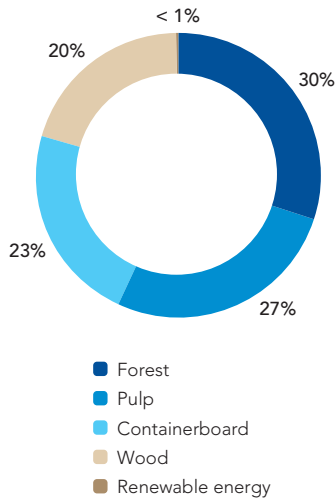
MARKET CAP, DECEMBER 31, 2023

Industrivärden's holding

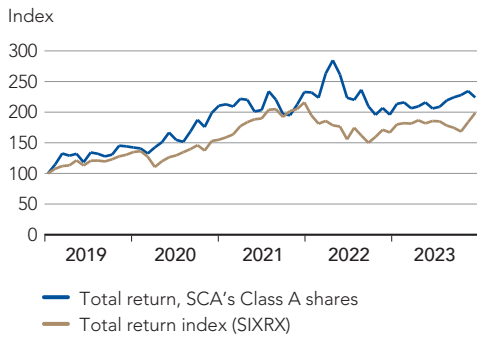
7%

OF PORTFOLIO VALUE

Sales per area



Growth in value, SCA's stock

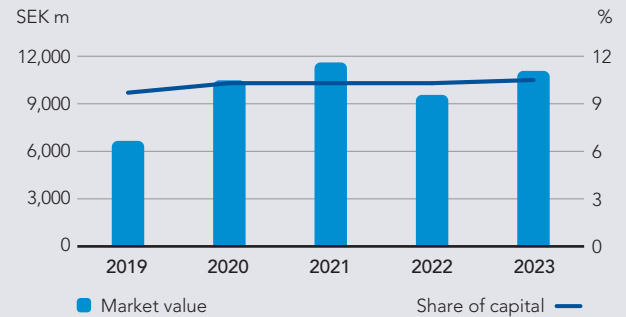


Active owner position since 1950

Key data

	2023	2022
Shareholding, no. shares:		
Class A shares	33,785,290	33,785,290
Class B shares	39,800,000	38,300,000
Market value, SEK M	11,075	9,561
Share of capital, %	10.5	10.3
Share of votes, %	29.5	29.3
Total return, SEK M	1,488	-1,876

Holding over time



Nominating committee representative: Bengt Kjell

Board members with ties to Industrivärden:
Pär Boman and Karl Åberg

SKANSKA

Skanska is one of the world's leading project development and construction companies, 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 the transition to a climate-smart built environment.

Key data

	2023	2022
Net sales, SEK M	157,052	161,602
Earnings (EBIT), SEK M	3,231	9,297
Operating margin, %	2.1	5.8
Earnings per share, SEK	7.89	18.62
Operating cash flow, SEK M	1,148	-2,263
Debt-equity ratio, net, %	-16	-19
Ordinary dividend per share, SEK	5.50	7.50

Largest shareholders

December 31, 2023	Votes, %	Capital, %
Industrivärden	24.5	7.7
L E Lundbergföretagen	12.9	5.3
AMF Pension & Funds	5.6	7.9
Vanguard	2.3	3.2
BlackRock	2.0	2.8
Handelsbanken Funds	1.9	2.7
Carnegie Funds	1.9	2.6
Skanska	1.6	2.3
Folksam	1.2	1.7
Länsförsäkringar Funds	1.0	1.4

Source: Holdings.

CEO: Anders Danielsson

Chairman: Hans Biörck

77 SEK bn

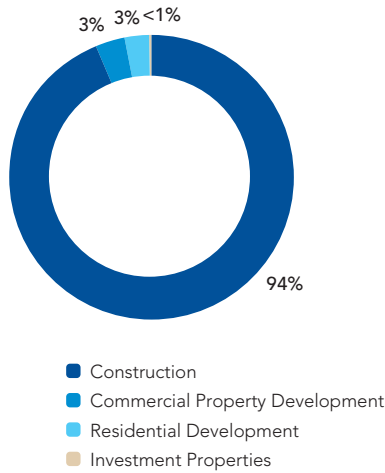
MARKET CAP, DECEMBER 31, 2023

Industrivärden's holding

4%

OF PORTFOLIO VALUE

Sales per area

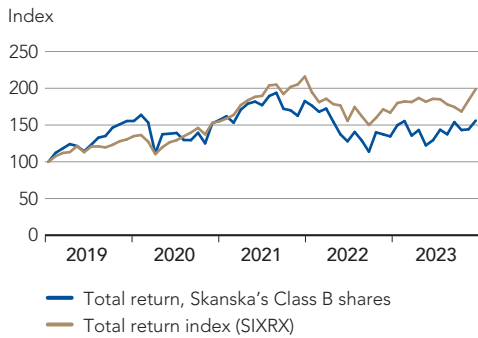


Active owner position since 1987

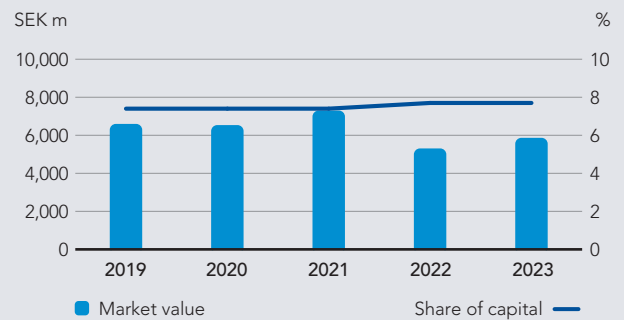
Key data

	2023	2022
Shareholding, no. shares:		
Class A shares	12,667,500	12,667,500
Class B shares	19,500,000	19,500,000
Market value, SEK M	5,866	5,308
Share of capital, %	7.7	7.7
Share of votes, %	24.5	24.5
Total return, SEK M	848	-1,930

Growth in value, Skanska's stock



Holding over time



Nominating committee representative: Helena Stjernholm

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

ERICSSON

Ericsson is a global IT and communications technology company that provides infrastructure and related services and software to the telecom industry and other sectors. The company is a technological leader in mobile networks

→ ericsson.com

Ericsson's business model is to work from a base of telecom-related products and services to deliver added value to customers, continuously develop its offering with focus on customers' priorities in the following key areas: new revenue streams, end-customer experiences, and climate and efficiency improvements. This work is based on Ericsson's core strengths: technology leadership, focused research, cost efficiency, global economies of scale and global expertise. Ericsson strives to leverage its leadership in mobile networks to drive focused expansion in the enterprise market, lead the industry through critical innovations and seize strategic business opportunities.

Key data

	2023	2022
Net sales, SEK M	263,351	271,546
Earnings (adj. EBIT), SEK M ¹	18,092	27,419
Operating margin (adj.), % ¹	6.9	10.1
Earnings per share, SEK	-7.94	5.62
Operating cash flow, SEK M	-1,084	22,196
Debt-equity ratio, net, % ²	-8	-17
Ordinary dividend per share, SEK	2.70	2.70

1) Pertains to EBIT excluding restructuring expenses and goodwill impairments.

2) Net financial position over shareholders' equity.

Largest shareholders

December 31, 2023	Votes, %	Capital, %
Investor	23.7	8.0
Industrivärden	15.1	2.6
AMF Pension & Funds	4.5	2.1
Fidelity International (FIL)	3.6	6.1
Vanguard	3.4	5.5
Cevian Capital	2.7	4.6
Hotchkis & Wiley Capital Management	2.5	4.2
AFA Insurance	2.2	0.5
BlackRock	1.9	3.3
Swedbank Robur Funds	1.6	2.8

Source: Holdings.

CEO: Börje Ekholm

Chairman: Jan Carlson

211 SEK bn

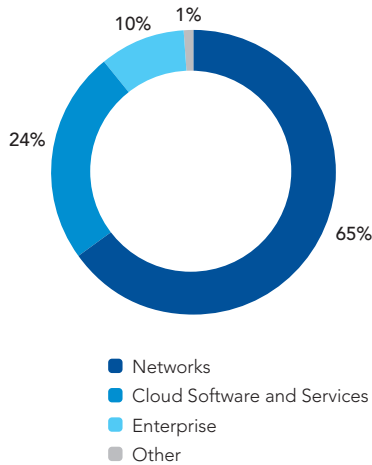
MARKET CAP, DECEMBER 31, 2023

Industrivärden's holding

4%

OF PORTFOLIO VALUE

Sales per area

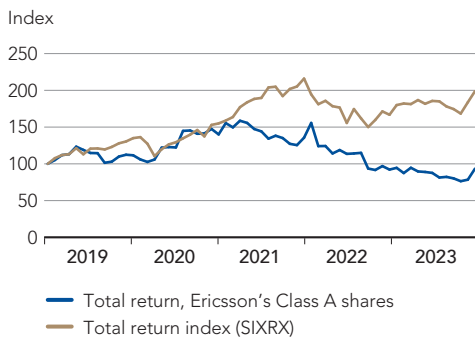


Active owner position since 1944

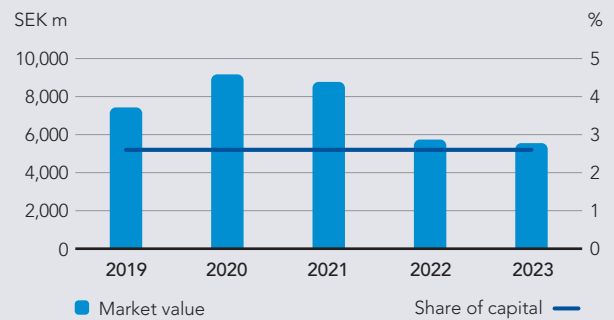
Key data

	2023	2022
Shareholding, no. shares:		
Class A shares	86,052,615	86,052,615
Class B shares	1,000,000	1,000,000
Market value, SEK M	5,553	5,740
Share of capital, %	2.6	2.6
Share of votes, %	15.1	15.1
Total return, SEK M	76	-2,799

Growth in value, Ericsson's stock



Holding over time



Nominating committee representative: Bengt Kjell

Board member with ties to Industrivärden:
Helena Stjernholm



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

	2023	2022
Net sales, SEK M	20,669	18,405
Earnings (adj. EBIT), SEK M	2,141	1,681
Operating margin (adj.), %	10.4	9.1
Earnings per share (adj.), SEK	6.56	4.46
Operating cash flow, SEK M	1,688	505
Debt-equity ratio, net, %	-0	0
Ordinary dividend per share, SEK	2.00	1.40

Largest shareholders

December 31, 2023	Votes, %	Capital, %
Industrivärden	20.0	20.0
L E Lundbergföretagen	8.5	8.5
Swedbank Robur Funds	3.7	3.7
AFA Insurance	3.0	3.0
Vanguard	2.7	2.7
Handelsbanken Funds	2.7	2.7
Göranssonska Foundations	2.4	2.4
First Swedish National Pension Fund (AP1)	2.4	2.4
SEB Funds	2.2	2.2
BlackRock	2.1	2.1

Source: Holdings.

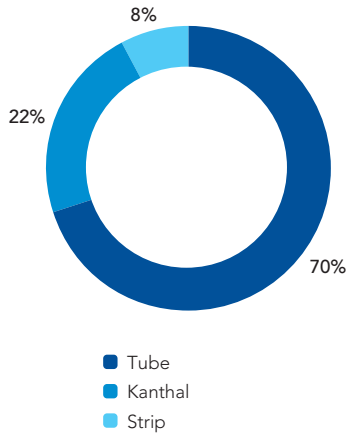
CEO: Göran Björkman

Chairman: Andreas Nordbrandt

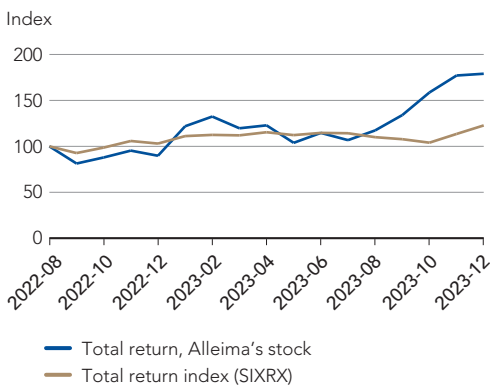
19 SEK bn

MARKET CAP, DECEMBER 31, 2023

Sales per area



Growth in value, Alleima's stock



Industrivärden's holding

2%

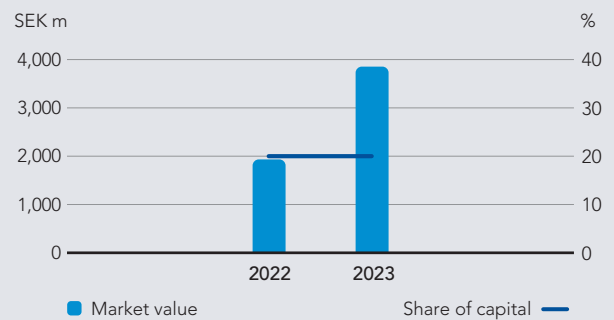
OF PORTFOLIO VALUE

Active owner position since 2022

Key data

	2023	2022
Shareholding, no. shares:	50,300,000	50,300,000
Market value, SEK M	3,854	1,933
Share of capital, %	20.0	20.0
Share of votes, %	20.0	20.0
Total return, SEK M	2,028	214

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 2023 was SEK 150.3 billion (126.5), or SEK 348 per share (293).

