

# Remuneration Report

Part of  
Ericsson  
Annual Report  
2024



Annual Report 2024

Financial Report

Corporate Governance Report

Remuneration Report

Sustainability and Corporate Responsibility Report



**ERICSSON**



# Remuneration Report 2024

## Introduction

This report provides an overview of Ericsson's remuneration philosophy and practices and describes the Guidelines for Remuneration to Group Management (the "Guidelines"), adopted at the Annual General Meeting in 2023. The report contains information on the total remuneration, including fixed and variable remuneration, of Ericsson's President and CEO and Executive Vice President. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

Further information on executive remuneration is available (Employees and personnel costs) in the Annual Report 2024. Information on the work of the Remuneration Committee in 2024 is set out in the Corporate Governance Report available in the Annual Report 2024.

Remuneration of the Board of Directors is not included in this report. Board remuneration is resolved annually by the Annual General Meeting and disclosed in the Financial Report for 2024.

### Driving growth and value through Ericsson's remuneration practices

The Company's remuneration practices are designed to align with Ericsson's strategic objectives and the long-term interests of shareholders. They enable the Company to attract, retain, and motivate individuals with diverse backgrounds, skills, and abilities, fairly reward exceptional performance, and further strengthen Ericsson's culture.

To ensure that the remuneration packages are competitive, a rigorous evaluation of total remuneration is conducted annually with independent support. Each remuneration element at target level is thoroughly benchmarked against the respective local markets and companies with which we compete for talent.

Ericsson's Guidelines, remuneration philosophy and practices are firmly grounded in principles of global competitiveness, fairness, transparency, and performance. In 2024, there was no deviation from the Guidelines.

The Guidelines can be found in the Financial Report 2024.

### Key remuneration highlights of 2024

In 2024, the Remuneration Committee and the Board of Directors made a number of key decisions:

- In response to investor feedback, the 2024 remuneration package for the President and

CEO was enhanced to include a short-term incentive component. From January 1, 2024, the variable compensation for the President and CEO consists of a 50% target opportunity for short-term variable (STV) pay and a 150% target opportunity for long-term variable (LTV) pay, totalling a target opportunity equal to 200% of the annual base pay. This represents a small increase compared to 2023, where the total variable pay at target opportunity was 190% of the annual base salary. The updated remuneration package is aligned with the typical structure of CEO packages in the market and follows Ericsson's Guidelines.

- The STV 2024 plan for the President and CEO resulted in a SEK 15,036,644 payment, as performance was 159.97% against all target performance measures (80% of maximum). The STV plan for the Executive Vice President resulted in a SEK 7,774,514 payment, as performance was 167.55% against all target performance measures (84% of maximum).
- The performance condition for the Group Operating Income (EBITA<sup>1)</sup>) for the LTV 2024 program was assessed at 132.82% of the target (66% of maximum). The performance condition for the Group's 2024 reduction of CO<sub>2</sub><sup>1)</sup> for the LTV 2024 program was assessed at 200% of the target (100% of maximum). The other performance conditions for the LTV 2024 will be measured at the end of 2026.
- The achievement for the LTV 2022 program was at 92.72% of the target (46% of maximum). This resulted from Company performance over the performance period January 1, 2022, through December 31, 2024 against the 2022 LTV Group Operating Income (EBIT<sup>1)</sup>) target and group Environmental, Social and Governance (ESG) targets, reduction of CO<sub>2</sub> and increase of women leaders. The elements of the plan linked to 3-year absolute and relative total shareholder return (TSR) did not vest.

### Proposed changes to remuneration in 2025

The Remuneration Committee and the Board have resolved to propose a 2025 LTV remuneration program to the Annual General Meeting (AGM) 2025.

In response to investor feedback, the Remuneration Committee and the Board re-evaluated the LTV programs and changes in LTV performance metrics. The main purpose of the proposed changes of LTV 2025 is to further amplify the long-term focus of the Executive Team and Executives (positions reporting to members of

the Executive Team) to ensure it is in line with the long-term interests of shareholders and strengthens Ericsson's commitment to long-term sustainability and responsible business practices. The following three-year performance metrics for the 2025 LTV program will be proposed to Annual General Meeting 2025:

- Group Profitability (45% Weight): Group Profitability in LTV 2025 will be determined by a three-year EBITA target, calculated as the average of the achievement of three annual pre-set EBITA targets. This approach accounts for the fact that Ericsson's business is highly cyclical, with a very concentrated customer base, which has historically led to significant volatility in earnings year over year. A multiannual profitability target based on three-year average would allow the Board of Directors to more accurately account for industry dynamics impacting Ericsson's business, while continuing to focus on long-term performance.
- Total Shareholder Return (TSR) (45% Weight): Total Shareholder Return (TSR) in LTV 2025 will be determined by performance targets based on Absolute and Relative TSR. Relative TSR (RTSR, weight 20%) in previous LTV plans, measures Ericsson class B share performance versus performance a defined peer group of companies over a three-year period. For RTSR in LTV 2025, given a lack of relevant listed competitors, the Board has proposed the peer group be replaced by a broader stock index with focus on European companies (STOXX EUROPE 600). This further increases the quality and relevance in the plan by establishing a broad comparison group with geographical consistency. Absolute TSR (ATSR, weight 25%) is measured as the compound annual growth rate of Ericsson class B shares, including dividends, over a three-year period, which is consistent with previous LTV plans.
- Sustainability and Corporate Responsibility (10% Weight): The metrics for Group Sustainability and Corporate Responsibility are proposed to be determined by a three-year target to increase the proportion of women in leadership positions (weight 5%) and a three-year CO<sub>2</sub> emissions reduction target (weight 5%). The CO<sub>2</sub> emissions reduction target is calculated as the average of three annual pre-set targets, which enables more accurate and rigorous target setting.

<sup>1)</sup> For definitions of incentive targets see section for STV and LTV respectively.

# Total remuneration 2024

## Guidelines

The current Guidelines were approved by the Annual General Meeting 2023. The Guidelines are intended to remain in place for four years until the Annual General Meeting 2027.

The Guidelines are aligned with Ericsson's culture and values and reflect our commitment to high ethics, integrity, and compliance—core values that drive our long-term success. Approved by the Annual General Meeting, these guidelines align rewards with ethical behavior, accountability, and performance, ensuring our compensation practices uphold our commitment to responsible business. This alignment strengthens trust with stakeholders and enables us to create lasting value for customers, employees, investors, and communities.

The Guidelines have been designed to support the strategy and ensure the long-term interests of the Company are realized, while maintaining consistency with Ericsson's philosophy and practices, emphasizing competitiveness, fairness, transparency, and performance.

