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Note 11: Employees and personnel costs

Accounting policies

Share-based payment transactions

Within the Investor Group both equity-settled and cash-settled stock option and share programs and cash-settled (synthetic) shares have been issued.

Accounting for equity-settled programs

The fair value of stock options and share programs issued is determined at the grant date in accordance with the Black & Scholes valuation model, taking into consideration the terms and conditions that are related to the share price.

The value is recognized in the income statement as a personnel cost allocated over the vesting period with a corresponding increase in equity.

The recognized cost corresponds to the fair value of the estimated number of options and shares that are expected to vest. This cost is adjusted in subsequent periods to reflect the actual number of vested options and shares. However, no adjustment is made when options and shares expire only because share price related conditions do not reach the level needed for the options to vest.

When equity-settled programs are exercised, shares are delivered to the employee. When exercised, the payment of the exercise price that was received from the employee is reported as an increase in equity. The delivered shares are treasury shares that are repurchased when needed.

Equity-settled programs issued to employees in Group companies

In the Parent company, the value of equity instruments, which is offered to employees of other companies belonging to the Group, is reported as a capital contribution to subsidiaries. The value of participations in subsidiaries increases simultaneously to the Parent company's reporting of an increase in equity. The costs related to employees in companies concerned are invoiced to the subsidiaries. The cash settlement of the invoices then neutralizes the increase of participations in subsidiaries.

Accounting for cash-settled programs

Cash-settled stock option and share programs and cash-settled (synthetic) shares result in an obligation that is valued at fair value and recognized as an expense with a corresponding increase in liabilities. Initial fair value is calculated and the grant value is recognized over the vesting period as a personnel cost, which is similar to the recognition of equity-settled programs. However, cash settled programs are revalued at fair value every balance sheet date and at final settlement. All changes in the fair value as a result of changes in share price or fair value of the underlying instruments are recognized in the financial net with a corresponding change in liabilities.

When cash-settled programs are exercised, the liability to the holder of the synthetic shares is settled.

Accounting for social security attributable to share-based payment transactions

Social security expenses attributable to share-based remuneration are recognized and accrued in accordance with the same principles as the costs for synthetic shares.

Guidelines for remuneration for the President and other members of the Executive Leadership Team

The 2020 AGM decided on guidelines for remuneration for the President and other members of the Executive Leadership Team. The complete guidelines can be found on page 68. The proposals for resolutions on guidelines, from the 2024 AGM, can be found on page 69.

Average number of employees in the Group

	2023		2022	
	Total	Of which females	Total	Of which females
Parent company, Sweden	78	40	76	38
Sweden, excl. Parent company	1,683	787	1,659	808
Europe excl. Sweden	4,318	2,347	4,076	2,226
North- and South America	6,277	2,734	5,878	2,558
Africa	–	–	1	1
Asia	4,333	2,762	4,395	2,889
Australia	195	109	161	90
Total Group	**16,884**	**8,778**	**16,246**	**8,609**

Gender distribution in Boards and Senior management

	2023		2022	
	Men	Females	Men	Females
Gender distribution in percent				
Board of the Parent company	64	36	64	36
Executive Leadership Team of the Parent company incl. the President	57	43	43	57
Boards in the Group[1)]	54	46	66	34
Management groups in the Group	68	32	67	33

[1)]Based on all Group companies including small, internal companies with minor activity.

Expensed remunerations

The amounts in the table below are calculated according to the accruals concept, in which the terms basic salary and variable salary refer to expensed amounts, including any changes to the reserve for variable salary, vacation pay provisions, etc. Variable salary refers to the approved variable salary for the current financial year, unless specified otherwise.

Expensed remunerations to the President and other members of the Executive Leadership Team in the Parent company

Total remunerations 2023(SEK t)	Basic salary	Vacation remuneration	Change of vacation pay liability	Variable salary for the year	Cost of long-term share-based remuneration[1)]	Total	Pension costs[2)]	Other remuneration and benefits	Total expensed remuneration
President and CEO	13,500	162	543	1,283	16,744	32,231	5,600	385	38,216
Executive Leadership Team, excl. the President[3)]	24,216	477	290	4,770	22,762	52,515	11,701	951	65,166
Total	**37,716**	**639**	**833**	**6,052**	**39,506**	**84,746**	**17,301**	**1,335**	**103,382**
Total remunerations 2022 (SEK t)									
President and CEO	13,500	195	-702	1,215	13,439	27,646	5,536	509	33,691
Executive Leadership Team, excl. the President[3)]	23,706	342	-154	4,697	18,786	47,378	10,596	1,477	59,451
Total	**37,206**	**537**	**-856**	**5,912**	**32,225**	**75,024**	**16,132**	**1,986**	**93,142**

[1)] In the table above the cost is calculated based on the principles in IFRS 2 and allocated over the vesting period. The calculation is also adjusted for the actual outcome of allotted performance shares. Value at grant date for the president and CEO was SEK 16,875t (13,500). His own investment in long-term share-based remunerations was SEK 6,013t (5,072), corresponding to 44.5% of CEO basic salary pre-tax (37.6).
[2)] There are no outstanding pension commitments for the Executive Leadership Team including the President.
[3)] Number of persons in Executive Leadership Team, excl. the President is 6 (6).

