



# Remuneration Report 2023

## Introduction

This remuneration report describes how AB Industrivärden's guidelines for compensation of senior executives (the "Compensation Guidelines"), which were adopted by the 2020 Annual General Meeting (AGM), were complied with in 2023.

The Compensation Guidelines, which are to be adopted at least every four years, are described in Note 8 on pages 66-67 of the Company's 2023 Annual Report ("Annual Report 2023"), and are also available on Industrivärden's website, [www.industrivarden.net](http://www.industrivarden.net). The report has been prepared in accordance with Ch. 8, Sections 53a and 53b of the Swedish Companies Act (Aktiebolagslagen (2005:551)) and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes drawn up by the Swedish Corporate Governance Board (now managed by the Stock Market Self-Regulation Committee (ASK)).

Information in accordance with Ch. 5, Sections 40-44 of the Swedish Annual Accounts Act (Årsredovisningslagen (1995:1554)) is provided in Note 8 on pages 66-67 of the Annual Report 2023.

In addition to the compensation addressed by the Compensation Guidelines, Industrivärden's AGM has resolved on long-term share savings programs for employees of Industrivärden and fees for the Company's board members. Compensation of Industrivärden's board members is not covered by this report. Such compensation is decided on yearly by the AGM and is described in Note 8 on pages 66-67 of the Annual Report 2023.

This report includes information regarding compensation of the Chief Executive Officer ("CEO") and Deputy Chief Executive Officer ("Deputy CEO"), as well as a summary of the Company's outstanding long-term incentive programs.

## The Company's performance in 2023

A summary of the Company's and equities portfolio's development and performance during the year is provided in the Annual Report 2023 on pages 6 and 20-21, and in the CEO's message on pages 8-9.

## Application of the Company's Compensation Guidelines

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

In 2023, no deviations were made from the Compensation Guidelines or the decision-making process which, according to the Compensation Guidelines, shall be applied for determining compensation. The auditor's statement, which shows that the Company has complied with the Compensation Guidelines in 2023, is available on the Company's website: [www.industrivarden.net](http://www.industrivarden.net).

## CEO's and Deputy CEO's total compensation

The table below shows the CEO's and Deputy CEO's total compensation in 2023.

Table 1 – Total compensation to the CEO and Deputy CEO (SEK M)<sup>1</sup>

Name and position	Financial year	Fixed compensation		Variable compensation		Extraordinary items	Pension expense <sup>4</sup>	Total compensation	Proportion fixed / variable compensation of total compensation (%) <sup>5</sup>
		Base salary	Other benefits <sup>2</sup>	One-year variable (STI)	Multi-year variable (LTI) <sup>3</sup>				
Helena Stjernholm, CEO	2023	12.5 <sup>6</sup>	0.2	5.6	4.2	-	5.0	27.5	64/36
Karl Åberg, Deputy CEO <sup>7</sup>	2023	4.8 <sup>8</sup>	0.2	1.9	1.4	-	1.5	9.8	66/34

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

In assessing the CEO's performance during the year, which serves as a basis for setting the short-term variable cash compensation (STI), the Board of Directors has weighed in the achievement of financial and non-financial criteria in order for the end result to reflect a reasonable overall result based on Industrivärden's business mission, to be a holding company that invests in and works long-term to develop and create value in its portfolio companies, and that the operations are to be conducted in a sustainable way. Examples of target areas for the CEO's short-term variable compensation are total return, activities linked to owner agendas for the portfolio companies including work on boards and nominating committees, as well as factors related to Industrivärden's operational work, development and sustainability work. Short-term variable cash compensation may amount to a maximum of 50% of fixed annual cash salary according to the Compensation Guidelines. The weighted achievement corresponds to variable compensation in the amount of 45% of the fixed annual cash salary for 2023.

In assessing the Deputy CEO's performance during the year, the CEO has considered the achievement of individually set goals. Examples of target areas for the Deputy CEO's short-term variable compensation are activities linked to owner agendas for the portfolio companies, including work on boards and nominating committees, as well as managing and developing the investment organization and the finance function. Short-term cash variable compensation may amount to a maximum of 50% of fixed annual cash salary according to the Compensation Guidelines. The weighted achievement for the Deputy CEO, corresponds to variable compensation in the amount of 40% of the fixed annual cash salary for 2023.

<sup>1</sup> Except for the *Multi-year variable (LTI)*, the table shows compensation earned during the specified financial year. The *Multi-year variable (LTI)* is specified as the value of the shares vested during the year. Payment of the *One-year variable (STI)* is made in the year after it was earned. All amounts are rounded off.

<sup>2</sup> Other benefits pertain to a car benefit, etc.

<sup>3</sup> The value of shares vested during the year in the share savings program, see column 7 in Table 2.

<sup>4</sup> Pertains to defined contribution pension.

<sup>5</sup> Pension, which in its entirety relates to fixed cash salary, has been counted as fixed compensation.