The main objectives of the Guidelines are to:

- Attract and retain highly competent, performing, and motivated people who have the ability, experience, and skill to deliver on the Ericsson strategy.

- Encourage behaviors consistent with Ericsson's culture and core values.
- Ensure fairness in reward by delivering total remuneration that is appropriate but not excessive, and clearly explained.
- Have a total compensation mix of fixed pay, variable pay and benefits that is competitive.
- Have variable remuneration that aligns employees with clear and relevant targets, reinforces their performance and enables flexible remuneration costs for Ericsson.

Implementation of the Guidelines has enabled the Company to offer attractive and globally competitive total remuneration to the Executive Team.

## Total remuneration earned in 2024

### Fixed salary, Pension and Benefits

Fixed salary includes monthly paid base salary not subject to performance metrics during the year. Pensions represent pension contribution paid as a multiple of fixed salary during the year. Benefits includes amounts paid to assist employees e.g., company car, taxation or other benefits.

## Short-term variable remuneration

Annual short-term variable remuneration (STV) is paid through cash-based programs that are earned solely based on the Company's financial performance against preset targets. The information presented for 2024 covers the financial year 2024 and the information for 2023 and 2022 covers the financial years 2023 and 2022, respectively.

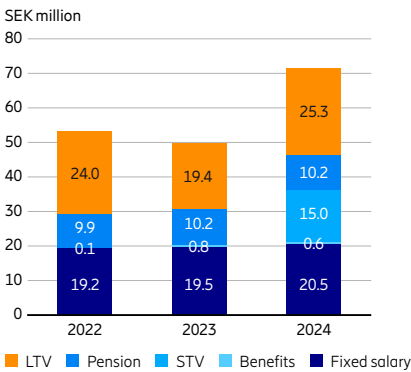
## Long-term variable remuneration

Annual long-term variable remuneration (LTV) is in the form of share-based programs that are earned based on the Company's financial performance targets, total shareholder returns targets and targets for social and environmental achievements over a three-year performance period against preset goals. The information presented for 2024 includes information on the LTV 2022, the performance period that was completed at the end of fiscal year 2024. Information presented for 2023 and 2022 includes information on LTV 2021 and LTV 2020 that were completed at the end of fiscal year 2023 and 2022, respectively.

## Remuneration earned in 2024

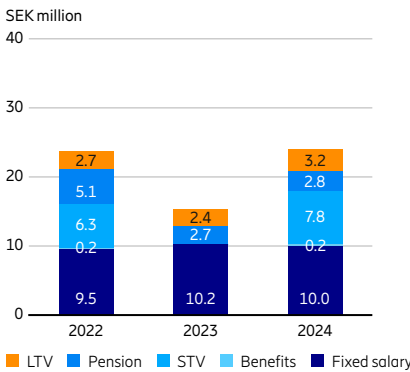
### Börje Ekholm

President and CEO



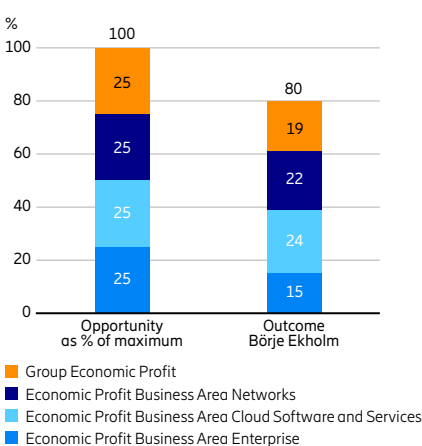
### Fredrik Jejdling

Executive Vice President

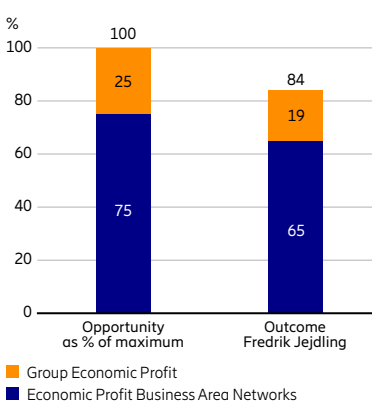


## Performance outcome in 2024

### STV 2024 outcome

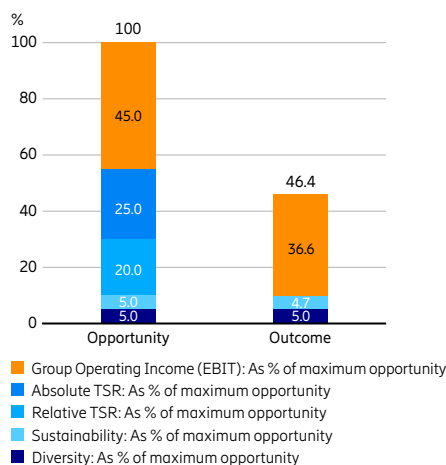


### STV 2024 outcome

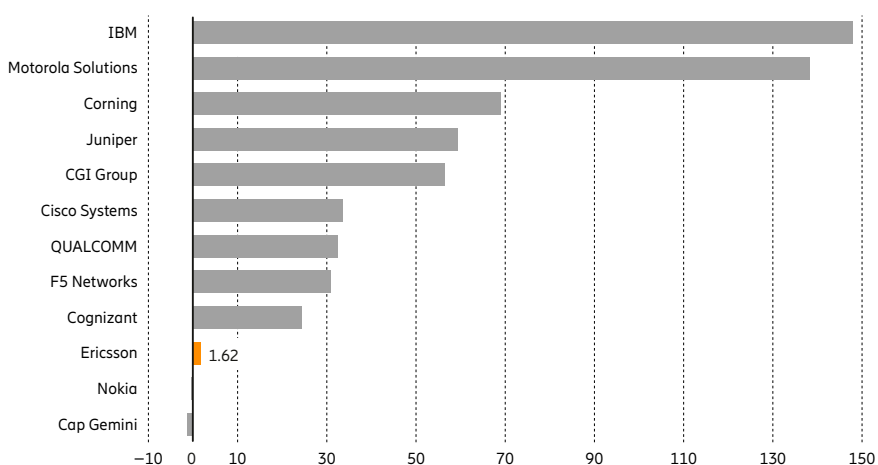


For definitions of performance metrics see section STV and LTV respectively.

**LTV 2022 outcome**



**Relative TSR peer group performance, %**



**Overview of the total remuneration to the President and CEO and Executive Vice President**

The table below sets out the total remuneration in SEK between 2022 and 2024 for Ericsson’s President and CEO and Executive Vice President. These figures represent their total remuneration, regardless of whether it is paid through the Company or by another Group company<sup>9)</sup>.