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Total remuneration – expensed salaries, Board of Directors fees and other remuneration and social security costs

	2023							2022						
Total remuneration, Group (SEK m)	Basic salary[1]	Variable salary	Long-term share-based remun-eration	Pension cost	Cost for employee benefits	Social security contribu-tions	Total	Basic salary[1]	Variable salary	Long-term share-based remun-eration	Pension cost	Cost for employee benefits	Social security contribu-tions	Total
Parent company	134	12	75	36	10	66	332	128	12	56	35	9	59	298
Subsidiaries	8,978	1,457	542	595	871	1,413	13,855	8,239	1,049	261	557	761	1,239	12,106
Total[2]	**9,112**	**1,468**	**617**	**631**	**881**	**1,478**	**14,188**	**8,367**	**1,060**	**317**	**592**	**770**	**1,298**	**12,404**

[1] Includes vacation remuneration and change of vacation pay liability.
[2] Total social security contributions includes social security contribution for long-term share-based remuneration with SEK 106m (36).

Expensed salaries and remuneration distributed between senior executives, Presidents and Boards in subsidiaries and other employees

	2023				2022			
Ersättningar, Koncern (SEK m)	Salary Senior executives, Presidents and Boards in subsidiaries[1], [2]	Of which variable salary[1]	Other employees	Total	Salary Senior executives, Presidents and Boards in subsidiaries[1], [2]	Of which variable salary[1]	Other employees	Total
Parent company	56	6	89	145	56	6	83	139
Subsidiaries	189	62	10,246	10,435	157	49	9,131	9,288
Total	**245**	**68**	**10,336**	**10,581**	**213**	**55**	**9,215**	**9,427**

[1] The number of people in the Parent Company is 17 (17) and in subsidiaries 84 (81).
[2] Pension costs relating to senior executives, Presidents and Boards in subsidiaries amount to SEK 27m and are in addition to the amounts presented in the table (25).

Long-term variable remuneration – program descriptions

The Board of Directors encourages employees to build up a significant shareholding in Investor. Through the long-term variable remuneration programs, part of the remuneration to employees is linked to the long-term performance of the Investor share. Investor has two programs for long-term variable remuneration: Investor's program and the program for Patricia Industries.

Investor's program for long-term variable remuneration

The program consists of the following two components:

1) Stock Matching Plan

Through the Stock Matching Plan, an employee could acquire or commit shares in Investor (Matching share) at the market price during a period (determined by the Board) subsequent to the release of Investor's first quarterly report for each year, respectively (the "Measurement Period"). After a three-year vesting period, two options (Matching Options) are granted for each Investor share acquired or committed by the employee, as well as a right to acquire one Investor share (Matching Share) for SEK 10.00. Matching Share may be acquired during a four-year period subsequent to the vesting period. Each Matching Option entitles the holder to purchase one Investor share, during the corresponding period, at a strike price corresponding to 120 percent of the average volume-weighted price paid for Investor shares during the Measurement Period.

The President, other members of the Executive Leadership Team and a maximum of 22 other executives within Investor ("holders of Business Critical Roles") are required to participate in the Stock Matching Plan with Participation Shares corresponding to a "Participation Value" of at least 5 percent of their fixed cash remuneration before taxes. "Participation Value" refers to the number of Participation Shares multiplied by the Participation Price.

In addition, holders of Business Critical Roles are offered to participate with Participation Shares to such an extent that the value of the allocated Matching Options and Matching Shares amounts to a maximum of between 10 and approximately 50 percent of their respective annual fixed cash remuneration before taxes, depending on position, performance, etc. Other employees are not obligated, but have a right, to participate with Participation Shares to an extent that the value of the allotted Matching Options and Matching Shares amounts to a maximum of 10 or 15 percent of fixed cash remuneration depending on position, performance, etc.

Under the Stock Matching Plan, the President is entitled to participate with (invest in) Participation Shares corresponding to a Participation Value of up to 44 percent of the annual fixed cash remuneration before taxes. If the President participates fully in the Stock Matching Plan, the possibility to receive a Matching Shares and Matching Options under the Stock Matching Plan corresponds to a theoretical value of approximately 42 percent of the annual fixed cash remuneration before taxes.