During 2023, net asset value increased by 19%. During the last five- and ten-year periods, net asset value grew by an average of 12% and 9% per year, respectively.

Portfolio

On December 31, 2023, the portfolio had a market value of SEK 157,547 M (133,832), corresponding to SEK 365 per Industrivärden share (310). See also page 20.

During the year the portfolio's value, adjusted for purchases and sales, increased by SEK 20,861 M. Total return was 21%.

Investment activities

During the year shares were purchased for SEK 1.1 billion in Sandvik, SEK 0.9 billion in Volvo, SEK 0.6 billion in Handelsbanken and SEK 0.2 billion in SCA.

Dividends paid

The 2023 Annual General Meeting resolved in accordance with the Board's recommendation for a dividend of SEK 7.25 per share (6.75). The total dividend amounted to SEK 3,131 M (2,915).

Dividends received

During 2023 dividends received totaled SEK 6,418 M (5,479). Dividends received from the respective portfolio companies are shown on page 41.

Management cost

Industrivärden's management cost in 2023 amounted to SEK 126 M (120), corresponding to 0.08% of the equities portfolio's value on December 31, 2023 (0.09%).

Financing

Industrivärden has a strong financial position, which provides financial flexibility to take advantage of investment opportunities and support the portfolio companies 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

Industrivärden's dividend policy is that the Company shall generate a positive cash flow before portfolio changes and after dividends paid. For more information, see page 43.

Net debt

At the year-end 2023, net debt amounted to SEK 7.3 billion (7.4), corresponding to SEK 17 per Industrivärden share. The debt-equities ratio was 5% (5%).

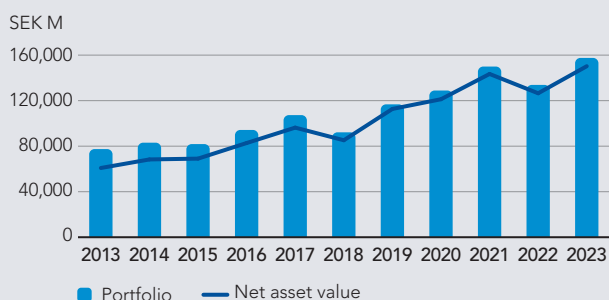
The debt portfolio consists primarily of MTN loans. The average maturity of the debt portfolio on December 31, 2023, was 25 months (27). During the first quarter of the year, a new bond of SEK 0.5 billion was issued with a tenor of three and a half years and two new bonds of SEK 0.5 billion each were issued with tenors of five years. The loans pertain to refinancing and were issued within the framework of the existing MTN program. Framework amounts and terms of the loans are available on Industrivärden's website.

No part of Industrivärden's financing is conditional upon any covenants.

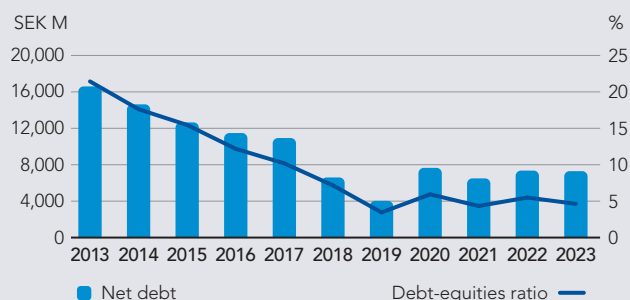
Credit rating

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 M	2023	2022	2021	2020	2019
Volvo	49,297	35,755	37,013	33,251	25,023
Sandvik	38,582	32,254	42,614	31,685	28,384
Handelsbanken	24,976	23,248	21,255	17,528	20,674
Essity	17,864	19,541	20,951	18,492	20,150
SCA	11,075	9,561	11,610	10,482	6,660
Skanska	5,866	5,308	7,299	6,536	6,598
Ericsson	5,553	5,740	8,722	9,168	7,430
Alleima	3,854	1,933	–	–	–
Divested holdings	–	–	–	1,299	1,456
Other	479	493	491	453	374
Market value of equities portfolio	157,547	133,832	149,955	128,893	116,750
Net debt	-7,295	-7,355	-6,500	-7,654	-4,032
Net asset value	150,252	126,477	143,455	121,239	112,718

Cash flow

SEK M	2023	2022	2021	2020	2019
Operating activities					
Dividends received					
Volvo	2,537	2,317	4,170	–	1,462
Sandvik	861	801	1,038	–	655
Handelsbanken	1,770	1,096	870	–	1,116
Essity	520	502	467	425	384
SCA	184	234	144	–	117
Skanska	241	312	296	101	183
Ericsson	235	218	174	131	87
Alleima	70	–	–	–	–
Divested holdings	–	–	–	–	89
Management costs paid	-159	-132	-137	-133	-155
Other operating activities	-202	-111	-34	-33	-66
Cash flow from operating activities	6,057	5,237	6,988	491	3,872
Investing activities					
Net purchases and sales					
Volvo	-853	-1,312	-808	-2,127	-1,598
Sandvik	-1,137	-467	-2,484	-307	-482
Handelsbanken	-635	-357	-489	-587	-189
Essity	–	-199	-482	-658	3
SCA	-228	–	–	-355	-117
Skanska	–	-174	–	–	-351
Ericsson	–	–	–	–	–
Alleima	–	-676	–	–	–
Divested holdings	–	–	2,004	–	4,069
Other	–	–	–	-73	-173
Cash flow from investing activities	-2,854	-3,184	-2,258	-4,106	1,163
Financing activities					
Dividends paid	-3,131	-2,915	-3,590	–	-2,502
Change in financial liabilities	2	960	-567	3,559	-3,271
Other financing activities	–	1	125	–	8
Cash flow from financing activities	-3,129	-1,955	-4,033	3,559	-5,765
Net cash flow for the year	74	98	697	-56	-730

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 141.9 billion (109.4). During 2023 the price of Industrivärden's Class A shares increased by 29.7%, from SEK 253.50 to SEK 328.90, and the price of the Class C shares increased by 29.8%, from SEK 253.00 to SEK 328.30. The highest price paid for the Class A and Class C shares was SEK 335.00 and SEK 335.40, respectively, and the lowest price paid was SEK 253.90 and SEK 253.40, respectively.

Trading volume in Industrivärden shares on the Stockholm Stock Exchange in 2023 totaled SEK 42 billion (57), corresponding to a turnover rate of 18% for the Class A shares (35%) and 58% for the Class C shares (78%). Average daily trading volume was approximately 185,000 Class A shares and approximately 398,000 Class C shares.

Share and shareholder structure

Industrivärden had approximately 196,000 shareholders (197,000) 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% (24%) of the capital.

At year-end 2023 the share capital totaled SEK 1,088 M, 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.

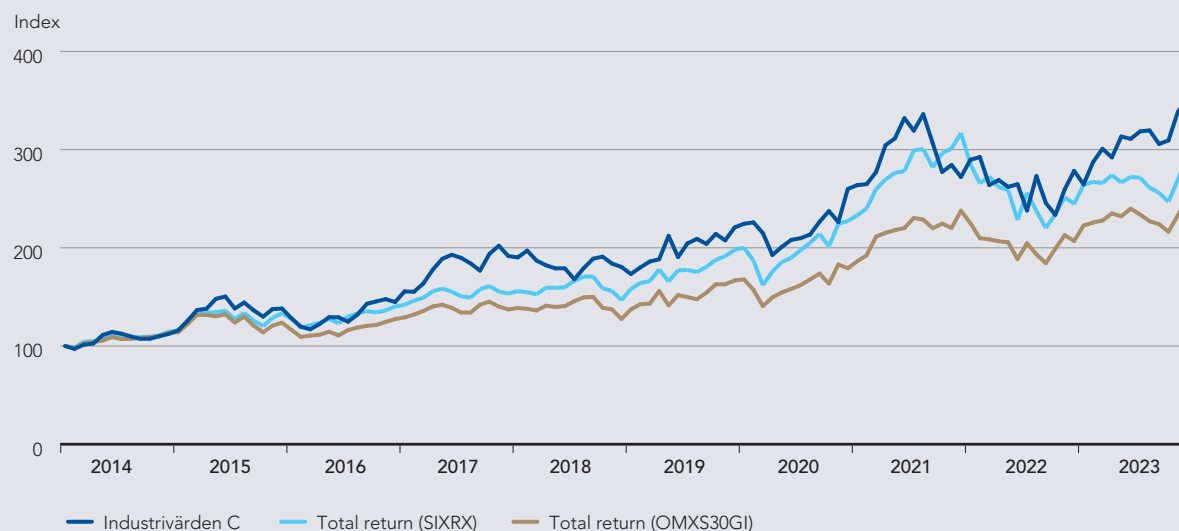
Return

The total return for the Class A shares, as well as for the Class C shares was 33%, compared with 19% for the Stockholm Stock Exchange (SIXRX) and 21% 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 10% for OMXS30 (OMXS30GI). Since Industrivärden's introduction on the stock market in 1945, the Class A shares have generated a total return of approximately 2,700,000%, compared with approximately 1,200,000% for the total return index (SIXRX).

Industrivärden's Class A and C shares had standard deviations of 10.6% and 10.1%, respectively, and beta values of 0.92% and 0.91%, respectively, for the full year 2023, compared with the total return index (SIXRX).

Total return over time



Dividend policy

Industrivärden's dividend policy is that the Company shall generate a positive cash flow before portfolio changes and after dividends paid, in order to build investment capacity over time and be able to support portfolio companies when needed. 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 7.75 per share (7.25) to the 2024 Annual General Meeting. In total, the proposed dividend amounts to SEK 3,347 M. The dividend yield on December 31, 2023, 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 58–59 and in Note 8 on pages 66–67.

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. During 2023, 5,954,031 Class A shares were converted to Class C shares.

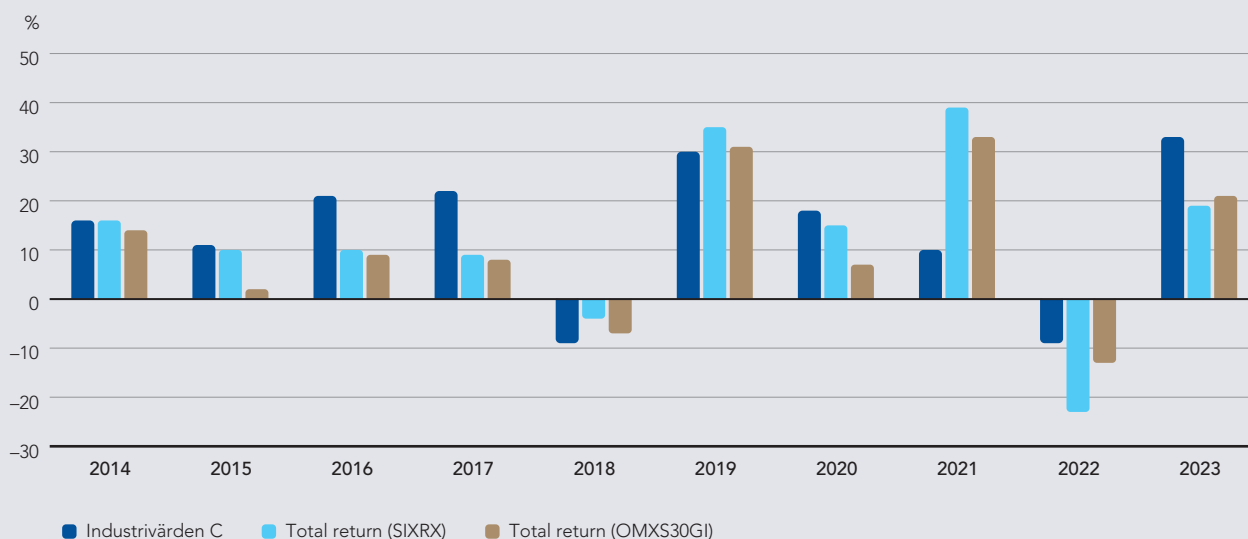
Investor relations

Industrivärden's investor contacts and financial institutions that monitor the Company are shown on page 95.

Share structure, December 31, 2023

Share class	No. shares	No. votes	Capital, %	Votes, %
A (1 vote)	254,789,494	254,789,494.0	59.0	93.5
C (1/10 vote)	177,109,614	17,710,961.4	41.0	6.5
Total	431,899,108	272,500,455.4	100.0	100.0

Total return per calendar year



Shareholder structure

No. shares	No. shareholders	Capital, %
1-500	172,334	3
501-1,000	9,861	2
1,001-5,000	10,317	5
5,001-10 000	1,378	2
10,001-15,000	422	1
15,001-20,000	210	1
20,001-	680	86

Source: Euroclear as of December 31, 2023.