	Fixed remuneration			Variable remuneration		Additional agreements <sup>5)</sup>	Total remuneration <sup>6)</sup>	Share of fixed remuneration <sup>7)</sup>	Share of variable remuneration <sup>8)</sup>	
	Fixed salary (including holiday pay)	Other benefits <sup>1)</sup>	Pension <sup>2)</sup>	One-year variable remuneration <sup>3)</sup>	Multiannual variable remuneration <sup>4)</sup>					
<b>Börje Ekholm, President and CEO</b>										
Financial year	2024	20,526,329	584,168	10,151,804	15,036,644	25,318,696	–	71,617,642	44%	56%
	2023	19,520,568	828,287	10,151,804	–	19,371,871	–	49,872,530	61%	39%
	2022	19,154,852	135,743	9,856,121	–	24,034,229	–	53,180,945	55%	45%
<b>Fredrik Jelding, Executive Vice President</b>										
Financial year	2024	9,991,934	150,239	2,754,775	7,774,514	3,166,084	1,500,000	25,337,446	51%	49%
	2023	10,154,237	28,600	2,728,761	0	2,399,101	–	15,310,698	84%	16%
	2022	9,515,305	151,452	5,061,846	6,251,115	2,746,240	–	23,725,958	62%	38%

<sup>1)</sup> For further information about other benefits, see table regarding the implementation of fixed remuneration, pension and other benefits for the President and CEO and the Executive Vice President.  
<sup>2)</sup> Amounts represent cash payment in lieu of pension (for the President and CEO) or pension premium (for the Executive Vice President) paid during the financial year.  
<sup>3)</sup> The amounts represent STV earned during the financial year and paid in the following year, i.e., for 2024, the amounts represent STV 2024, for 2023, the amounts represent STV 2023 and for 2022, the amounts represent STV 2022.  
<sup>4)</sup> Amounts represent LTVs for which all performance periods expired during the fiscal year. For 2024, the amounts represent LTV 2022, for 2023, the amounts represent LTV 2021 and for 2022, the amounts represent LTV 2020. For LTV 2020, LTV 2021 and LTV 2022, the amounts are calculated based on the number of Performance Shares that will vest at the end of the vesting period multiplied by the volume weighted average of the last five trading days of each financial year.  
<sup>5)</sup> Amounts represent additional discretionary arrangements approved by the Remuneration Committee or the Board of Directors and entered into during the financial year. The amount is included under other benefits in Note G2 in the Financial Report.  
<sup>6)</sup> The amounts represent the sum of fixed remuneration, variable remuneration, additional agreements, and pension.  
<sup>7)</sup> The ratios represent the sum of fixed remuneration and pension divided by total remuneration.  
<sup>8)</sup> The ratios represent the sum of variable remuneration and additional agreements divided by total remuneration.  
<sup>9)</sup> All remuneration for the President and CEO is paid from Telefonaktiebolaget LM Ericsson. All remuneration for the Executive Vice President is paid from Ericsson AB except multiannual variable remuneration which is paid from Telefonaktiebolaget LM Ericsson.

# Fixed remuneration

## Implementation of fixed remuneration, pension and other benefits for the President and CEO and the Executive Vice President

The table below shows the implementation of fixed remuneration, other benefits and pension for the President and CEO and the Executive Vice President.

Fixed salary	Other benefits	Pension
<p><b>Purpose and link to strategy</b></p> <p>Attract and retain the executive talent required to implement Ericsson's strategy.            Deliver part of the annual compensation in a predictable format.            The fixed salary level for 2024 is considered appropriate in relation to the responsibility of being the President and CEO or Executive Vice President (EVP) of a leading global provider of Information and Communication Technologies (ICT) solutions, compared to the remuneration packages for the similar positions of comparable international companies.</p>	<p><b>Purpose and link to strategy</b></p> <p>Attract and retain the executive talent required to implement Ericsson's strategy.            Deliver part of the annual compensation in a predictable format.</p>	<p><b>Purpose and link to strategy</b></p> <p>Provide long-term financial security and planning for retirement by offering competitive pension solutions that are in line with local market practice.</p>
<p><b>Arrangement in brief</b></p> <p>Salaries are normally reviewed to be effective in January, taking into account:</p> <ul style="list-style-type: none"> <li>– Ericsson's overall business performance.</li> <li>– The business performance of the unit that the employee manages.</li> <li>– Employee performance over time.</li> <li>– External economic conditions.</li> <li>– The scope and complexity of the position.</li> <li>– External market salary data.</li> <li>– Pay and conditions of other employees in countries considered relevant to the role.</li> <li>– When determining fixed salaries, the impact on total remuneration must also be taken into account.</li> </ul>	<p><b>Arrangement in brief</b></p> <p>Benefits are aligned with competitive market practices in the individual's country of employment.            The benefits amount to a maximum of 10% of the annual fixed salary for members of the Executive Team in Sweden.            Members of the Executive Team are entitled to a company car or equivalent cash remuneration and other benefits as other employees in country of employment.</p>	<p><b>Arrangement in brief</b></p> <p>The pension plans follow competitive practices in the individual's home country.            The pension plans for the President and CEO and the EVP are defined contribution plans.</p>
<p><b>Implementation during the financial year ending December 31, 2024</b></p> <p><b>President and CEO:</b>            Fixed annual salary of SEK 18,799,636 represents no change since 2023.</p> <p><b>Executive Vice President:</b>            Fixed annual salary of SEK 9,280,189 represents no change since 2023.</p>	<p><b>Implementation during the financial year ending December 31, 2024</b></p> <p><b>President and CEO:</b>            Börje Ekholm is a resident of the US, and he is eligible for health insurance in the US and tax advice regarding his tax return. President and CEO other benefits to the value of SEK 584,168.</p> <p><b>Executive Vice President:</b>            Other benefits to the value of SEK 150,239.</p>	<p><b>Implementation during the financial year ending December 31, 2024</b></p> <p><b>President and CEO:</b>            Börje Ekholm receives a cash payment instead of a defined contribution pension, as it is not possible to enroll him in the Swedish defined contribution pension plan (ITP1) as he is a resident in the US. The cash payment is treated as salary for tax and social security purposes. According to his employment contract, the pension supplement shall include an additional premium on top of the fixed annual salary to take into account an assumed achieved target level of STV. Amount paid in 2024: SEK 10,151,804.</p> <p><b>Executive Vice President:</b>            Fredrik Jejdling participates in the ITP1 defined contribution plan. He is also entitled to supplementary pension contribution at 30% of base salary parts exceeding the cap in the pension plan (ITP1). Amount paid in 2024: SEK 2,754,775.</p>



## Variable remuneration

Ericsson believes that, where possible, variable remuneration should form an integral part of total remuneration. The aim is to link performance and pay by reconciling the employees' interests with Ericsson's strategic business objectives and sustainable long-term and relevant unit performance.

