Ericsson Annual Report 2024

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Contents

Ericsson Annual Report 2024

The legal Annual Report consists of four parts published as one pdf. The four parts can also be downloaded separately:
– The Financial Report, including Board of Directors' Report and the financial statements and notes
– The Corporate Governance Report
– The Remuneration Report
– The Sustainability and Corporate Responsibility Report

Ericsson's annual accounts and consolidated accounts are included on pages 13-111 in the Financial Report and are reported on by Deloitte in the Auditor's Report. The official version of the Annual Report is prepared in Swedish in the European single electronic format (Esef). The Corporate Governance Report, the Remuneration Report and the Sustainability and Corporate Responsibility Report have also been subject to assurance procedures by Deloitte. Ericsson also files an Annual Report on Form 20-F with the U.S. Securities and Exchange Commission (SEC). All parts of the legal Annual Report are available on Ericsson's website.

Financial Report

Part of Ericsson Annual Report 2024

Annual Report 2024

Financial Report

Corporate Governance Report

Remuneration Report

Sustainability and Corporate Responsibility Report

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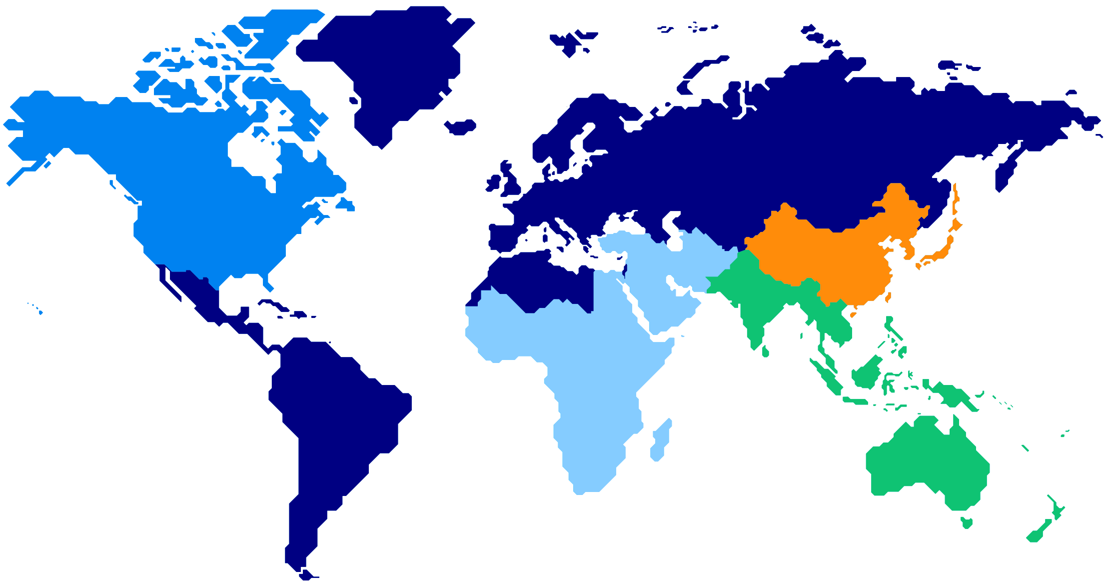
Financial Report 2024

Comments in this report include alternative performance measures. "Adjusted" metrics are adjusted to exclude restructuring charges and are non-IFRS measures. See information for "Alternative performance measures" on page 120 in the Financial Report.

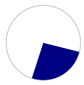
This is Ericsson

Ericsson is a leading provider of mobile connectivity solutions to communications service providers, enterprises and the public sector. We deliver high-performing, programmable and energy-efficient networks that enable greater service differentiation. Our enterprise solutions provide superior connectivity to businesses and advanced network capabilities to application developers.

Sales split per market area[1)]



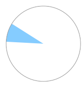
North America
29%



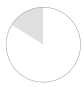
Europe and Latin America
26%

South East Asia, Oceania and India
13%

North East Asia
8%



Middle East and Africa
8%



Other[2)]
16%

SEK 248 bn
Sales

~94,000
employees worldwide

>175
countries in which Ericsson serves customers

>60,000
granted patents

~50%
of mobile traffic carried over Ericsson networks (excluding China)

Purpose

To create connections that make the unimaginable possible.

Vision

A world where limitless connectivity improves lives, redefines business and pioneers a sustainable future.

Culture

A culture of ethics and integrity to make us a stronger and even more resilient company.

Core values

Professionalism, respect, perseverance, and integrity at the heart of everything we do.

1) Effective March 15, 2025, two new Market Areas will be created, Market Area Americas and Market Area Europe, Middle East & Africa to replace Market Area North America, Market Area Europe and Latin America and Market Area Middle East and Africa.
2) Market area Other primarily includes IPR licensing revenues and segment Enterprise sales.

Unlocking future growth through network innovation

We believe in a world where anything that can go wireless, will go wireless – and we are building our business around that vision. Ericsson's aim is to extend the use of mobile connectivity beyond consumers and accelerate digitalization across industry and society. Our strategy harnesses the synergy of high-performing, programmable networks, together with developer innovation, to drive the next generation of digital services.

During 2024, we continued to execute on our strategy; strengthening our leadership in mobile networks, expanding our efforts in enterprise and continuing to foster an integrity-led culture. Despite challenges in the market, we concluded 2024 with an adjusted gross margin[1)] of nearly 45% and adjusted EBITA[1)] of SEK 27.2 billion, corresponding to an EBITA margin[1)] of 11.0%. We also reinforced our market leading position. As expected, our customers continued to exercise caution with their investments, but towards the end of the year we saw stabilization of investments. In the fourth quarter sales returned to growth for the first time in 8 quarters. Our solid financial performance underscores the competitiveness of our solutions, our commercial discipline and our focus on costs.

Technology leadership remains our foundation – and here we will take every measure needed to keep our leading position. As a result of the positive actions we've taken during the year, including streamlining our business to maximize cost efficiency, we can continue to invest in technology leadership, so we are well positioned going forward.

By extending connectivity beyond consumers, we aim to take the next step and accelerate digitalization across industry and society. This, we believe, will drive a new generation of digital services.

Going forward, mobile networks will increasingly need to serve consumer and enterprise applications with different performance levels that are delivered at different times. For that reason, networks of the future will need to be high-performing and programmable, and their capabilities will need to be easily accessible.

Ericsson is harnessing the synergy of high-performing, programmable networks, together with developer innovation to generate new growth. We are leveraging the capabilities of the network to expand into adjacent segments, such as enterprises, fixed wireless access, mission critical and defense. We are also opening up the network for developer innovation to drive new uses cases, leveraging features in the mobile network. This has the potential to accelerate innovation and growth in our industry.

Mobile networks – the next wave
Mobile networks are critical infrastructure that are key to solving many consumer needs. Despite this, the RAN market over the past 20 years has experienced flat growth as communications service providers' returns remain decoupled from increasing network traffic. To address this challenge, we envision a new wave of digitalization that goes beyond consumers and current monetization models. Consequently, our strategy is focused on creating additional use cases and opening up the network for new monetization streams.

Connectivity is a vital horizontal layer in the digital stack, with different performance demands. This is why we are investing in programmable networks that can be managed through software, allowing for flexible control

1) Excluding restructuring charges.

over how the network acts and what services can be launched. Differentiated connectivity is a key feature of these networks enabling communications service providers to provide distinct levels of service quality and prioritize various types of data traffic.

In the future, the applications will order specific performance levels on-demand from the connectivity layer. For example, AI applications will require higher uplink performance while AR glasses will require ultra-low latency. This will be done through Application Programming Interfaces, or network APIs.

So far, however, most of the network's capabilities have been inaccessible to developers, hampering innovation. By opening it up through network APIs, developers can easily access network features such as speed, latency and location to innovate and create new use cases. This is a seismic shift that will unlock the value of 5G for the entire industry. With this shift, communications service providers with programmable networks will be able to generate new revenues from new applications, stimulating a network effect of additional investments into their networks.

Leadership in mobile networks

At the heart of our competitiveness is leadership in mobile networks. Our aim is to provide the industry's best performing networks with the lowest total cost of ownership. Leadership in our industry is based on our investments in R&D and the world class talent we have in the company. Ericsson is consistently ranked as a leader in third-party assessments in areas such as performance and energy efficiency. And when we measure in-field performance, we consistently beat out our competitors.

During 2024, we announced enhancements to our networks portfolio that further improves security and energy efficiency. We also introduced new Radio Access Network (RAN) software capabilities that significantly boost performance and programmability.

The number of Fixed Wireless Access (FWA) connections continued to grow during 2024. In fact, FWA data traffic is projected to grow by a factor of more than 4 to reach around 170 exabytes per month by the end of 2030. This will represent approximately 36% of the total mobile network data traffic.

In Cloud Software and Services, we evolved the portfolio with new AI-based solutions – including intent-based operations, Explainable AI, which provides insights into complex model decisions, and new service orchestration and assurance – enabling communications service providers to capture the full value of 5G and achieve operational efficiency. We also launched Ericsson Compact Packet Core to simplify communications service provider transition to cloud native.

We're seeing increased momentum around high-performing, programmable networks, which is very encouraging. The AT&T contract, which we announced last year, was the first proof point, and laid the initial groundwork. During 2024, we also signed a key deal with MasOrange in Spain to provide them with an open and programmable 5G Standalone network, putting them at the forefront in Europe.

Expansion into enterprise

Our strategy focuses on creating new use cases and monetization opportunities for networks. Enterprises are a key target for us as they need flexibility and reliability from mobile networks but also have a need for high performing networks and differentiated connectivity. To address this, we're pursuing opportunities like private wireless networks for enterprises and network APIs to open new revenue streams, leveraging our strength in mobile technology.

During 2024, we continued to transform our Enterprise Wireless Solutions business. We are refocusing the go-to-market organization to better deliver our solutions in the future and with a unified portfolio under the Ericsson brand, we now have a clear path to become the market leader in cellular-centric enterprise networking and security. At the end of the year, we also introduced a new Enterprise 5G portfolio including indoor neutral host, which saw good growth after its launch.

We're also accelerating enterprise digitalization by developing an ecosystem for advanced network features through network APIs, which is one of the best opportunities for new monetization. Network APIs allow developers to integrate network resources into new applications. Vonage is crucial here, working with developers to monetize 5G. Recent partnerships – with Verizon, AT&T, KDDI and AWS – are powerful proof points that the ecosystem is taking shape.

To scale this market further, we announced a new joint venture with several of the world's leading communications service providers to aggregate and sell network APIs. The new venture, named Aduna, aims to remove hurdles and accelerate the global growth of network APIs, giving developers easy access to advanced 5G network capabilities and driving enterprise digitalization through mobile connectivity.

Leading with integrity

At Ericsson, we believe in conducting our business ethically and with integrity, every day, in all the work that we do. During the year, we continued our efforts to embed our Ethics and Compliance program throughout the organization and ensure that all employees understand what is expected of them in order to comply with our Code of Business Ethics.

In March 2024, the independent compliance Monitor appointed by the US Department of Justice (DOJ) in connection with Ericsson's resolution of historical violations of the US Foreign Corrupt Practices Act, certified that our anti-corruption compliance program had satisfied requirements and is functioning effectively. In June 2024, we also announced the conclusion of the work and term of the independent compliance Monitor.

While these are important steps on our integrity journey, it in no way marks the end point. We remain focused on enhancing the program and driving the right behaviors over the long term. We are committed to integrity and we have no tolerance for corruption, fraud or any other misconduct. We cannot lead our industry unless we conduct our business in the right way.

Conducting our business with integrity is not just about following our Code of Business Ethics, but also how we act. For example, we make fact-based decisions and are willing to take difficult discussions. An integrity-led culture is a competitive advantage for us. This also includes making Ericsson a world-class workplace so we can attract the best talent and be competitive in the future. All our talent decisions are made regardless of background, gender, nationality, or religion, and of course are merit-based.

Another focus area for us is "Target Zero", which is about having zero fatal accidents and lost workdays by 2025. A lot of work has been done to drive a safety-first mindset across the organization and the outcome in 2024 was a significant improvement. However, nothing less than zero can ever be good enough so here, we need to continue our efforts.

Market developments and business performance

While the mobile infrastructure market during 2024 remained challenging, we saw North America returning to growth and positive trends in our business performance. In 2024, group organic net sales[1)] decreased by –5% YoY to SEK 247.9 billion, adjusted gross margin[2)] improved to 44.9% and free cash flow before M&A increased to SEK 40.0 billion.

In Networks, sales declined overall but we saw strong development in North America. Since 2022, Networks reported net sales have fallen by –18%. The more favorable market mix together with continued cost-reduction initiatives and improved supply chain effectiveness, enabled us to deliver an improved adjusted gross margin[2)] of 47.2% and an adjusted EBITA margin[2)] of 17.5% during 2024.

In Cloud Software and Services, we continued to execute on our strategy to turn the business around and increase profitability. During the year, we saw continued improvements with higher adjusted gross margin[2)], benefitting from enhanced delivery performance and cost actions, and an adjusted EBITA margin[2)] of 3.2% for the year, reflecting our strategic focus on commercial discipline and acceleration of automation.

In 2024, the Enterprise segment experienced a –2% organic sales[1)] decline. Enterprise Wireless Solutions reported sales grew by 17%, due to strong demand for private 5G and neutral host solutions, while reported sales in the Global Communications Platform fell by –10% as we strategically reduced activities in certain countries to focus on more profitable market segments. Adjusted gross margin[2)] increased due to the actions we have taken, but adjusted EBITA[2)] declined due to increased investments to improve operational effectiveness in Global Communications Platform.

While our focus on driving the market for network APIs continues, the additional priority is to turn around the existing business of Vonage. Our plan is to focus the business on higher margin products, withdraw from low-margin products and geographies and improve Opex. We expect continued headwind in sales as we withdraw from certain markets with a stabilization towards the end of 2025.

While there are areas we need to improve, the overall progress underscores the strength of our business and the actions we have taken during the year. This includes improved utilization of the supply chain, cost-out activities and momentum in our patent portfolio. We also saw IPR licensing revenue increase to SEK 14 billion in 2024, with further growth opportunities in additional licensing areas such as automotive and IoT.

The geopolitical environment is becoming increasingly uncertain, including talks about raised tariffs between some of the world's largest economies. If tariffs are implemented, they will impact our profitability, but the effect cannot be quantified or understood yet as we don't know what tariffs will come or how they will be implemented. We're taking actions to be as prepared as possible by continuing to build resilience in our supply chain. This includes investments in R&D and how and where we design and manufacture our products, such as building in design options and availability of multiple supply chains, to mitigate potential disruptions.

We will continue to be laser focused on what we can control. Dedicated investments in R&D and continued operational excellence will further strengthen Ericsson's technology leadership and financial performance, irrespective of market conditions.

Looking ahead

I am an optimist, and I believe that the next wave of digitalization will usher in a new era of growth and prosperity for both industries and society. Building out critical digital infrastructure will be essential for generating value from new technologies such as AI.

At the heart of our strategy are high-performing, programmable networks that deliver differentiated connectivity. Our leadership in mobile networks, combined with our expansion into enterprises and cultural transformation, is the core of this

strategy, allowing us to expand the market for connectivity and create new avenues for monetization.

By opening up networks through APIs, we empower developers to innovate, crafting enhanced applications that enable communications service providers to differentiate their offerings and evolve business models beyond traditional subscriptions. This approach not only drives new service growth but also stimulates further investment in network infrastructure, resulting in growth for both Ericsson and the broader telecom industry.

I want to extend my heartfelt thanks to our dedicated team. Their hard work and perseverance have made our achievements over the past year possible. Together, we are poised to lead the next wave of network innovation, driving a future of unprecedented connectivity and opportunity.

Börje Ekholm
President and CEO

1) Sales growth adjusted for comparable units and currency.
2) Excluding restructuring charges.

Strategy

Creating value through mobile network innovation

We are entering an exciting era of accelerated digitalization leveraging AI and cloud technology with mobile connectivity as a key enabler. To date, the consumer has been the key beneficiary of digitalization, leveraging mobile connectivity. Now we see an expansion of industrial use cases. Our strategy aims at increasing the value of mobile networks by building the best, high-performing and programmable networks, enabling our customers to offer differentiated connectivity and expose new advanced network capabilities to enterprises and developers.