2) Performance Plan

Holders of Business Critical Roles have, in addition to the Stock Matching Plan, the right to participate in a Performance Plan. Under this plan, which presumes participation in the Stock Matching Plan, participants have, after a three-year vesting period, the right during a period of four years thereafter, to acquire additional Investor shares of class B ("Performance Shares") at a price corresponding to 50 percent of the Participation Price conditional upon the total return on the Investor shares exceeding a certain level during the vesting period. The total return is measured during a three-year qualification period (quarterly measurement on running 12-month basis where the total outcome is estimated as the average total return during the three years based on 9 measurement points). In order to give the participants the right to acquire the maximum number of Performance Shares, the average annual total return of the Investor share (including reinvested dividends) must exceed the interest on 10-year government bonds by more than 10 percentage points. If the total return does not exceed the 10-year interest on government bonds by at least 2 percentage points, then participants of the Performance Plan are not entitled to acquire any Performance Shares. If the total return is between the 10-year interest on government bonds plus 2 percentage points and the 10-year interest on government bonds plus 10 percentage points, then a proportional (linear) calculation of the number of shares that may be acquired shall be made. The theoretical value of the opportunity to acquire Performance Shares for

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the plan participants shall amount to between 20 and approximately 100 percent of the respective participant's fixed cash remuneration for 2023.

Dividend adjustment
When the Matching Shares and Performance Shares are acquired, the employee receives compensation for dividends paid during the vesting period and up to the date of acquisition in order for the program to be dividend neutral.

Hedge contracts for employee stock option and share programs
Investor's policy is to implement measures to minimize the effects on equity from the programs in the event of an increase in Investor's share price. For programs implemented in 2006 and later, Investor repurchases its own shares in order to guarantee delivery. Investor's program for long-term variable remuneration includes in total 3.8 million shares, which corresponds to approximately 0.2 percent of total number of shares and approximately 0.04 percent of total number of votes in the company.

Summary of Investor's long-term share-based variable remuneration programs 2017–2023[1]
[1] Where relevant in below tables, historic figures have been restated to reflect the 4:1 share split completed during 2021.

Matching Shares 2017–2023

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2023	Matching Shares forfeited in 2023	Matching Shares exercised in 2023	Weighted average share price on exercise	Number of Matching Shares at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2023[4]	108,555	–	597	635			108,517			10.00	12/31 2029	3
2022[4]	117,594	118,292	2,533	1,478	584	218.56	118,763	150.33	167.26	10.00	12/31 2028	3
2021[4]	91,598	91,800	1,903	441	931	218.62	92,331	167.31	186.04	2.50	12/31 2027	3
2020	112,356	111,849	2,097		24,272	214.88	89,674	116.98	129.24	2.50	12/31 2026	3
2019	130,684	109,511	1,904		46,730	219.51	64,685	94.95	105.63	2.50	12/31 2025	3
2018	128,688	53,008	1,022		19,586	220.33	34,444	83.25	92.62	2.50	12/31 2024	3
2017	113,928	26,017	401	23	26,395	211.86	–	88.88	98.92	2.50	12/31 2023	3
Total	**803,403**	**510,477**	**10,457**	**2,577**	**118,498**		**508,414**					

[1] The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
[2] The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized value. See page 115 for specification of the basis of calculation.
[3] Under certain circumstances, in conjunction with the end of employment, Matching Shares can be exercised before the end of the vesting period. Matching Shares that have already vested must be exercised within 3 months from the end of employment if the employment lasted less than 4 years and 12 months if the holder has been employed longer.
[4] Matching Shares not available for exercise at year-end.

Matching Options 2017–2023

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2023	Number of Matching Options exercised in 2023	Weighted average share price on exercise	Number of Matching Options at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2023[4]	217,110	–	1,271			215,839				12/31 2029	3
2022[4]	235,188	235,188	2,900	1,161	218.56	231,127	15.11	17.74	211.70	12/31 2028	3
2021[4]	183,196	179,596	2,572			177,024	12.52	14.60	226.20	12/31 2027	3
2020	224,712	214,616		37,828	214.10	176,788	7.24	9.39	158.15	12/31 2026	3
2019	261,368	212,692		87,908	225.86	124,784	5.49	6.11	129.80	12/31 2025	3
2018	257,376	100,736		39,688	224.39	61,048	5.38	5.99	114.15	12/31 2024	3
2017	227,856	46,304		46,304	211.30	–	6.89	7.68	121.73	12/31 2023	3
Total	**1,606,806**	**989,132**	**6,743**	**212,889**		**986,610**					

[1] The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
[2] The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized value. See page 115 for specification of the basis of calculation.
[3] Under certain circumstances, in conjunction with the end of employment, Matching Shares can be exercised before the end of the vesting period. Matching Shares that have already vested must be exercised within 3 months from the end of employment if the employment lasted less than 4 years and 12 months if the holder has been employed longer.
[4] Matching Options not available for exercise at year-end.