All variable remuneration programs have defined maximum grant and vesting levels.

The short-term variable remuneration depends on a combination of performance of the Company at the Group level and the relevant unit of the employee, while the long-term variable remuneration depends on Ericsson's performance at the Group level.

### Ethics, Integrity, and Compliance in Variable remuneration

To further drive accountability throughout the organization and support the integration of ethics and compliance into all aspects of its business, the Company has the right to unilaterally decide to withhold all or part of such awards for a participant in respect of years in which the participant has violated Ericsson's Code of Business Ethics. The Company also has the right to unilaterally decide to demand repayment, in whole or in part, of awards relating to years in which a participant has violated Ericsson's Code of Business Ethics. In 2024, 84 employees had their STV/LTV payments fully reduced, and 7 employees had their STV/LTV payments partially reduced. For ET members and the President and CEO, no claw-back or reduction of remuneration has been made during 2024. In addition, the Executive Team and

Executives are subject to evaluation according to a set of pre-defined integrity criteria, which relate to compliance training, third-party management, allegation management and other items tied to the Company's Ethics and Compliance Program. Underperformance against these pre-defined criteria can reduce STV pay-out by up to 100%.

### Short-term variable remuneration (STV)

Annual STV remuneration is earned through cash-based programs based solely on financial performance against preset targets. The business objectives are aligned with the annual business plan approved by the Board of Directors, which in turn is based on the Company's long-term strategy. Ericsson strives for industry-leading operating margins and return on investment, as well as good cash generation, and therefore the starting point is to have a financial profitability target, which is a measure of operating profitability net of capital costs.

The financial profitability targets are defined for the Executive Team:

- As a combination of Group level and Business Area level targets for Group Functions and Business Area managers.
- As a combination of Group level and Market Area level targets for Market Area managers.

The Remuneration Committee evaluates and approves all STV targets set for all members of the Executive Team and the Board of Directors decides the STV targets for the President and CEO. These targets are broken down into unit-related targets across the Group, where

applicable. The Remuneration Committee monitors the appropriateness and fairness of the target levels for the Group, Business Areas and Market Areas throughout the performance year and has the power to revise them if they are no longer relevant, or if they no longer contribute to shareholder value. The 2024 weighting for the President and CEO is made up of 25% Economic Profit for the Group and 25% for each of the business areas. The 2024 weighting for the Executive Vice President is made up of 25% Economic Profit for the Group and 75% Economic Profit for Business Area Networks.

The tables below describe the STV 2024 outcome for the President and CEO and Executive Vice President, which is determined by evaluating performance against the applicable financial metrics.

### Definition of targets used in STV

#### Group Economic Profit

Group EBITA excluding restructuring charges, less cost of capital on invested capital (invested capital: total assets less non-interest-bearing provisions, liabilities, and non-operational cash).

#### Business Area (BA) Economic Profit

BA contribution excluding restructuring charges and amortization, minus cost of capital on BA working capital.

### Börje Ekholm, President and CEO

For the President and CEO, the target level is 50% of the fixed salary, and the maximum is 100% of the fixed salary

Performance measures	Weighing	Threshold level, BSEK	Target level, BSEK	Maximum level, BSEK	Outcome, % of target
		SEK outcome at threshold performance	SEK outcome at target performance	SEK outcome at maximum performance	SEK actual performance outcome
Group Economic Profit	25%	-2.7	4.3	11.3	151.59%
		0	2,349,955	4,699,909	3,562,275
Economic Profit Business Area Networks	25%	12.7	18.5	24.1	172.87%
		0	2,349,955	4,699,909	4,062,397
Economic Profit Business Area Cloud Software and Services	25%	0.2	1.5	2.9	195.56%
		0	2,349,955	4,699,909	4,595,491
Economic Profit Business Area Enterprise	25%	-5.4	-4.1	-2.3	119.85%
		0	2,349,954	4,699,909	2,816,480
<b>Total</b>	<b>100%</b>	<b>0</b>	<b>9,399,818</b>	<b>18,799,636</b>	<b>15,036,644</b>

### Fredrik Jejdling, Executive Vice President

For the Executive Vice President the target level is 50% of the fixed salary, and the maximum is 100% of the fixed salary

Performance measures	Weighing	Threshold level, BSEK	Target level, BSEK	Maximum level, BSEK	Outcome, % of target
		SEK outcome at threshold performance	SEK outcome at target performance	SEK outcome at maximum performance	SEK actual performance outcome
Group Economic Profit	25%	-2.7	4.3	11.3	151.59%
		0	1,160,024	2,320,047	1,758,470
Economic Profit Business Area Networks	75%	12.7	18.5	24.1	172.87%
		0	3,480,071	6,960,142	6,016,045
<b>Total</b>	<b>100%</b>	<b>0</b>	<b>4,640,095</b>	<b>9,280,189</b>	<b>7,774,514</b>

## Long-term variable remuneration (LTV)

The current LTV programs have been designed to encourage long-term commitment and value creation in line with Ericsson's long-term strategic goals and shareholders' interests. They form part of an overall remuneration package and normally extend over at least three years. They include distinct performance criteria as compared to the STV program. As these are variable remuneration programs, it is not possible to predict the outcome when they are launched, and the remuneration earned depends on long-term personal execution of responsibilities, the Company's performance, share price performance, and relevant ESG performance against preset goals over a three-year performance period.

The LTV programs implemented at Ericsson consist of share-based remuneration for members of the Executive Team and Executives. The objective of the LTV programs is to encourage the building of a significant shareholding, in order to create a common ownership interest between the Executive Team, Executives and shareholders, and attract, retain and motivate executives in a competitive market through performance-based and share-based incentives. Awards under LTV remuneration programs (Performance Share Awards) are made free of charge and entitle participants, subject to the achievement of certain performance targets, to receive a number of shares free of charge after the expiry of a three-year vesting period for each program. Performance Share Awards are earned upon the achievement of challenging performance conditions, which are defined for each year's program at the time of its launch. The portion of the LTV Performance Share Awards that will potentially vest will be determined at the end of the relevant performance period based on whether the predefined criteria for the applicable year's LTV program have been met, with the performance period being one to three years. It is a general requirement that the participants remain employed for three years from the date of grant of the Performance Share Awards in order to be eligible to receive the outcome. Provided that the performance conditions have been met during the performance period and the participant has

continued to be employed (except in exceptional circumstances) during the vesting period, shares will be awarded as soon as possible after the vesting period has expired. When deciding on the final achievement level of the Performance Share Awards, the Board of Directors considers whether the level is reasonable in light of the Company's financial performance and position, stock market conditions and other circumstances. Otherwise, the Board of Directors reserves the right to reduce the level of outputs to a lower level deemed appropriate.