Mobile connectivity has allowed the consumer to digitalize. Today there are around 8.6 billion mobile subscriptions, and almost 80% of the world's population can access the internet via a mobile device. The market for mobile connectivity is now maturing, and new use cases are needed to drive further investment and growth. Wireless connectivity will be critical for the next wave of digitalization, which will see an acceleration of digitalization of enterprises and society, as well as new consumer applications, building on trends such as Artificial Intelligence (AI) and cloud-based services.

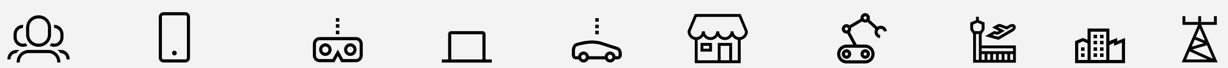
Delivering on the next wave of digitalization will require a new type of differentiated connectivity that use mobile networks' advanced capabilities such as quality-on-demand and location. This will require connectivity that is reliable and secure – features that are inherent in the design of 5G and in Ericsson's industry leading products and services.

5G coverage is only available to around 40% of the population outside China, so many parts of society are still not capturing the full value of digitalization, and more investment is needed. However, despite the central role that mobile networks play in society, many of our customers struggle to return their cost of capital, and so remain cautious in their investments. With current pricing models largely decoupled from network traffic and quality, the equipment market for mobile networks has been stagnant over the last two decades, despite geographic build-out and rapid data growth. Therefore, new industry use cases, leveraging the advanced capabilities of the networks are needed.

Ericsson's strategy is to lead the next wave of mobile connectivity. This new era will require high-performing and programmable networks that can deliver differentiated connectivity, targeted to specific consumer and industry needs. We are expanding into new industry use cases to drive growth, building on our leadership in mobile networks.

Ericsson's strategy

Superior experience for consumers | **Reliable and easy to use solutions for businesses** | **Capabilities for developers**



Customer success

Best performance for differentiated networks, relentless efficiency and growth in an open world

Businesses

Leadership in mobile networks

- Technology leadership for performance, security, and sustainability at lowest TCO across RAN, Core and OSS/BSS
- Lead industry shift to programmable, automated cloud-native networks and operations, and advanced network services

Focused expansion into enterprise

Wireless networks
- Pre-packaged solutions
- Leading reliability, security, and operations

Communication platform
- Accelerate the world's ability to connect
- Global network platform

Be first in critical innovations, and capture strategic business opportunities

Foundation

Technology leadership | **Cost efficiency** | **Data-driven operations** | **Global skill and scale**

Broadening the market beyond connectivity

New use cases are beginning to emerge based on 5G. Fixed Wireless Access (FWA) is the most mature, with over 100 million global subscriptions, supported by Ericsson's power-efficient Massive-MIMO technology and multi-gigabit 5G speeds. Ericsson is also expanding the connectivity market with new mission critical networks, for example for first responders, 5G for office spaces, as well as satellite-based connectivity as a complement to terrestrial networks.

In addition to these opportunities, we are also developing new ways to consume network capabilities. Historically, it has been difficult for application developers to use network capabilities at a regional or global scale, as this would require contracts with potentially hundreds of individual communications service providers. In addition, it has been difficult to access network capabilities as it has required deep knowledge about the network, making these capabilities largely inaccessible for the average developer.

Through a global platform, Ericsson is making the mobile network, and its unique features, available via Application Programming Interfaces (APIs) – giving developers and enterprises easy access to advanced 5G network capabilities in a format that is user friendly, and easy to consume and pay for. For example, network APIs for SIM card and location verification to make financial transactions more secure.

We are also making it easier to offer differentiated services, so communications service providers can segment their offerings for specific industries. For example, premium video APIs, which incorporate quality-on-demand, offer a seamless video communications experience for live video production. Through a combination of programmability and network APIs, Ericsson technology is allowing developers to dynamically request network resources and integrate them into their applications, and then seamlessly deploy their services across global markets.

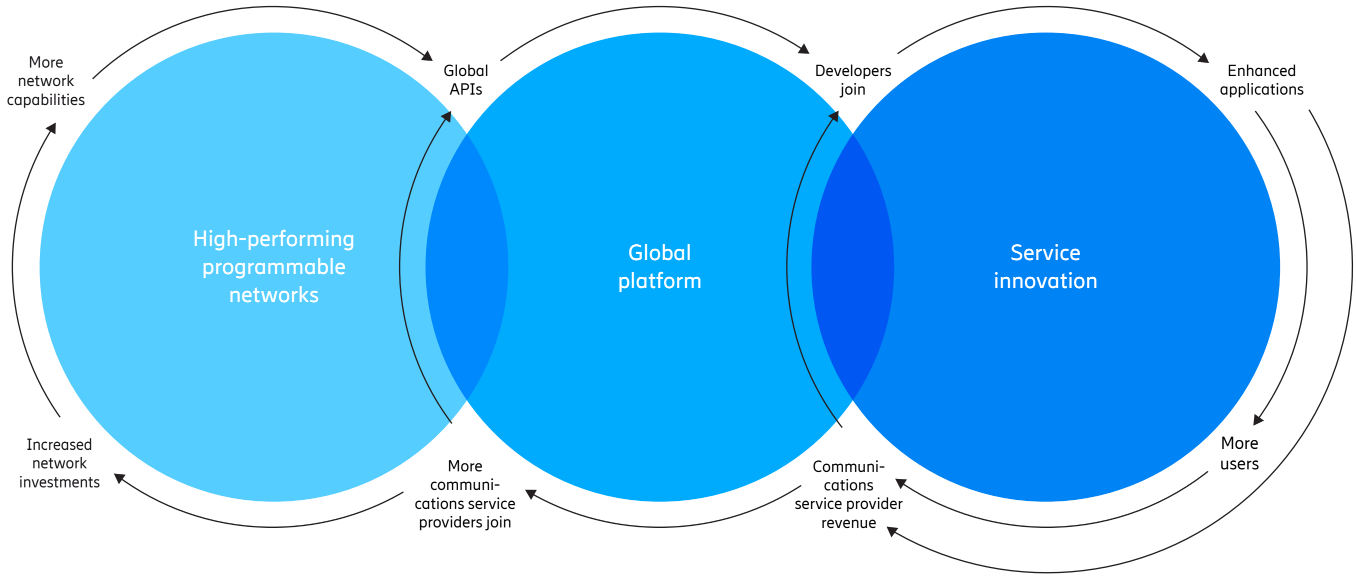
By providing specific levels of service quality and prioritizing different types of data traffic, communications service providers can evolve their business models. This will allow communications service providers to link investments in the network to new revenues and enable a better return on their investments in the network. This has the potential to drive a network effect of increased revenue and increased investments in mobile networks.

Ericsson has the necessary building blocks, including a deep knowledge of mobile network technology and the developer community, to drive a shift in the mobile telecommunications industry. Our strategy is focused on building the best, high-performing and programmable networks and exposing their capabilities to developers and enterprises.

2024 milestones

- Enhancements to Networks portfolio, including more sustainable Massive MIMO radios, with more than 25% energy savings.
- Introduced new RAN software capabilities that significantly boost performance and programmability.
- Signed a new contract with MasOrange for an open and programmable 5G Standalone network.
- Announced a new joint venture, with 12 leading communications service providers, to aggregate and sell network APIs.
- Relaunched the full Enterprise Wireless Solution portfolio under the Ericsson brand, expanded to include neutral host solutions to deliver a platform for enterprise 5G use cases.
- Vonage signed key API agreements with Verizon, AT&T, KDDI and AWS.

The network effect



A network effect begins as network APIs become more broadly available on a global platform. As more developers join and create new applications, network traffic increases, generating more revenue for the communications service providers. This, in turn, prompts further investments in the network.

Leadership in mobile networks

Ericsson's technology leadership in mobile networks is the foundation of our strategy. In the future, networks will have to be more flexible to allow for new and differentiated on-demand services that will be critical for digitalizing society. Ericsson has industry-leading hardware and software solutions for mobile networks encompassing radio, core networks, transport and antennas along with network management and support systems, network deployment and advanced network services.

Our portfolio of mobile network solutions is constantly evolving to provide the best performance, security, and sustainability at the lowest total cost of ownership (TCO). High-performing networks are helping to break the energy curve of mobile networks and reduce customers' energy use, costs and greenhouse gas emissions.

We have increased our investments in the development of programmable networks, which allow for the dynamic and flexible management of network resources. The ability to expose network functionality to developers through APIs is important for the user experience and creating an ecosystem conducive to revenue growth in the mobile telecommunications industry.

We are determined to drive a shift in the industry from a vertically, fully integrated architecture to a horizontal, cloud-based network architecture. This profound change requires adjustments in our portfolio and ways of working.

We also deliver mission critical networks and solutions that ensure resilient and secure connectivity for government, public safety, utilities and other industries.

In recent years, Ericsson has invested significant resources in AI and automation. We are now leveraging our capabilities in solutions for energy efficiency, faster deployment of new services and ease of operation. We believe that AI will be foundational for future autonomous networks.

High-performing, programmable networks are crucial for delivering differentiated connectivity. To expose and monetize the capabilities of the network, we are investing to create a global platform that will expand the use of the network by leveraging a global developer community.

Focused expansion into enterprise

Enterprises are rapidly digitalizing, building on AI and cloud technology. Mobility is increasingly central – providing differentiated, high performing, secure and reliable service. Building on our expertise in mobile networks, Ericsson has a strong foundation through which to expand its enterprise business. We have organized our efforts in this area around two main pillars.

The first pillar is based on pre-packaged wireless networks for enterprises that capitalize on the leading reliability, security and operations of dedicated cellular connectivity. Our portfolio in this area includes Private Cellular Networks (PCN), Wireless-WAN (WWAN) and Cloud Security (Security Access Service Edge – or SASE).

The second pillar, the Global Communication Platform, gives application developers unparalleled access to communication services and advanced network capabilities worldwide, so they can create new value-added services.

Ericsson's subsidiary, Vonage, is an important asset in driving this second pillar. Vonage maintains a strong position in the market for Communications Platform as a Service (CPaaS) and is leading the engagement with a broad ecosystem of developer and partners introducing network APIs.

To accelerate global availability of standardized network APIs, Ericsson launched Aduna, a joint venture with 12 of the world's leading communications service providers to aggregate and sell network APIs to developer platforms, including Vonage. A global supply of network APIs – which work anywhere, and on any network – is critical to accelerate this significant new market. Demand for network APIs is beginning to increase, with early momentum in securing financial transactions and in detecting and preventing fraud.

Strategic foundation

Technology leadership
Ericsson's strategic investments in R&D, including investments in AI capabilities for our portfolio, position the Company to further extend the technology leadership for cost and performance. In addition, we create, secure, protect, and license a portfolio of patents and have a strong patent portfolio that comprises more than 60,000 granted patents.

Through substantial contributions to the development of standards and cutting-edge technologies, we will further capitalize on our R&D investments and patent licensing. Our IPR portfolio provides us with opportunities to grow our licensing revenue further, with a continued emphasis on ensuring that the full value is recognized in all patent licensing agreements.

Cost efficiency
Ericsson strives to prudently manage its costs, investments and balance sheet while investing to enhance our technology leadership, market share and profitability. Our focus on performance and cost leadership enables us to provide products and solutions to our customers with the lowest total cost of ownership (TCO), and we continue to improve productivity and capital efficiency across our supply chain. We are driving extensive deployment of AI for internal efficiency.

Data-driven operations
Ericsson continues to focus on digitalization across the Company to improve our long-term competitiveness. Digitalization plays a pivotal role in expediting workflows and minimizing lead times. By leveraging digital tools, we can achieve significant lead-time reductions across sales, software management and service delivery.

Ericsson's investments in automation and AI are continuing. These investments have resulted in significant gains in portfolio enhancements in the areas of power consumption, network optimization, and operational efficiency, and have contributed towards streamlining software development lead times and other internal processes.

Global skill and scale
Global presence, skills and the expertise of the Ericsson team, combined, and in close partnership with customers, create opportunities for profitable growth and economies of scale. Ericsson's unique engineering talent is key to maintaining our technology leadership while our global supply chain enables greater resilience in our customer deliveries.

Responsible business

To be an industry leader, market and technology leadership needs to be combined with operational excellence, including in how we conduct our business.

Integrity, ethics, and compliance
Ericsson prioritizes an integrity-led culture and ethics and compliance in everything the Company does, driving integrity into and across the organization. Ericsson's governance framework guides its people while building on their strengths — fostering a culture of transparency, collaboration and open dialogue, sound and ethical business decisions, strong risk management, clear and consistent remediation of misconduct, and cross-functional coordination.

In June 2024, Ericsson concluded its four-year compliance Monitorship. The role of the Monitor was to comprehensively review, assess, evaluate, and test all aspects of Ericsson's global anti-bribery and corruption compliance program and internal controls. The Monitor's certification and the conclusion of the Monitor team's work and term was an important milestone, but the work is by no means complete. Due to the breadth of Ericsson's global organization and the industry in which it operates, ongoing vigilance is required as part of Ericsson's continuous journey of embedding and improving its Ethics and Compliance Program. The work over the last several years has significantly strengthened Ericsson's ability to identify and address actual and alleged misconduct as incidents arise and effectively remediated such incidents in a clear and consistent manner.

For further details regarding the Ethics and Compliance Program please see "Ethics and compliance" on page 4 of the Corporate Governance Report.

Sustainability and resilience
Energy efficiency of our solutions is a key competitive advantage as energy costs are one of our customers' largest expenses. We have adopted targets to have Net Zero greenhouse gas (GHG) emissions across our value chain by 2040. Ericsson's most important decarbonization lever in climate change mitigation is delivering an energy-efficient portfolio that will decouple growth in data traffic from growth in network energy use.

We engage in collaborative efforts to uphold respect for human and labor rights in our supply chain and have put measures in place to prevent our technology from negatively impacting end-users' right to privacy and freedom of expression.

We are committed to providing a workplace where safety and well-being are the highest priorities for everyone working for and on behalf of Ericsson. We continue to strengthen our safety culture and put significant resources into our target of zero fatalities and lost workday incidents.

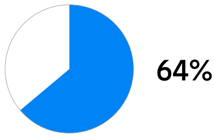
Embedding ethics, compliance and sustainability programs and practices across the Company supports resilience in operations and the supply chain, paving the way for continued long-term value creation.

Segments

Networks

Ericsson's Networks portfolio includes hardware and software solutions, and related service offerings, enabling communications service providers to evolve to new 5G capabilities.
- Radio Access Network (RAN): Consists of antennas, radios, baseband (RAN Compute) and RAN software.
- RAN Compute: Indoor and outdoor units supporting macro and micro sites, powered by Ericsson Silicon bringing flexibility, capacity, and power efficiency.
- Transport: Fiber or microwave connections that connect all RAN nodes with the Core and are the heart of the 5G mobile network.
- Antenna products: Antennas (active and passive), Antenna line devices, Antenna system accessories and feeder system.
- Ericsson Services: customer support, network tuning and intelligent deployment.

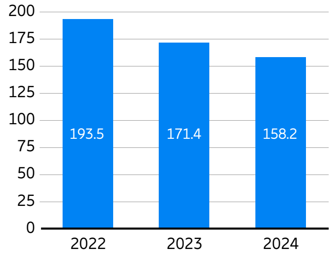
Net sales, share of Group



Adjusted EBITA margin

2022	2023	2024
20.1%	14.0%	17.5%

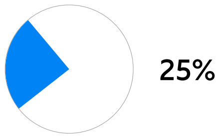
Net sales, SEK billion



Cloud Software and Services

Cloud Software and Services provides solutions that equip communications service providers with the ability to enhance their business agility, service experience, and operational efficiency. Ericsson's offerings for Core Networks, Business and Operations Support Systems (OSS/BSS), Network Management, Cognitive Network Solutions and Managed Networks Services enable customers to evolve to programmable and autonomous networks using AI.
- Core Networks: serve as the backbone that transfer network traffic at high speed.
- Business and Operations Support Systems: enable the communications service providers to monetize and orchestrate the capabilities of the network.
- Network Management and Cognitive Network Solutions: provide capabilities that manage and optimize the networks.
- Managed Networks Services: data driven operations of customer networks.