Largest shareholders

December 31, 2023	Capital, %	Votes, %
L E Lundbergföretagen	19.7	25.1
Jan Wallander's and Tom Hedelius' Foundation	6.4	10.2
Spiltan Funds	5.4	1.4
Fredrik Lundberg incl. companies	3.2	2.0
Vanguard	2.4	1.8
BlackRock	2.4	1.9
SCA Pension Foundation	2.1	3.3
Essity Vorsorge-Treuhand	2.1	3.3
SEB Funds	2.0	1.2
Essity Pension Foundation	2.0	3.1
AFA Insurance	1.5	0.2
Norges Bank Investment Management	1.4	2.2
Handelsbanken Funds	1.2	1.2
Louise Lindh	1.1	1.3
Katarina Martinson incl. companies	1.1	1.3

Source: Industrivärden and Holdings as of December 31, 2023.

Dividend and return

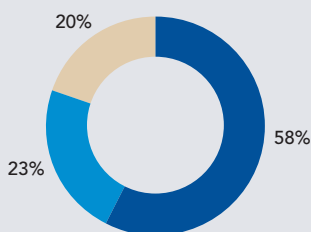
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Dividend/share, SEK	7.75 ¹	7.25	6.75	8.25 ²	0.00	5.75	5.50	5.25	5.00	6.25
Dividend growth, ordinary, %	7	7	8	n/a	neg	5	5	5	neg	14
Dividend growth, total, %	7	7	neg	n/a	neg	5	5	5	neg	14
Dividend yield Class C shares, %	2.4	2.9	2.4	3.1	-	3.2	2.7	3.1	3.4	4.6
Total return Class C shares, %	33	-9	10	18	30	-9	22	21	11	16
Share price on December 31, Class C shares, SEK	328.30	253.00	284.10	265.50	225.90	179.20	202.50	169.80	145.10	136.10

1) Proposed by the Board of Directors.

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

Owner categories

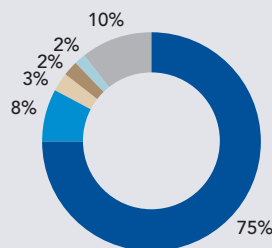
Share of capital



- Swedish legal entities
- Foreign owners
- Swedish natural persons

Geographic distribution of owners

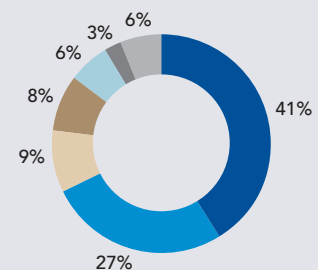
Share of capital



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

Trading per marketplace

Share of monetary trading volume



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

Source: Euroclear and Bloomberg as of December 31, 2023.

INDUSTRIVÄRDEN

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

12%
resp.
9%

Good net asset value growth

Annually for the past 5 and 10 years, respectively

2%
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

15%
resp.
13%

Attractive returns²

Annually for the past 5 and 10 years, respectively

<0,1%

Low management cost

Proportion of managed capital

1) Dividend 2023 proposed by the Board
1) Refers to Industrivärden C

Performance over time

Key ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net asset value										
<i>Equities portfolio</i>										
market value, SEK M	157,547	133,832	149,955	128,893	116,750	92,170	107,289	94,250	81,835	83,062
total return, %	33	-9	21	7	33	-8	17	20	4	8
net purchases/sales, SEK M	2,854	3,184	2,258	4,106	-1,163	-3,252	103	-834	-1,894	1,561
<i>Net debt</i>										
value, SEK M	-7,295	-7,355	-6,500	-7,654	-4,032	-6,601	-10,930	-11,481	-12,648	-14,632
debt-equities ratio, %	5	5	4	6	3	7	10	12	15	18
<i>Net asset value</i>										
value, SEK M	150,252	126,477	143,455	121,239	112,718	85,201	96,299	82,769	69,056	68,345
value per share, SEK	348	293	332	279	259	196	221	191	160	158
growth, %	19	-12	18	8	32	-12	16	20	1	12
Industrivärden's stock										
Number of shareholders	196,000	197,000	204,000	104,000	88,000	80,000	75,000	69,000	63,000	60,000
<i>Industrivärden's market capitalization</i>										
value, SEK M	141,945	109,401	123,824	117,872	99,950	79,062	90,570	76,201	66,434	60,638
value per share, SEK	329	253	287	271	230	182	208	176	154	140
<i>Number of shares outstanding</i>										
total, thousands	431,899	431,899	431,899	435,210	435,210	435,210	435,210	432,341	432,341	432,341
of which, Class A shares, thousands	254,789	260,744	260,796	267,112	268,183	268,183	268,184	268,185	268,185	268,186
of which, Class C shares, thousands	177,110	171,156	171,103	168,098	167,026	167,026	167,025	164,155	164,155	164,155
<i>Dividends paid</i>										
value, SEK M	3,347	3,131	2,915	3,590	0	2,502	2,394	2,285	2,162	2,702
value per share, SEK	7.75	7.25	6.75	8.25	0.00	5.75	5.50	5.25	5.00	6.25
dividend growth, ordinary, %	7	7	8	n/a	neg	5	5	5	neg	14
dividend growth, total, %	7	7	neg	n/a	neg	5	5	5	neg	14
dividend yield, Class C shares, %	2.4	2.9	2.4	3.1	-	3.2	2.7	3.1	3.4	4.6
Total return, Industrivärden's stock										
Class A shares, %	33	-10	8	18	30	-11	20	17	15	13
Class C shares, %	33	-9	10	18	30	-9	22	21	11	16
Total return index (SIXRX), %	19	-23	39	15	35	-4	9	10	10	16
Total return index (OMXS30GI), %	21	-13	33	7	31	-7	8	9	2	14
Other key ratios										
Earnings per share, SEK	62.15	-32.34	61.57	19.54	68.56	-19.14	35.76	38.05	7.18	12.62
Management cost, % of portfolio value	0.08	0.09	0.08	0.10	0.10	0.13	0.10	0.12	0.17	0.18
Dividends received, SEK M	6,418	5,479	8,081	657	4,093	3,764	2,786	3,078	3,184	2,984
Shareholders' equity, SEK M	149,880	126,180	143,079	120,976	112,528	85,142	95,880	82,129	67,850	67,406
Equity ratio, %	95	94	95	94	96	91	88	86	82	80

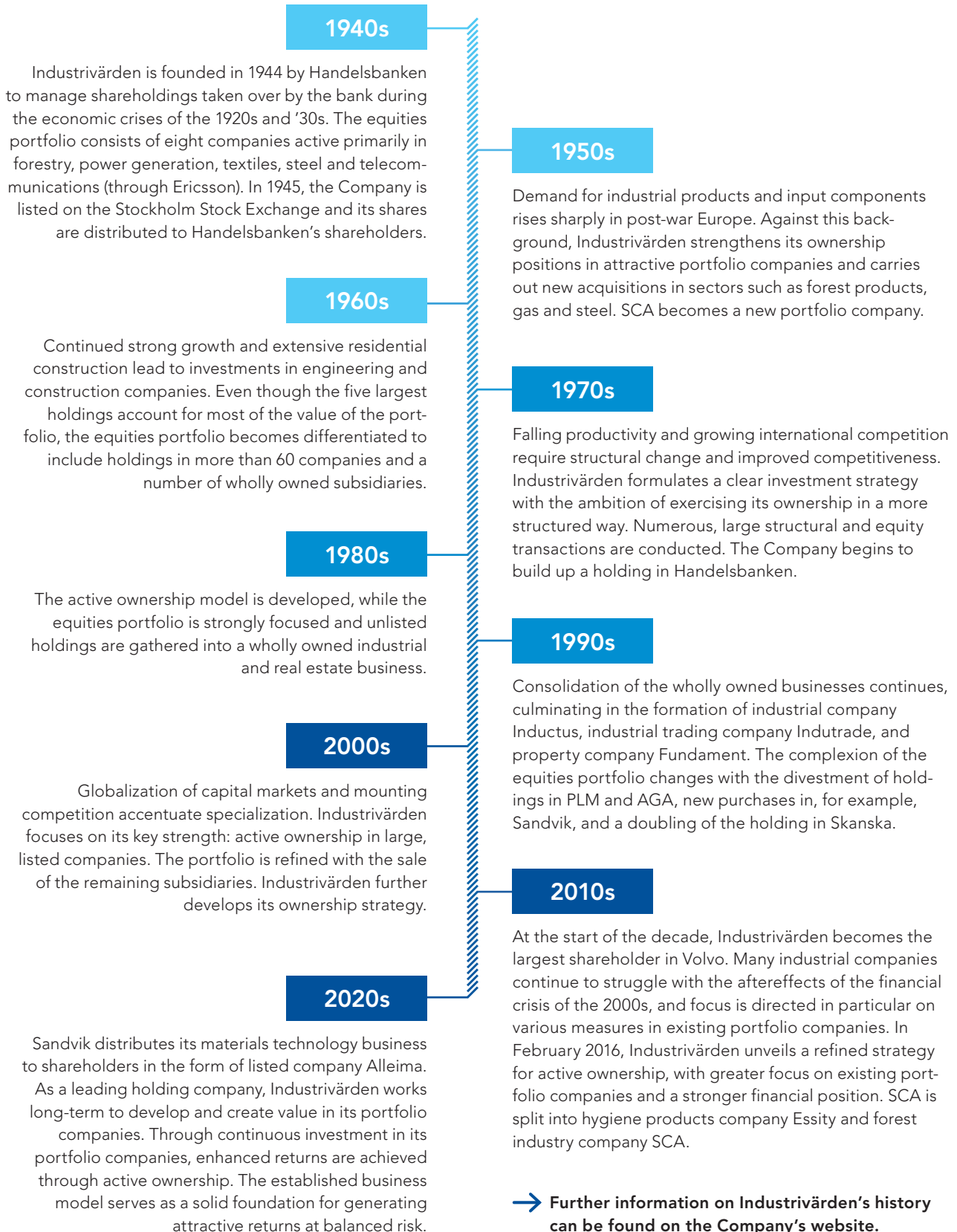
Values and calculations pertain to the respective year-end.

Dividend for 2023 according to the Board of Directors' proposal, see page 73.

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 2023 financial year for the Group and Parent Company. The Company's Sustainability Report is presented on pages 16–17 and 82–94 in Industrivärden's Business Review and Annual Report for 2023.

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 wholly owned subsidiaries have a supporting function.

Important events

Shares were purchased for a total of SEK 2.9 billion in 2023, of which SEK 1.1 billion in Sandvik, SEK 0.9 billion in Volvo B, SEK 0.6 billion in Handelsbanken A and SEK 0.2 billion in SCA B.

Financial performance

Net asset value

Net asset value on December 31, 2023, was SEK 348 per share, an increase of 19% during the year.

Equities portfolio

The value of the equities portfolio on December 31, 2023, was SEK 157.5 billion. The value increased by SEK 20.9 billion during the year, adjusted for purchases and sales. Total return was 21%. The composition and performance of the equities portfolio are presented on page 20 and in Note 12 on page 68.

Net debt

Net debt on December 31, 2023, was SEK 7.3 billion (7.4). The debt-equities ratio was 5% (5%).

Parent Company

The Parent Company's income after financial items as per December 31, 2023, was SEK 23,133 M (-13,739). Shareholders' equity was SEK 91,288 M (71,299).

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 57 and in Note 25 on page 72.

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 16–17 and 82–94 and is separate from the 2023 Annual Report.

Industrivärden's stock

The number of shares outstanding in Industrivärden on December 31, 2023, was 431,899,108, of which 254,789,494 were Class A shares and 177,109,614 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 2023, 5,954,031 Class A shares were converted to Class C shares.

Return

Total return was 33% for Class A shares and Class C shares, compared to 19% for the total return index (SIXRX).

Employees

Industrivärden's success depends on competent 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 be competitive.

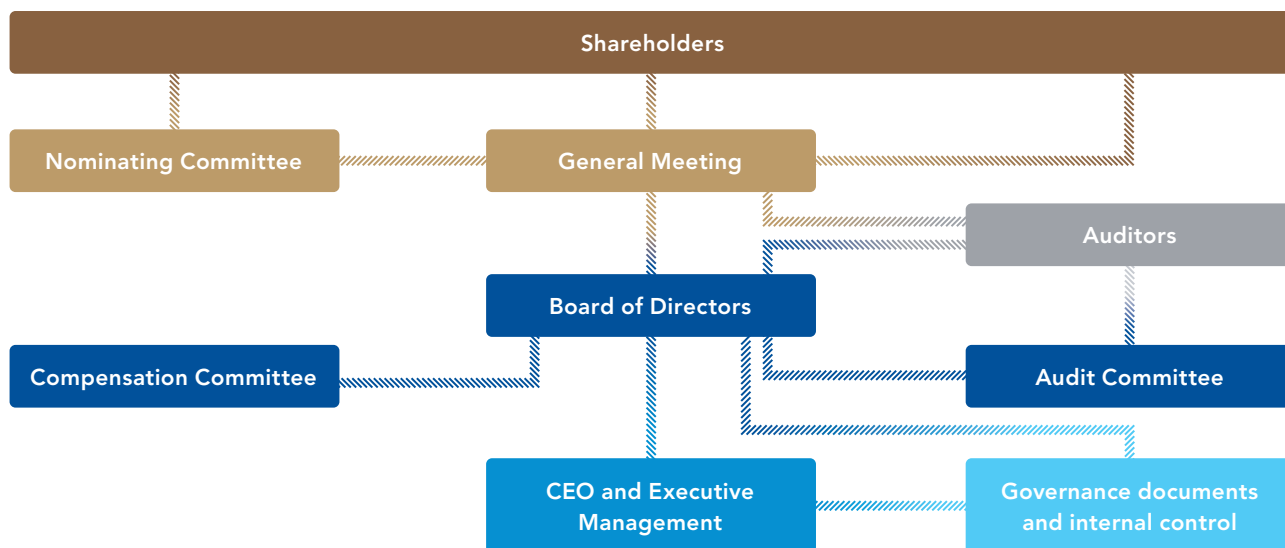
Guidelines for compensation of senior executives

For information on compensation of senior executives and ongoing long-term incentive programs, see Note 8 on pages 66–67. The guidelines for compensation of senior executives adopted by the 2020 Annual General Meeting, and that applied in 2023, can be found in the same note. The Board of Directors' proposed guidelines for compensation of senior executives, which will be voted on at the 2024 Annual General Meeting, can be found on pages 55–57.