The Board may, at any time up to the last day of the vesting period, reduce (including cancel) the number of shares to which the Performance Share Awards are entitled, to the extent deemed appropriate in view of:

- the Company's financial performance and position,
- stock market conditions, and/or
- such other circumstances and reasons as the Board of Directors considers relevant.

To comply with legal and regulatory trading restrictions, Ericsson may choose to temporarily restrict trading in its shares by board members, the Executive Team, or the Company as a prudential measure.

The details of each of the ongoing long-term variable remuneration programs at Ericsson, including the programs for other employees, are described in the notes to the consolidated financial statements – note G3 "Share-based compensation", in the Financial Report.

### Descriptions of targets used in LTV EBITA (from LTV I and LTV II 2023)

Earnings (loss) before interest, taxes, amortizations and excluding write-downs of acquired intangible assets and restructuring charges.

### EBIT (until LTV 2022)

Earnings (loss) before interest, taxes, and excluding write-downs of acquired intangible assets and restructuring charges.

**Absolute Total Shareholder Return (ATSR)**  
Compound annual growth rate (CAGR) of Ericsson B class share including dividends.

**Relative Total Shareholder Return (RTSR)**  
Ericsson class B share performance compared to share performance for a peer group consisting of 11 peer companies.

### ESG Sustainability and Corporate Responsibility (from LTV 2022)

Incorporating Environmental, Social, and Governance (ESG) criteria into variable remuneration aligns leadership incentives with Ericsson's sustainability and corporate responsibility objectives. The Board believes this approach serves the long-term interests of shareholders and other stakeholders by supporting the Company in meeting customer expectations, driving business performance and operational efficiency.

- The reduction of greenhouse gas (GHG) emissions from Ericsson's own operations and employees' business travel is a key target. This initiative positions the company to capitalize on the transition to a low-carbon economy while supporting customers in reducing the overall environmental footprint of operating mobile networks.
- Increasing the percentage of women in leadership roles at Ericsson through merit-based people management drives both talent attraction and retention, while fostering innovation. Inclusive leadership contributes to broad organizational health and equal opportunities for all.

### Long-term variable remuneration program 2024 (LTV 2024)

LTV 2024 was approved at the Annual General Meeting 2024 and covers all members of the Executive Team, including the President and CEO, Executive Vice President and other Executives. Participants were awarded Performance Shares on May 17, 2024. The Performance Share Awards granted to the President and CEO and the Executive Vice President are summarized in the table on page 7.



## Award information, long-term variable remuneration 2024 (LTV 2024) program

Participants	Allocation value <sup>1)</sup>	Allocation value as a percentage of annual basic salary <sup>2)</sup>	Number of Performance Shares granted <sup>3)</sup>	Percentage of the award to which performance conditions apply <sup>4)</sup>	Maximum number of Performance Shares that can be earned <sup>5)</sup>
Börje Ekholm	28,199,455	150%	467,730	100%	935,460
Fredrik Jejdling	5,568,113	60%	92,355	100%	184,710

<sup>1)</sup> Represents the allocated amount in SEK.

<sup>2)</sup> The figures represent basic amounts as a percentage of annual basic salary at the date of award.

<sup>3)</sup> Calculated as the respective grant value divided by the volume weighted average price of Ericsson's B-shares on Nasdaq Stockholm during the five trading days immediately following the publication of the Company's fourth quarter report for 2023.

<sup>4)</sup> All Performance Shares are subject to challenging performance conditions. These are measured over pre-defined performance periods spanning one to three years. Performance conditions for LTV 2024 are: (1) Group operating income EBITA (weighted at 45%) measured over the period January 1, 2024 to December 31, 2024, (2) absolute TSR performance (weighted 25%) in the range 6%–14% annual growth rate, (3) relative TSR performance (weighted 20%) of Ericsson's B-share, ranked 6-2 against 11 peers, (4) reduction of CO<sub>2</sub> emissions (weighted 5%) and (5) increased percentage of women leaders (weighted 5%) within the Company. Absolute TSR, Relative TSR, reduction of CO<sub>2</sub> emissions and increased percentage of women leaders are measured over the period January 1, 2024 to December 31, 2026. Details of how performance conditions will be calculated and measured are set out in the minutes of the 2024 Annual General Meeting under item 16.

<sup>5)</sup> The maximum number of shares that can be allotted will result in a dilution of approximately 0.1% of the total number of outstanding shares. The effect on key ratios is marginal.

## LTV 2022 performance outcome

The outcome of LTV 2022, with performance periods ending on December 31, 2024, is summarized in the table below.

Program	Target <sup>2)</sup>	Conditions	Weight	Performance period	Possible outcome (Linear distribution)	Outcome	Target achievement level
LTV 2022	Group Operating income (EBIT) 2022	Range (billion SEK) 24.1–34.1	45%	Jan 1, 2022–Dec 31, 2022	0%–200%	SEK 32.2 billion	162.76% <sup>1)</sup>
LTV 2022	Absolute TSR	Range 6%–14%	25%	Jan 1, 2022–Dec 31, 2024	0%–200%	0.54%	0% <sup>2)</sup>
LTV 2022	Relative TSR	Ericsson's ranking 6–2	20%	Jan 1, 2022–Dec 31, 2024	0%–200%	10 out of 12	0% <sup>2)</sup>
LTV 2022	Reduction of CO <sub>2</sub> e	Range of CO <sub>2</sub> emissions (ktonne) 265–200	5%	Jan 1, 2022–Dec 31, 2024	0%–200%	201.3 ktonne CO <sub>2</sub>	189.52%
LTV 2022	Female managers	Percentage of female managers Range: 22%–24%	5%	Jan 1, 2022–Dec 31, 2024	0%–200%	24.15%	200%
<b>Total</b>			<b>100%</b>		<b>0%–200%</b>		<b>92.72%</b>

<sup>1)</sup> As announced in the 2022 Annual Report, the Board decided that the target achievement level for the performance condition for the Group's 2022 operating income was 162.76% for the part of the Performance Share Awards based on an outcome of the Group's 2022 operating income.

<sup>2)</sup> The Board of Directors decided that the target achievement level for the performance conditions of absolute TSR and relative TSR amounted to 0% and 0% respectively, based on the achievements of 1.62% absolute TSR and ranking 9.92 for relative TSR, resulting in an overall achieved target achievement level of 92.72% for LTV 2022.