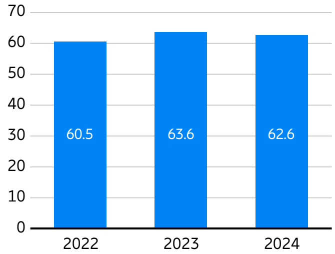
Net sales, share of Group



Adjusted EBITA margin

2022	2023	2024
–2.4%	2.7%	3.2%

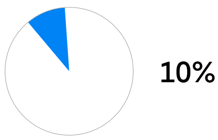
Net sales, SEK billion



Enterprise

Advanced connectivity solutions for businesses to accelerate digitalization, drive innovation and optimize process.
- Global Communications Platform: Cloud-based platform solutions designed to drive developer engagement and accelerate mobile-first, enterprise digital transformation.
- Wireless Wide-Area Networks (WWAN): Wireless connectivity for vehicles, remote locations, IoT applications and devices.
- Private cellular networks: Secure and dedicated 4G and 5G networks.

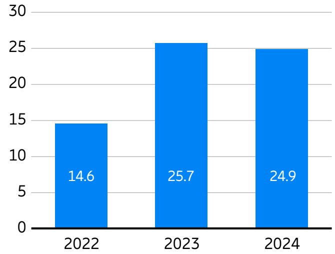
Net sales, share of Group



Adjusted EBITA margin

2022	2023	2024
–18.3%	–12.0%	–16.0%

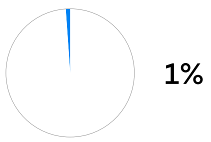
Net sales, SEK billion



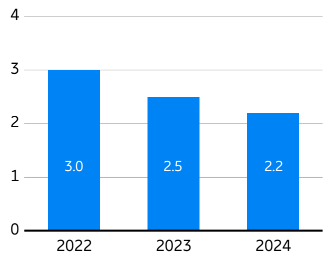
Other

Comprises media businesses as well as other non-allocated businesses.
- RedBee Media: Prepares and distributes live and on-demand video services for broadcasters, sports leagues and communications service providers.

Net sales, share of Group



Net sales, SEK billion



Targets and outcomes

Long-term targets

Our goal is to enhance Ericsson's profitability by leveraging our leadership in mobile infrastructure and expanding into the enterprise sector. Our financial targets are expressed in terms of adjusted EBITA margin and free cash flow before mergers and acquisitions (M&A) as a percentage of net sales.

To drive value creation and competitiveness, we prioritize strategic investments in research and development (R&D), ensuring that we maintain technology leadership and enhance operational efficiency. Financial discipline and a strong focus on profitability and returns are at the heart of every decision we make. We are dedicated to maintaining a robust balance sheet and ensuring financial resilience, and we are committed to deploying capital wisely to support our strategy.

Sustainability goals are integral to our strategy, helping to build resilience across the company. By addressing climate change and prioritizing health and safety, we mitigate material impacts and risks throughout our operations and value chain. Additionally, our goals related to women in leadership positions is designed to attract high-performing talent on the basis of merit and foster an innovative and inclusive company culture.

Financial targets

Adjusted EBITA margin

15–18%

Important drivers
- Increased IPR revenues
- Market and product mix
- Operational leverage

Free cash flow before M&A as a percentage of net sales

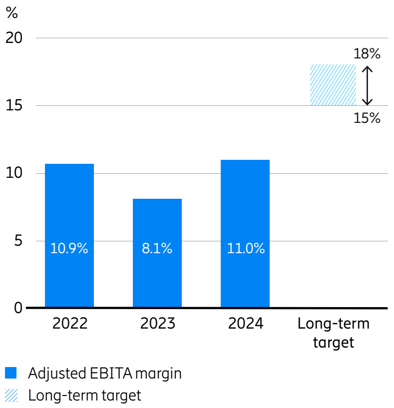
9–12%

Focus
- Delivering high cash conversion from EBITA

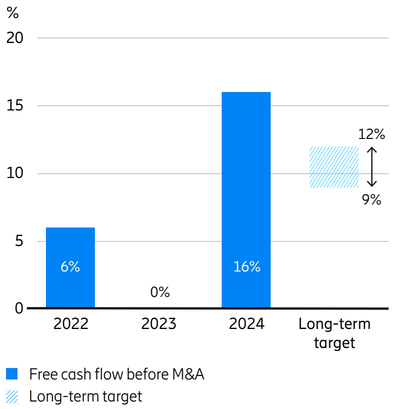
Sustainability goals

- Net Zero carbon emissions across value chain by 2040[1].
- Zero fatalities and lost workday incidents by 2025.
  Outcome 2024: 2 fatalities and 72 lost workday incidents.
- 30% female representation among employees and managers by 2030.
  Outcome 2024: 27% and 24%, respectively.

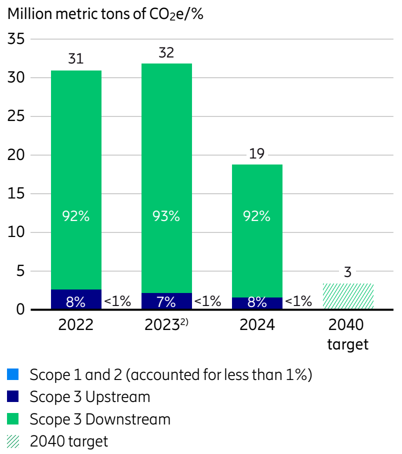
Adjusted EBITA margin



Free cash flow before M&A



Value chain carbon footprint



[1] Validated by the Science Based Targets initiative (SBTi).
[2] Data for 2023 has been restated. For further information, see page 10 in the Sustainability and Corporate Responsibility Report.

Free cash flow generation

Adjusted EBITA to free cash flow bridge (% of net sales, illustrative)

		2023	2024	Long-term target
Adjusted EBITA		8%	11%	15–18%
–	Financial net, tax and other	–2%	–3%	–4 to –5%
+	Add back depreciation and amortization	2%	2%	2 to 3%
+	Add back depreciation of leased assets	1%	1%	1%
+/–	Change in working capital[3]	–5%	9%	–1%
–	Capex	–2%	–1%	–2%
–	Leasing payments	–1%	–1%	–1%
–	Restructuring[4]	–2%	–2%	–1%
Free cash flow (before M&A) as a percentage of net sales		0%	16%	9–12%

All numbers are in relation to net sales.
[3] Defined as changes in operating net assets.
[4] Restructuring charges as reported in the income statement for each year.

Comment from the Chair of the Board

Dear shareholders,

In 2024, Ericsson continued to diligently execute on its strategy, delivering a solid performance and thereby strengthening the Company's leading position. On behalf of the Board, I would like to start by thanking the entire Ericsson team for its efforts during the year.

The progress made during 2024 was achieved in a challenging external environment. The global market for mobile infrastructure continued to decline, even though North America returned to growth during the year. The geopolitical landscape too remained challenged, including signs that the world is moving towards a new set of rules for global trade. Ericsson skilfully navigated this complex external environment while relentlessly continuing to drive technology leadership and create value for its shareholders.

In addition to supporting the management team on strategy execution, the Board worked intensely on a number of key initiatives. Importantly, we continued our efforts to oversee Ericsson's cultural transformation. The monitor's certification of the anticorruption compliance program was a key milestone on this journey, following many actions that the Company has taken over the last several years. This journey, however, is not over and the Board remains fully focused on ensuring the sustainability of the program and strengthening the culture long term.

Strategy

The heart of Ericsson's strategy continues to be its technology leadership. In its core mobile infrastructure business, the Company builds the best high-performing and programmable networks, capable of delivering differentiated connectivity. These networks provide Ericsson's customers with cutting-edge solutions, at the lowest total cost of ownership, that are competitive, secure and reliable. In addition, the Company is also pursuing new opportunities to monetize network investments through a focused expansion in enterprise.

By 2030, 80 percent of the world's mobile data traffic will be carried over 5G networks. Ericsson is a clear 5G leader, consistently being awarded the top rank in third-party assessments. This is a testament to its long-proven ability to drive innovation and its deeply rooted engineering skills. The advancements Ericsson continues to make are positioning the Company well for the future.

During 2024, Ericsson introduced new solutions that significantly improved performance, programmability and energy-efficiency. Ericsson also secured several key contracts, including the first programmable network in Europe as well as significant patent licensing agreements. Success in the IPR field is yet another proof point of the Company's technology leadership and the pioneering work of its R&D teams.

However, while Ericsson is a clear leader in mobile networks, the overall RAN market has been flat for the last 20 years. Many of the Company's communications service provider customers struggle to return their cost of capital invested. Unless there are new revenue opportunities, the RAN market will at best remain flat. To help change this trajectory, Ericsson is also looking to define new use cases for the mobile networks. Unlike the consumer market, enterprises and the public sector have yet to fully digitalize – and solutions based on differentiated connectivity can play an important role in this transformation.

Ericsson is pursuing several opportunities to expand the market for mobile connectivity, including mission critical networks, Fixed Wireless Access and various enterprise solutions. Network APIs are one of the key opportunities for new monetization. These open interfaces allow developers to integrate advanced network capabilities into their applications, enabling new innovation and use-cases and opening new revenue streams for customers and for the Company.

The announcement of the Aduna venture between Ericsson and 12 of the world's largest telecom operators, where Ericsson will hold a 50% equity share, aims to accelerate the adoption and innovation of network APIs. Establishing this new venture was a key achievement in 2024. We are already seeing this ecosystem starting to take shape and the Board is closely following the development of this market opportunity. The Board's Enterprise Business and Technology Committee, which was created last year, will continue to play an important role in this work.

Capital Structure

The Company reported net sales of SEK 247.9 billion, a gross margin, excluding restructuring charges, of 44.9%, and an EBITA margin, excluding restructuring charges, of 11.0%. The Board continues to closely monitor cash flow generation with a target of 9–12% of net sales before M&A. In 2024, the Company exceeded its target and generated free cash flow of SEK 40.0 billion. During the year, Ericsson also recorded a SEK 15.3 billion non-cash impairment charge mainly attributable to the Vonage acquisition, reflecting lower than anticipated market growth in Vonage's current portfolio.

A key focus of the Board is capital allocation. The Company has a well-diversified debt profile, with an average maturity of 3.6 years, and a net cash position of SEK 37.8 billion at the end of the year. The Board monitors Ericsson's capital structure with the aim of ensuring organic investments in technology leadership, including preparing for 6G. Ericsson's customers depend on its ability to make long-term technology commitments and to offer competitive solutions. Further, the Company needs capital to make add-on acquisitions to complement or fill gaps in the technology portfolio or geographic reach.

In addition, the Board recognizes the importance of returning excess free cash flow to its shareholders. For 2024, the Board proposes to the Annual General Meeting an ordinary dividend of SEK 2.85 (2.70) per share with the increase in dividend reflecting the overall ambition to pursue a stable to progressive dividend.

Sustainability and Corporate Responsibility

Ericsson's strategy depends not only on technology leadership, but also on operational excellence, strong governance, a culture of ethics and integrity and securing the best talent. In 2024, the Board continued its work to oversee the Company's sustainability and corporate responsibility efforts. These efforts included simplification and digitalization of processes, further improvements in radio energy efficiency and a refreshed and relaunched Code of Business Ethics.

The Board maintains active oversight of Ericsson's Ethics and Compliance Program, including in the areas of culture transformation, digitalization and operational efficiency, as well as risk mitigation and management. In 2024, Ericsson put in place enhanced controls for decision making and operations, while remaining strongly focused on Ericsson's speak-up culture. The Board actively monitors the ongoing process to drive cultural change, with a focus on embedding integrity into ways of working and supporting sound and ethical business decisions.

Ericsson's governance framework has improved over the past several years and the Company continues to strive to be best in class. These improvements have facilitated an effective compliance program, enhanced Board and management oversight, and strong, proactive risk management. Enhanced ethics and compliance internal controls have been effectively integrated into Ericsson's business operations globally, with significant focus on leveraging data to support informed decision making and monitoring, including end-to-end monitoring of high-risk transactions.

People and Talent

Throughout its history, Ericsson's people and world-leading engineering skills have been the foundation for its success. Competition for global talent in today's world remains fierce and it is vital to attract, retain and motivate the best people to successfully deliver on the Company's strategy. The Board's remuneration philosophy is to reward employees for creating long-term shareholder value, in line with the Group's strategic goals, while upholding corporate values. The ambition is to encourage behaviors consistent with Ericsson's corporate culture and values, while ensuring fairness and transparency.

In addition to the Long Term Variable (LTV) compensation programs, which the Board proposes to the AGM, the Board's mandate also includes defining meaningful Short Term Variable (STV) compensation targets linked to the business plan, but also to behaviors aligned with the Company's values and culture.

Governance

Together with the Chair of the Audit & Compliance Committee, I continued to have meaningful dialogue with major Swedish and international shareholders, representing more than 57% of shares outstanding. The Board believes that shareholder feedback provides valuable insight to facilitate Board and committee discussions and enables informed decisions, improving efficiency and governance.

During the year, these conversations have focused on potential changes to long-term remuneration programs. This includes the proposed addition of a three-year performance metric to the 2025 LTV incentive plan, further amplifying the long-term focus of the Executive team and Executives and strengthening the alignment with long-term shareholders. This follows changes, implemented in 2024, to the CEO at-risk remuneration structure, including both STV and LTV components to further align with shareholder interests.

The full Board and committee meetings are efficient tools to monitor and execute on the Board's responsibilities. The refresh of the Board committees which was implemented last year has worked well and allowed the Board to efficiently drive its different initiatives. The current directors bring a wide variety of qualifications, skills and attributes that strengthen the Board's ability to carry out its oversight role on behalf of the shareholders.

Concluding remarks

For nearly 150 years, Ericsson has been at the forefront of technology, and we intend it to keep this position. The way to stay ahead in technology is to lead with innovation. Ericsson is committed to investing in technology leadership to ensure that it remains competitive and as we now have entered 2025, the Company is in a strong position. Customer momentum around programmable networks continues to build and the Company is taking strategic steps to broaden the market for connectivity. Although the macro environment remains challenging, and geopolitical risk is elevated, the Board has full confidence in Ericsson's strategy and its ability to execute and drive technology leadership in the future.

As I look ahead, I'm confident that the Company will maintain its leading position. On behalf of the Board, I want to again extend my appreciation and my sincere thanks to CEO, Börje Ekholm, the management team, and all employees for their efforts and contributions during 2024.

Jan Carlson
Chair of the Board

Board of Director's Report

2024 highlights

- Net sales decreased by –6% to SEK 247.9 (263.4) billion impacted by a sales decline in Networks of –8%. Organic sales declined by –5%.
- Gross income increased to SEK 109.4 (101.6) billion with an increase in all segments. Gross margin was 44.1% (38.6%). Adjusted gross income was SEK 111.4 (104.4) billion, with a margin of 44.9% (39.6%).
- EBIT (loss) amounted to SEK 4.3 (–20.3) billion, with an EBIT margin of 1.7% (–7.7%). Adjusted EBIT (loss) was SEK 9.3 (–13.8) billion with an adjusted EBIT margin of 3.8% (–5.2%).
- Net income (loss) was SEK 0.4 (–26.1) billion. Earnings per share (EPS) diluted was SEK 0.01 (–7.94).
- EBITA increased to SEK 22.1 (14.9) billion with a EBITA margin of 8.9% (5.7%). Adjusted EBITA was SEK 27.2 (21.4) billion with an adjusted EBITA margin of 11.0% (8.1%).
- Cash flow from operating activities was SEK 46.3 (7.2) billion. Free cash flow before M&A amounted to SEK 40.0 (–1.1) billion.
- Cash and cash equivalents was SEK 43.9 (35.2) billion and net cash was SEK 37.8 (7.8) billion on December 31, 2024.
- The Board of Directors proposes a dividend for 2024 of SEK 2.85 (2.70) per share to the Annual General Meeting.

Business in 2024

In 2024 sales decreased by –6% to SEK 247.9 (263.4) billion. Organic sales declined by –5%.

Networks sales declined by –8% to SEK 158.2 billion, strong sales growth in market area North America partly offset lower sales in other market areas. Organic sales decreased by –6%.

Cloud Software and Services sales decreased by –2% to SEK 62.6 billion, as modest growth in core networks were offset by lower services sales. Organic sales decreased by –1%.

Enterprise sales declined by –3% to SEK 24.9 billion, with lower sales in Global Communications Platform partly offset by growth in Enterprise Wireless Solutions. Organic sales decreased by –2%.