Proposed distribution of earnings

According to the Parent Company balance sheet, retained earnings totaling SEK 89,138 M 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 7.75 per share, or a total SEK 3,347 M. The balance to be carried forward next year is SEK 85 791 M. The Board's proposal for distribution of earnings is presented in its entirety on page 73.

Corporate Governance Report



Corporate governance structure

Industrivärden is a Swedish, public limited liability company that is 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 2023 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 2023 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, 2023, Industrivärden had approximately 196,000 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 42–44.

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 17, 2023. Resolutions made at the AGM included:

- A dividend of SEK 7.25 per share (6.75)
- Discharge of the board members and CEO from liability for the 2022 financial year
- Re-election of all board members, and 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 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 2023 AGM and the Nominating Committee's work 2023 is available on Industrivärden's website.

Industrivärden's 2024 Annual General Meeting will be held on April 11, 2024. For more information, see page 95 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 2024 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 2024 AGM are published over time on Industrivärden's website. The Nominating Committee's complete recommendations to the 2024 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 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 54. For a more detailed presentation of the board members, see page 58 and Industrivärden's website.

The Nominating Committee's reasoned statement ahead of the 2023 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 2023 AGM resolved to appoint board members in accordance with the Nominating Committee's recommendation. With respect to gender breakdown, this entailed that of eight elected directors, three were women and five 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 2023 AGM is outlined in the table on page 54.

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 pages 54-55.

The Board's work

The Board's work is laid out in the Rules of Procedure (incl. 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 57.

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 ten meetings in 2023. At the regular board meetings, a number of set agenda points were addressed, including reports on the financial result of operations, development of net asset value and performance of the equities portfolio, and on equity transactions that have been carried out and 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 as well as 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 regula-

tions, which included the yearly review of the Company's Code of Conduct and other internal policies.

In 2023, the Board placed considerable emphasis on discussing the effects of the geopolitical and macroeconomic conditions during the year, such as the consequences of major conflicts and an otherwise 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 sustainability and other issues such as energy. Another key focus area in 2023 was the evaluation of portfolio companies based on relevant technology and digitization shifts, including AI. The CEOs of the portfolio companies regularly give presentations to the Board on their respective companies' operations. In 2023, the CEOs of Alleima and Handelsbanken 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.

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 2023 evaluation was conducted via a questionnaire that each board member was requested to complete, in the aim of gaining an idea about the directors' views on, among other things, how the board work has been conducted and which measures can be taken to improve the 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 board work during the year. The results of the board

Composition, independence conditions and attendance 2023

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	10 / 10	4 / 4	3 / 3
Pär Boman	Vice Chairman	Chair		Yes	No	10 / 10	4 / 4	
Christian Caspar	Director	Member		Yes	Yes	10 / 10	4 / 4	
Marika Fredriksson	Director		Member	Yes	Yes	10 / 10		3 / 3
Bengt Kjell	Director			Yes	Yes	7 / 10		
Katarina Martinson	Director			Yes	No	10 / 10		
Lars Pettersson	Director		Member	Yes	No	10 / 10		3 / 3
Helena Stjernholm	Director			No	Yes	10 / 10		

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 2023. 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 2023 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 54. 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 2023. 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 that was presented to the 2023 AGM, and prepared the Board's proposal for guidelines for compensation of senior executives to be decided by the 2024 AGM.

The members of the Compensation Committee are shown in the table on page 54. 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 as well as in accordance with the division of responsibilities laid out in the CEO's

instruction. The CEO's duties include, among other things, 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 59 and Industrivärden's website.

Compensation

Directors' fees

The 2023 AGM resolved on directors' fees in accordance with the table below.

Directors' fees pursuant to resolution by the 2023 AGM, SEK

Chairman of the Board	2,260,000
Vice Chairman of the Board	1,370,000
Directors	685,000

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 2020 AGM, is provided in Note 8 on pages 66–67 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. The Board's proposed guidelines for compensation of senior executives to be decided by the 2024 AGM is presented below.

A remuneration report prepared by the Board on application of the compensation guidelines in 2023 will be published on Industrivärden's website prior to the 2024 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 incentive programs.

Guidelines for compensation of senior executives 2024

The Board proposes that the 2024 AGM resolve on the guidelines below for the compensation of senior executives.

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, 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 to 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 to determine, review and implement 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.

Departing 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 includes decisions on deviations from the guidelines.

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 2023 AGM, Deloitte AB was re-elected as auditor for a term lasting through the 2024 AGM. The chief auditor is Hans Warén, Authorized Public Accountant. In 2023 the auditor reviewed the half-year report and year-end report, and audited the annual report and consolidated financial statements. In addition, the auditor has examined the corporate governance report and ESEF 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 statutory sustainability report are provided on pages 74–78. 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 65.

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 corporate 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, among others, 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 consist of, among other things, 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 72.

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 2023 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

B.Sc. Eng., B.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): 99,046,153¹

Pär Boman (1961)

Vice Chairman since 2015
Director since 2013

Engineering and Business/
Economics degree, Dr. h.c. econ.
Chairman of Handelsbanken, Essity and SCA. Director of Skanska.

Former President and CEO of Handelsbanken.

Shareholding (own and closely related parties): 11,768

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 and Pandox.

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

Shareholding (own and closely related parties): 27,100

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

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, and prior to that 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.

Director of Ericsson, Sandvik and Volvo.

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

Shareholding (own and closely related parties): 107,200 and 75,000 call options

Information regarding directorships and shareholdings as of December 31, 2023, unless otherwise stated. Shareholdings include holdings of closely related parties, where applicable.

- 1) Holding on February 15, 2024. Pertains to own and closely related natural persons' holdings of 11,246,153 shares and closely related legal entities' holdings of 87,800,000 shares, of which 85,150,000 shares through L E Lundbergföretagen AB and 2,650,000 shares through Förvaltnings AB Lunden. Total holding amounts to 71,121,153 Class A shares and 27,925,000 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 3,444,596 Class A shares and 1,395,000 Class C shares.

Executive Management



Helena Stjernholm (1970)

President and CEO
Industrivärden employee since 2015
M.Sc. BA.
Director of Ericsson, Sandvik and Volvo.
Former partner and Chief Investment Officer at IK Investment Partners, strategic consultant at Bain & Company.
Shareholding (own and closely related parties): 107,200 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 and SCA.
Former partner and company head at Zeres Capital, partner at CapMan, various roles at Handelsbanken Capital Markets.
Shareholding (own and closely related parties): 19,091



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): 10,000



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): 18,200

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): 3,000

Information regarding directorships and shareholdings as at December 31, 2023, unless otherwise stated. Shareholdings include holdings of closely related parties, where applicable.

Income statement

SEK M	Note	Group		Parent Company	
		2023	2022	2023	2022
Dividend income	2	6,418	5,479	3,853	3,563
Change in value of shares, etc.	3	20,851	-19,246	19,702	-17,076
Management cost	4, 8	-126	-120	-126	-120
Operating income		27,143	-13,887	23,429	-13,633
Financial income	6	54	4	20	1
Financial expenses	7	-210	-94	-316	-107
Income after financial items		26,987	-13,977	23,133	-13,739
Tax	9	-143	10	-	-
Net income for the year		26,844	-13,967	23,133	-13,739
Earnings per share (no dilution effect exists), SEK	10	62.15	-32.34		

Statement of comprehensive income

Net income for the year	26,844	-13,967	23,133	-13,739
Other comprehensive income				
<i>Items that are not to be reclassified in the income statement</i>				
Actuarial gains and losses pertaining to pensions	-9	-22	-9	-22
Comprehensive income for the year	26,835	-13,989	23,124	-13,761

Balance sheet

SEK M	Note	Group		Parent Company	
		Dec 31 2023	Dec 31 2022	Dec 31 2023	Dec 31 2022
ASSETS					
Tangible fixed assets	11	25	14	25	14
Equities	12, 16	157,547	133,832	47,735	39,714
Participations in associated companies	12, 13, 16	–	–	53,536	39,856
Participations in group companies	14, 15, 16	–	–	1,735	1,735
Total non-current assets		157,572	133,846	103,032	81,319
Current financial receivables		36	36	–	–
Other current receivables	17	49	79	46	20
Cash and cash equivalents		869	795	718	201
Total current assets		954	910	764	221
TOTAL ASSETS		158,526	134,756	103,796	81,540
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	120,885	137,996	66,004	82,887
Net income for the year		26,844	–13,967	23,133	–13,739
Total shareholders' equity		149,880	126,180	91,288	71,299
Non-current financial liabilities	19	6,509	6,500	6,509	6,500
Provisions for pensions	20	0	4	0	4
Deferred tax liability		228	134	–	–
Other non-current liabilities	21	40	48	40	48
Total non-current liabilities		6,777	6,686	6,549	6,552
Current financial liabilities	22	1,691	1,682	5,812	3,559
Other current liabilities	23	178	208	147	130
Total current liabilities		1,869	1,890	5,959	3,689
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		158,526	134,756	103,796	81,540

Information about pledged assets and contingent liabilities is provided in Note 26.

Shareholders' equity

Group

SEK M	Share capital ¹	Other capital contributions	Retained earnings	Net income for the year	Total shareholders' equity
Shareholders' equity as per December 31, 2021	1,088	1,063	114,334	26,594	143,079
Net income for the year	–	–	–	–13,967	–13,967
Other comprehensive income	–	–	–22	–	–22
Comprehensive income for the year	–	–	–22	–13,967	–13,989
Transfer of previous year's net income	–	–	26,594	–26,594	–
Dividend to shareholders	–	–	–2,915	–	–2,915
Share savings program	–	–	5	–	5
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 ²	–	–	–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

Parent Company

SEK M	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, 2021	1,088	1,063	68,324	17,495	87,970
Net income for the year	–	–	–	–13,739	–13,739
Other comprehensive income	–	–	–22	–	–22
Comprehensive income for the year	–	–	–22	–13,739	–13,761
Transfer of previous year's net income	–	–	17,495	–17,495	–
Dividend to shareholders	–	–	–2,915	–	–2,915
Share savings program	–	–	5	–	5
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 ²	–	–	–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

1) On December 31, 2023, there were 431,899,108 shares outstanding, of which 254,789,494 were Class A shares and 177,109,614 were Class C shares. The share capital amounted to SEK 642 M for the Class A shares and SEK 446 M for the Class C shares. The share quota value is SEK 2.52.

2) The dividend in 2023 was SEK 7.25 per share.

Statement of cash flows

SEK M	Note	Group		Parent Company	
		2023	2022	2023	2022
Operating activities					
Dividends received	2	6,418	5,479	3,853	3,563
Management cost paid		-159	-132	-159	-132
Other items affecting cash flow		-43	6	-43	6
Cash flow from operating activities before financial items		6,216	5,353	3,652	3,437
Interest received		54	4	19	-
Interest paid		-169	-44	-276	-58
Tax paid		-41	-69	-	-
Other financial items		-2	-7	-2	-7
Cash flow from operating activities		6,057	5,237	3,393	3,372
Investing activities					
Purchases of shares	5, 16	-2,854	-3,184	-1,990	-2,629
Sales of shares	5, 16	-	-	-	-
Cash flow from investing activities		-2,854	-3,184	-1,990	-2,629
Financing activities					
Loans raised		1,499	2,498	1,499	2,498
Amortization of debt		-1,497	-1,538	-1,505	-1,505
Change in financial investments		-	1	-	1
Change in financing of subsidiaries		-	-	2,251	1,378
Dividend paid		-3,131	-2,915	-3,131	-2,915
Cash flow from financing activities		-3,129	-1,955	-886	-543
NET CASH FLOW FOR THE YEAR		74	98	517	201
Cash and cash equivalents at start of year		795	697	201	-
CASH AND CASH EQUIVALENTS AT END OF YEAR		869	795	718	201

Notes to the financial statements

Amounts in millions of Swedish kronor (SEK M) unless stated otherwise.

Note 1 Accounting policies

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 in the Parent Company, AB Industrivärden (publ), in which 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.

Conformity with norms and laws

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 IFRSs 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.

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 and associated companies that are investments are not consolidated, but are measured at fair value through profit and loss and are presented under the item *Equities*. For further information, see Notes 12 and 15.