## Long-term variable remuneration (LTV) to the President and CEO and the Executive Vice President

The table below sets out relevant information of LTV 2019, 2020, 2021, 2022, 2023 and 2024 with regards to the President and CEO and the Executive Vice President.

### Börje Ekholm, President and CEO

Program	Target (weight)	Date of award <sup>2)</sup>	Main conditions for share-based plans				Information concerning the reported financial year					
			Performance period <sup>3)</sup>	End date of the performance period <sup>4)</sup>	End date of vesting period <sup>5)</sup>	Performance share awards granted <sup>6)</sup>	Maximum number of performance shares that can be awarded <sup>7)</sup>	Balance at beginning of the year <sup>8)</sup>	Performance share awards earned during the year <sup>9)</sup>	Performance share awards still subject to performance conditions <sup>10)</sup>	Performance share awards paid in shares during the year <sup>11)</sup>	Balance at year-end, performance shares earned but not paid <sup>12)</sup>
						No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)
LTV 2024	Group Operating income (EBITA) (45%)	17/5/2024	1 year	31/12/2024	17/5/2027	210,477 (12,689,658)	420,954 (25,379,317)		279,555 (24,894,373)			279,555 (24,894,373)
	TSR performance conditions (45%) <sup>11)</sup>	17/5/2024	3 years	31/12/2026	17/5/2027	210,479 (12,689,779)	420,958 (25,379,558)		420,958 (37,486,310)			
	ESG targets (10%)	17/5/2024	3 years	31/12/2026	17/5/2027	46,774 (2,820,004)	93,548 (5,640,009)		15,528 (1,382,768)	78,020 (6,947,681)		15,528 (1,382,768)
LTV 2023	Group Operating income (EBITA) (45%)	18/5/2023	1 year	31/12/2023	18/5/2026	268,297 (16,073,673)	536,594 (32,147,346)	0 (0)				0 (0)
	TSR performance conditions (45%) <sup>11)</sup>	18/5/2023	3 years	31/12/2025	18/5/2026	268,297 (16,073,673)	536,594 (32,147,346)		536,594 (47,783,696)			
	ESG targets (10%)	18/5/2023	3 years	31/12/2025	18/5/2026	59,622 (3,571,954)	119,244 (7,143,908)	19,172 (1,204,577)	19,794 (1,762,656)	79,656 (7,093,367)		38,966 (3,469,922)
LTV 2022	Group Operating income (EBIT) (45%)	18/5/2022	1 year	31/12/2022	18/5/2025	137,994 (15,605,741)	275,988 (31,211,483)	224,599 (14,111,555)				224,599 (20,000,541)
	TSR performance conditions (45%) <sup>11)</sup>	18/5/2022	3 years	31/12/2024	18/5/2025	137,991 (15,605,402)	275,982 (31,210,804)		0 (0)			0 (0)
	ESG targets (10%)	18/5/2022	3 years	31/12/2024	18/5/2025	30,664 (3,467,792)	61,328 (6,935,584)		59,721 (5,318,155)			59,721 (5,318,155)
LTV 2021	Group Operating income (EBIT) (50%)	3/5/2021	1 year	31/12/2021	3/5/2024	154,161 (16,834,381)	308,322 (33,668,762)	308,322 (19,371,871)			308,322 (17,456,461)	
	TSR performance conditions (50%) <sup>11)</sup>	3/5/2021	3 years	31/12/2023	3/5/2024	154,162 (16,834,490)	308,324 (33,668,981)					
LTV 2020 <sup>13)</sup>	Group Operating income (EBIT) (50%)	1/4/2020	1 year	31/12/2020	1/4/2023	194,830 (15,188,947)	389,660 (30,377,894)	389,660 (24,482,338)			389,660 (21,719,734)	
	TSR performance conditions (50%)	1/4/2020	3 years	31/12/2022	1/4/2023	194,830 (15,188,947)	389,660 (30,377,894)					
LTV 2019 <sup>13)</sup>	Group Operating income (EBIT) (50%)	18/5/2019	1 year	31/12/2019	18/5/2022	146,087 (13,808,143)	292,174 (27,616,286)	292,174 (18,357,292)			292,174 (16,285,843)	
	TSR performance conditions (50%)	18/5/2019	3 years	31/12/2021	18/5/2022	146,087 (13,808,143)	292,174 (27,616,286)	76,974 (4,836,276)			76,974 (4,290,548)	
<b>Total</b>								<b>1,310,901 (82,363,910)</b>	<b>374,598 (33,357,952)</b>	<b>1,115,228 (99,311,053)</b>	<b>1,067,130 (59,752,586)</b>	<b>618,369 (55,065,759)</b>

<sup>1)</sup> TSR performance conditions include both absolute and relative performance conditions for each program.

<sup>2)</sup> The date of award represents the date on which the award was made.

<sup>3)</sup> Performance period represents the period over which the performance conditions are measured.

<sup>4)</sup> The end date of the performance period represents the date on which the performance period ends.

<sup>5)</sup> The Vesting Period End Date represents the date on which any Performance Shares will vest and entitle participants to receive shares.

<sup>6)</sup> The figures represent the original number of Performance Share Awards granted. Values in SEK represent the corresponding value on the date of award.

<sup>7)</sup> The figures represent the maximum number of Performance Share Awards that can be earned for each performance condition. Values in SEK represent the corresponding value on the date of award.

<sup>8)</sup> The figures represent the balance at the beginning of the applicable year, which includes Performance Share Awards earned for prior years that have not yet been awarded. Values in SEK are calculated as the number of vested Performance Share awards multiplied by the volume weighted average share price for the last five trading days of the previous financial year.

<sup>9)</sup> The figures represent the number of Performance Share Awards earned that had a performance period that expired during the financial year. Values in SEK are calculated as the number of Performance Share Awards earned multiplied by the volume weighted average share price for the last five trading days of the financial year.

<sup>10)</sup> The figures represent the maximum number of outstanding Performance Shares that are still subject to an ongoing performance period. Values in SEK are calculated as the number of outstanding Performance Shares still subject to a performance period multiplied by the volume weighted average share price for the last five trading days of the financial year.

<sup>11)</sup> The figures represent the number of Performance Share Awards that had a vesting period expiring during the financial year and that entitled the participant to receive shares free of charge. Values in SEK represent the fair value of shares granted to the participant at the end of the vesting period.

