



LUNDBERGS

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Corporate Governance Report

Corporate Governance Report 2025

Page references in this document relate to Lundbergs Annual Report 2025.

Introduction

Corporate Governance in L E Lundbergföretagen AB is based on, inter alia, the Articles of Association, the Swedish Companies Act, the rules and regulations for issuers as published by Nasdaq Stockholm (the Exchange), the Swedish Code of Corporate Governance (available at www.bolagsstyrning.se) ("the Code") and other applicable laws and regulations. The Code is a form of self-regulation within Swedish industry based on the "comply or explain" principle, whereby companies that apply the Code may deviate from individual rules but, in such cases, must explain the reason for each deviation, while also describing the solution adopted instead.

Division of responsibilities

The shareholders exercise their influence over L E Lundbergföretagen AB at the AGM, which is the highest decision-making body in the company, while responsibility for the management and control of the company rests with the Board of Directors and the President, in accordance with the Swedish Companies Act, other laws and regulations, pertinent rules for stock market companies, the Articles of Association and the Board's internal control instruments.

Shareholders

In February 2026, the company had 69,365 shareholders. The ten largest owners had total holdings corresponding to 77.9% of the share capital. Foreign investors owned about 9.8% of the share capital. For further information, refer to Share information, page 22.

Annual General Meeting

The Annual General Meeting (AGM) is the highest decision-making body in L E Lundbergföretagen AB. The AGM, which is held in Stockholm or Norrköping within six months of the close of the fiscal year, adopts the income statement and balance sheet, passes resolutions regarding dividends and the discharge of Board members and the CEO from personal liability, elects members of the Board and approves their fees, and, when applicable, elects auditors and approves their fees, while dealing with other statutory matters and making resolutions on guidelines for remuneration of senior executives and on other proposals submitted by the Board of Directors and shareholders.

All shareholders who are listed in the share register on a given record day, and who have notified the company of their intention to participate in the meeting within the allotted time period, are entitled to participate in the meeting and exercise voting rights equal to the total number of shares they hold. Shareholders may participate via proxy. To be able to exercise their voting rights at the AGM, shareholders whose shares are trustee-registered must temporarily re-register their shares in their own name in accordance with the terms in the notification of the AGM.

The 2025 AGM was held on April 9, 2025. The annual accounts and auditors' report, as well as the consolidated financial statements and auditors' report on the consolidated financial statements, were presented at the meeting.

The AGM resolved to adopt the presented income statement and balance sheet and the consolidated income statement and

consolidated balance sheet and to pay a dividend of SEK 4.60 per share to the shareholders. The AGM discharged the Board members and the President and CEO from liability and resolved on the fees to be paid to Board members and auditors. In addition, Bo Selling, Carl Bennet, Sofia Frändberg, Louise Lindh, Fredrik Lundberg, Katarina Martinson, Krister Mattsson, Sten Peterson and Lars Pettersson was re-elected as board members and the auditor was re-elected for the period until the end of the next annual general meeting.

Furthermore, the meeting decided on approval of the remuneration report for 2024 and authorized the Board to decide on the acquisition of own shares.

Official notification of the AGM is to take the form of an announcement in Post- och Inrikes Tidningar and on the company's website. The fact that notification has been sent is to be announced in Dagens Nyheter. Notification of the AGM and of extraordinary general meetings that will address amendments to the Articles of Association must be provided no earlier than six weeks and no later than four weeks prior to the meeting.

Nomination committee

In view of the composition of shareholders, it has not been deemed necessary to appoint a nomination committee. Accordingly, proposals for the election of a Chairperson for the AGM, elections of Board members and, when appropriate, of the auditors, as well as proposals concerning the remuneration to be paid to Board members and the auditors are submitted by the company's major shareholders and presented in the official notification of the AGM and on the company's website. On this point, the company does not comply with the rules of the Code concerning nomination committees.

Board of Directors and its work

Composition of the Board

In accordance with the Articles of Association, the Board of Directors shall consist of not less than five and not more than ten members, and a maximum of three deputy members elected by the AGM for the period extending to the next AGM. L E Lundbergföretagen AB's Board of Directors, which was elected by the 2025 AGM, consists of nine members, including the President and CEO.