IPR licensing revenues were SEK 14.0 (11.1) billion as a result of new 5G license agreements and renewals.

Gross income increased to SEK 109.4 (101.6) billion primarily driven by Networks. Gross income was impacted by SEK –2.0 (–2.8) billion of restructuring charges. Gross margin increased to 44.1% (38.6%), driven by a more favorable market mix, cost-reduction activities, higher IPR licensing revenues and the decision to focus on more profitable market segments in Enterprise.

Operating expenses increased to SEK –105.4 (–90.2) billion, including a SEK –14.1 billion impact relating to the impairment of intangible assets and restructuring charges of SEK –3.0 (–3.7) billion. Research and development (R&D) expenses increased by SEK –2.9 billion to SEK–53.5 billion, including restructuring charges of SEK –2.1 (–2.4) billion. Selling and administrative (SG&A) expenses increased by SEK –12.4 billion to SEK –51.7 billion, including impairment of intangible assets of SEK –12.6 billion and restructuring charges of SEK–0.8 (–1.3) billion. The remaining increase is mainly related to investments in segment Enterprise.

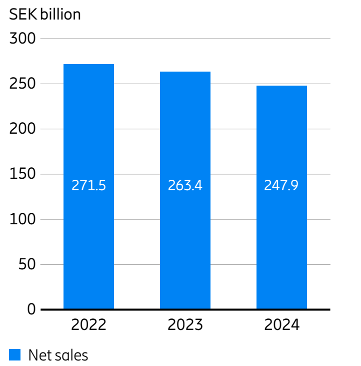
Other operating income and expenses were SEK 0.6 (–31.9) billion. 2023 was impacted by a non-cash goodwill impairment charge of SEK –31.9 billion, attributed to Vonage, while the impairment charge in 2024 was SEK –1.3 billion.

EBIT (loss) was SEK 4.3 (–20.3) billion. The improvement is primarily a result of lower non-cash impairment charges of SEK –15.3 (–31.9) billion, mainly attributed to the Vonage acquisition. Higher gross income, partly offset by higher operating expenses, also contributed to the improvement.

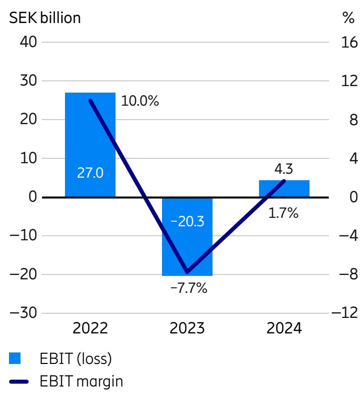
The number of employees on December 31, 2024, was 94,236 (99,952). The decrease was mainly related to cost-reduction activities.

Cash flow from operating activities was SEK 46.3 (7.2) billion benefiting from strong earnings and a significant reduction in working capital. Free cash flow before M&A amounted to SEK 40.0 (–1.1) billion. Net cash on December 31, 2024 was SEK 37.8 (7.8) billion.

Net sales



EBIT (loss) and EBIT margin



Financial highlights

Net sales
Sales decreased by SEK –15.5 billion or –6% to SEK 247.9 (263.4) billion with a negative currency impact of SEK –3.3 billion. Networks sales declined by –8% to SEK 158.2 billion, Cloud Software and Services sales declined by –2% to SEK 62.6 billion and Enterprise sales declined by –3% to SEK 24.9 billion. Sales in segment Other declined by –14% to SEK 2.2 billion. Organic sales decreased by –5%.

Sales increased in market area North America by 23%. Sales declined in the other market areas, primarily in market area South East Asia, Oceania and India where sales were materially lower as customer investment levels in India have normalized after a record year in 2023.

IPR licensing revenues increased to SEK 14.0 (11.1) billion as a result of new 5G license agreements and renewals.

The sales mix by commodity was hardware 38% (38%), software 23% (22%) and services 39% (40%).

Gross income
Gross income increased to SEK 109.4 (101.6) billion, with a gross margin of 44.1% (38.6%). Improvements were reported by all segments. The improvement in gross margin was driven by a more favorable market mix, cost-reduction initiatives, higher IPR licensing revenues, and the decision to focus on more profitable market segments in Enterprise. Adjusted gross income increased to SEK 111.4 (104.4) billion while adjusted gross margin increased to 44.9% (39.6%).

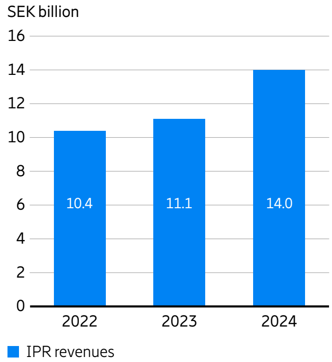
Research and Development (R&D) expenses
R&D expenses increased to SEK –53.5 (–50.7) billion, including restructuring charges of SEK –2.1 (–2.4) billion. R&D expenses were affected by a SEK –1.4 billion impairment of intangible assets, as well as a SEK –0.7 billion impact from a lower rate of capitalization of development expenses in Enterprise. Excluding these items, the benefit from cost actions offset salary increases, and also partly offset higher variable incentive accruals. The increase in incentive accruals was due to bonus outcomes exceeding target levels in 2024, compared to outcomes falling below target levels in 2023.

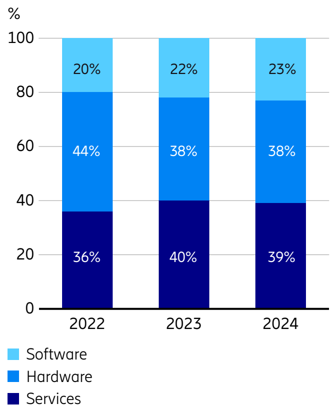
Selling and Administrative (SG&A) expenses
SG&A expenses increased to SEK –51.7 (–39.3) billion, including a SEK –12.6 billion impact relating to the impairment of intangible assets in the year, restructuring charges of SEK –0.8 (–1.3) billion, and a SEK 0.4 billion benefit from lower amortization following the impairment of intangible assets. Excluding these items, SG&A expenses increased by SEK –0.6 billion primarily reflecting investments in segment Enterprise to improve operational effectiveness, as well as higher variable incentive accruals, with salary increases offset by cost efficiency actions. The increase in incentive accruals was due to bonus outcomes exceeding target levels in 2024, compared to outcomes falling below target levels in 2023.

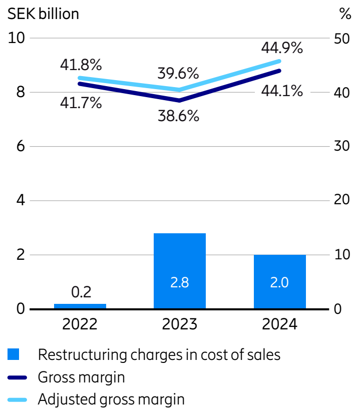
Other operating income and expenses
Other operating income and expenses were SEK 0.6 (–31.9) billion. A gain of SEK 1.9 billion from the resolution of a commercial dispute offset a non-cash goodwill impairment charge of SEK –1.3 (–31.9) billion, mainly attributed to the Vonage acquisition.

Restructuring charges
Restructuring charges were SEK –5.0 (–6.5) billion mainly related to redundancy activities, including actions to right-size operations to align with a lower level of customer demand in some markets as well as actions to improve efficiency. Gross income included SEK –2.0 (–2.8) billion of restructuring charges, while operating expenses included SEK –3.0 (–3.7) billion of restructuring charges.

Earnings before financial items and income tax (EBIT) (loss)
EBIT (loss) increased to SEK 4.3 (–20.3) billion with an EBIT margin of 1.7% (–7.7%). The improvement was a result of a lower non-cash impairment charge of SEK –15.3 (–31.9) billion, mainly attributed to the Vonage acquisition, as well as higher gross income partly offsetting increased operating expenses. The amortization of acquisition-related intangible assets was SEK –2.5 (–3.3) billion. Adjusted EBIT increased to SEK 9.3 (–13.8) billion with a margin of 3.8% (–5.2%).

IPR licensing revenues


Software, Hardware and Services: share of Group sales


Gross margin and restructuring charges


Financial income and expenses, net

Net financial income and expenses were SEK –1.7 (–3.0) billion, benefiting from a higher net cash position. The currency hedge effect impacted net financial income and expenses by SEK 0.1 (–0.2) billion. The USD strengthened against the SEK between December 31, 2023 (SEK/USD rate 10.01) and December 31, 2024 (SEK/USD rate 10.99).

Taxes

Taxes were SEK –2.2 (–2.8) billion. The effective tax rate, excluding impairment charges, mainly goodwill and intangible assets related to the Vonage acquisition, was 28% for 2024. The effective tax rate for 2023 was 32%, excluding the impairment of goodwill related to the Vonage acquisition.

Net income (loss)

Net income (loss) was SEK 0.4 (–26.1) billion. The improvement was a result of a lower non-cash impairment charge of SEK –15.3 (–31.9) billion, mainly attributed to the Vonage acquisition, as well as higher gross income partly offsetting increased operating expenses. Improved net financial income and expenses as well as lower taxes also contributed to the improvement. Earnings per share (EPS) diluted was SEK 0.01 (–7.94).

Earnings before interest, income tax and amortizations (EBITA)

EBITA increased to SEK 22.1 (14.9) billion as higher gross income was partly offset by increased operating expenses. The EBITA margin was 8.9% (5.7%). Adjusted EBITA was SEK 27.2 (21.4) billion with an 11.0% (8.1%) margin.

Employees

The number of employees on December 31, 2024, was 94,236 compared with 99,952 on December 31, 2023.

Cash flow

Cash flow from operating activities increased to SEK 46.3 (7.2) billion as a result of improved earnings and a significant reduction in working capital. The reduction in working capital was a result of a favorable market mix, following the completion of network rollouts in India and strong sales growth in market area North America. Working capital also benefited from strong collections, supported by early payments from customers, and efficient supply chain management.

Free cash flow before M&A increased to SEK 40.0 (–1.1) billion benefiting from higher operating cash flow.

Cash flow from investing activities was SEK –16.0 (–8.7) billion, mainly driven by investments in interest-bearing securities following the increase in gross cash.

Cash flow from financing activities was SEK –23.9 (1.0) billion including dividend payments of SEK -9.2 billion, the repayment of a maturing EUR 500 million bond, USD 400 million of a liquidity revolving credit facility, and a USD 281 million loan. This was partly offset by the disbursement of two loans of USD 184 million and USD 108 million, respectively.

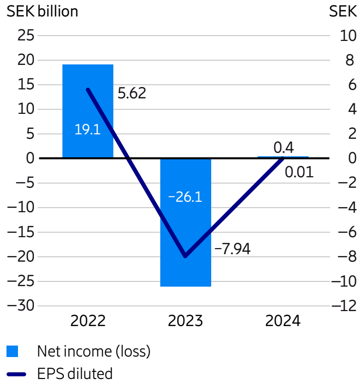
Financial position

Gross cash increased by SEK 21.2 billion to SEK 75.9 (54.7) billion. Net cash increased by SEK 30.0 billion to SEK 37.8 (7.8) billion driven by positive free cash flow after M&A, partly offset by dividends paid. Liabilities for post-employment benefits decreased in the year to SEK 24.4 billion from SEK 26.2 billion. The Swedish defined benefit obligation (DBO) was calculated using a discount rate based on the yields of Swedish government bonds. If the discount rate had been based on Swedish covered mortgage bonds, the liability for post-employment benefits would have been approximately SEK 13.9 billion (SEK 10.5 billion lower than current DBO).

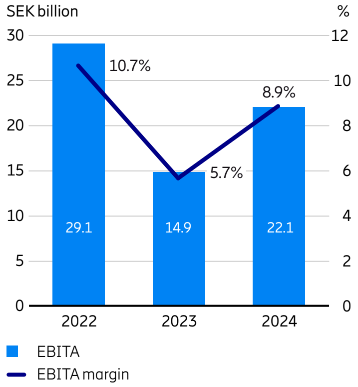
The average maturity of Parent Company borrowings was 3.6 years as of December 31, 2024, compared with 3.2 years as of December 31, 2023. Ericsson had unutilized committed credit facilities of SEK 33.0 billion (USD 3.0 billion) as of December 31, 2024.

Credit ratings have been unchanged during the year, while outlook has been changed by Standard & Poor's (S&P) to stable from developing. Both S&P and Fitch have a long-term BBB– rating on Ericsson with stable outlook, while Moody's has a Ba1 rating with stable outlook.

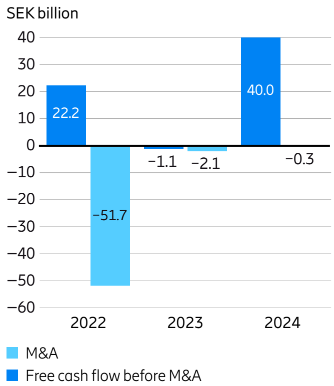
Net income (loss) and EPS diluted



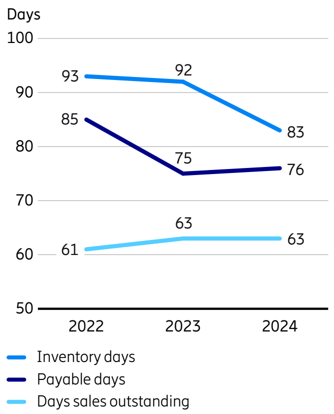
EBITA and EBITA margin



Free cash flow



Working capital days



Research and Development, patents and licensing

R&D expenses amounted to SEK –53.5 (–50.7) billion. R&D expenses were impacted by SEK –2.1 (–2.4) billion of restructuring charges. R&D expenses were also impacted by SEK –1.4 billion of impairment of intangible assets mainly related to the Vonage acquisition, as well as by SEK –0.7 billion from a lower rate of capitalization of development expenses in Enterprise. The number of R&D employees was 26,744 (28,219) and the number of granted patents amounted to more than 60,000.

Seasonality

Group sales, income and cash flow from operations vary between quarters and are generally lowest in the first quarter of the year and highest in the fourth quarter. This is mainly a result of the seasonal purchase patterns of the Company's customers.

Three-year average seasonality (2022–2024)

	First quarter	Second quarter	Third quarter	Fourth quarter
Share of annual Group sales	22%	24%	25%	29%

Capital expenditures

For 2024, capital expenditures were SEK 2.3 (3.3) billion, representing 1.0% of sales. Expenditures are largely related to test sites and equipment for R&D, network operations centers and manufacturing and repair operations. Annual capital expenditures are normally around 1%–2% of sales.

The Board of Directors reviews the Company's investment plans and proposals. As of December 31, 2024, no material land, buildings, machinery or equipment were pledged as collateral for outstanding indebtedness.

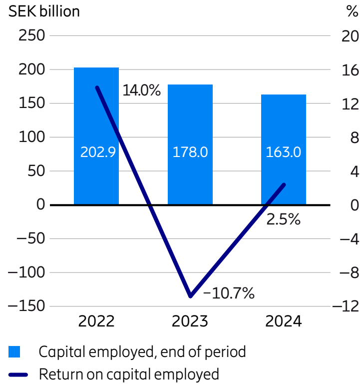
Capital expenditures 2022–2024

SEK billion	2022	2023	2024
Capital expenditures	4.5	3.3	2.3
of which in Sweden	*1.7*	*1.2*	*0.6*
Share of annual sales	1.6%	1.3%	1.0%

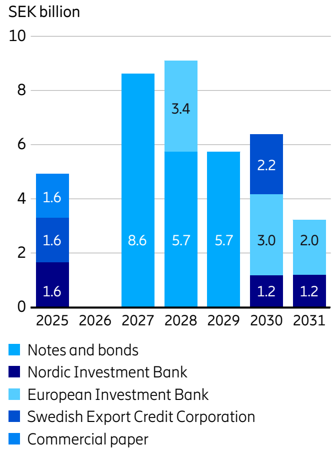
Capitalized development expenses

Capitalized development expenses decreased to SEK –1.3 (–2.2) billion, primarily due a lower rate of development capitalization in in segment Enterprise.