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Performance Shares 2017–2023

Year issued	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2023	Performance Shares, forfeited in 2023	Performance Shares exercised in 2023	Weighted average share price on exercise	Number of Performance Shares at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)
2023[3]	620,415	–	3,299				623,714			107.36	12/31 2029	3
2022[3]	630,046	633,456	12,997	2,859			643,594	42.96	48.13	85.99	12/31 2028	3
2021[3]	487,678	498,813	10,259	1,138			507,934	43.01	47.98	89.88	12/31 2027	3
2020	518,904	540,705	7,300	158,158	45,500	213.08	344,347	29.89	33.46	61.96	12/31 2026	3
2019	575,256	550,662	9,442		250,567	218.59	309,537	24.32	26.88	49.56	12/31 2025	3
2018	529,484	226,152	4,447		22,582	220.88	208,017	21.66	23.98	42.24	12/31 2024	3
2017	486,364	93,157	1,074		94,231	212.39	–	23.20	25.69	44.10	12/31 2023	3
Total	**3,848,147**	**2,542,945**	**48,818**	**162,155**	**412,880**		**2,637,143**					

[1] The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
[2] The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized value. See tabel below for specification of the basis of calculation.
[3] Performance Shares not available for exercise at year-end.

The difference between the theoretical value and fair value is mainly due to the fact that the anticipated personnel turnover is taken into consideration when determining the theoretical value. When estimating the fair value in accordance with IFRS 2, personnel turnover is not taken into account; instead the anticipated number of vested shares or options is adjusted. The adjustment is based on average historical outcome.

The calculation of the fair value on the grant date, according to IFRS 2, was based on the following conditions:

	2023			2022		
	Matching Share	Matching Option	Performance Share	Matching Share	Matching Option	Performance Share
Averaged volume-weighted price paid for Investor B shares	215.87	215.87	215.87	176.48	176.48	176.48
Strike price	10.00	259.00	107.94	10.00	211.70	88.24
Assumed volatility[1]	21%	21%	21%	21%	21%	21%
Assumed average term[2]	5 year	5 year	5 year	5 year	5 year	5 year
Assumed percentage of dividend[3]	0%	2.1%	0%	0%	2.1%	0%
Risk-free interest	2.48%	2.48%	2.48%	1.62%	1.62%	1.62%
Expected outcome[4]			50%			50%

[1] The assumed volatility was based on future forecasts based on the historical volatility of Investor B shares, in which the term of the instrument is an influencing factor. The historical volatility has been in the interval of 15 to 30 percent.
[2] The assumption of average term for the instruments at grant is based on historical exercise patterns and the actual term of the instruments within each remuneration program.
[3] The dividend for Matching Shares and Performance Shares is compensated for by increasing the number of shares.
[4] Probability to achieve the performance criteria is calculated based on historic data and verified externally.

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Patricia Industries' program for long-term variable remuneration

It is the Board of Directors' ambition to continuously ensure a strong alignment between the variable remuneration of employees of Patricia Industries ("PI") and the value creation in the PI portfolio. The purpose of the PI program is to encourage employees to build up significant economic holdings in Investor shares as well as, directly or indirectly, in existing and future investments made by PI.

In summary, the PI program is built on the same structure as the Investor program, but is related to the value growth of PI. The instruments in the PI program are granted under two different Plans, as further described below: (i) The PI Balance Sheet Plan (the "PI-BS Plan") and (ii) The PI North America Subsidiaries Plan (the "PI-NA Plan"). The instruments have a duration of up to seven years and participants are granted, conditional upon making a personal investment in Investor shares or the use of already held Investor shares, instruments that vest after a three-year vesting period and may be exercised and/or settled during the four-year period thereafter (subject to applicable US tax laws).

Two categories of employees are offered to participate in the PI program: (i) PI Holders of Business Critical Roles and (ii) Other PI Employees. Participants employed within the PI Nordic organization are only offered to participate in the PI-BS Plan whereas participants employed within the PI North America organization are offered to participate with 60 percent of their grant value (determined as described below) in the PI-BS Plan and 40 percent of their grant value in the PI-NA Plan.

General terms of instruments

For instruments granted under the PI-BS-Plan and PI-NA-Plan, the following conditions apply:

- Granted free of charge.
- Instruments granted to Other PI Employees under the two Plans will replicate the structure of the Stock Matching Plan in Investor.
- Instruments granted to holders of Business Critical Roles in PI under the two Plans consists both of instruments replicating the Stock Matching Plan in Investor and instruments subject to specific performance conditions replicating the structure of the Performance Plan in Investor.
- Vest three years after grant (the "Vesting Period").
- May not be transferred or pledged.
- Subject to vesting, the instruments may be exercised and/or settled during the four-year period following the end of the Vesting Period, subject to applicable US tax laws and provided that the participant, with certain exceptions, maintains the employment with PI and keeps the Participation Shares during the Vesting Period.
- Cash-settled.
- Participants receive remuneration for dividends paid from time of grant up to the date of exercise and/or settlement in order for the PI program to be dividend neutral.

Specific performance conditions for holders of Business Critical Roles in PI

The following performance conditions apply to the instruments under the PI program allocated to holders of Business Critical Roles in PI (replicating the structure of the Performance Plan in Investor).