Chairman Bo Selling is chairman of Sydholmarna Kapitalförvaltning and has previous experience in share management among other as equity manager at Alecta. Carl Bennet is, among other things, CEO and chairman of the board of Carl Bennet AB as well as chairman of Lifco. Sofia Frändberg is chairman of the board of Volvo Penta and VE Commercial Vehicles Ltd and has for many years worked as general counsel and member of the group management within the Volvo Group. Louise Lindh is chairman of Fastighets AB L E Lundberg and board member in Handelsbanken, Holmen and Hufvudstaden and was previously managing director of Fastighets AB L E Lundberg. Fredrik Lundberg is executive Director of L E Lundbergföretagen AB. Katarina Martinson is, among other things, chairman of the board of Indutrade and board member of Husqvarna and Industrivärden and has previously experience from, among other things, investment

strategy and macroeconomics. Krister Mattsson is a board member of the Ingka Foundation (owner of Ingka group), Imas Foundation and IKEA Foundation and has for many years been active within the Ingka group, with a range of leading positions, including as CEO of Ingka Investments. Sten Peterson is vice chairman of Fastighets AB L E Lundberg and Förvaltnings AB Lunden and has previously been managing director in Förvaltnings AB Lunden. Lars Pettersson has, among other things, been managing director and CEO of Sandvik. A presentation of the assignments that the board members currently holds see the Board of Directors on pages 120-121.

All of the members of the Board, with the exception of Fredrik Lundberg (in his capacity as President and CEO), Louise Lindh (in her capacity as former President of the wholly owned subsidiary Fastighets AB L E Lundberg) and Sten Peterson (in his capacity as Vice Chair of Förvaltnings AB Lunden, in which Fredrik Lundberg is Chair of the Board and majority shareholder), are regarded as being independent in relation to the company. In addition, all of the Board members, apart from Louise Lindh, Fredrik Lundberg, Katarina Martinson and Sten Peterson, are regarded as being independent in relation to the company's major shareholders. Accordingly, the Board complies with the independence requirements imposed in the Code.

As previously stated the company's major shareholders submit proposals regarding, for instance, the election of the Board of Directors. The major shareholders have applied Rule 4.1 of the Code as the company's diversity policy, which entails that the Board of Directors is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances, that the Board members elected by the AGM are to exhibit diversity and a breadth of qualifications, experience and background, and that the company is to strive to achieve a balanced gender distribution. The 2025 AGM resolved in accordance with the proposal of the major shareholders, meaning that nine Board members were elected, including three women and six men. Accordingly, gender distribution on the Board is relatively good, with women accounting for 33.3%.

A corresponding assessment and application were carried out when preparing the proposals for the 2026 AGM, which resulted in the proposal regarding the Board of Directors presented in the notification of the AGM. The proposal of the major shareholders entails that nine Board members are to be appointed, including three women and six men, corresponding to 33.3% women.

Chair

At the 2025 AGM, Bo Selling was re-elected Chair of the Board. The Chair organizes and directs the Board's efforts to ensure that the work is conducted effectively and in compliance with the Swedish Companies Act, other laws and regulations, pertinent rules for stock market companies (including the Code) and the Board's internal control instruments. The Chair monitors the operations in dialogue with the President, is responsible for ensuring that other Board members receive satisfactory information and appropriate decision-making documentation and passes on any opinions from the shareholders to the Board. The Chair is responsible for keeping Board members up to date and broadening their knowledge of the

company and otherwise providing whatever training might be required for them to effectively conduct their Board work.

To assure the quality of the work conducted by the Board of Directors, and to ascertain potential requirements of additional expertise and experiences, the Chair, pursuant to the Rules of Procedure for the Board, annually performs an assessment of the Board's work. The Chair has held individual discussions with the various Board members to gain an understanding of their views on how the work of the Board is conducted and the type of measures that could be implemented to increase its efficiency. The results of the evaluation have been discussed by the Board as a whole.

The Chair was also evaluated through a discussion in the Board without the Chair being present, and on this occasion the Board meeting was chaired by another Board member elected by the AGM who was appointed for this purpose.

Board of Directors' work

The Board of Directors establishes written working procedures every year that regulate the Board's work agenda and its internal division of duties, decision-making priorities within the Board, the Board's meeting procedures and the Chair's duties. In addition, the Board has issued a finance policy, an information policy and written instructions regarding the allocation of responsibilities between the Board and the President.

The Board monitors the President's work through continuous efforts to follow up operations during the year, assumes responsibility to ensure that the organization, management and guidelines for administration of the company's business are suitably designed and ensures that satisfactory internal controls are in place. The Board is also responsible for the development of and ensuring compliance with the company's strategies through plans and goals, decisions regarding acquisitions and divestments of business operations, major investments and remuneration of the President, in accordance with the guidelines for remuneration of senior executives that were resolved by the AGM. Once annually, the Board addresses the evaluation of the CEO's work, during which no member of company management is present. The Board of Directors also approves any significant assignments that the CEO may have outside the company.