<sup>12)</sup> The figures represent the balance at the end of the year, which includes Performance Share Awards earned during the financial year as well as previous Performance Share Awards earned but not forfeited. Values in SEK are calculated as the number of Performance Share Awards earned multiplied by the volume weighted average share price for the last five trading days of the financial year.

<sup>13)</sup> LTV 2019 and 2020 (which expired in 2022 and 2023, respectively) vested during Q1 2024.

## Long-term variable remuneration (LTV) to the President and CEO and to the Executive Vice President, cont'd.

### Fredrik Jejdling, Executive Vice President

Main conditions for share-based plans							Information concerning the reported financial year					
Program	Target (weight)	Date of award <sup>2)</sup>	Performance period <sup>3)</sup>	End date of the performance period <sup>4)</sup>	End date of vesting period <sup>5)</sup>	Performance share awards granted <sup>6)</sup>	Maximum number of performance shares that can be awarded <sup>7)</sup>	Balance at beginning of the year <sup>8)</sup>	Performance share awards earned during the year <sup>9)</sup>	Performance share awards still subject to performance conditions <sup>10)</sup>	Performance share awards paid in shares during the year <sup>11)</sup>	Balance at year-end, performance shares earned but not paid <sup>12)</sup>
						No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)	No. of shares (SEK)
LTV 2024	Group Operating income (EBITA) (45%)	17/5/2024	1 year	31/12/2024	17/5/2027	41,559 (2,505,592)	83,118 (5,011,184)		55,198 (4,915,382)			55,198 (4,915,382)
	TSR performance conditions (45%) <sup>1)</sup>	17/5/2024	3 years	31/12/2026	17/5/2027	41,560 (2,505,652)	83,120 (5,011,305)			83,120 (7,401,836)		
	ESG targets (10%)	17/5/2024	3 years	31/12/2026	17/5/2027	9,236 (556,838)	18,472 (1,113,677)		3,066 (273,027)	15,406 (1,371,904)		3,066 (273,027)
LTV 2023	Group Operating income (EBITA) (45%)	18/5/2023	1 year	31/12/2023	18/5/2026	34,852 (2,087,983)	69,704 (4,175,966)		0 (0)			0 (0)
	TSR performance conditions (45%) <sup>1)</sup>	18/5/2023	3 years	31/12/2025	18/5/2026	34,853 (2,088,043)	69,706 (4,176,086)			69,706 (6,207,319)		
	ESG targets (10%)	18/5/2023	3 years	31/12/2025	18/5/2026	7,746 (464,062)	15,492 (928,125)	2,491 (156,510)	2,572 (229,037)	10,348 (921,489)		5,063 (450,860)
LTV 2022	Group Operating income (EBIT) (45%)	18/5/2022	1 year	31/12/2022	18/5/2025	17,257 (1,951,594)	34,514 (3,903,188)	28,087 (1,764,706)				28,087 (2,501,147)
	TSR performance conditions (45%) <sup>1)</sup>	18/5/2022	3 years	31/12/2024	18/5/2025	17,255 (1,951,368)	34,510 (3,902,736)		0 (0)			0 (0)
	ESG targets (10%)	18/5/2022	3 years	31/12/2024	18/5/2025	3,834 (433,587)	7,668 (867,174)		7,467 (664,936)			7,467 (664,936)
LTV 2021	Group Operating income (EBIT) (50%)	3/5/2021	1 year	31/12/2021	3/5/2024	19,092 (2,084,846)	38,184 (4,169,693)	38,184 (2,399,101)			38,184 (2,161,886)	
	TSR performance conditions (50%) <sup>1)</sup>	3/5/2021	3 years	31/12/2023	3/5/2024	19,092 (2,084,846)	38,184 (4,169,693)					
LTV 2020 <sup>13)</sup>	Group Operating income (EBIT) (50%)	1/4/2020	1 year	12/31/2020	1/4/2023	22,262 (1,735,546)	44,524 (3,471,091)	44,524 (2,797,443)			44,524 (2,481,778)	
	TSR performance criteria (50%)	1/4/2020	3 years	12/31/2022	1/4/2023	22,263 (1,735,623)	44,526 (3,471,247)					
LTV 2019 <sup>13)</sup>	Group Operating income (EBIT) (50%)	18/5/2019	1 year	31/12/2019	18/5/2022	16,321 (1,542,661)	32,642 (3,085,322)	32,642 (2,050,897)			32,642 (1,819,472)	
	TSR performance criteria (50%)	18/5/2019	3 years	31/12/2021	18/5/2022	16,322 (1,542,755)	32,644 (3,085,511)	8,600 (540,338)			8,600 (479,366)	
<b>Total</b>								<b>154,528</b> <b>(9,708,994)</b>	<b>68,303</b> <b>(6,082,382)</b>	<b>178,580</b> <b>(15,902,549)</b>	<b>123,950</b> <b>(6,942,503)</b>	<b>98,881</b> <b>(8,805,353)</b>

<sup>1)</sup> TSR performance conditions include both absolute and relative performance conditions for each program.

<sup>2)</sup> The date of award represents the date on which the award was made.

<sup>3)</sup> Performance period represents the period over which the performance conditions are measured.

<sup>4)</sup> The end date of the performance period represents the date on which the performance period ends.

<sup>5)</sup> The Vesting Period End Date represents the date on which any Performance Shares will vest and entitle participants to receive shares.

<sup>6)</sup> The figures represent the original number of Performance Share Awards granted. Values in SEK represent the corresponding value on the date of award.

<sup>7)</sup> The figures represent the maximum number of Performance Share Awards that can be earned for each performance condition. Values in SEK represent the corresponding value on the date of award.

<sup>8)</sup> The figures represent the balance at the beginning of the applicable year, which includes Performance Share Awards earned for prior years that have not yet been awarded. Values in SEK are calculated as the number of vested Performance Share awards multiplied by the volume weighted average share price for the last five trading days of the previous financial year.

<sup>9)</sup> The figures represent the number of Performance Share Awards earned that had a performance period that expired during the financial year. Values in SEK are calculated as the number of Performance Share Units earned multiplied by the volume weighted average share price for the last five trading days of the financial year.

<sup>10)</sup> The figures represent the maximum number of outstanding Performance Shares that are still subject to an ongoing performance period. Values in SEK are calculated as the number of outstanding Performance Shares still subject to a performance period multiplied by the volume weighted average share price for the last five trading days of the financial year.

<sup>11)</sup> The figures represent the number of Performance Share Awards that had a vesting period expiring during the financial year and that entitled the participant to receive shares free of charge. Values in SEK represent the fair value of shares granted to the participant at the end of the vesting period.