Instruments granted under the PI-BS Plan: In order for participants to be awarded the maximum number of instruments, the compounded annual growth of the fair market value of PI's balance sheet must exceed the interest on 10-year Swedish government bonds by more than 10 percentage points. If the compounded annual growth of the fair market value of PI's balance sheet does not exceed the 10-year interest on Swedish government bonds by at least 2 percentage points, then participants will not be awarded any instruments. If the applicable compounded annual growth is between the 10-year interest on Swedish government bonds plus 2 percentage points and the 10-year interest on Swedish government bonds plus 10 percentage points, then a proportional (linear) calculation of the award shall be made. Performance is measured three times during the three-year Vesting Period, each measurement on a running 12-month basis.

Instruments granted under the PI-NA Plan: In order for participants to be awarded the maximum number of instruments the compounded annual growth of the North American subsidiaries of PI must exceed the interest on 10-year US government bonds by more than 12 percentage points. If the compounded annual growth of the fair market value of the North American subsidiaries of PI does not exceed the 10-year interest on US government bonds by at least 4 percentage points, then participants will not be awarded any instruments. If the applicable compounded annual growth is between the 10-year interest on US government bonds plus 4 percentage points and the 10-year interest on US government bonds plus 12 percentage points, then a proportional (linear) calculation of the award shall be made. Performance is measured once, at the end of the three-year Vesting Period.

Summary of Patricia Industries' long-term share-based variable remuneration programs 2017–2023[1]

[1] Where relevant in the following tables, historic figures have been restated to reflect the 4:1 share split completed during 2021.

PI-BS Plan

Matching Shares 2017–2023

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2023	Matching Shares forfeited in 2023	Matching Shares exercised in 2023	Weighted average share price on exercise	Number of Matching Shares at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2023[4]	59,914	–					59,914			10.00	12/31 2029	3
2022[4]	75,762	77,398		2,669	1,334	169.39	73,395	150.33	167.26	10.00	12/31 2028	3
2021[4]	65,702	67,594		788	1,578	181.95	65,228	167.31	186.04	2.50	12/31 2027	3
2020	79,028	83,230			7,633	149.96	75,597	116.98	129.24	2.50	12/31 2026	3
2019	95,644	92,930			7,057	161.00	85,873	94.95	105.61	2.50	12/31 2025	3
2018	101,120	94,758			16,189	148.62	78,569	83.25	92.61	2.50	12/31 2024	3
2017	83,320	65,488			65,488	158.42	–	88.88	98.94	2.50	12/31 2023	3
Total	**560,490**	**481,398**	**–**	**3,457**	**99,279**		**438,576**					

[1] The value of Matching Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
[2] The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See page 119 for specification of the basis of calculation.
[3] Under certain circumstances, in conjunction with the end of employment, Matching Shares can be exercised before the end of the vesting period.
Instruments that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.
[4] Matching Shares not available for exercise at year-end.

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Matching Options 2017–2023

Year issued	Number of Matching Options granted	Number at the beginning of the year	Matching Options forfeited in 2023	Number of Matching Options exercised in 2023	Weighted average share price on exercise	Number of Matching Options at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2023[4]	119,828	–				119,828			259.00	12/31 2029	3
2022[4]	151,524	151,524	7,836			143,688	15.38	18.08	211.70	12/31 2028	3
2021[4]	131,404	129,990	4,550			125,440	13.51	15.81	226.20	12/31 2027	3
2020	158,056	156,544	6,336	3,896		146,312	8.45	11.35	158.15	12/31 2026	3
2019	191,288	169,460		13,133	160.94	156,327	6.57	12.09	129.80	12/31 2025	3
2018	202,240	171,460		30,140	148.08	141,320	6.22	8.54	114.15	12/31 2024	3
2017	166,640	117,289		117,289	159.49	–	7.88	11.00	121.73	12/31 2023	3
Total	**1,120,980**	**896,267**	**18,722**	**164,458**		**832,915**					

Performance Shares 2017–2023

Year issued	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2023	Performance Shares, forfeited in 2023	Performance Shares exercised in 2023	Weighted average share price on exercise	Number of Performance Shares at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2023[4]	389,705	–					389,705			107.94	12/31 2029	3
2022[4]	496,961	507,074		182,007			325,067	42.96	48.13	86.48	12/31 2028	3
2021[4]	438,097	455,387		298,736			156,651	43.01	47.98	90.70	12/31 2027	3
2020	511,596	543,187		352,798	12,202	145.26	178,187	29.89	33.46	62.06	12/31 2026	3
2019	611,792	371,213			15,453	162.85	355,760	24.32	27.24	49.72	12/31 2025	3
2018	646,448	443,295			62,953	147.02	380,342	21.66	24.42	43.19	12/31 2024	3
2017	529,768	267,697			267,697	149.19	–	23.20	26.53	45.75	12/31 2023	3
Total	**3,624,367**	**2,587,853**	**–**	**833,541**	**358,305**		**1,785,712**					

[1] The value of Matching Options and Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
[2] The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See page 119 for specification of the basis of calculation.
[3] Under certain circumstances, in conjunction with the end of employment, Matching Options and Performance Shares can be exercised before the end of the vesting period. Instruments that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.
[4] Matching Options and Performance Shares not available for exercise at year-end.