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.

Functional currency and presentation currency

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.

Foreign currency

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.

Dividends

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

During 2022 shares were received in Alleima due to Sandvik's distribution of the company to its shareholders. The shares received in Alleima are recognized as revenue in the income statement within the line item *Change in value of shares, etc.*, and a corresponding expense pertaining to the negative change in value for Sandvik is reported within the same line item.

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.

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 and loss. The classification is based on the Group's business model and the contractual terms of the assets and liabilities.

Industrivärden recognizes continuing changes in value of all listed share-holdings and equity derivatives through profit and loss. Purchases and sales of financial instruments are recognized as per the transaction date. For further information, see Notes 3 and 5.

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.*

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.

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.

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. Allocation of shares within the long-term incentive program does not give rise to any dilution effect regarding earnings per share. 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*.

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.

Other

Unless stated otherwise, all amounts stated are rounded to the nearest million Swedish kronor (SEK M), which means that tables and calculations do not always add up. In text and tables, figures between 0 and 0.5 are reported as 0.

Note 2 Dividend income

	Group		Parent Company	
	2023	2022	2023	2022
Volvo	2,537	2,317	2,451	2,237
Sandvik	861	801	856	796
Handelsbanken	1,770	1,096	–	–
Essity	520	502	–	–
SCA	184	234	–	–
Skanska	241	312	241	312
Ericsson	235	218	235	218
Alleima	70	–	70	–
Total	6,418	5,479	3,853	3,563

Note 3 Change in value of shares, etc.

	Group		Parent Company	
	2023	2022	2023	2022
Volvo	12,689	–2,570	12,269	–2,481
Sandvik	5,191	–10,047 ¹	5,158	–9,982 ¹
Handelsbanken	1,093	1,636	–	–
Essity	–1,676	–1,609	–	–
SCA	1,286	–2,049	–	–
Skanska	558	–2,166	558	–2,166
Ericsson	–187	–2,982	–187	–2,982
Alleima	1,921	478 ¹	1,913	475 ¹
Other	–14	2	–	–
Shares	20,861	–19,307	19,712	–17,137
Other, net	–10	61	–10	61
Total	20,851	–19,246	19,702	–17,076

1) Adjusted for the shares received in Alleima. For further information, see Note 1.

Note 4 Auditors' fees

	Group		Parent Company	
	2023	2022	2023	2022
Audit assignment	1.1	1.1	1.1	1.1
Auditing activities in addition to audit assignment	–	0.4	–	0.4
Other services	0.1	–	0.1	–
Total	1.2	1.5	1.2	1.5

Note 4 Auditors' fees, cont.

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 5 Purchases (+) and sales (–)

	Group		Parent Company	
	2023	2022	2023	2022
Volvo	853	1,312	853	1,312
Sandvik	1,137	467	1,137	467
Handelsbanken	635	357	–	–
Essity	–	199	–	–
SCA	228	–	–	–
Skanska	–	174	–	174
Alleima	–	676	–	676
Total purchases	2,854	3,184	1,990	2,629
Total sales	–	–	–	–
Total	2,854	3,184	1,990	2,629

Note 6 Financial income

	Group		Parent Company	
	2023	2022	2023	2022
Financial income	54	4	20 ¹	1
Total	54	4	20	1

1) Of which, intra-Group interest income of SEK 1 M (0).

Note 7 Financial expenses

	Group		Parent Company	
	2023	2022	2023	2022
Interest expenses	–197	–81	–304 ¹	–96
Other financial expenses	–13	–13	–12	–11
Total	–210	–94	–316	–107

1) Of which, intra-Group interest expenses of SEK –113 M (–16).

Note 8 Employees and personnel costs

Average number of employees

	2023					2022				
	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	7	50	7	50	15	6	40	9	60

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

Salaries, other compensation and social security costs

	2023				2022			
	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	6	47	34	10	6	46	25	11

Executive Management's compensation and pension costs

	2023				
	Base salary	Variable salary	Incentive 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 the Executive Management (2 persons)	4.8	1.5	0.9	0.2	1.5
Total	22.1¹	9.1	4.7	0.6	8.0

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

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 2023 AGM resolved, in accordance with proposal, on a fee of SEK 2.3 M (2.2) to the Chairman of the Board, SEK 1.4 M (1.3) to the Vice Chairman and SEK 0.7 M (0.7) to each of the other directors. No fees are issued for committee work. Members of the Board of Directors received SEK 6.4 M (6.1) in fees in 2023. For further information about the Board of Directors and fees, see pages 53–55 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 2023 is published on Industrivärden's website.

The CEO received a base salary of SEK 12.5 M (12.0), before deductions of SEK 4.2 M (4.0) for directors' fees from portfolio companies etc., during 2023. Variable salary for 2023, which is based on the Board's annual evaluation, amounted to SEK 5.6 M (4.8) and will be paid out in 2024. The cost for the vested portion of ongoing incentive programs amounted to SEK 3.1 M (2.6). The incentive program that expired in 2023 resulted in a grant of 14,834 (2,568) Industrivärden Class C shares to the CEO, for a value of SEK 4.2 M (0.6). The cost of defined contribution pension premiums was SEK 5.0 M (4.8). 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.

Karl Åberg assumed the position as Deputy CEO on January 1, 2023. The Deputy CEO received a base salary of SEK 4.8 M, before deductions of SEK 1.7 M for directors' fees from portfolio companies during 2023. Variable salary for 2023, which is based on the achievement of individually set goals, amounted to SEK 1.9 M and will be paid out in 2024. The cost for the vested portion of ongoing incentive programs amounted to SEK 0.8 M. The incentive program that expired in 2023 resulted in a grant of 4,951 Industrivärden Class C shares to the Deputy CEO, for a value of SEK 1.4 M. The cost of defined contribution pension premiums was SEK 1.5 M. 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 (four) members of Executive Management together received base salaries of SEK 4.8 M (11.4). Variable salary for 2023 amounted to SEK 1.5 M (3.8) which will be paid out in 2024. The outcome is based on the employee achieving individually set goals. The cost for the vested portion of ongoing incentive programs amounted to SEK 0.9 M (1.5). The incentive program that expired in 2023 resulted in grants of 7,715 (2,429) Industrivärden Class C shares to other members of the Executive Management, for a value of SEK 2.2 M (0.6). The combined cost of defined contribution pension premiums was SEK 1.5 M (3.7). 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 incentive programs

The incentive programs are part of a market-based total compensation package where employees have the opportunity to receive performance shares after three years, subject to investment of part of the employee's base salary in Industrivärden shares. The programs aim to encourage Industrivärden's employees to increase their ownership of shares in the Company and thereby further emphasize long-term shareholder value. The incentive programs are judged to increase Industrivärden's opportunities to recruit and retain competent employees as well as the participants' interest in and commitment to Industrivärden's business and development. Against this background, the programs are judged to have a positive impact on Industrivärden's continued development and thereby be beneficial for shareholders and Industrivärden employees. Under current programs, a maximum of 96,179 performance shares may be granted. Grants of performance shares require continued employment at the time of the grant. 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 2023, costs of SEK 3.9 M (8.6) are reported under Management cost in the income statement.

Long-term incentive program 2023

The 2023 AGM resolved to offer a long-term incentive program to a maximum of 20 employees in the Industrivärden Group. During 2023, 10,667 shares were bought by employees within the program, which can qualify for a maximum grant of 32,630 performance shares.

Long-term incentive programs 2021 and 2022

The 2021 and 2022 incentive programs include a total of 21,113 purchased shares, which can qualify for grants of a maximum of 63,549 performance shares.

Long-term incentive program 2020

The 2020 incentive program expired in October 2023. In connection with this, a total of 31,827 Industrivärden Class C shares were granted for a value of SEK 8.9 M. The value was calculated based on the price of Industrivärden Class C shares on the grant date.

Guidelines for compensation of senior executives

The 2020 AGM adopted updated guidelines for compensation of senior executives to meet the requirements stipulated by the EU Shareholder Rights Directive. The guidelines for compensation of senior executives are to be adopted at least every four years. The guidelines, as adopted by the 2020 AGM, are presented below.

Guidelines for compensation of senior executives decided by the 2020 AGM

The guidelines pertain to Industrivärden's Chief Executive Officer (CEO) and other members of the Executive Management. The guidelines are to be applied for compensation that is agreed upon and changes made to already agreed-upon compensation after the guidelines were adopted by the 2020 AGM. Compensation decided by a general meeting of shareholders is not covered by the guidelines.

Compared with the guidelines decided by the 2019 AGM, the guidelines below have been updated to meet the requirements stipulated by the EU Shareholder Rights Directive.

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

The Company's mission is to be a long-term asset manager and active owner of listed Nordic companies. The mission, objective and strategy are presented in more detail on Industrivärden's website: www.industrivarden.net.

Successful and sustainable execution of the Company's mission, objective and strategy for capitalizing on the Company's long-term interests requires that the Company can recruit and retain qualified employees. The guidelines contribute to this by ensuring that senior executives can be offered a market-based, competitive total compensation package that is commensurate with their responsibilities and authority.

Types of compensation, etc.

Compensation shall be in line with the going rate in the market and competitive, and be related to individual performance as well as the Company's development. 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% of the executive's fixed annual cash salary. The compensation shall be coupled to fulfillment of individual criteria that are set yearly and that are evaluated according to the executive's work contribution and performance. The criteria may be financial or nonfinancial, or they may consist of individually adapted quantitative or qualitative goals. The criteria shall be formulated so that they have a clear coupling to value creation for the Company and promote the Company's mission and sustainable execution of the Company's long-term interests.

Fulfillment of criteria for payment of short-term variable cash compensation shall be measured over a period of one year. The Compensation Committee is responsible for assessing the extent to which the criteria for payment of short-term variable cash compensation to the CEO is fulfilled. The Board thereafter sets the CEO's compensation. The CEO is responsible for assessing the fulfillment of criteria for payment of short-term variable cash compensation for other senior executives. Short-term variable cash compensation shall not be pensionable.

The Board shall have the opportunity pursuant to law or agreement, with the restrictions that may arise out of such, to fully or partly rescind variable cash compensation paid out on incorrect grounds.

Pension benefits, including disability insurance, (Sw. sjukförsäkring) shall be defined contribution solutions to the extent that the executive is not covered by a defined benefit pension under stipulations of a compulsory collective bargaining agreement, and shall entitle the executive to receive a pension from 60 or 65 years of age, depending on the position. For the CEO and other senior executives, premiums and other costs related to defined contribution pensions may amount to a combined maximum of 40% of the fixed annual cash salary, depending on the position.

Other benefits may include, among other things, life insurance, health insurance (Sw. sjukvårdsförsäkring), a car benefit and a wellness benefit. For

the CEO, such benefits may amount to a maximum of one percent (1%) of fixed annual cash salary, and for other senior executives they may amount to four percent (4%) of fixed annual cash salary, depending on the position.

In addition to the above, a general meeting of shareholders may – independently from these guidelines – decide on e.g., share-based and share price-related compensation. Since 2012 the Company has established share-based incentive programs approved by general meetings, of which the 2017–2019 programs are currently in effect. The programs cover all employees and require a personal shareholding and holding period of three (3) years. The outcome is based on performance targets that are related to the long-term growth of Industrivärden's share price. Approved share-based incentive programs are presented in more detail on Industrivärden's website www.industrivarden.net.

For notice of termination served by the Company, the notice period may be a maximum of two (2) years. Fixed cash salary paid during the notice period and severance pay may together not exceed an amount corresponding to two (2) years' fixed cash salary. For notice given by the executive, the notice period may be a maximum of six (6) months, without any right to severance pay.

Additionally, compensation may be payable for any noncompete obligation. Such payment shall compensate for possible loss of income and shall only be paid to the extent the former executive lacks entitlement to severance pay. Compensation shall amount to a maximum of 60% of fixed cash salary at the time notice was served, unless other terms apply under stipulations of a compulsory collective bargaining agreement. It shall be paid during the time the noncompete obligation applies, which shall be a maximum of 12 months after the end of employment.

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

The Compensation Committee's duties include conducting preparatory work for board decisions on proposed guidelines for compensation of senior executives. The Board shall draw up a recommendation for new guidelines at least every fourth year and present the recommendation for decision by the Annual General Meeting. The guidelines apply until new guidelines have been adopted by a general meeting. The Compensation Committee shall also monitor and evaluate variable compensation programs for members of the Executive Management, application of guidelines for compensation of senior executives and applicable compensation structures and compensation levels in the Company.

In the preparatory work for the Board's recommendation on these compensation guidelines, salary and terms of employment for the Company's other employees have been taken into account, whereby information on the employees' total compensation, the components of their compensation and the increase in their compensation and rate of growth over time have made up part of the Compensation Committee's and Board's decision-making documentation in evaluating the fairness of the guidelines and the limitations that arise out of these.

The Compensation Committee's members are independent in relation to the Company and Executive Management. In the Board's handling of and decisions on compensation-related matters, the CEO and other members of the Executive Management are not present to the extent they are the subject of the matters at hand.