<sup>12)</sup> The figures represent the balance at the end of the year, which includes Performance Share Awards earned during the financial year as well as previous Performance Share Awards earned but not forfeited. Values in SEK are calculated as the number of Performance Share Awards earned multiplied by the volume weighted average share price for the last five trading days of the financial year.

<sup>13)</sup> LTV 2019 and 2020 (which expired in 2022 and 2023, respectively) vested during Q1 2024.

## Information on guidelines for shareholdings by Executive Team

The Board has adopted the following shareholding guidelines to apply to current and future members of the Executive Team as of January 1, 2019, to encourage management to build and maintain a shareholding to create a common ownership interest between the Company's shareholders and the members of the Executive Team:

- The President and CEO must build up and maintain a shareholding equivalent to at least 200% of the annual fixed salary.
- Other members of the Executive Team must build up and maintain a shareholding equivalent to at least 75% of their respective annual fixed salary.

At the time these shareholding guidelines were adopted, the members of the Executive Team at that time were provided with the opportunity to build up the required shareholding over a period of six years starting from January 1, 2019. Employees promoted or appointed to the Executive Team since January 1, 2019 are expected to meet the shareholding requirement on the anniversary date five years after they are granted their first Performance Shares under the LTV Plans. If an Executive Team member is subject to changes

in responsibilities e.g., via promotion or relocation, he/she will be expected to meet the higher shareholding requirement after completing one full LTV plan cycle (grant to vesting) under his/her new terms in addition to the regular required periods. If an Executive Team member is subject to changed responsibilities by being appointed to President and CEO, he/she will be expected to meet the higher shareholding requirement on the fifth anniversary following the receiving of their first LTV grant under the position as President and CEO.

The Board of Directors considers the following for the purpose of meeting the shareholding requirement:

- Holdings of Ericsson Class B shares held or acquired by the Executive Team member.
- Vested but unexercised options (value calculated after tax and after utilization costs).
- Share rights held by the member of the Executive Team, for which performance and/or employment conditions have been met, but which must be held for a certain period of time (value calculated after tax).
- Shares, synthetic shares, or options that are subject to performance conditions and continued employment, but which have not vested,

should not be counted under the shareholding guidelines.

The shareholding requirement is fulfilled for Executive Team members with the requirement date as of December 31, 2024 (six years after January 1, 2019). These Executive Team members are Börje Ekholm, Fredrik Jejdling, Niklas Heuvel dop, Chris Houghton, Erik Ekudden, Åsa Tamsons and MajBritt Arfert. For other Executive Team members, the requirements date will follow in future years, according to the shareholdings guidelines.

The Remuneration Committee shall monitor compliance with the shareholding guidelines and regularly report to the Board of Directors and inform the members of the Executive Team on the extent to which the shareholding guidelines have been complied with.

The holdings of each of the members of the Executive Team are disclosed in the Corporate Governance Report and in the table below.

### Holdings in Ericsson by Executive Team members

Executive Team members	Class B shares <sup>1)</sup>	American Depositary Shares <sup>1)</sup>
Börje Ekholm	740,560	1,009,000
Fredrik Jejdling	129,869	–
MajBritt Arfert	74,478	–
Yossi Cohen	–	–
Scott Dresser	–	–
Erik Ekudden	53,320	10,206
Moti Gyamlani	180	–
Niklas Heuvel dop	162,351	15,131
Chris Houghton	190,994	–
Jenny Lindqvist	858	–
Stella Medlicott	21,094	–
Lars Sandström	41,900	–
Andres Vicente	1,847	–
Per Narvinger	9,443	–
Patrick Johansson	2,144	–
Chafic Nassif	6,232	–
Åsa Tamsons	78,601	–

<sup>1)</sup> The number of shares and American Depositary Shares includes holdings by spouses, children who are minors and private company holdings, if applicable.

# Comparative information on changes in remuneration and the Company's performance

## Comparison table of the change in remuneration and the Company's performance over the last five financial years reported

Remuneration to the President and CEO and to the Executive Vice President		Börje Ekholm President and CEO	Fredrik Jejdling Executive Vice President	Average remuneration of employees converted to full-time equivalents <sup>3)</sup>	Ericsson's performance		
					Group operating income (EBIT) SEK million	Group Net Sales SEK million	Share price at December 31 for the financial year
2024 (% change)	Fixed remuneration <sup>1)</sup>	21,110,497 (3.74%)	10,142,173 (-0.4%)	1,070,395 (5.32%)			
	Variable remuneration <sup>2)</sup>	32,814,582	3,951,260 (-36.79%)	89,147 (-49.43%)	4,313 (121.2%)	247,880 (-5.87%)	89.88 (42.42%)
2023 (% change)	Fixed remuneration <sup>1)</sup>	20,348,855 (5%)	10,182,837 (5%)	1,016,295 (5%)			
	Variable remuneration <sup>2)</sup>	–	6,251,115 (-6%)	176,279 (-24%)	-20,326 (-175.23%)	263,351 (-3.02%)	63.11 (3.63%)
2022 (% change)	Fixed remuneration <sup>1)</sup>	19,290,595 (3%)	9,666,757 (6%)	966,031 (8.5%)			
	Variable remuneration <sup>2)</sup>		6,671,595 (-54%)	230,928 (-22%)	27,020 (10%)	271,546 (17%)	60.9 (-38.97%)
2021 (% change)	Fixed remuneration <sup>1)</sup>	18,764,547 (1%)	9,144,067 (15%)	889,538 (13%)			
	Variable remuneration <sup>2)</sup>	88,782,271 (22%)	14,626,469 (122%)	295,139 (-1%)	31,780 (14%)	232,314 (-0.03%)	99.79 (2.20%)
2020	Fixed remuneration <sup>1)</sup>	18,498,002	7,948,081	790,295			
	Variable remuneration <sup>2)</sup>	72,507,054	6,595,909	299,589	27,808 (163%)	232,390 (2.28%)	97.64 (19.72%)

<sup>1)</sup> Fixed remuneration includes fixed salary and other benefits.

<sup>2)</sup> Variable remuneration for the President and CEO and to the Executive Vice President includes applicable STV and LTV. For the Company's employees, variable remuneration includes short-term and long-term variable remuneration. For the sake of comparison, variable remuneration represents figures paid during the financial year. This is because performance reviews and long-term variable remuneration programs for other employees with performance periods expiring in fiscal year 2024 have not yet been completed.

<sup>3)</sup> Employees of Telefonaktiebolaget LM Ericsson, excluding the President and CEO and other members of the Executive Team employed by the Company.

Stockholm, February 26, 2025

Board of Directors  
Telefonaktiebolaget LM Ericsson (publ)  
Reg. no. 556016-0680