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PI-NA Plan

Matching Shares 2017–2023

Year issued	Number of Matching Shares granted	Number at the beginning of the year	Adjustment for dividend 2023	Matching Shares forfeited in 2023	Matching Shares exercised in 2023	Weighted average share price on exercise	Number of Matching Shares at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2023[4]	17,855	–		750			17,105			10.00	12/31 2029	3
2022[4]	26,354	26,354		2,073			24,281	150.79	167.81	10.00	12/31 2028	3
2021[4]	28,036	24,691		1,875			22,816	167.39	186.14	2.50	12/31 2027	3
2020	37,356	27,359		2,117	1,008	223.30	24,234	117.04	129.33	2.50	12/31 2026	3
2019	46,272	29,436		2,297	651	293.55	26,488	95.21	106.03	2.50	12/31 2025	3
2018	52,440	36,933		4,335	1,934	263.47	30,664	83.54	93.08	2.50	12/31 2024	3
2017	41,928	24,457		1,120	23,337	350.72	–	89.08	99.24	2.50	12/31 2023	3
Total	**250,241**	**169,230**	**–**	**14,567**	**26,930**		**145,588**					

Matching Options 2017–2023

Year issued	Number of Matching Options granted	Number at the beginning of the year		Matching Options forfeited in 2023	Number of Matching Options exercised in 2023	Weighted average share price on exercise	Number of Matching Options at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2023[4]	35,710	–		1,451			34,259			269.97	12/31 2029	3
2022[4]	52,708	52,708		1,720			50,988	18.06	21.31	220.67	12/31 2028	3
2021[4]	56,072	56,072		2,279			53,793	12.04	13.99	235.78	12/31 2027	3
2020	74,712	74,712		3,598	2,836	223.30	68,278	8.83	11.91	166.49	12/31 2026	3
2019	92,544	81,266		3,976	1,893	293.55	75,397	7.45	13.40	136.64	12/31 2025	3
2018	104,880	89,021		6,404	5,260	263.47	77,357	6.83	9.26	123.60	12/31 2024	3
2017	83,856	57,006			57,006	349.65	–	7.46	9.80	121.73	12/31 2023	3
Total	**500,482**	**410,785**		**19,428**	**66,995**		**360,072**					

[1] The value of Matching Shares and Matching Options on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
[2] The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See page 119 for specification of the basis of calculation.
[3] Under certain circumstances, in conjunction with the end of employment, Matching Shares and Matching Options can be exercised before the end of the vesting period. Instruments that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.
[4] Matching Shares and Matching Options not available for exercise at year-end.

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Performance Shares 2017–2023

Year issued	Maximum number of Performance Shares granted	Number at the beginning of the year	Adjustment for dividend 2023	Performance Shares, forfeited in 2023	Performance Shares exercised in 2023	Weighted average share price on exercise	Number of Performance Shares at year-end	Theoretical value[1], SEK	Fair value[2], SEK	Strike price, SEK	Maturity date	Vesting period (years)[3]
2023[4]	128,544	–		5,225			123,319			112.51	12/31 2029	3
2022[4]	173,346	173,346		13,064			160,282	44.88	50.40	95.43	12/31 2028	3
2021[4]	190,408	167,859		12,652			155,207	44.38	49.61	115.66	12/31 2027	3
2020	254,780	188,322		188,322			–	30.57	34.48		12/31 2026	3
2019	289,988	184,195		14,285	3,711	293.55	166,199	26.86	31.01	79.42	12/31 2025	3
2018	321,608	–					–	24.20	28.13		12/31 2024	3
2017	268,948	158,601		7,206	151,395	326.22	–	24.97	28.69	61.83	12/31 2023	3
Total	**1,627,622**	**872,323**	**–**	**240,754**	**155,106**		**605,007**					

[1] The value of Performance Shares on the grant date was based on a theoretical value calculated in accordance with the Black & Scholes valuation model.
[2] The fair value on the grant date was calculated in accordance with IFRS 2, which was also used for calculating recognized values. See below for specification of the basis of calculation.
[3] Under certain circumstances, in conjunction with the end of employment, Performance Shares can be exercised before the end of the vesting period.
Instruments that have already vested must be exercised within 3 months from end of employment if employment lasted less than 4 years and within 12 months if the holder has been employed longer.
[4] Performance Shares not available for exercise at year-end.