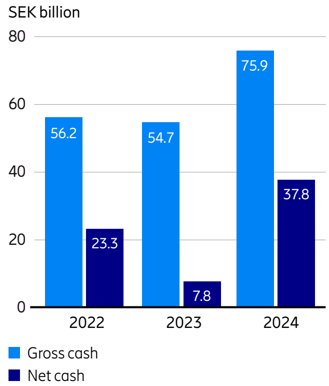
Return on capital employed



Parent Company borrowings – maturity profile



Cash position



Business results – Segments

Networks

Networks represented 64% (65%) of Group net sales in 2024. Networks offerings include hardware and software solutions and related services, enabling communications service providers to evolve to new 5G capabilities. The portfolio includes Radio Access Network (RAN), RAN Compute, Transport, Antenna products and a complete service portfolio.

Net sales

Sales decreased by –8% to SEK 158.2 (171.4) billion, as strong sales growth in market area North America was offset by lower sales in the other market areas, where communications service providers largely remained cautious with their investments. Sales in market area North America increased by 30%, as a result of contract wins and selective network investments by some large customers. Sales in the other market areas decreased. Sales declined by –46% in market area South East Asia, Oceania and India, primarily due to more normalized investment levels in India following a record year in 2023. Sales were supported by increased IPR licensing revenues, benefiting from new licensing agreements signed in 2024. Organic sales declined by –6%.

Gross income

Gross income increased to SEK 73.6 (68.0) billion, with a gross margin of 46.6% (39.6%). The increase is a result of a favorable market mix, continued cost-reduction initiatives and improved supply chain effectiveness. In addition, gross margin was supported by higher IPR licensing revenues. Adjusted gross income increased to SEK 74.7 (69.9) billion with a 47.2% (40.8%) adjusted gross margin.

EBIT and EBITA

EBIT increased to SEK 25.7 (19.4) billion with an EBIT margin of 16.2% (11.3%). EBITA increased to SEK 25.9 (19.5) billion with an EBITA margin of 16.3% (11.4%). Higher gross income and efficiency improvements were partly offset by an increase in variable incentive accruals, reflecting a bonus outcome above target level in 2024 and below target level in 2023.

EBIT and EBITA were impacted by restructuring charges of SEK –1.9 (–4.4) billion. Adjusted EBIT increased to SEK 27.6 (23.8) billion with an adjusted EBIT margin of 17.4% (13.9%), while adjusted EBITA increased to SEK 27.8 (23.9) billion with an adjusted EBITA margin of 17.5% (14.0%).

Strategic R&D investments continued, to build high-performing programmable networks to maintain technology leadership.

Cloud Software and Services

Cloud Software and Services represented 25% (24%) of Group net sales in 2024. Cloud Software and Services provides solutions that equip communications service providers to enhance their business agility, service experience, and operational efficiency. The portfolio includes Core Networks, Business and Operations Support Systems, Network Management, Cognitive Network Solutions and Managed Networks Services.

Net sales

Sales decreased by –2% to SEK 62.6 (63.6) billion with services sales accounting for 64% (66%) of net sales. Modest growth in core networks was offset by lower services sales mainly due to timing of project deliverables. In addition, managed services contracts have been descoped in some markets.

Sales grew in market areas North America and Europe and Latin America as a result of timing of project deliverables, while sales declined in other market areas. Sales were supported by increased IPR licensing revenues, as a result of new licensing agreements signed in 2024. Organic sales declined by –1%.

Gross income

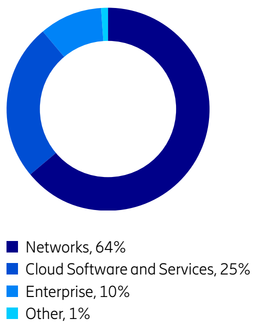
Gross income increased to SEK 23.0 (22.1) billion with a gross margin of 36.8% (34.7%) benefiting from improved delivery performance, cost actions and continued focus on commercial discipline. Gross margin was also supported by higher IPR licensing revenues. Adjusted gross income increased to SEK 23.9 (22.9) billion with an adjusted gross margin of 38.2% (36.0%).

EBIT (loss) and EBITA (loss)

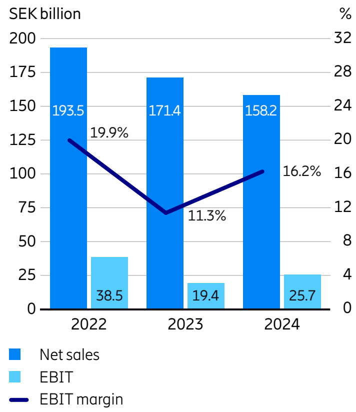
EBIT (loss) and EBITA (loss) were SEK –0.4 (–0.2) billion. EBIT margin was –0.7% (–0.3%), while EBITA margin was –0.6% (–0.3%). Higher gross income, efficiency improvements and cost actions were partly offset by an increase in variable incentive accruals, reflecting a bonus outcome above target level in 2024 as well as investments in the 5G portfolio and in resilience. EBIT and EBITA were imacted by restructuring charges of SEK –2.4 (–1.9) billion. Adjusted EBIT and adjusted EBITA increased to SEK 2.0 (1.7) billion with an adjusted EBIT and adjusted EBITA margin of 3.2% (2.7%).

Strategy execution continues, with a focus on commercial discipline, acceleration of automation, and scalable software deployment.

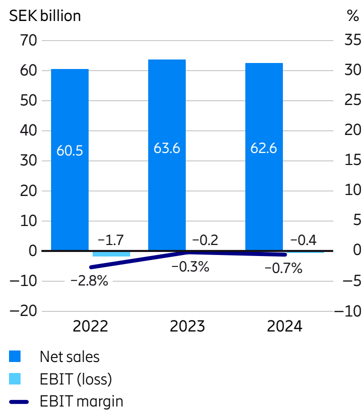
Sales split per segment



Networks



Cloud Software and Services



Enterprise

Segment Enterprise represented 10% (10%) of Group net sales in 2024. Enterprise provides advanced connectivity solutions for businesses to accelerate digitalization, drive innovation and optimize processes. The portfolio includes Global Communications Platform, Wireless Wide-Area Networks (WWAN) and private cellular networks.

Net sales

Sales decreased by –3% to SEK 24.9 (25.7) billion, with lower sales in Global Communications Platform partly offset by growth in Enterprise Wireless Solutions.

Sales in Enterprise Wireless Solutions grew by 17%, benefiting from good demand for private 5G and neutral host solutions as well as customer contract renewals in WWAN and Security solutions. Sales in Global Communications Platform declined by –10%, negatively impacted by the decision to focus on more profitable market segments and to reduce activities in some countries, as well as by a low-margin customer contract loss in Q4 2023. The negative impact was partly offset by growth in higher value market segments, including call center solutions. Organic sales declined by –2%.

Gross income

Gross income increased to SEK 12.8 (12.0) billion benefiting from sales growth in Enterprise Wireless Solutions and the focus on more profitable market segments. Gross margin increased to 51.4% (46.7%), supported by an improved business mix following the decision to focus on more profitable market segments. Adjusted gross income improved to SEK 12.8 (12.0) billion with an adjusted gross margin of 51.5% (46.7%).

EBIT (loss)

EBIT (loss) was SEK −22.1 (−38.3) billion with an EBIT margin of –88.8% (–148.9%). The reduction in losses was primarily driven by a lower non-cash impairment charge of SEK –15.3 (–31.9) billion, mainly attributed to the Vonage acquisition. EBIT was impacted by restructuring charges of SEK –0.5 (–0.2) billion. Adjusted EBIT (loss) was SEK –21.6 (–38.2) billion.

EBITA (loss)

EBITA (loss) was SEK –4.5 (–3.3) billion. Increased investments to improve operational effectiveness in Global Communications Platform and a lower rate of capitalization of development expenses, partly offset operational efficiency improvements in Enterprise Wireless Solutions and in Technologies and New Businesses. EBITA was impacted by restructuring charges of SEK –0.5 (–0.2) billion. Adjusted EBITA (loss) declined to SEK –4.0 (–3.1) billion with an adjusted EBITA margin of –16.0% (–12.0%).

Other

Segment Other represented 1% (1%) of Group net sales in 2024. Segment Other comprises media businesses as well as other non-allocated businesses.

Net sales

Sales declined to SEK 2.2 (2.5) billion, primarily due to the divestment of the IoT business in 2023 and lower sales in the media businesses.

Gross income

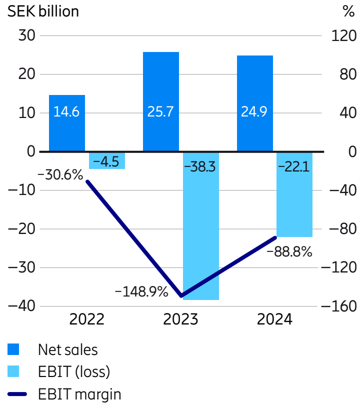
Gross income was SEK –0.1 (–0.5) billion, mainly reflecting higher asset impairments in 2023.

Adjusted gross income improved to SEK –0.0 (–0.4) billion with an adjusted gross margin of –1.5% (–17.7%).

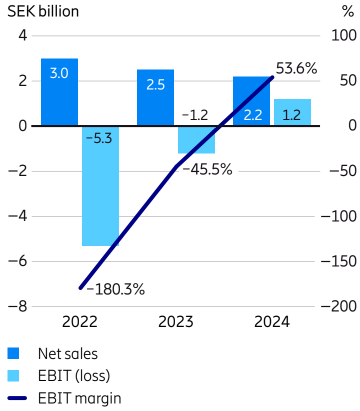
EBIT (loss) and EBITA (loss)

EBIT (loss) and EBITA (loss) were SEK 1.2 (–1.2) billion with the increase mainly related to a gain of SEK 1.9 billion from the resolution of a commercial dispute, as well as lower operational cost due to the divestment of the IoT business in 2023. EBIT and EBITA were impacted by restructuring charges of SEK –0.2 (0. 0) billion. Adjusted EBIT (loss) and EBITA (loss) were SEK 1.3 (–1.2) billion.

Enterprise



Other



Business results – Market areas[1)]

Market area North America
Sales increased by 23% to SEK 72.9 billion with Networks sales increasing by 30% as a result of contract wins and selective network investments by some large customers. Cloud Software and Services sales increased by 1%. Organic sales increased by 24%.

Market area Europe and Latin America
Sales decreased by –2% to SEK 63.4 billion. Sales in Europe were stable with lower customer capex spend offset by strong customer deliveries and market share gains. Sales in Latin America declined due to increased price competition and lower customer network investments. Organic sales decreased by –2%.

Market area South East Asia, Oceania and India
Sales declined by –39% to SEK 32.4 billion, primarily reflecting more normalized network investment levels in India, after a record year in 2023. Sales in South East Asia declined reflecting lower customer investment levels due to market consolidation and macroeconomic uncertainty, partly offset by recent contract wins. Cloud Software and Services sales declined, reflecting timing of project deliverables as well as descoping and exit of managed services contracts. Organic sales decreased by –38%.

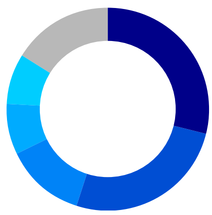
Market area North East Asia
Sales declined by –22% to SEK 18.8 billion. Networks sales declined due to reduced customer investments in some 5G frontrunner markets. Cloud Software and Services sales declined, reflecting timing of project deliverables and descoping of some low-margin contracts. Organic sales declined by –19%.

Market area Middle East and Africa
Sales decreased by –13% to SEK 20.8 billion. Networks sales declined reflecting lower Middle East investments, following an accelerated 5G rollout in 2023. In Africa, macroeconomic headwinds and currency devaluations impacted customer investment levels, and price competition remained intense. Cloud Software and Services sales declined due to timing of project deliverables. Organic sales declined by –12%.

Market area Other
Market area Other primarily includes IPR licensing revenues and almost all sales in segment Enterprise. Sales increased by 4% to SEK 39.6 billion, driven by IPR licensing revenues, partly offset by the decline in Enterprise sales. Organic sales increased by 6%.

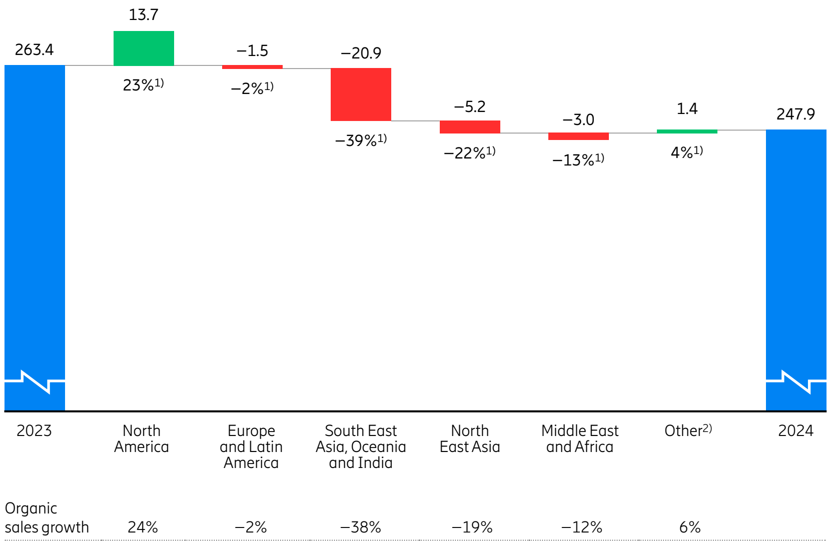
IPR
IPR licensing revenues increased to SEK 14.0 (11.1) billion as a result of new 5G license agreements and renewals. The increase includes retroactive revenue from previously unlicensed periods. Opportunities to further grow IPR licensing revenues remain.

Sales split per market area



1) Effective March 15, 2025, two new Market Areas will be created, Market Area Americas and Market Area Europe, Middle East & Africa, replacing Market Area North America, Market Area Europe and Latin America and Market Area Middle East and Africa.

Reported sales per market area – 2024 compared with 2023
SEK billion



1) YoY change.
2) Market area Other primarily includes IPR licensing revenues and principally all sales from segment Enterprise.

Corporate governance

In accordance with the Swedish Annual Accounts Act and the Swedish Corporate Governance Code, a separate Corporate Governance Report, including an internal control section, has been prepared and appended to this Financial Report.

Introduction
To be an industry leader, market and technology leadership needs to be combined with operational excellence, including in how Ericsson conducts its business. Ericsson believes that strong corporate governance leads to better decision-making, enhances its competitiveness, improves its ability to effectively execute on its strategy and, ultimately, drives shareholder value.

Ericsson's Corporate Governance
Ericsson is committed to maintaining the highest standards of corporate governance and has established a corporate governance framework that:
- Empowers the business, enabling strategic execution and operational excellence.
- Promotes and facilitates effective oversight across the organization by the Board of Directors (the Board), the President and CEO, and the Executive Team throughout all levels of the organization.
- Facilitates high-quality decision-making with clear accountabilities at all levels.
- Instils a robust approach to risk management to effectively identify, manage and mitigate risks and capture opportunities.

Ericsson prioritizes an integrity-led culture and ethics and compliance in everything it does, driving integrity into and across the organization. Ericsson's governance framework guides its people while building on their strengths – fostering a culture of transparency, collaboration and open dialogue, making sound and ethical business decisions, engaging in strong risk management, and conducting clear and consistent remediation of misconduct and cross-functional coordination. Ericsson has implemented practices and procedures that establish clear rules of governance, ranging from matters requiring approval of the Company's shareholders and members of its Board, to conflicts of interest policies and director and management duties and obligations. All of these support Ericsson in managing its business in line with its values: professionalism, respect, perseverance and integrity.

Key corporate governance actions in 2024
Ericsson's intensive work on strengthening and simplifying its corporate governance practices continued throughout 2024 and was pursued in concert with further improvements to its Ethics and Compliance Program. During 2024, Ericsson also continued its progress towards simplification and digitalization of processes, cross-functional collaboration, shared accountability and strong support for the Speak Up culture.

Further information about key corporate governance actions in 2024 is included on page 1 in the Corporate Governance Report.

Continued compliance with the Swedish Corporate Governance Code
The Swedish Corporate Governance Code is based on the principle of "comply or explain" and is published on the website of the Swedish Corporate Governance Board, which administers the Swedish Corporate Governance Code: https://bolagsstyrning.se/. Ericsson is committed to complying with best-practice corporate governance standards on a global level. Ericsson did not report any deviations from the rules of the Swedish Corporate Governance Code in 2024.