Departures from the guidelines

The Board may decide to temporarily depart from the guidelines entirely or partly if in an individual case there are special reasons for doing so and a departure is necessary for safeguarding the Company's long-term interests or to ensure the Company's financial soundness. The Compensation Committee's duties include conducting preparatory work for the Board's decisions on compensation matters, which includes decisions to depart 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 share. 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 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	
	2023	2022	2023	2022
Current tax	-48	-21	-	-
Deferred tax	-95	31	-	-
Total	-143	10	-	-

Tax calculation

	Parent Company	
	2023	2022
Standardized income 1.5%	58	55
Dividends received	3,853	3,563
Management cost, net financial items, etc.	-421	-253
Dividend paid ¹	-3,347 ²	-3,131
Taxable income	143	234
Tax-loss carryforwards from previous years	-8,547	-8,781
Accumulated tax-loss carryforward	-8,404	-8,547

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	
	2023	2022
Net income for the year, SEK M	26,844	-13,967
Number of shares outstanding	431,899,108	431,899,108
Earnings per share (no dilution effect exists), SEK	62.15	-32.34

Note 11 Tangible fixed assets

	Group		Parent Company	
	2023	2022	2023	2022
Accumulated cost				
Opening value	29	28	29	28
Investments	16	1	16	1
Disposals and sales	-16	-1	-16	-1
Closing cost	29	29	29	29
Accumulated depreciation				
Opening depreciation	-15	-10	-15	-10
Depreciation for the year	-5	-5	-5	-5
Disposals and sales	16	0	16	0
Closing depreciation	-4	-15	-4	-15
Book value	25	14	25	14

Note 12 Equities

	2023				2022	
	Number of shares	Share of capital, %	Share of votes, %	Market value ¹	Market value ¹	
Volvo A	166,600,000	9.1	27.9	44,482	33,003	
Volvo B	18,400,000			4,815	2,752	
Sandvik	176,900,000	14.1	14.1	38,582	32,254	
Handelsbanken A	228,200,000	11.5	11.7	24,976	23,248	
Essity A	33,257,000	10.2	29.7	8,264	9,046	
Essity B	38,400,000			9,600	10,495	
SCA A	33,785,290	10.5	29.5	5,061	4,507	
SCA B	39,800,000			6,014	5,054	
Skanska A	12,667,500	7.7	24.5	2,310	2,090	
Skanska B	19,500,000			3,556	3,218	
Ericsson A	86,052,615	2.6	15.1	5,490	5,679	
Ericsson B	1,000,000			63	61	
Alleima	50,300,000	20.0	20.0	3,854	1,933	
Total holdings				157,068	133,339	
Other				479	493	
Group's holdings of equities				157,547²	133,832	
Less: associated companies (see Note 13)				-53,536	-39,856	
Less: non-consolidated companies				-479	-493	
Less: holdings owned via subsidiaries				-55,796	-53,769	
Parent Company's holdings of equities, excluding participations in associated and group companies				47,735	39,714	

1) The market value corresponds to the book value.

2) The Group's total cost as per December 31, 2023, was SEK 58,209 M.

Note 13 Participations in associated companies

	Reg. no.	Domicile	Shareholders' equity	Income after tax	Parent Company			
					Share of capital, %	Share of votes, %	No. shares, million	Market value
Volvo	556012-5790	Gothenburg	180,739	49,932	8.8	26.9	179	47,671
Skanska	556000-4615	Stockholm	56,347	5,029	7.7	24.5	32	5,866
Total								53,536

Note 14 Participations in group companies

	Reg. no.	Domicile	Shareholders' equity	Parent Company		
				Share of capital, %	No. shares	Book value
Industrivärden Invest AB (publ)	556775-6126	Stockholm	27,235	100	1,000	330
Industrivärden Förvaltning AB	556777-8260	Stockholm	30,799	100	1,000	1,010
Investment AB Promotion	556833-0525	Stockholm	1,991	100	100,000	395
Floras Kulle AB	556364-8137	Stockholm	16	100	10,000	0
Total						1,735

Note 15 Group companies

	Domicile	Country	No. shares		Share of capital, %	
			December 31, 2023	2023	2022	2022
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	
	2023	2022
Opening value	133,832	149,955
Purchases	2,854	3,184
Sales	–	–
Change in value	20,861	–19,307
Closing value	157,547	133,832

	Parent Company							
	Equities		Participations in associated companies		Participations in Group companies		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening value	39,714	51,061	39,856	43,017	1,735	1,735	81,305	95,813
Purchases	1,137	1,142	853	1,486	–	–	1,990	2,629
Sales	–	–	–	–	–	–	–	–
Change in value	6,884	–12,490	12,827	–4,647	–	–	19,712	–17,137
Closing value	47,735	39,714	53,536	39,856	1,735	1,735	103,007	81,305

Note 17 Other current receivables

	Group		Parent Company	
	2023	2022	2023	2022
Prepaid expenses and accrued income	23	18	23	18
Other current receivables	26	61	23	2
Total	49	79	46	20

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 2023, 5,954,031 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 89,137,972,335 are at the disposal of the Annual General Meeting. The Board of Directors proposes that the Annual General Meeting on April 11, 2024, resolves to pay a dividend of SEK 7.75 per share (7.25). The proposed dividend amounts to a total of SEK 3,347 M (3,131). In addition, the Board proposes that the remaining amount, SEK 85,790,754,248 be carried forward.

Share capital

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

	December 31, 2022		
	Number	Quota value	SEK M
Class A shares	260,743,525	2.52 SEK	657
Class C shares	171,155,583	2.52 SEK	431
Total	431,899,108		1,088

Note 19 Non-current financial liabilities

	Group		Parent Company	
	2023	2022	2023	2022
Bond issues	6,500	6,500	6,500	6,500
Other	9	0	9	0
Total	6,509	6,500	6,509	6,500

Measurement of financial liabilities at fair value as per December 31, 2023 would result in a change in non-current financial liabilities by SEK -92 M (-364).

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, 2023, the item provision for pensions amounted to SEK 0 M (4), which consists of pension obligations of SEK 22 M (46) less the value of plan assets, totaling SEK 22 M (42).

Actuarial assumptions

	Group	
	2023	2022
Discount rate, %	4.0	3.0
Anticipated inflation, %	1.9	1.9

Obligations for former CEOs

The item provision for pensions includes net pension obligations for former CEOs totaling SEK 0 M (4).

Note 21 Other non-current liabilities

	Group		Parent Company	
	2023	2022	2023	2022
Derivatives, etc.	20	48	20	48
Other	20	-	20	-
Total	40	48	40	48

Note 22 Current financial liabilities

	Group		Parent Company	
	2023	2022	2023	2022
Bond issues	1,500	1,500	1,500	1,500
Other	191	182	4,312 ¹	2,059
Total	1,691	1,682	5,812	3,559

1) Of which, SEK 4,306 M (2,055) pertains to liabilities to Group companies.

Measurement of financial liabilities at fair value as per December 31, 2023 would result in a change in current financial liabilities by SEK 6 M (4).

Note 23 Other current liabilities

	Group		Parent Company	
	2023	2022	2023	2022
Accounts payable, trade	5	4	5	4
Derivatives, etc.	1	1	1	1
Accrued expenses	149	133	137	121
Other current liabilities	23	70	4	4
Total	178	208	147	130

Note 24 Financial instruments

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

	Group					
	December 31, 2023			December 31, 2022		
	Fair value through profit and loss	Amortized cost	Total	Fair value through profit and loss	Amortized cost	Total
Assets						
Equities	157,547	–	157,547	133,832	–	133,832
Current financial receivables	–	36	36	–	36	36
Other current receivables	2	–	2	–	–	–
Cash and cash equivalents	–	869	869	–	795	795
Total assets	157,549	905	158,454	133,832	831	134,663
Liabilities						
Non-current financial liabilities	–	6,509	6,509	–	6,500	6,500
Other non-current liabilities	20	–	20	48	–	48
Current financial liabilities	–	1,691	1,691	–	1,682	1,682
Other current liabilities	1	–	1	1	–	1
Total liabilities	21	8,200	8,221	49	8,182	8,231

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

	Group									
	December 31, 2023					December 31, 2022				
	Fair value through profit and loss		Amortized cost			Fair value through profit and loss		Amortized cost		
	Assets	Liabilities	Assets	Liabilities	Total	Assets	Liabilities	Assets	Liabilities	Total
Operating income										
Dividend income	6,418	–	–	–	6,418	5,479	–	–	–	5,479
Change in value of shares, etc.	20,868	–17	–	–	20,851	–19,307	60	–	–	–19,246
Management cost	5	–	–	–	5	–	–2	–	–	–2
Income after financial items										
Financial income	–	–	54	–	54	–	–	4	–	4
Financial expenses	–	–	–	–197	–197	–	–	–	–81	–81
Total	27,291	–17	54	–197	27,131	–13,827	58	4	–81	–13,846

Financial instruments measure at fair value

	Group							
	December 31, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Equities	157,068	–	479	157,547	133,339	–	493	133,832
Derivatives, etc.	–	2	–	2	–	–	–	–
Total assets	157,068	2	479	157,549	133,339	–	493	133,832
Liabilities								
<i>Other non-current liabilities</i>								
Derivatives, etc.	–	20	–	20	–	48	–	48
<i>Other current liabilities</i>								
Derivatives, etc.	–	1	–	1	–	1	–	1
Total liabilities	–	21	–	21	–	49	–	49

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 equities 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, 2023, by +/- SEK 1,600 M (1,300).

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, 2023, the average fixed interest period was 21 months (23).

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 2023 by approximately +/- SEK 21 M (29).

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 10.0 billion, of which SEK 8.0 billion was utilized on December 31, 2023. In addition, under a commercial paper framework of SEK 4.0 billion, Industrivärden has utilized SEK 0.0 billion on December 31, 2023. Industrivärden's net debt amounted to SEK 7,295 M (7,355) on December 31, 2023. The average maturity, excluding pension provisions, was 25 months (27).

The credit rating agency S&P Global Ratings has assigned the Group a long-term rating of A+/Stable outlook and short-term ratings of A-1 and K-1. Industrivärden has a strong financial position, with an equity ratio of 95% (94%). 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.

The maturity structure of undiscounted financial liabilities and derivative instruments with negative market values on December 31, 2023, is presented below:

Maturity structure

Maturity year	Financial liabilities	Derivatives, etc	Total	Share, %
2024	1,577	1	1,578	19
2025	2,005	–	2,005	25
2026	2,004	–	2,004	25
2027	1,500	20	1,520	19
2028	1,000	–	1,000	12
Total	8,086	21	8,107	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, 2023, Industrivärden had contracted long-term loan promises of SEK 4.0 billion and short-term loan promises of SEK 500 M 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, the most important control process in Industrivärden's business consists of the continuous monitoring of value exposure in the equities portfolio. 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 26 Pledged assets and contingent liabilities

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

Note 27 Related-party transactions

No significant related-party transactions were made during the period.

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 7.75 per share (7.25). The proposed dividend corresponds to 3.7% of the Parent Company's equity and 2.2% of the Group's equity. Of shareholders' equity, 66%, or SEK 60.1 billion in the Parent Company, and 66%, or SEK 99.3 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 3,347 M (3,131).

According to the Parent Company balance sheet, earnings totaling SEK 89,138 M 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 7.75 per share totaling	SEK 3,347 M
Balance carried forward	SEK 85,791 M
	<u>SEK 89,138 M</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 19, 2024. Adoption of the Consolidated and Parent Company Income Statements and Balance Sheets will take place at the Annual General Meeting on April 11, 2024.

Stockholm, February 19, 2024

Fredrik Lundberg
Chairman

Pär Boman
Vice Chairman

Christian Caspar
Director

Marika Fredriksson
Director

Bengt Kjell
Director

Katarina Martinson
Director

Lars Pettersson
Director

Helena Stjernholm
CEO
Director

Our Audit Report was submitted on February 22, 2024

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 2023, aside from the corporate governance report on pages 52–57. The annual accounts and consolidated accounts of the company are included on pages 49–73 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 2023 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 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards, IFRS, 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 Responsibilities* 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 157,068 million as of 31 December 2023.

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.

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.

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 1–15, 18–48, 79–81 and 95. 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 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 2023 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 Responsibilities* 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/revisornansvar. 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 2023.

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 52–57 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 the 17 April 2023 and has been the company's auditor since 17 April 2019.

Stockholm, February 22, 2024
Deloitte AB

Signature on Swedish Original

Hans Warén
Authorized Public Accountant

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 2023 on pages 16–17 and 82–94 and that it has been prepared in accordance with the Swedish Annual Accounts Act.