In accordance with the applicable working procedures, the Board holds at least four scheduled meetings and one statutory meeting per year. Whenever required, unscheduled meetings are held to address special items. Five meetings of the Board were held during 2025. The Board focused special attention on strategic and financial issues, issues relating to the economy, investment issues and accounting issues during the year. Presentations were also made at every scheduled Board meeting regarding the business development of Lundbergs Fastigheter and L E Lundberg Kapitalförvaltning AB and of the portfolio companies.

Attendance at Board meetings during the year was very high. All Board members were present at all Board meetings. The Group's CFO participates in Board meetings, as does the Board's secretary, who is a lawyer that is independent of the company. Other senior executives also participate in Board meetings to present special issues or whenever deemed appropriate.

Remuneration of the Board

Fees paid to the elected members of the Board are resolved on by the AGM based on proposals submitted by the company's largest shareholders. At the 2025 AGM, it was resolved that fees to the Board for the period extending from the 2025 AGM to the 2026 AGM would total SEK 3,800,000, of which SEK 1,140,000 to the Chair of the Board. Each of the other Board members elected by the AGM, with the exception of the President, will receive a fee of SEK 380,000. Any further remuneration paid to any member of the Board, including the President, is outlined in the consolidated financial statements, Note 5.

Audit Committee

The Board has considered the matter of whether to establish an Audit Committee and decided not to. Instead, the Board as a whole fulfills the responsibilities otherwise assigned to an audit committee. This works well and means that the entire board has full transparency in and actively take part in these important tasks. During 2025, the Board thus monitored the system for internal control of financial reporting. This monitoring is intended to ensure the efficiency of the operations, their compliance with laws and regulations and the reliability of the financial reporting. The Board has reviewed and evaluated the procedures for financial accounting and reporting and followed this up with evaluations of the work performed by the external auditors, their qualifications and independence. The Board also provides Group management with identification and evaluations of the primary risks to which the operations are exposed and ensures that management focuses on efforts to address these risks. During 2025, the Board conducted two reviews with, and received reports from, the company's external auditors, once without the attendance of President or other members of company management. The reports by the auditors did not necessitate any special actions by the Board.

Remuneration Committee

Matters involving remuneration and other terms of employment for the President are prepared by the Chair of the Board. Decisions on such matters are made by the Board of Directors without the participation of the President. Remuneration and other terms of employment for other executives are negotiated and agreed upon with the President. The Board also monitors and evaluates all programs for variable remuneration of senior executives. The Board monitors and evaluates compliance with the guidelines for remuneration of senior executives adopted by the AGM and applicable remuneration systems and remuneration levels in the company. The matter of whether to establish a Remuneration Committee has been considered by the Board, which has concluded that the means of preparation and the division of competencies that are applied in respect of remuneration are appropriate and sound. Accordingly, the Board has not found any reason to change its position on the matter, even if this constitutes a deviation from the Code's rules in that one Board member who is a member of company management participates in this work.

Company management

The President manages and ensures that business operations are conducted in compliance with the Swedish Companies Act, other

laws and regulations, pertinent rules for stock market companies, the Articles of Association and the Board's internal control instruments, as well as in accordance with the objectives and strategies established by the Board. In consultation with the Chair of the Board, the President prepares required information and decision-making documentation prior to Board meetings, presents the issues and provides justification for proposals. President and CEO Fredrik Lundberg, born 1951, has degrees in engineering and business administration and is Dr. h. c. mult. Fredrik Lundberg is Chair of the Board of Holmen, Hufvudstaden and Industrivärden, Deputy Chair of Handelsbanken and Board member of Lundbergs Fastigheter. Through direct ownership and companies, Fredrik Lundberg and his spouse held 76,000,000 Series A shares and 25,360,000 Series B shares in the company, or a total of 101,360,000 shares, at December 31, 2025.

Remuneration of the President and other senior executives

The 2024 AGM resolved on guidelines for the remuneration of senior executives. The guidelines are described in greater detail on pages 48-49. The company has no outstanding share-based or share-price-related incentive programs.

Active ownership

Lundbergs is an active shareholder in its portfolio companies. On the board of each of these companies, the company is represented by one or more senior executives from the Lundberg Group or by a board member of L E Lundbergföretagen AB. Active ownership is also exercised through participation in the nomination committees of the portfolio companies.