Business integrity
Ericsson continues to invest significant resources and efforts to strengthen its Ethics and Compliance Program, implementing and maintaining strong systems, controls and policies to effectively prevent and detect wrongdoing, including in the areas of ethics, anti-bribery and corruption, conflicts of interests, anti-money laundering and competition law. Importantly, as discussed further in the Corporate Governance Report, this effort has been underpinned by work across the organization to transform the Company's culture and enhanced governance frameworks and processes to strengthen Ericsson's operations. In addition to protecting Ericsson's best interests, the enhanced Ethics and Compliance Program has provided opportunities for further operational efficiencies, such as digitalized procedures and streamlined processes, which can increase productivity and reduce future operational costs.

In early 2024, Ericsson adopted an enhanced and simplified Code of Business Ethics for the organization. The Code of Business Ethics sets out the Company's expectations, principles and requirements for employees as they conduct business. It provides the framework for ethical decision-making, and guides employees in making decisions and managing risk as they engage with colleagues, customers, partners, owners, and other stakeholders. It supports Ericsson's Speak Up culture and prohibits retaliation for raising compliance concerns in good faith. All employees are required to confirm their understanding of the Code of Business Ethics on a regular basis. The Code of Business Ethics sets the framework and standard for all employees to help ensure that the Company's decisions and actions are ethical, and that Ericsson is acting as a positive global force.

Board of Directors
At the Annual General Meeting, held on April 3, 2024, Jan Carlson was re-elected Chair of the Board, and Jon Fredrik Baksaas, Jan Carlson, Carolina Dybeck Happe, Börje Ekholm, Eric A. Elzvik, Jonas Synnergren, Kristin S. Rinne, Jacob Wallenberg, and Christy Wyatt were re-elected as members of the Board. Karl Åberg was elected as new Board member. In September 2024, Carolina Dybeck Happe resigned from the Board following her appointment to a new role. Ulf Rosberg, Kjell-Åke Soting and Annika Salomonsson were appointed as employee representatives by the unions, with Loredana Roslund, Frans Frejdestedt and Stefan Wänstedt as deputies.

Management
Börje Ekholm has been President and CEO of the Group since 2017. The President and CEO is supported by the Executive Team.

Shareholder engagement
As part of Ericsson's ongoing shareholder engagement, and in addition to the ordinary course communication between shareholders and Ericsson's Investor Relations and management team throughout the year, during the first and fourth financial quarters of 2024, the Chair of Ericsson's Board, Jan Carlson, and the Chair of the Audit and Compliance Committee, Eric Elzvik, had dialogues with shareholders and held Company-initiated substantive discussions with shareholders representing approximately 57% of shares outstanding. These are typically focused on a broad range of governance topics with the objective to understand and receive shareholder feedback and respond to questions. During 2024, the discussions centered on remuneration programs, board composition, and the thoughtful, multi-year transformation of the Company's governance, culture and Ethics and Compliance Program, as well as sustainability and other topics. Shareholders communicated support for Ericsson's overall executive remuneration philosophy, which includes an integrity-based component, the Audit and Compliance Committee's strong oversight of the compliance function, and the frequent and in-depth reporting on the effectiveness of the Ethics and Compliance Program to the Audit and Compliance Committee. Further information about shareholder engagement is included on page 1 of the Corporate Governance Report.

Remuneration
Remuneration to the members of the Board of Directors and to the Executive Team are reported in note G2, "Information regarding members of the Board of Directors and Group management." Further information about remuneration to the President and CEO and

the Executive Vice President is included in the Remuneration Report appended to this Financial Report.

Guidelines for remuneration to Group management

The current Guidelines for remuneration to Group management were adopted by the Annual General Meeting 2023, included on pages 24–26.

Long-Term Variable Compensation Program 2024 (LTV 2024) for the Executive Team

Ericsson has share-based Long-Term Variable Compensation Programs in place for the Executive Team. LTV 2024 for the Executive Team was approved by the Annual General Meeting 2024. Details of LTV 2024 are explained in note G3, "Share-based compensation."

Material contracts

Material contractual obligations are outlined in note D4, "Contractual obligations." These are primarily related to leases of office and production facilities, certain customer contracts, purchase contracts for outsourced manufacturing, R&D and IT operations, as well as the purchase of components for Ericsson's own manufacturing.

Ericsson is party to certain agreements, which include provisions that may take effect or be altered or invalidated by a change in control of the Company as a result of a public takeover offer. Such provisions are not unusual for certain types of agreements, such as financing agreements and certain license agreements. However, considering, among other things, Ericsson's strong financial position, the Company believes that none of the agreements currently in effect would in and of itself entail any material consequence for Ericsson due to a change in control of the Company.

Risk management

Risk management is an important element of strategic decision-making and value creation. Ericsson strives to capture the opportunities and threats relating to the Company's strategic objectives. Ericsson's risk management activities operate in tandem with the development and deployment of Ericsson's business plans and operational strategies. The Company has made significant strides in recent years toward ensuring that strategic, external and internal risks are properly identified, assessed, internally reported, escalated, and effectively addressed. Establishing accountability for risk management at all levels of the organization is a key priority. Ericsson's management emphasizes the importance of identifying and addressing risks in its decision-making at all levels and has integrated this in Ericsson's relevant operational and functional processes. Ericsson strives to ensure that risk is appropriately assessed, transparently considered, and escalated within the organization as circumstances warrant.

Ericsson's Material Group Risk Protocol governs the analysis and escalation of material risk across the Group. The Business Risk Committee provides executive oversight and promotes accountability for potentially material risks. The Business Risk Committee is co-chaired by the Chief Legal Officer and the CFO and serves as a fully embedded risk escalation and oversight forum that has strengthened management's decision-making and handling of risks. The Business Risk Committee process and Group-wide assessment of risk have enhanced Ericsson's holistic insights into enterprise risk and has increased alignment and the ability to effectively address risks that impact various parts of the organization. In particular, the Business Risk Committee reviews risk matters with potential material impact (including risks that arise in "high risk" jurisdictions) and provides a management forum for monitoring and reviewing risks identified in the Enterprise Risk Management system. The framework establishes an enterprise-level baseline for transparency and risk oversight. Group level Enterprise Risk Management activities are overseen by the Business Risk Committee, which reports relevant matters to the Board, of which the Audit and Compliance Committee has oversight responsibility for the Company's risk management and its Enterprise Risk Management framework.

Financial risk management is overseen by the Finance function. For further information on financial risk management, see Notes to the consolidated financial statements – note F1 "Financial risk management" in the Financial Report.

The Material Group Risk Protocol, the Business Risk Committee and Ericsson's Enterprise Risk Management framework operate in a complementary manner to provide the Board and management with a consolidated view of Group risk.

Ericsson's Enterprise Risk Management process provides a system for assessment and mitigation of risks across the Group and for all roles with responsibilities for risk management activities. This process seeks to ensure that Group functions, market areas and business areas consider risk in relation to strategic objectives and decision-making, while ensuring escalation of material Group risks to the Business Risk Committee. The Company continues to bolster its transactional controls and data analytics, including increased due diligence and monitoring of third-party relationships. Ericsson has also expanded anti-corruption risk assessments to address country-specific compliance risks, developed a State-Owned Entities Map to identify public officials and state-owned customers, expanded on-the-ground, in-country compliance officers and increased personnel levels in both compliance and other gatekeeper functions.

For information on risks that could impact the fulfilment of objectives, and form the basis for mitigating activities, see the other sections of the Board of Directors' Report, notes A2 "Critical accounting estimates and judgments," F1 "Financial risk management," F4 "Interest bearing liabilities" and the chapter Risk factors. Further information about risk management is included on pages 5–6 of the Corporate Governance Report.

Sourcing and supply

Ericsson's hardware largely consists of electronics. For manufacturing, Ericsson purchases customized and standardized components and services from global, regional and local suppliers.

Ericsson negotiates global supply agreements with its primary suppliers and endeavors to have alternative supply sources to avoid single source supply situations, as a means to build resilience in the supply chain.

The production of electronic modules and sub-assemblies is mostly outsourced to manufacturing services companies. Ericsson is focusing internal manufacturing on new product introductions and new technolo- gies. The majority of the matured portfolio is outsourced through production partners. Ericsson has internal production sites in the U.S., Estonia, China, Brazil, Romania and Mexico.

Ericsson requires its suppliers to comply with principles set forth in the Ericsson Code of Conduct for Business Partners (CoC). This is enforced through agreements, regular risk assessments, auditing and related actions. The CoC sets forth standards on environmental management, human and labor rights, occupational health and safety, business ethics and anti-corruption as fundamental parts of Ericsson's responsible business.

Business Partners are required to have an environmental management system and to be aware of and comply with applicable environmental legislation, permits and reporting requirements. Where the requirements in the CoC are higher than local standards and laws, the requirements of the CoC should be applied.

Ericsson works to reduce environmental impacts and emissions in the supply chain and aims to have 350 high emitting and strategic suppliers set emission reduction targets that align with the Paris Agreement's goal of limiting global warming to 1.5 C.

Sustainability and corporate responsibility

Sustainability and corporate responsibility are integral parts of Ericsson's strategy and culture and are embedded across its operations to drive business transformation and create value for the Company's stakeholders.

Ericsson is committed to creating positive impacts for and reducing risks to the Company and its stakeholders throughout its operations and value chain through its technology, solutions and the expertise of its employees.

Ericsson strives to minimize the negative impacts of its operations and extended value chain, through continuously working to improve the environmental and energy performance of its products, human rights due diligence and maintaining its focus on the health and safety of everyone working on behalf of the company.

A Sustainability and Corporate Responsibility Report is rendered as a separate report added to the Annual Report in accordance with the Annual Accounts Act (SFS 1995:1554, Chapter 6, Section 10 and 11) according to the previous version applied before 1 July 2024.

Legal proceedings involving governmental authorities

In February 2022, Ericsson publicly disclosed that an internal investigation in 2019 included a review of the conduct of Ericsson employees, vendors and suppliers in Iraq during the period between 2011 to 2019. The investigators could not determine the ultimate recipients of any payments, nor identify that any Ericsson employee was directly involved in financing terrorist organizations. The Company's 2019 internal Iraq investigation did not conclude that Ericsson made or was responsible for any payments to any terrorist organization.

The Company continues to fully cooperate with the DOJ in its investigation into matters discussed in the 2019 internal Iraq investigation report and related topics concerning jurisdictions including Iraq, and the Company is providing additional documents and other information which continue to be requested by the DOJ. As additional information continues to be identified and evaluated in continued cooperation with the DOJ during its ongoing investigation, it is expected that there will not be any conclusive determinations on the outcome until the investigation is completed. The scope and duration of the investigation remains uncertain.

As part of its defense to a now settled patent infringement lawsuit filed by Ericsson in 2013 in the Delhi High Court against Indian handset company Micromax, Micromax filed a complaint against Ericsson with the Competition Commission of India. The Competition Commission of India decided to refer the case to the Director General's Office for an in-depth investigation. The Competition Commission of India opened similar investigations against Ericsson in January 2014 based on claims made by Intex Technologies (India) Limited and, in 2015, based on a now settled claim from iBall. Ericsson has challenged Competition Commission of India's jurisdiction in these cases before the Delhi High Court. On July 13, 2023, the Division Bench of the Delhi High Court found that in this instance the Competition Commission of India has no power to conduct the pending investigations against Ericsson. The Competition Commission of India has appealed this order to the Supreme Court of India.

In April 2019, Ericsson was informed by China's State Administration for Market Regulation Anti-monopoly Bureau (SAMR) that SAMR has initiated an investigation into Ericsson's patent licensing practices in China. Ericsson is cooperating with the investigation, which is still in a fact-finding phase. The next steps include continued fact-finding and meetings with SAMR in order to facilitate the authority's assessment and conclusions. In case of adverse findings, SAMR has the power to impose behavioral and financial remedies.

Legal proceedings not involving governmental authorities

In August 2022, a civil lawsuit was filed in the United States District Court for the District of Columbia against Telefonaktiebolaget LM Ericsson and Ericsson Inc. (collectively, the "Ericsson defendants"). The lawsuit was brought by US military service members, employees of US government contractors and other civilians who were killed or injured in terrorist attacks in Iraq, Afghanistan and Syria from 2005 to 2021, as well as by their family members. The lawsuit asserts claims against the Ericsson defendants under the U.S. Anti-Terrorism Act alleging that the Ericsson defendants made payments that ultimately aided the terrorist organizations that committed, planned or authorized the attacks. In November 2022, the Ericsson defendants filed a motion to dismiss the complaint. On December 20, 2022, plaintiffs filed an amended complaint, which added additional plaintiffs, including a plaintiff injured in Turkey, and also named Ericsson AB (collectively with the Ericsson defendants, the "Ericsson corporate defendants"), President and CEO Börje Ekholm and a former employee (who has not been served with process) as additional defendants and also asserted additional allegations and claims. In March 2023, the Ericsson corporate defendants and Mr. Ekholm filed motions to dismiss the amended complaint. Plaintiffs filed their oppositions to defendants' motions to dismiss the amended complaint in June 2023, and defendants filed reply briefs in support of their motions to dismiss in July 2023. All briefing has been submitted, and resolution of the matter is pending with the District Court. All defendants will continue to vigorously defend this matter.

In February 2024, a second civil lawsuit also alleging violations of the U.S. Anti-Terrorism Act was filed in the United States District Court for the District of Columbia. The lawsuit was filed by the same law firm and involves substantially similar factual allegations and claims as those made in the Anti-Terrorism Act lawsuit originally filed in August 2022, and similarly names the same Ericsson corporate defendants, President and CEO Börje Ekholm and a former employee as defendants. The new lawsuit was brought by additional US military service members, employees of US government contractors and other civilians who were killed or injured in terrorist attacks in Iraq, Afghanistan, Syria, Turkey, Niger, and France from 2005 to 2021, as well as by their family members. The District Court for the District of Columbia has stayed the proceedings in this matter pending its decision on the motions to dismiss in the earlier-filed suit. The defendants will vigorously defend this matter.

Beginning on August 4, 2023, a number of civil lawsuits have been filed against Telefonaktiebolaget LM Ericsson in Solna District Court, Sweden. 93 claimants have filed suit, which are coordinated and financed by a UK-based litigation funder. The claimants consist of a group of non-Swedish funds and financial institutions that allegedly are or have been shareholders of the Company. Their damages claims are primarily based on alleged inadequate disclosure of the contents of the Company's 2019 internal Iraq investigation report. Ericsson filed its statement of defense on March 15, 2024. On February 14, 2025, the District Court ordered Ericsson to produce the 2019 internal Iraq investigation report to the claimants' external counsel. Ericsson intends to appeal the decision. While proceedings on the merits of the case are stayed pending final resolution of the document production issue, the District Court has scheduled a preliminary hearing for October 16, 2025. Ericsson will continue to vigorously defend this matter.

On October 11, 2023, Ericsson commenced patent infringement proceedings against certain Lenovo entities (together "Lenovo") in the Eastern District of North Carolina. In the course of the proceedings, Ericsson seeks declarations that Ericsson has complied with its FRAND commitments and with the ETSI IPR Policy and that Lenovo has infringed Ericsson patents. Ericsson has also commenced patent infringement proceedings against Lenovo at the United States International Trade Commission and in other jurisdictions (Brazil and Colombia). In return, Lenovo has filed lawsuits against Ericsson in the High Court of Justice in the UK, at the Unified Patent Court, at the United States International Trade Commission, in the Eastern District of North Carolina, and has applied for an anti-suit injunction in the Eastern District of North Carolina. On February 14, 2024, the Eastern District of North Carolina denied the anti-suit injunction. Following Lenovo's appeal, this decision was vacated and remanded to the Eastern District of North Carolina on October 24, 2024. This is a global dispute, and additional lawsuits and other legal actions may be initiated by the parties.

The Company actively manages its IPR portfolio and its need for third-party licenses and is involved from time to time, in the ordinary course of business, in litigation related thereto, as plaintiff, defendant and other capacities.

In addition to the proceedings discussed above, the Company is, and in the future may be, involved in various other regulatory investigations, lawsuits, claims (including claims by third-parties the Company has indemnified against infringement liability or provided guarantees to) and proceedings incidental to the ordinary course of business.

Group structure

The Group is comprised of more than 200 legal entities, and approximately 100 branch offices, with customers in approximately 175 countries.

Parent Company

Telefonaktiebolaget LM Ericsson´s (the Parent Company) business consists mainly of corporate management, holding company functions, internal banking activities and customer credit management. As of December 31, 2024, the Parent Company had 1 (3) branch office.