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

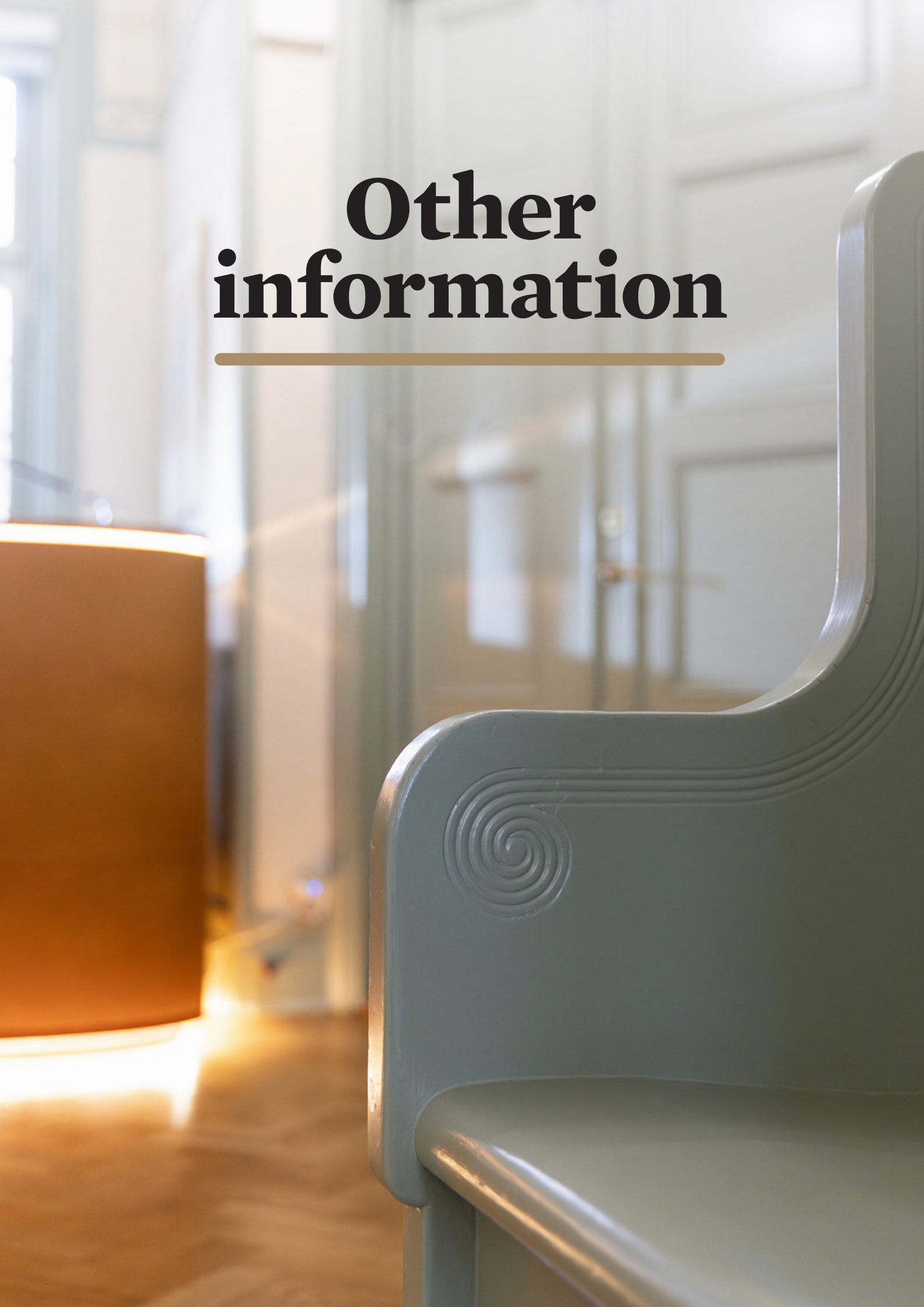
A statutory sustainability report has been prepared.

Stockholm, February 22, 2024
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 and which 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. 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 81 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, 2023		
	Number of shares	Share price	Market value, SEK M
Volvo A	166,600,000	267.00	44,482
Volvo B	18,400,000	261.70	4,815
Sandvik	176,900,000	218.10	38,582
Handelsbanken A	228,200,000	109.45	24,976
Essity A	33,257,000	248.50	8,264
Essity B	38,400,000	250.00	9,600
SCA A	33,785,290	149.80	5,061
SCA B	39,800,000	151.10	6,014
Skanska A	12,667,500	182.35	2,310
Skanska B	19,500,000	182.35	3,556
Ericsson A	86,052,615	63.80	5,490
Ericsson B	1,000,000	63.11	63
Alleima	50,300,000	76.62	3,854
Other			479
Market value of the equities portfolio			157,547

Dividend yield

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

	Dec 31, 2023	Dec 31, 2022
INDU A		
Proposed dividend, SEK	7.75	7.25
Share price, SEK	328.90 = 2.4%	253.50 = 2.9%
INDU C		
Proposed dividend, SEK	7.75	7.25
Share price, SEK	328.30 = 2.4%	253.00 = 2.9%

Net debt

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

SEK M	Dec 31, 2023	Dec 31, 2022
Non-current financial liabilities	6,509	6,500
Current financial liabilities	1,691	1,682
Provisions for pensions	0	4
Current financial receivables	-36	-36
Cash and cash equivalents	-869	-795
Net debt	7,295	7,355

Earnings per share

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

	Dec 31, 2023	Dec 31, 2022
Net income for the year	26,844 SEK	-13,967 SEK
Number of shares outstanding	431,899,108 = 62.15 /share	431,899,108 = -32.34 /share

Debt-equities ratio

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

SEK M	Dec 31, 2023	Dec 31, 2022
Net debt	7,295	7,355
Market value of the equities portfolio	157,547 = 5%	133,832 = 5%

Equity ratio

Shareholders' equity as a share of total assets.

SEK M	Dec 31, 2023	Dec 31, 2022
Shareholders' equity	149,880 = 95%	126,180 = 94%
Total assets	158,526	134,756

Net asset value

The market value of the equities portfolio less net debt.

SEK M	Dec 31, 2023	Dec 31, 2022
Market value of the equities portfolio	157,547	133,832
Net debt	-7,295	-7,355
Net asset value	150,252	126,477

Total return shareholdings

Change in value of a shareholding including calculated reinvested dividend.

SEK M	Dec 31, 2023	Dec 31, 2022
Change in value of shareholdings	20,861	-19,307
Reinvested dividend	7,598	6,179
Total return shareholdings	28,459	-13,128

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 M	2023	2022
Closing market value, December 31	157,547	133,832
Net purchases (-) / sales (+)	+ -2,854	-3,184
Opening market value, January 1	- 133,832	149,955
Change in value of shareholdings	= 20,861	-19,307

Detailed sustainability information

Structure of the sustainability report

Industrivärden's sustainability report is integrated in the Company's business review, where the sustainability perspective makes up part of the descriptions of the Company's business model and operations. The statutory sustainability report as prescribed by the Annual Accounts Act for the 2023 calendar year consists of the sections Sustainable value creation (pages 16–17), Detailed sustainability information (pages 82–90), and the GRI Index and TCFD Reference (pages 91–94). The GRI Index has been prepared based on the Global Reporting Initiative Standards (the GRI Standards).

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 78). 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) report 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 as well as 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 2023 has been published on Industrivärden's website.

Industrivärden's portfolio companies have prepared their own sustainability reports, which can be found on the companies' respective websites.

Industrivärden's view of sustainability

Industrivärden's view of sustainability as well as the expectations and requirements it sets for the portfolio companies are described in the sustainability introduction on pages 16–17.

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, a well-integrated sustainability perspective, and that they offer attractive workplaces. 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 proactively 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 90.

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 will 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 the 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 the 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 11–15.

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 in the own operations are conducted yearly at a board meeting and when necessary. The CEO has overarching responsibility for the Company's direct and indirect sustainability work as well as 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 the 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 the 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 conducted with a double materiality perspective and looks both at the portfolio companies' external sustainability influence and how they are affected themselves from a sustainability perspective – financially and operationally. 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 executive management.

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 continuously presented and evaluated by Industrivärden's 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 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 the respective companies based on Industrivärden's prioritized focus areas. Climate-related financial risks are one example, where the 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 72.

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 increasing 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 above, is defined in 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 84.

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 the portfolio companies over time. In this way, Industrivärden can contribute to good development of the 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 50–72. Industrivärden's stock performance and dividends paid are shown on pages 42–44.

Materiality analysis

Industrivärden's sustainability-related focus areas have been identified and concretized using in 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 Company's stakeholders and take 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 continuous stakeholder dialogue, 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

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

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 the 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*
Both Industrivärden's and the portfolio companies' corporate governance and business ethics are of major importance for sustainable value creation. In its capacity as a sizable owner, Industrivärden has great opportunities to influence corporate governance. The 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.
- *Greater diversity*
The portfolio companies are required to strive for greater 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*
The portfolio companies are required to strive for reduced climate and environmental impact from a double materiality perspective. Reduced impact creates opportunities for value creation at the same time that a slow pace of transition may entail direct as well as indirect risks and costs.
- *Responsible employers*
The portfolio companies are to be responsible employers from a double materiality perspective. Attracting and retaining relevant expertise is crucial to be able to generate enduring value creation in the portfolio companies.

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 globally urgent 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 of society. 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.

The materiality analysis shows that some sustainability areas are deemed to be particularly important, within which Industrivärden has chosen to actively pursue its 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 the world around us.
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 the portfolio companies will:

- view sustainability as an important, strategic issue and conduct salient sustainability work within their respective sectors, where sustainability aspects are integrated in 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.

In order to drive development of Industrivärden's sustainability-related focus areas as an owner, a number of goals have been formulated. Set goals may be qualitative or quantitative. Follow-up is done using relevant metrics or indicators.

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	<p>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. Similarly, they shall promote sustainable development in society and human rights.</p>	<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 	<p>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.</p>
 Greater diversity	<p>All portfolio companies shall conduct active and targeted work to promote diversity and equal opportunity in all parts of the company based on specific competency needs.</p> <p>The goal is that the under-represented gender shall make up at least 40% of the portfolio companies' board members by 2030 from a portfolio perspective.</p>	<ul style="list-style-type: none"> • The underrepresented gender makes up 39% of directors on the portfolio companies' boards • 100% of the portfolio companies have anti-discrimination principles in their codes of conduct or policies 	<p>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.</p>
 Decent working conditions	<p>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, good business ethics, and guarantee a safe workplace for all employees.</p>	<ul style="list-style-type: none"> • 100% of the portfolio companies have signed the UN Global Compact for decent and productive working conditions • 88% of the portfolio companies report their accident frequency rate. 83% of the six companies that have reported this during the last five years (December 2018 – December 2023) have decreased their accident frequency rate 	<p>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.</p>

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 90.

Through its active ownership Industrivärden follows the respective portfolio companies' inventorying, analysis and measures related to reducing carbon emissions 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 on 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.

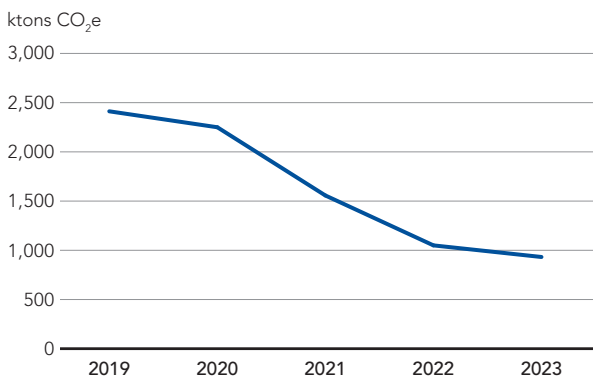
To illustrate the portfolio's combined climate risk in the form of climate impact and climate exposure, consolidated portfolio emissions and an overview of the portfolio's climate exposure are presented.

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 over a five-year period. 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' determined efforts to steadily reduce their CO₂e emissions as well as Industrivärden's divestment of its holding in the steel company SSAB in 2020/2021. Further information on the composition of the equities portfolio and Industrivärden's ownership stakes is provided on pages 20–21.

Portfolio emissions (Scope 1 and 2)



Emissions 2023 refer to data as of 2022 for Volvo and Handelsbanken.

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 bear impact on 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 in 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

- Rising costs due to imposition of carbon emissions regulations and taxes (policy and regulatory risk)
- Higher costs for reporting and compliance (policy and regulatory risk)
- Limitations in a company's operations due to regulations of ownership rights/use (policy and regulatory risk)
- Slow and/or unpredictable permitting 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 live up to requirements and expectations from the company's 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 strong sustainability work lead to 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. Today the TCFD's recommendations are integrated in 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 94.

	Industrivärden's goal	Outcome	Overarching risk analysis
 Reduced climate impact	<p>The 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>By science-based climate targets is meant 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 goals of the Paris Agreement</p>	<ul style="list-style-type: none"> • 88% of the portfolio companies have joined the Science Based Targets initiative (SBTi), and 63% have had their targets approved. These targets meet the reduction goals within the framework of the Paris Agreement • 88% of the portfolio companies have concrete goals for reducing indirect carbon emissions in their value chains (Scope 3) <p>Presented below is an overview of ambitions, goals and outcomes for the portfolio companies' climate work.</p> <p>All of the portfolio companies have goals that aim to achieve the objectives of the Paris Agreement, but they have chosen different paths for achieving their set targets. The Net Zero Standard according to the SBTi entails that a company commits to achieving a 90%–95% absolute reduction by 2050 at the latest. Commitments without verification by SBTi have been made. Further information about the portfolio companies' targets and target achievement can be found in the respective companies' annual and sustainability reports.</p>	<p>Several portfolio companies work in emissions-intensive industries or have large environmental impacts through their products and services. The 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>

Science based climate targets – status

Portfolio companies	Science Based Targets initiative	Level	Scope 1 & 2 emissions targets	Total Scope 1 & 2 reductions (starting from base year)	Scope 3 emissions targets set	Net Zero
Volvo	✓	1.5°C	50% reduction by 2030 Base year: 2019	-13%***	X	X
Sandvik	✓	1.5°C	50% reduction by 2030 Base year: average 2019	-19%	X	X**
Handelsbanken	✓	1.5°C	Under development	—	—	X
Essity	✓	Well below 2°	35% reduction by 2030 Base year: 2016	-26%	X	X
SCA	—*	—	50% reduction of Scope 1, 2 and 3 in total by 2030 Base year: 2019	-14%	X	—
Skanska	✓	1.5°C	70% reduction by 2030 Base year: 2015	-55%	X	X
Ericsson	✓	1.5°C	50% reduction of Scope 1, 2 and 3 in total by 2030 Base year: 2020	-39%	X	X**
Alleima	✓	1.5°C	More than 50% reduction by 2030 Base year: 2019	-34%	X	X



✓ Approved ✓ Enrolled

* Science based climate targets, but not validated by a third party.