Internal audit

The company has a simple legal and operating structure and a carefully formulated control and internal audit system. The Board monitors the company's evaluations of its internal control through contacts with the company's auditors and other means. In view of the information presented above, the Board has decided not to establish a special internal audit function.

Auditors

According to the Articles of Association, the company must have two auditors with or without deputies, or alternatively a registered public accounting firm. At the 2025 AGM, Öhrlings PricewaterhouseCoopers AB was elected the company's audit firm for a term of office of one year. Authorized Public Accountant Magnus Svensson Henryson is auditor-in-charge. Other major assignments performed by Magnus Svensson Henryson include Handelsbanken, Holmen, Hufvudstaden, Alleima, Asmodee Group and Bure Equity.

The audit is reported to the shareholders in the form of an audit report that constitutes a recommendation to the shareholders ahead of items of business at the AGM concerning adoption of the income statement and the balance sheet for the Parent Company and the Group, the disposition to be made of the profit in the Parent Company and the discharge of the members of the Board and the President from liability for their administration during the preceding fiscal year. The auditors duties include checking compliance with the Articles of Association, the Swedish Companies Act and the Annual Accounts Act, and with Interna-

tional Financial Reporting Standards (IFRS), matters involving valuation of balance sheet items and follow-ups of significant accounting processes and of the management of the company and financial control.

In addition to the audit assignment, the company has also consulted Öhrlings PricewaterhouseCoopers AB in other matters. The amounts of remuneration paid to Öhrlings PricewaterhouseCoopers AB are presented in Note 6 on page 89. In its capacity as auditor of L E Lundbergföretagen AB and its subsidiaries, PricewaterhouseCoopers AB is obliged to verify its independence before deciding to conduct other assignments.

Articles of Association

The Articles of Association include established directives concerning the company's business operations, the number of Board members and auditors, instructions for the official notification of the AGM, business for discussion at the AGM and where the AGM should be held. For more information about the current Articles of Association as adopted by the 2021 AGM, refer to the company's website, www.lundbergforetagen.se, under Governance/Articles of Association.

Information

Lundbergs' information to shareholders and other interested parties is provided via the Annual Report, year-end and interim reports, press releases and the company's website, www.lundbergforetagen.se. The website also includes information about corporate governance. The company's disclosure of information complies with an information policy adopted by the Board.

Internal control and risk management concerning the financial reporting for the 2025 fiscal year

The Swedish Annual Accounts Act stipulates that the Board must annually submit a description of the principal elements of the company's system for internal control and risk management with regard to financial reporting.

Control environment

The control environment forms the foundation for the internal control of financial reporting. The company's internal control structure is based on a distinct division of responsibilities and work between the Board of Directors and the President, as well as within the business operations. Policies and guidelines are documented and evaluated continuously by management and the Board of Directors. These control documents, and carefully prepared process descriptions are communicated via established information and communication paths and are thus made available and known to the employees concerned.

Risk assessment

The company identifies, analyzes and takes decisions on the handling of the risk that errors could arise in financial reporting. The Board addresses the outcome of the company's risk-assessment and risk-management processes, in order to ensure that they cover all significant areas and, wherever required, identifies necessary actions. The company's largest operational risks are related to property valuation and financial transactions (primarily with respect to holdings of publicly traded shares).

Control measures

Based on the completed risk assessment, the company has established a number of control measures. These measures are of a preventive nature, meaning that they are designed to avoid losses or errors in financial reporting, and of an investigative nature. Another aim of the controls is to ensure that errors are corrected. Examples of processes with carefully prepared control measures are new builds, refurbishment, maintenance and leasing activities within real estate management, and securities handling within equity management.

Information and communications

At an overall level, internal information and external communication activities are governed by, for example, an information policy. Internal communications to and from the Board of Directors and management occur through, for example, regular information meetings arranged by management. Another important communications channel is the company's intranet, through which all employees have access to up-to-date information.

Internal policies, guidelines, instructions and equivalent documents that control and support business operations are also published on the intranet.

Follow-up

The company continuously evaluates the internal controls concerning financial reporting and the reporting to the Board of Directors. This is primarily done by asking questions and taking part of the work of the controller function. The Board receives quarterly reports of financial results, including management's comments on business operations. At every Board meeting, the financial situation is addressed. The company's auditors participate in Board meetings on two occasions annually and provide information about their observations of the company's internal procedures and control systems. On these occasions, the members of the Board have an opportunity to ask questions. On an annual basis, the Board takes decisions on significant risk areas and evaluates the internal controls.

The auditors' statement regarding the corporate governance report can be found in the Auditors' Report on page 116 in the Annual Report.