Financial information

Income after financial items was SEK 6.6 (–0.7) billion. The Parent Company had no sales in 2024 or 2023 to subsidiaries, while 37% (31%) of total purchases of goods and services were from subsidiaries.

Major changes in the Parent Company's financial position for the year included:

- Current and non-current liabilities to subsidiaries increased by SEK 20.2 billion to SEK 67.8 billion.
- Impairment of investments in subsidiaries and associates of SEK 14.0 billion, mainly related to Vonage.
- Dividends from subsidiaries and associated companies of SEK 18.7 billion.
- Gross cash increased by SEK 23.8 billion to SEK 58.7 (34.9) billion.

At the end of the year, non-restricted equity amounted to SEK 22.3 (27.6) billion, and total equity amounted to SEK 70.6 (75.8) billion.

Share information

As of December 31, 2024, the total number of shares issued was 3,348,251,735, of which 261,755,983 were Class A shares, each carrying one vote, and 3,086,495,752 were Class B shares, each carrying one tenth of one vote. Both classes of shares have the same rights of participation in the net assets and earnings. The largest shareholders of the Parent Company at year-end were Investor AB with approximately 24.52% of the votes (9.3% of the shares), AB Industrivärden with approximately 15.1% of the votes (2.6% of the shares) and AMF Tjänstepension and AMF Fonder with approximately 5.0% of the votes (2.97% of the shares). In accordance with the conditions of the Long-Term Variable Compensation Program (LTV) for Ericsson employees, 2,529,745 treasury shares were distributed to employees or sold in 2024. The quotient value of these shares was SEK 5.00 per share, totaling SEK 12.6 million, representing less than 1% of capital stock, and compensation received for shares sold amounted to SEK 28.6 million. The holding of treasury stock on December 31, 2024 was 15,579,561 Class B shares. The quotient value of these shares is SEK 5.00, totaling SEK 77.9 million, representing 0.47% of capital stock, and the purchase price amounts to SEK 78.1 million.

The Annual General Meeting 2024 resolved to approve the transfer of treasury stock to employees and on an exchange, a directed share issue of 4.1 million Class C shares and an authorization for the Board of Directors to decide on an acquisition offer for the previously resolved Long-Term Variable Compensation Program (LTV) I 2023 for Ericsson's Executive Team and for employees classified as executives. In accordance with the authorization from the Annual General Meeting, in the second quarter 2024, the Board of Directors resolved to repurchase the new issued shares, which were subsequently converted into Class B shares. The quotient value of the repurchased shares was SEK 5.00, totaling SEK 20.5 million, representing 0.1% of capital stock, and the acquisition cost was SEK 20.7 million.

Proposed disposition of earnings

The Board of Directors proposes a dividend of SEK 2.85 (2.70) per share, and that the Parent Company shall retain the remaining part of non-restricted equity. The dividend is proposed to be paid in two installments, SEK 1.43 per share with the record date March 27, 2025 (payment date April 1, 2025), and SEK 1.42 per share with the record date September 29, 2025 (payment date October 2, 2025). For the Parent Company's treasury shares of Class B, no dividend will be distributed.

The Board of Directors proposes that earnings be distributed as follows (assuming that no treasury shares are held on the record date):

Amount to be paid to the shareholders	9,542,517,445 SEK
Amount to be retained by the Parent Company	12,792,927,405 SEK
Total non-restricted equity of the Parent Company	22,335,444,850 SEK

As a basis for its dividend proposal, the Board of Directors has made an assessment in accordance with Chapter 18, Section 4 of the Swedish Companies Act of the Parent Company's and the Group's need for financial resources as well as the Parent Company's and the Group's liquidity, financial position in other respects and long-term ability to meet their commitments. As of 31 December 2024, the Group's equity ratio amounted to 31.8% (32.8%) and the net cash amounted to SEK 37.8 (7.8) billion.

The Parent Company's non-restricted equity would have been approximately SEK 1.62 billion lower if assets and liabilities had not been valued at fair value pursuant to Chapter 4, Section 14a of the Swedish Annual Accounts Act.

The Board of Directors has also considered the Parent Company's result and financial position and the Group's position in general. In this respect, the Board of Directors has taken into account known circumstances that may have an impact on the financial positions of the Parent Company and its subsidiaries.

The proposed dividend does not limit the Group's ability to make investments or raise funds. It is the Board of Directors' assessment that the proposed dividend is justified considering the requirements that the nature, scope and risks of the business impose on the Parent Company's and Group's equity, as well as the Parent Company's and the Group's consolidation level, liquidity, and position in general, considering coming years' business plans and economic development.

Guidelines for Remuneration to Group Management approved by the Annual General Meeting of shareholders 2023

Introduction
These Guidelines for Remuneration to Group Management (the "**Guidelines**") apply to the Executive Team of Telefonaktiebolaget LM Ericsson (the "**Company**" or "**Ericsson**"), including the President and Chief Executive Officer (the "**President** and **CEO**") ("**Group Management**"). These Guidelines apply to remuneration agreed and changes to previously agreed remuneration after the date of approval of the Guidelines and are intended to remain in place for four years until the Annual General Meeting of shareholders 2027. For employments outside of Sweden, due adaptations may be made to comply with mandatory local rules or established local practices. In such cases, the overall purpose of these Guidelines shall be accommodated to the largest extent possible. These Guidelines do not cover remuneration resolved by the general meeting of shareholders, such as long-term variable compensation programs ("**LTV**").

Objective
These Guidelines aim to ensure alignment with the current remuneration philosophy and practices applicable for the Company's employees based on the principles of competitiveness, fairness, transparency, and performance. In particular to:

- attract and retain highly competent, performing, and motivated people that have the ability, experience, and skill to deliver on the Ericsson strategy;
- encourage behavior 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 where Ericsson competes for talent; and
- encourage variable remuneration which aligns employees with clear and relevant targets, reinforces their performance and enables flexible remuneration costs for Ericsson.

The Guidelines and the Company's strategy and sustainable long-term interest
A successful implementation of the Company's strategy and sustainable long-term interests requires that the Company can attract, retain, and motivate the right talent and can offer competitive remuneration. These Guidelines aim to allow the Company to offer the members of the Group Management attractive and competitive total remuneration. Variable compensation covered by these guidelines shall be awarded against specific pre-defined and measurable business targets derived from the short and long-term business plan approved by the Board of Directors. Targets will include financial targets at Group, Business Area and/or Market Area level. In addition, strategic targets, operational targets, employee engagement targets, customer satisfaction targets, sustainability and corporate responsibility targets or other lead indicator targets will be applied as deemed appropriate by the Remuneration Committee.

The Company operates long-term variable compensation programs for the Group Management as approved by the Annual General Meeting ("**AGM**"). Such decisions are not covered by these Guidelines. Details of Ericsson's current remuneration policy and how we deliver on our policy and guidelines and information on previously decided long-term variable compensation programs that have not yet become due for payment, including applicable performance criteria, can be found in the Remuneration Report and in Note G2, "Information regarding members of the Board of Directors, the Group management" and Note G3, "Share-based compensation" in the annual report.

Governance of remuneration to Group Management
The Board has established a Remuneration Committee (the "**Committee**") to handle compensation policies and principles and matters concerning remuneration to Group Management. The Board has authorized the Committee to determine and handle certain issues in specific areas. The Board may also on occasion provide extended authorization for the Committee to determine specific matters.

The Committee is authorized to review and prepare for resolution by the Board salary and other remuneration for the President and CEO. Further, the Committee shall prepare for resolution by the Board proposals to the AGM on Guidelines for Remuneration to Group Management at least every fourth year and on Long-term Variable compensation programs and similar equity arrangements.

The Committee has the mandate to resolve salary and other remuneration for the other members of Group Management except for the President and CEO, including targets for short-term variable compensation ("**STV**"), and payout of STV based on achievements and performance.

To conduct its responsibilities, the Committee considers trends in remuneration, legislative changes, disclosure rules and the general global executive remuneration environment. Before preparing salary adjustment recommendations for the President and CEO for resolution by the Board and approving any salary adjustments for the other members of Group Management the Committee reviews salary survey data, Company results and individual performance. No employee is present at the Committee's meetings when issues relating to their own remuneration are being discussed. Similarly, the President and CEO is not present at Board meetings when issues relating to the President and CEO's own remuneration are being discussed. The Committee may appoint independent expert advisors to assist and advise in its work.

The Chair of the Remuneration Committee along with the Chair of the Board work together with Ericsson's Investor Relations team, striving to ensure that healthy contact is maintained as necessary and appropriate with shareholders regarding remuneration to Group Management.

Overview of remuneration package covered by these Guidelines
For Group Management the remuneration package may consist of fixed salary, short-term and long-term variable compensation (STV and LTV), pension and other benefits.

Below are the key components of remuneration of Group Management covered by these Guidelines, including why they are used, their operation, opportunity levels and related performance measures. In addition, the AGM has resolved and may in the future decide to implement LTV for Group Management. The ongoing share-based LTV programs resolved by the AGM have been designed to provide long-term incentives for the members of Group Management and to incentivize the Company's performance creating long-term value. The aim is to attract, retain and motivate executives in a competitive market through performance-based share related incentives and to encourage the build-up of significant equity holdings to align the interests of the members of Group Management with those of shareholders. The vesting period under the ongoing share-based LTV programs resolved by the shareholders is three years and vesting is subject to the satisfaction of identified performance criteria. Although LTV is an important component of the remuneration of Group Management, it is not covered by these Guidelines, because these programs are resolved separately by the AGM.

Element and purpose	Description
Fixed salary Fixed compensation paid at set times. Purpose: – attract and retain the executive talent required to implement Ericsson's strategy – deliver part of the annual compensation in a predictable format	Salaries shall be set taking into account: – Ericsson's overall business performance – business performance of the Unit that the individual leads – year-on-year performance of the individual – external economic environment – size and complexity of the position – external market data – pay and conditions for other employees based in locations considered to be relevant to the role. When setting fixed salaries, the impact on total remuneration, including pensions and associated costs, shall be taken into consideration.
Short-term variable compensation (STV) STV is a variable compensation plan that shall be measured against targets derived from the business plan and paid over a single year. Purpose: – align members of Group Management with clear and relevant targets to Ericsson's strategy and sustainable long-term interests, – provide individuals an earning opportunity for performance at flexible cost to the Company.	The STV shall be paid in cash every year after the Committee and, as applicable, the Board have reviewed and approved performance against targets which are normally determined at the start of each year for each member of Group Management. Target pay-out opportunity for any financial year may be up to 150% of annual fixed salary of the individual. This shall normally be determined in line with the external market practices of the country of employment. Maximum pay-out shall be up to two times the target pay-out opportunity (i.e., no more than 300% of annual fixed salary). Any existing long-term variable pay-opportunity should be taken into account when determining target opportunity for STV (and vice versa). The STV shall be based on measures linked to the annual business plan and to Ericsson's long-term strategy and sustainability. Measures will include financial targets at Group, Business Area and/or Market Area level (for relevant members of Group Management). Other potential measures may include strategic targets, operational targets, employee engagement targets, customer satisfaction targets, sustainability and corporate responsibility targets or other lead indicator targets. At the end of the performance period for each STV cycle, the Board and the Committee shall assess performance versus the measures and determine the formula-based outcome using the financial information made public by the Company for the financial targets when applicable. The Board and the Committee reserve the right to: – revise any or all of the STV targets at any time, – adjust the STV targets retroactively under extraordinary circumstances, – reduce or cancel STV if Ericsson faces severe economic difficulties, for instance in circumstances as serious as no dividend being paid, – adjust STV in the event that the results of the STV targets are not a true reflection of business performance, – reduce or cancel STV for individuals either whose performance evaluation or whose documented performance feedback is below an acceptable level or who are on performance counselling. The Board and the Committee shall have the right in their discretion to: – deny, in whole or in part, the entitlement of an individual to the STV payout in case an individual has acted in breach of Ericsson's Code of Business Ethics, – claim repayment in whole or in part the STV paid in case an individual has acted in breach of Ericsson's Code of Business Ethics, – reclaim STV paid to an individual on incorrect grounds such as restatement of financial results due to incorrect financial reporting, non-compliance with a financial reporting requirement etc.
Pension Contributions paid towards retirement fund. Purpose: – attract and retain the executive talent required to implement Ericsson's strategy, – facilitate planning for retirement by way of providing competitive retirement arrangements in line with local market practices.	The operation of the pension plan shall follow competitive practice in the individual's home country and may contain various supplementary plans in addition to any national system for social security. Pension plans should be defined contribution plans unless the individual concerned is subject to defined benefit pension plan under mandatory collective bargaining agreement provisions or mandatory local regulations. For Group Management members in Sweden: – pension benefits shall be granted based on a defined contribution plan except where law or collective bargaining agreement require a defined benefit pension. The pensionable salary shall include fixed salary and, where required by law or collective bargaining agreement, any variable salary. – a supplementary pension contribution can be paid amounting to a maximum of 35% of the fixed annual salary that exceeds any cap in collective pension plans, unless a higher percentage is obliged by law or collective bargaining agreement. – the supplementary pension contribution can, as an alternative to a pension contribution, be exchanged for a cash payment provided that it is done in a way that is cost-neutral for the Company. Members of Group Management employed outside of Sweden may participate in the local market competitive pension arrangements that apply in their home countries in line with what is offered to other employees in the same country. In some special circumstances where individuals cannot participate in the local pension plans of their home countries of employment: – cash equivalent to pension may be provided as a taxable benefit, or – contributions may be made to an international pension fund on behalf of the individual on a costneutral basis In all cases the annual pension contributions shall be capped at 70% of annual fixed salary.
Other benefits Additional tangible or intangible compensation paid annually which do not fall under fixed salary, short-term and long-term variable compensation, or pension. Purpose: – attract and retain the executive talent required to implement Ericsson's strategy, – deliver part of the annual compensation in a predictable format.	Benefits offered shall consider the competitive practices in the individual's country of employment and should be in line with what is offered to other senior employees in the same country and may evolve year on year. Benefits may for example include Company phones, Company cars, wellbeing assistance, medical and other insurance benefits, tax support, travel, Company gifts and any international relocation and/or commuting benefits if the individual is required to relocate and/or commute internationally to execute the requirements of the role. Benefit opportunities shall be set in line with competitive market practices and shall reflect what is offered to other senior employees in the individual's country of employment. The levels of benefits provided may vary year on year depending on the cost of the provision of benefits to the Company. Other benefits shall be capped at 10% of annual fixed salary for members of Group Management located in Sweden. Additional benefits and allowances for members of Group Management who are commuters into Sweden or who are on long-term assignment ("**LTA**") in countries other than their home countries of employment, shall be determined in line with the Company's international mobility policy which may include (but is not limited to) commuting or relocation costs; cost of living adjustment, housing, home travel or education allowance; tax and social security equalization assistance.

Consideration of remuneration offered to the Company's employees
When developing these Guidelines, the Board and the Committee have considered the total remuneration and employment conditions of the Company's employees by reviewing the application of Ericsson's remuneration policy for the wider employee population to ensure consistency.

There is clear alignment in the remuneration components for the members of Group Management and the Company's employees in the way that remuneration policy is applied as well as the methods followed in determining fixed salaries, short-term and long-term variable compensation, pension, and benefits, which are to be applied broadly and consistently throughout the Company. The targets under short-term variable compensation are similar and the performance measures under long-term variable compensation program are the same for the members of Group Management and other eligible employees of the Company. However, the proportion of pay that is linked to performance is typically higher for Group Management in line with market practice and the higher levels of total compensation applicable at that level.

Employment contracts and termination of employment
The members of Group Management are employed on permanent rolling contracts. The maximum mutual notice period is no more than 12 months. In case of termination by the employee, the employee has no right to severance pay.

In any case, the fixed salary paid during the notice period plus any severance pay payable will not together exceed an amount equivalent to the individual's 24 months fixed salary unless otherwise determined by local legislation or collective bargaining agreements.

The employee may be entitled to severance pay up until the agreed retirement age or, if a retirement age has not been agreed, until the month when the employee turns 65. In a case where the employee is entitled to severance pay from a date later than 12 months prior to retirement, the severance pay shall be reduced in proportion to the time remaining and calculated only for the time as of the date when the employee's employment ceases (i.e., the end of the period of notice) and until the time of retirement.