The calculation of the fair value on the grant date, according to IFRS 2, was based on the following conditions:

	PI-BS Plan						PI-NA Plan					
	Matching Share		Matching Option		Performance Share		Matching Share		Matching Option		Performance Share	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Averaged volume-weighted price paid for Investor B shares	215.87	176.48	215.87	176.48	215.87	176.48	215.87	176.48	215.87	176.48	215.87	176.48
Strike price	10.00	10.00	259.00	211.70	107.94	88.24	10.00	10.00	259.00	211.70	107.94	88.24
Assumed volatility[1]	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%
Assumed average term[2]	5 Year	5 year	5 Year	5 year	5 Year	5 year	5 Year	5 year	5 Year	5 year	5 Year	5 year
Assumed percentage of dividend[3]	0%	0%	0%	2.0%	0%	0%	0%	0%	0%	2.0%	0%	0%
Risk-free interest	2.48%	1.62%	2.48%	1.62%	2.48%	1.62%	3.74%	2.86%	3.74%	2.86%	3.74%	2.86%
Expected outcome[4]					50%	50%					50%	50%

[1] The assumed volatility was based on future forecasts based on the historical volatility of Investor B shares, in which the term of the instrument is an influencing factor.
The historical volatility has been in the interval of 15 to 30 percent.
[2] The assumption of average term for the instruments at grant is based on historical exercise patterns and the actual term of the instruments within each remuneration program.
[3] The dividend for Matching Shares and Performance Shares is compensated for by increasing the number of shares.
[4] Probability to achieve the performance criteria is calculated based on historic data and verified externally.

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Other programs in subsidiaries

Incentive program for selected employees within Patricia Industries

A limited number of employees within the former Investor Growth Capital (IGC) participate in a profit-sharing program based on realized proceeds from investments that was made within IGC. During the year, a total of SEK 16m was paid out to employees from this program (82). The provision (not paid out) on unrealized gains amounted to SEK 61m at year-end (37).

Incentive programs in Patricia Industries' subsidiaries

Senior executives and selected senior staff in BraunAbility, Laborie, Sarnova and Advanced Instruments, are offered the opportunity to invest in Stock Appreciation Rights and Stock Options in the respective subsidiary. These instruments are mainly cash settled and the participants do not need to make any initial investment.

Management participation programs

Board members and senior executives in unlisted investments, including Mölnlycke, Permobil, Piab, Vectura, BraunAbility, Sarnova, Laborie, Advanced Instruments and Atlas Antibodies are offered the opportunity to invest in the companies through management participation programs or similar. The terms of most of the programs are based on market valuations and are designed to yield lower return to the participants than that of the owners if the investment plan is not reached but higher return to the participants than that of the owners if the plan is exceeded.

Profit-sharing program for the trading operation

This program includes participants both from the trading organization and the investment organization. The participants in this program receive, in addition to their base salary, a variable salary equivalent to 20 percent of the trading function's net result. The program includes a clawback principle by which 50 percent of the variable salary allotment is withheld for one year and will only be paid out in full if the trading result for that year is positive. In order to receive full allotment, two consecutive profitable years are required. In total, approximately 10–15 employees participate in the program.

Accounting effects of share-based payment transactions

Costs relating to share-based payment transactions, SEK m	2023	2022
Group		
Costs relating to equity-settled share-based payment transactions	55	44
Costs relating to cash-settled share-based payment transactions	743	260
Social security relating to share-based payment transactions	106	36
Total	**904**	**340**
Parent company		
Costs relating to equity-settled share-based payment transactions	52	41
Costs relating to cash-settled share-based payment transactions	23	12
Social security relating to share-based payment transactions	47	7
Total	**121**	**60**

Other effects of share-based payment transactions, SEK m	2023	2022
Group		
Effect on equity relating to Stock-Options exercised by employees	11	22
Carrying amount of liability relating to cash-settled instruments	1,321	812
Parent company		
Effect on equity relating to Stock-Options exercised by employees	51	22
Carrying amount of liability relating to cash-settled instruments	48	73

Remuneration to the Board of the Parent company

At the 2023 Annual General Meeting (AGM), it was decided that Board remuneration should total SEK 13,325t (12,885), of which SEK 11,815t (11,415) would be in the form of cash and synthetic shares and SEK 1,510t (1,470) would be distributed as cash remuneration for committee work done by the Board of Directors.

Synthetic shares 2008–2023

Since 2008, Board members have been given the opportunity to receive a part of their gross remuneration, excluding committee fees, in synthetic shares. AGM's decision regarding synthetic shares 2023 is essentially identical to the decision of the AGM 2022. In 2023, Board members were entitled to receive 50 percent of the proposed remuneration before tax, excluding remuneration for committee work, in the form of synthetic shares and 50 percent in cash (instead of receiving 100 percent of the remuneration in cash). A synthetic share carries the same economic rights as a class B Investor share, which means that the value of the Board of Director's remuneration in synthetic shares, just like for class B shares, is dependent upon value fluctuations as well as the amount of dividends during the five-year period until 2028, when each synthetic share entitles the Board member to receive an amount corresponding to the share price, at the time, of a class B Investor share. At the statutory meeting in May 2023 the Board approved, as in 2022, establishment of a policy pursuant to which members of the Board (who do not already have such holdings) are expected to, over a five-year period, acquire ownership in Investor shares (or a corresponding exposure to the Investor share, for example in synthetic shares) for a market value that is expected to correspond to at least one year's remuneration for board work, before taxes and excluding remuneration for committee work.