** Company's commitment not verified by SBTi.

*** Refers to 2022 as data as of 2023 has not yet been reported.

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>Sandvik buys back end-of-life tools from its customers and recycles them to manufacture new tools. The company also disposes of tools that need specialized treatment. Carbide for cutting is produced from metal powder. The new metal powder Bergla is manufactured from 100 percent recycled tungsten, which results in 90 percent lower CO₂ emissions compared to using new material.</p> <p>In 2023, Essity inaugurated the world's first liquid food packaging recycling facility in Hondouville, France. The raw material consists of used food and milk packaging. The facility recycles 25,000 tons a year, which corresponds to 60 percent of all sorted and recycled food and milk cartons in France. In addition to increased recycling capacity, the process also enables the recycling of almost all material in packaging, including plastic and aluminum.</p> <p>Ericsson's 5G portfolio is now 10 times more efficient than 4G, for the same amount of transferred data. The same applies to energy efficiency, where the company's third and fourth generation Massive MIMO 5G radios are 10 times more energy efficient compared to 4G radios. These innovative efficiency steps have been achieved, for example, by using highly efficient power amplifiers for radio units and through improvements in Ericsson's unique circuit design solution that makes it possible to create smaller and lighter radio units that consume less energy.</p>	<p>Portfolio companies are actively striving to offer sustainable products and contribute to development of circular solutions. They are working actively to increase resource efficiency in production and operation, such as with respect to waste and energy consumption. 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, where they increase their competitiveness by developing sustainable innovations that are at the forefront of their industries.</p>	<p>The Volvo Group's global arena for innovation and collaboration – CampX – was started in 2019 and is located at the company's research and development units in Sweden, India, France and the US. It is a strategic program intended to accelerate technology and business innovation through partnerships with innovative startups. The companies run projects together with Volvo's expert team in technology, law, intellectual property rights and purchasing. Using a demand-driven innovation strategy, significantly reduces the time required for product and strategy development. More than 50 startups focused on electromobility, self-driving vehicles, and digital solutions have developed their ideas at CampX. From 2023, fintech is also included in the program to give customers additional opportunities to accelerate the transition to sustainable transport solutions.</p> <p>Skanska's operations in Norway participate in the "Powerhouse" concept, which together with architects, consultants, environmental organizations and real estate companies, focuses on green innovation – specifically, buildings that produce more energy than they consume. A Powerhouse is designed and built to minimize carbon dioxide emissions throughout its life cycle. The property must also produce more renewable energy than it consumes, for example through property-adapted solar plants or heat pump technology. In this way, tenants become part of the net zero transition. Through the Powerhouse concept, Skanska has developed a working method for plus-energy houses that has been scaled in several projects.</p> <p>Alleima has developed a new alloy: compressor valve steel Freeflex, which withstands harsher operating conditions, has greater energy efficiency, and could enable drastic reductions in global carbon dioxide emissions from air conditioning systems. Freeflex is a hardened and martensitic stainless valve steel for compressors, alloyed with copper, which provides extremely high strength under stress from bending and impact as well as excellent resistance to wear and tear. Compressors are used extensively in white goods, household appliances and various industrial components, and the innovative steel also reduces material consumption.</p>	<p>To manage future sustainability-related risks and opportunities, companies need to continually strengthen and integrate sustainability aspects in 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 in which the employees enjoy their work, feel good and can 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, and the remainder is compensated through offsets. To be able 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 91–94.

Industrivärden has the following sustainability goals for its own operations.

	Industrivärden’s goal	Outcome	Overarching risk analysis
 Increased diversity at a good workplace	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.	<ul style="list-style-type: none"> • On Industrivärden’s board, the underrepresented gender accounts for 37% of directors, and in the Executive Management it accounts for 50% of members • 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 	Industrivärden offers a workplace where the employees enjoy their work, feel good and can develop. To continuously improve operations, a continuous dialogue is conducted with the employees on matters pertaining to the workplace, forms of cooperation and personal development.
 Reduced carbon footprint	The goal is to reduce Industrivärden’s Scope 1, 2 and 3 carbon emissions (excluding emissions from portfolio companies) by 50% by 2030 compared with 2017. This goal is aligned with the Paris Agreement’s goal to limit global warming to well below 2°C.	<ul style="list-style-type: none"> • Industrivärden’s carbon emissions have decreased by 43% 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 	Industrivärden works actively to minimize its own negative carbon footprint and environmental impacts, and compensates for all actual greenhouse gas emissions through offsets.

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 2023.

Development of sustainability work in 2023

Development of Industrivärden’s sustainability work in 2023 is described in the sustainability introduction on page 17.

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 2023 (January 1–December 31, 2023). Our ambition is to report yearly.

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 highest 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		49	
2-2	Entities included in the organization's sustainability reporting		49, 69	The Parent Company and all subsidiaries are covered by the report.
2-3	Reporting period, frequency and contact point		49, 95	The report, which is prepared annually, pertains to the 2023 financial year. The contact person is Sverker Sivall, Head of Corporate Communication & Sustainability, ssl@industrivarden.se .
2-4	Restatements of information			No significant changes have taken place since the preceding report.
2-5	External assurance		74–78	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		10–15	
2-7	Employees	90	14, 50, 66–67	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 regulatory requirements, information that can be coupled to individual persons is therefore not disclosed. For average number of employees, see note 8 on page 66.
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		52–58	
2-10	Nomination and selection of the board of directors		52–53, 95	
2-11	Chairman of the Board of Directors		54, 58	
2-12	The Board's role in overseeing the management of impacts	83	52–57	
2-13	Delegation of responsibility for managing impacts	83		
2-14	Role of the Board of Directors in sustainability reporting	83		
2-15	Conflicts of interest			Handled 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		53–54, 58	
2-18	Evaluation of the performance of the Board of Directors		54	
2-19	Remuneration policies		55–57, 66–67	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		66–67	
2-21	Annual total compensation		66–67	
Strategy, policies & practices				
2-22	Statement on sustainable development strategy		7–9, 16–17	
2-23	Policy commitments		16–17	Information on Industrivärden's commitments can be found on the UN Global Compact's website: https://www.unglobal-compact.org/what-is-gc/participants/72671-AB-Industrivarden-publ .
2-24	Embedding policy commitments	82–90		
2-25	Processes to remediate negative impacts	82–90		
2-26	Mechanisms for seeking advice and raising concerns	83–84		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 about any incidences of non-compliance with laws and regulations, and no fines were paid 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), Swedish Investors for Sustainable Development (SISD).
Stakeholder engagement				
2-29	Approach to stakeholder engagement	16–17, 84		
2-30	Collective bargaining agreements			All employees are covered by collective bargaining agreements.
Material topics				
3-1	Process to determine material topics	84–85		
3-2	List of material topics	85	16–17	
3-3	Management of material topics	11–15, 82–84		Includes human rights, among others.

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	84	22–23, 40–45, 60–72	
201-2	Financial implications and other risks and opportunities due to climate change	86–88		
201-3	Defined benefit obligations and other retirement plans		64–67, 70	
201-4	Financial assistance received from government			No financial assistance has been received from government bodies.
205	Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	16–17	11–15	No material risks have been identified in the Company's own operations. Questions related to the Company's sustainability analysis are addressed on a continuing basis within the framework of active ownership.
205-2	Communication and training about anti-corruption policies and procedures	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)	90		Scope 1 emissions in 2023 amounted to 14 tons CO ₂ e (19). www.cdp.net : Industrivärden, CC 6.1.
305-2	Energy indirect GHG emissions (Scope 2)	88, 90		Scope 2 emissions in 2023 amounted to 8 tons CO ₂ e (8) (according to market-based method). www.cdp.net : Industrivärden, CC 6.3.
305-3	Other indirect GHG emissions (Scope 3)	86–88, 90		Scope 3 emissions in 2023 amounted to 16 tons CO ₂ e (11) (business travel, publications, etc.). www.cdp.net : Industrivärden, CC 6.5. This GRI Index pertains to own operations, which is why portfolio emissions (which are normally included in Scope 3) are not included above. See page 87.
305-4	GHG emissions intensity	86–88, 90		Information is provided in the yearly reporting to the CDP.
305-5	Reduction of GHG emissions	86–88, 90		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 (NOx), sulfur oxides (SOx), 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 7% (7%) for new hires and 7% for departures (7%). 1 man in age group –30 was hired.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		55, 66–67	Individual compensation structure.
401-3	Parental leave			During the period 1 man was on parental leave. 1 man 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	84, 90		In accordance with Swedish law. Includes all employees.
403-2	Hazard identification, risk assessment, and incident investigation	90		A safety assessment was carried out.
403-3	Occupational health services	84, 90		All employees are offered company health care benefits.
403-4	Worker participation, consultation, and communication on occupational health and safety	90		Conducted under the direction of the HR function.
403-5	Worker training on occupational health and safety	90		Conducted under the direction of the HR function.
403-6	Promotion of worker health	90		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 4%. 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	90		The average number of hours per employee was 11.
404-2	Programs for upgrading employee skills	90		Structured through individual conversations with employees.
404-3	Percentage of employees receiving regular performance and career development reviews	90		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	82–83, 90	52–54, 58–59, 66	
405-2	Ratio of basic salary and remuneration of women to men		66–67	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		22–23	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	83	16–17	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 has begun implementation of recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD) for reporting of climate-related risks, but currently is not reporting in full compliance with the framework.

Reference	Category			
	Governance	Strategy	Risk management	Metrics and targets
a)	53–55, 82–83	87–88	83	86–88
b)	53–55, 82–83	86–87	72, 86–87	88, 93
c)	Not applicable	–	83	88

Annual General Meeting and shareholder information

Annual General Meeting 2024

The Annual General Meeting will be held at 2 p.m. on Thursday, April 11, 2024, at the Grand Hôtel, Vinterträdgården room, 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 3, 2024, and must have notified the Company of their intention to participate in the AGM in accordance with the instructions in the AGM Notice.

To have the right to participate in the AGM, a shareholder whose shares are registered in a nominee's name must request that the nominee registers the shares in the shareholder's own name so that the shareholder is listed in the register of shareholders on April 3, 2024. Such registration may be temporary (so-called voting rights registration) and is requested from the nominee in accordance with the nominee's routines in such advance time as determined by the nominee. Voting rights registrations made by nominees by no later than, April 5, 2024, will be taken into account in the current register of shareholders.

Dividend

The Board of Directors proposes a dividend of 7.75 SEK per share (7.25). The last day to acquire shares that carry entitlement to the dividend is April 11, 2024, entailing that Industrivärden shares will be traded ex-rights on April 12, 2024. 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 18, 2024.

Board composition

The Nominating Committee of AB Industrivärden proposes that the number of Directors is changed from eight to nine Directors and no Deputy Directors. Furthermore, the Nominating Committee proposes the re-election of Pär Boman, Christian Caspar, Marika Fredriksson, Bengt Kjell, Fredrik Lundberg, Katarina Martinson, Lars Pettersson and Helena Stjernholm as Directors, and that Fredrik Persson is elected as new Director. 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 and 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 on +46-(0)8-666 64 00.

Financial calendar 2024

Interim report January–March	April 8
Annual General Meeting, Stockholm	April 11
Interim report January–June	July 8
Interim report January–September	October 17

Annual Report 2023

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

Contact information, Board of Directors and management

AB Industrivärden (publ)
Box 5403, SE-114 84 Stockholm, Sweden
Website: www.industrivarden.net
email: info@industrivarden.se
Switchboard: +46-(0)8-666 64 00

Financial institutions that monitored Industrivärden at year-end 2023/2024

- 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)8-568 806 00
- DNB Bank, +46-(0)752-48 00 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, +358-(0)9-616 28700

Layout, design and production: Vero Kommunikation in collaboration with Saraform and Öhrberg design. **Photos:** Jenny Lagerqvist and others. Industrivärden's portfolio companies have also provided photos. **English translation:** Nick Chipperfield, Chipperfield Communications AB. **Printing:** Elanders in March 2024.



AB Industrivärden (publ) | Reg. no. 556043-4200 | Box 5403 | SE-114 84 Stockholm, Sweden
Phone +46-8-666 64 00 | www.industrivarden.net | info@industrivarden.se