<sup>6</sup> Base salary refers to fixed cash salary. Base salary is paid according to contract, from which deductions are made for received director's fees from portfolio companies, etc. The CEO received a base salary of SEK 12.5 M before deductions for directors' fees of SEK 4.2 M.

<sup>7</sup> Karl Åberg assumed the position of Deputy CEO on January 1, 2023.

<sup>8</sup> Base salary refers to fixed cash salary. Base salary is paid according to contract, from which deductions are made for received director's fees from portfolio companies. The Deputy CEO received a base salary of SEK 4.8 M before deductions for directors' fees of SEK 1.7 M

## **Outstanding and completed long-term incentive programs during the year**

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

The 2023 AGM resolved on a long-term share savings program which corresponds to the program that was adopted by the 2022 AGM. Industrivärden's outstanding, and during the year expired long-term share savings programs, are available on the Company's website: [www.industrivarden.net](http://www.industrivarden.net) and in Note 8 on pages 66-67 in the Annual Report 2023.

The 2020 program expired in 2023. The outcome of the program, based on category, was the following: the CEO was granted 3 performance shares per savings share, Management were granted 3 performance shares per savings share, Key persons were granted 2 performance shares per savings share and Employees were granted 1 performance share per savings share.

In the three outstanding programs (2021-2023) a maximum of 56,364 performance shares may be granted to the CEO, a maximum of 14,100 performance shares may be granted to the Deputy CEO, and a maximum of 27,715 performance shares may be granted to other employees. Table 2 below shows the CEO's and Deputy CEO's participation in the programs.

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

Name and position	The main conditions of the share savings programs				Information regarding the reported financial year <sup>9</sup>			
					Opening balance	During the year		Closing balance
	1 Long-term share savings programs	2 Start of lock-in and performance periods	3 End of lock-in and performance periods	4 Vesting date	5 Share rights held at the start of the year	6 Share rights awarded <sup>10</sup>	7 Shares vested	8 Share rights subject to performance conditions (performance shares)
Helena Stjernholm, CEO	2020	10/31/2020	10/06/2023	10/27/2023	19,656	0	14,834 <sup>11</sup>	0
	2021	10/30/2021	*	**	16,040	0	0	16,040
	2022	11/01/2022	*	**	20,492	0	0	20,492
	2023	11/01/2023	*	**	0	17,832 <sup>12</sup>	0	17,832
					<b>TOTAL 56,188</b>	<b>TOTAL 17,832</b>	<b>TOTAL 14,834</b>	<b>TOTAL 54,364</b>
Karl Åberg, Deputy CEO <sup>13</sup>	2020	10/31/2020	10/06/2023	10/27/2023	4,920	0	4,951 <sup>14</sup>	0
	2021	10/30/2021	*	**	3,840	0	0	3,840
	2022	11/01/2022	*	**	5,190	0	0	5,190
	2023	11/01/2023	*	**	0	5,070 <sup>15</sup>	0	5,070
					<b>TOTAL 13,950</b>	<b>TOTAL 5,070</b>	<b>TOTAL 4,951</b>	<b>TOTAL 14,100</b>

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

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

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

<sup>10</sup> Corresponds to maximum outcome of performance shares.

<sup>11</sup> The long-term share savings program (LTI) that expired in 2023 resulted in vesting of 14,834 Industrivärden Class C shares to the CEO, corresponding to a value of SEK 4.2 M.

<sup>12</sup> Corresponds to a value of SEK 5.1 M, calculated as the market price at the start of the lock-in period times the number of shares.

<sup>13</sup> Karl Åberg assumed the position of Deputy CEO on January 1, 2023.

<sup>14</sup> The long-term share savings program (LTI) that expired in 2023 resulted in vesting of 4,951 Industrivärden Class C shares to the Deputy CEO, corresponding to a value of SEK 1.4 M.

<sup>15</sup> Corresponds to a value of SEK 1.5 M, calculated as the market price at the start of the lock-in period times the number of shares.

## Comparative information regarding compensation and the Company's performance

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

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

	2020	2021	2022	2023
Compensation to Helena Stjernholm, CEO	SEK 20.8 M	SEK 20.7 M (-0.5%)	SEK 22.4 M (+8.2%)	SEK 27.5 M (+22.8%)
Compensation to Karl Åberg, Deputy CEO				SEK 9.8 M
Net asset value <sup>16</sup>	SEK 121.2 bn	SEK 143.5 bn (+18%)	SEK 126.5 bn (-12%)	SEK 150.3 bn (+19%)
Average compensation for other employees	SEK 2.5 M	SEK 2.5 M (+0.0%)	SEK 2.5 M (+0.0%)	SEK 2.2 M (-12.5%)

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

The 2023 AGM approved the Board's submitted remuneration report for 2022. The Company has previously received comments on the report consisting of requests for further details regarding how the evaluation of the CEO performance, related to short-term variable cash compensation, is done. The compensation committee considered the views and additional information was provided in the relevant part of the remuneration report for 2022. No comments have been received on the report for 2022, that has motivated further explanations in this regard.

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Stockholm, February 2024

AB Industrivärden  
*The Board of Directors*

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