The Director's right to receive payment occurs after the publications of the year-end report and the three interim reports, respectively, during the fifth year following the general meeting which resolved on the allocation of the Synthetic Shares, with 25 percent of the allocated Synthetic Shares on each occasion. In case the Director resigns as Board member prior to a payment date the Director has a right, within three months after the Director's resignation, to request that the time of payment shall be brought forward, and instead shall occur, in relation to 25 percent of the total number of allocated Synthetic Shares, after the publications of each of the year-end report and the three interim reports, respectively, which are made during the year after the year when such request was received by the Company.

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Expensed remuneration to the Board 2023

Total remuneration for 2023 (SEK t)	Cash Board fee	Value of Synthetic Shares as at grant date	Committee fee	Total Board fee as at grant date	Effect from change in market value of previous years Synthetic Shares	Effect from change in market value of Synthetic Shares issued 2023	Effect from Synthetic Shares exercised 2023	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2023[1]	Adjustment for dividend	Exercised Synthetic Shares, 2023	Number of Synthetic Shares on December 31, 2023
Jacob Wallenberg	3,170		430	3,600	1,137			4,737	22,853		472		23,324
Marcus Wallenberg	1,845			1,845				1,845					
Josef Ackermann[2]							86	86	4,050		34	4,084	
Gunnar Brock[3]	425	425	225	1,075	573	36	86	1,770	15,572	1,963	282	4,084	13,733
Johan Forssell													
Magdalena Gerger	425	425	225	1,075	388	36		1,499	7,790	1,963	171		9,925
Tom Johnstone, CBE	425	425	110	960	573	36	86	1,655	15,572	1,963	282	4,084	13,733
Isabelle Kocher	425	425		850	229	36		1,115	4,605	1,963	106		6,674
Sara Mazur[4]					455		86	541	13,189		222	4,084	9,328
Sven Nyman	850			850				850					
Grace Reksten Skaugen	850		410	1,260				1,260					
Hans Stråberg	425	425	110	960	573	36	86	1,655	15,572	1,963	282	4,084	13,733
Lena Treschow Torell[5]					344		86	430	10,967		177	4,084	7,060
Sara Öhrvall	425	425		850	119	36		1,004	2,383	1,963	60		4,406
Total	**9,265**	**2,550**	**1,510**	**13,325**	**4,392**	**215**	**517**	**18,449**	**112,552**	**11,779**	**2,087**	**24,502**	**101,917**

Expensed remuneration to the Board 2022

Total remuneration for 2022 (SEK t)	Cash Board fee	Value of Synthetic Shares as at grant date	Committee fee	Total Board fee as at grant date	Effect from change in market value of previous years Synthetic Shares	Effect from change in market value of Synthetic Shares issued 2022	Effect from Synthetic Shares exercised 2022	Total fee, actual cost	Number of Synthetic Shares at the beginning of the year	Number of Synthetic Shares granted 2022[1]	Adjustment for dividend	Exercised Synthetic Shares, 2022	Number of Synthetic Shares on December 31, 2022
Jacob Wallenberg	1,535	1,535	420	3,490	-459	147		3,178	13,619	8,874	360		22,853
Marcus Wallenberg	1,785			1,785				1,785					
Josef Ackermann[2]					-134		-140	-273	7,494		124	3,569	4,050
Gunnar Brock[3]	410	410	220	1,040	-435	39	-140	505	16,429	2,370	341	3,569	15,572
Johan Forssell													
Magdalena Gerger	410	410	220	1,040	-178	39	-140	761	8,822	2,370	167	3,569	7,790
Tom Johnstone, CBE	410	410	105	925	-435	39	-140	390	16,429	2,370	341	3,569	15,572
Isabelle Kocher	410	410		820	-73	39		786	2,172	2,370	63		4,605
Sara Mazur[4]					-435			-435	12,894		295		13,189
Sven Nyman	820			820									
Grace Reksten Skaugen	820		400	1,220									
Hans Stråberg	410	410	105	925	-435	39	-140	390	16,429	2,370	341	3,569	15,572
Lena Treschow Torell[5]					-362		-140	-502	14,257		279	3,569	10,967
Sara Öhrvall	410	410		820		39	-140	719	3,535	2,370	46	3,569	2,383
Total	**7,420**	**3,995**	**1,470**	**12,885**	**-2,946**	**383**	**-980**	**9,343**	**112,079**	**23,095**	**2,357**	**24,980**	**112,552**

[1] Based on weighted average stock price for Investor B in the period May 5 to May 11, 2023: SEK 216.48 and May 5 to May 11, 2022: SEK 172.98.

[2] Member of the Board until 5/8 2019.

[3] Additional remuneration of SEK 0t to Gunnar Brock have been expensed in subsidiary (1,201).

[4] Member of the Board until 5/3 2022.

[5] Member of the Board until 5/5 2021.