Severance pay shall be reduced by 50% of the remuneration or equivalent compensation the employee receives, or has become entitled to, from any other employer or from his/her own or other activities during the period that severance is paid to the employee by the Company.

The Company shall have the right to terminate the employment contract and dismiss the employee with immediate effect, without giving any advance notice and entitlement to severance pay, if the employee commits a serious breach of his/her obligations towards the Company.

Normally disputes regarding employment agreements or any other agreements concerning the employment of the members of Group Management, the way such agreements have been arrived at, interpreted, or applied, as well as any other litigation proceedings from legal relations based on such agreements, shall be settled by arbitration by three arbitrators in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. Irrespective of the outcome of any arbitral award, the Company may, in the relation between the parties, carry all fees and expenses charged by the arbitrators and all of its own litigation costs (including attorney's fees), except in the event the arbitration proceedings were initiated by the employee without reasonable cause.

Recruitment policy for new members of Group Management
In determining the remuneration of a new member of Group Management, the Board and the Committee shall take into consideration all relevant factors to ensure that arrangements are in the best interests of the Company and its shareholders. These factors include:
- the role being taken on,
- the skills, experience and caliber of the candidate,
- the level and type of remuneration opportunity received at a previous employer,
- the geography in which the candidate is being recruited from and whether any relocation allowance is required,
- the circumstances of the candidate,
- the current external market and salary practice,
- internal relativities.

Additional arrangements
By way of exception, additional arrangements can be made when deemed appropriate and necessary to recruit or retain an individual. Such arrangement could be in the form of short-term or long-term variable compensation or fixed component and can be renewed, but each such arrangement shall be limited in time and shall not exceed a period of 36 months and twice the annual fixed salary that the individual would have received if no additional arrangements were made. In addition, if appropriate, different measures and targets may be applied to the new appointment's incentives in the first year.

In addition, it may on a case-by-case basis be decided by the Board and the Committee respectively to compensate an individual for remuneration forfeited from a previous employer during recruitment. The Board and the Committee will consider on a case-by-case basis if all or some of the remuneration including incentives forfeited need to be 'bought-out'. If there is a buy-out of forfeited incentives, this will take into account relevant factors including the form they were granted (cash vs. shares), performance conditions attached to these awards and the time they would have vested/paid. Generally, buy-out awards will be made on a comparable basis to those forfeited.

In the event of an internal candidate being promoted to Group Management, legacy terms and conditions may be honored, including pension and benefit entitlements and any outstanding incentive awards. If a Group Management member is appointed following a merger or acquisition with/of another company, legacy terms and conditions may also be honored for a maximum period of 36 months.

Board of Directors' discretions
The Board upon recommendation from the Committee may in a specific case decide to temporarily deviate from these Guidelines in whole or in part based on its full discretion in unusual circumstances such as:
- upon change of the President and CEO,
- upon material changes in the Company structure, organization, ownership, and business (for example takeover, acquisition, merger, demerger etc.) which may require adjustments in STV and LTV or other elements to ensure continuity of Group Management, and
- in any other circumstances, provided that the deviation is required to serve the long-term interests and sustainability of the Company or to assure its financial viability.

The Committee is responsible for preparing matters for resolution by the Board, and this includes matters relating to deviations from these Guidelines. Any such deviation will be disclosed in the Remuneration Report for the relevant year.

Events after the reporting period

Ericsson appoints Charlotte Levert as Chief People Officer

On February 5, 2025, Ericsson announced the appointment of Charlotte Levert as its new Chief People Officer, Senior Vice President, and Head of Group Function People. Charlotte Levert who is currently Vice President and Head of People Business Area Cloud and Software Services will replace MajBritt Arfert, whose departure Ericsson announced in October 2024. Charlotte Levert took up her new position on February 10 and is based in Sweden.

Ericsson announces changes to the Executive Team and to the Market Area structure

On February 25, 2025, Ericsson announced changes to its Executive Team and to its global operating structure, consolidating its regional structure in a more efficient way. Per Narvinger has been appointed Executive Vice President and Head of Business Area Networks. Jenny Lindqvist has been appointed Head of Cloud Software and Services. Fredrik Jejdling will step down as Head of Business Area Networks on March 15, 2025, and remain an executive advisor to the business until June 30, 2025.

In Ericsson's new operating structure, two new Market Areas will be created to replace Market Area North America, Market Area Europe and Latin America and Market Area Middle East and Africa. Market Area Americas will be headed by Yossi Cohen and Market Area Europe, Middle East & Africa will be headed by Patrick Johansson.

Board assurance

The Board of Directors and the President and CEO declare that the consolidated financial statements have been prepared in accordance with IFRS, as issued by the IASB, and as adopted by the EU, and give a fair view of the Group's financial position and results of operations. The financial statements of the Parent Company have been prepared in accordance with generally accepted accounting principles in Sweden and give a fair view of the Parent Company's financial position and results of operations. The Board of Directors' Report for the Group and the Parent Company provides a fair view of the development of the Group's and the Parent Company's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, February 26, 2025
Telefonaktiebolaget LM Ericsson (publ)
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Jan Carlson
Chair of the Board

Jacob Wallenberg
Deputy Chair of the Board

Jon Fredrik Baksaas
Member of the Board

Börje Ekholm
President, CEO and
Member of the Board

Eric A. Elzvik
Member of the Board

Kristin S. Rinne
Member of the Board

Jonas Synnergren
Member of the Board

Christy Wyatt
Member of the Board

Karl Åberg
Member of the Board

Ulf Rosberg
Member of the Board

Annika Salomonsson
Member of the Board

Kjell-Åke Soting
Member of the Board

Our audit report has been submitted on February 26, 2025

Deloitte AB

Thomas Strömberg
Authorized Public Accountant

Consolidated financial statements with notes

Consolidated financial statements

Notes to the consolidated financial statements

Consolidated financial statements

Consolidated income statement

January–December, SEK million	Notes	2024	2023	2022
Net sales	B1, B2	247,880	263,351	271,546
Cost of sales		–138,515	–161,749	–158,251
Gross income		**109,365**	**101,602**	**113,295**
Research and development expenses		–53,514	–50,664	–47,298
Selling and administrative expenses	C1	–51,657	–39,255	–35,692
Impairment losses on trade receivables	F1	–265	–268	–40
Operating expenses		*–105,436*	*–90,187*	*–83,030*
Other operating income	B4	3,229	994	1,231
Other operating expenses	B4	–2,599	–32,859	–4,493
Share in earnings of associated companies	B1, E3	–246	124	17
Earnings (loss) before financial items and income tax (EBIT)	B1	**4,313**	**–20,326**	**27,020**
Financial income	F2	2,734	2,145	778
Financial expenses	F2	–4,103	–4,118	–1,930
Net foreign exchange gains/losses	F2	–355	–1,020	–1,259
Income (loss) after financial items		**2,589**	**–23,319**	**24,609**
Income tax	H1	–2,215	–2,785	–5,497
Net income (loss)		**374**	**–26,104**	**19,112**
Net income (loss) attributable to:				
Owners of the Parent Company		20	–26,446	18,724
Non-controlling interests		354	342	388
Other information				
Average number of shares, basic (million)	H2	3,332	3,330	3,330
Earnings (loss) per share attributable to owners of the Parent Company, basic (SEK)	H2	0.01	–7.94	5.62
Earnings (loss) per share attributable to owners of the Parent Company, diluted (SEK)	H2	0.01	–7.94	5.62

Consolidated statement of comprehensive income (loss)

January–December, SEK million	2024	2023	2022
Net income (loss)	**374**	**–26,104**	**19,112**
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension plans	877	905	10,669
Revaluation of credit risk on borrowings	–567	–667	1,030
Cash flow hedge reserves			
Gains/losses arising during the period	–	–	3,703
Transfer to goodwill	–	–	–3,677
Tax on items that will not be reclassified to profit or loss	–28	–114	–3,067
Items that have been or may be reclassified to profit or loss			
Cash flow hedge reserves			
Gains/losses arising during the period	–3,892	754	–701
Reclassification to profit or loss	725	1,090	280
Translation reserves			
Changes in translation reserves	6,461	–2,375	7,130
Reclassification to profit and loss	73	59	–85
Share of other comprehensive income of associated companies	40	–10	49
Tax on items that have been or may be reclassified to profit or loss	652	–380	87
Other comprehensive income (loss), net of tax	**4,341**	**–738**	**15,418**
Total comprehensive income (loss)	**4,715**	**–26,842**	**34,530**
Total comprehensive income (loss) attributable to:			
Owners of the Parent Company	4,515	–27,233	34,274
Non-controlling interests	200	391	256

Consolidated balance sheet

SEK million	Notes	Dec 31 2024	Dec 31 2023
Assets			
Non-current assets			
Intangible assets	C1		
Capitalized development expenses		4,593	4,678
Goodwill		56,077	52,944
Customer relationships, IPRs and other intangible assets		7,954	22,667
Property, plant and equipment	C2	10,545	12,195
Right-of-use assets	C3	6,487	6,320
Financial assets			
Equity in associated companies	E3	1,179	1,150
Other investments in shares and participations	F3	2,029	2,091
Customer finance, non-current	B6, F1	190	1,347
Interest-bearing securities, non-current	F1, F3	19,440	9,931
Other financial assets, non-current	F3	5,161	6,350
Deferred tax assets	H1	24,412	22,375
		138,067	**142,048**
Current assets			
Inventories	B5	27,125	36,073
Contract assets	B6, F1	6,924	7,999
Trade receivables	B6, F1	44,151	42,215
Customer finance, current	B6, F1	4,332	5,570
Current tax assets		6,083	6,395
Other current receivables	B7	9,261	11,962
Interest-bearing securities, current	F1	12,546	9,584
Cash and cash equivalents	H3	43,885	35,190
		154,307	**154,988**
Total assets		**292,374**	**297,036**
Equity and liabilities			
Equity			
Capital stock	E1	16,743	16,722
Additional paid in capital	E1	24,731	24,731
Translation reserves	E1	12,788	6,067
Cash flow hedge reserves	E1	−1,770	745
Revaluation of borrowings	E1	−503	−53
Retained earnings	E1	42,295	50,461
Equity attributable to owners of the Parent Company	E1	**94,284**	**98,673**
Non-controlling interests	E1	−1,301	−1,265
		92,983	**97,408**
Non-current liabilities			
Post-employment benefits	G1	24,448	26,229
Provisions, non-current	D1	3,511	4,927
Deferred tax liabilities	H1	1,295	3,880
Borrowings, non-current	F4	31,904	29,218
Lease liabilities, non-current	C3	5,363	5,220
Other non-current liabilities		996	755
		67,517	**70,229**
Current liabilities			
Provisions, current	D1	8,204	6,779
Borrowings, current	F4	6,137	17,655
Lease liabilities, current	C3	2,132	2,235
Contract liabilities	B6	41,229	34,416
Trade payables	B8	30,173	27,768
Current tax liabilities		3,322	3,561
Other current liabilities	B9	40,677	36,985
		131,874	**129,399**
Total equity and liabilities		**292,374**	**297,036**

Consolidated statement of cash flows

January–December, SEK million	Notes	2024	2023	2022
Operating activities				
Net income (loss)		374	–26,104	19,112
Adjustments to reconcile net income to cash	H3	30,617	51,710	17,638
		30,991	**25,606**	**36,750**
Changes in operating net assets				
Inventories		10,208	9,304	–7,740
Customer finance, current and non-current		2,755	–1,708	–1,732
Trade receivables and contract assets		2,576	6,333	4,766
Trade payables		496	–10,037	–1,995
Provisions and post-employment benefits		–53	1,308	2,339
Contract liabilities		4,598	–7,088	5,794
Other operating assets and liabilities, net		2,237	–10,111	–813
		22,817	**–11,999**	**619**
Interest received		1,800	1,218	344
Interest paid		–3,043	–2,280	–1,250
Taxes paid		–6,304	–5,368	–5,600
Cash flow from operating activities		**46,261**	**7,177**	**30,863**
Investing activities				
Investments in property, plant and equipment	C2	–2,340	–3,297	–4,477
Sales of property, plant and equipment		116	163	249
Acquisitions of subsidiaries and other operations	H3, E2	–397	–1,515	–51,995
Divestments of subsidiaries and other operations	H3, E2	86	–625	307
Product development	C1	–1,300	–2,173	–1,720
Purchase of interest-bearing securities		–19,622	–15,304	–13,582
Sale of interest-bearing securities		11,247	11,739	40,541
Other investing activities		–3,742	2,299	–3,720
Cash flow from investing activities		**–15,952**	**–8,713**	**–34,397**
Financing activities				
Proceeds from issuance of borrowings	F4	3,615	19,728	10,755
Repayment of borrowings	F4	–15,917	–7,884	–16,029
Dividends paid		–9,233	–9,104	–8,415
Repayment of lease liabilities	F4	–2,492	–2,857	–2,593
Other financing activities		162	1,124	352
Cash flow from financing activities		**–23,865**	**1,007**	**–15,930**
Effect of exchange rate changes on cash		2,251	–2,630	3,763
Net change in cash and cash equivalents		**8,695**	**–3,159**	**–15,701**
Cash and cash equivalents, beginning of period		**35,190**	**38,349**	**54,050**
Cash and cash equivalents, end of period	H3	**43,885**	**35,190**	**38,349**

Consolidated statement of changes in equity

SEK million	Capital stock	Additional paid in capital	Trans-lation reserves	Cash flow hedge reserves	Revalu-ation of borrowings	Retained earnings	Stock-holders' equity	Non-controlling interests	Total equity
2024									
January 1, 2024	16,722	24,731	6,067	745	–53	50,461	98,673	–1,265	97,408
Net income	–	–	–	–	–	20	20	354	374
Other comprehensive income (loss), net of tax	–	–	6,721	–2,515	–450	739	4,495	–154	4,341
Total comprehensive income (loss)	**–**	**–**	**6,721**	**–2,515**	**–450**	**759**	**4,515**	**200**	**4,715**
Transaction with owners									
Share issue, net	21	–	–	–	–	–	21	–	21
Repurchase of own shares	–	–	–	–	–	–21	–21	–	–21
Long-term variable compensation plans	–	–	–	–	–	93	93	–	93
Dividends paid	–	–	–	–	–	–8,997	–8,997	–236	–9,233
December 31, 2024	**16,743**	**24,731**	**12,788**	**–1,770**	**–503**	**42,295**	**94,284**	**–1,301**	**92,983**
2023									
January 1, 2023	16,672	24,731	8,443	–719	477	85,210	134,814	–1,510	133,304
Net income (loss)	–	–	–	–	–	–26,446	–26,446	342	–26,104
Other comprehensive income (loss), net of tax	–	–	–2,376	1,464	–530	655	–787	49	–738
Total comprehensive income (loss)	**–**	**–**	**–2,376**	**1,464**	**–530**	**–25,791**	**–27,233**	**391**	**–26,842**
Transaction with owners									
Share issue, net	50	–	–	–	–	–	50	–	50
Repurchase of own shares	–	–	–	–	–	–50	–50	–	–50
Long-term variable compensations plans	–	–	–	–	–	82	82	–	82
Dividends paid	–	–	–	–	–	–8,991	–8,991	–113	–9,104
Transactions with non-controlling interests	–	–	–	–	–	1	1	–33	–32
December 31, 2023	**16,722**	**24,731**	**6,067**	**745**	**–53**	**50,461**	**98,673**	**–1, 265**	**97,408**
2022									
January 1, 2022	16,672	24,731	1,206	–411	–341	66,918	108,775	–1,676	107,099
Net income	–	–	–	–	–	18,724	18,724	388	19,112
Other comprehensive income (loss), net of tax	–	–	7,237	–1,066	818	8,561	15,550	–132	15,418
Total comprehensive income (loss)	**–**	**–**	**7,237**	**–1,066**	**818**	**27,285**	**34,274**	**256**	**34,530**
Transfer to retained earnings	–	–	–	758	–	–758	–	–	–
Transaction with owners									
Long-term variable compensations plans	–	–	–	–	–	89	89	–	89
Dividends paid	–	–	–	–	–	–8,325	–8,325	–90	–8,415
Transactions with non-controlling interests	–	–	–	–	–	1	1	–	1
December 31, 2022	**16,672**	**24,731**	**8,443**	**–719**	**477**	**85,210**	**134,814**	**–1,510**	**133,304**

Notes to the consolidated financial statements

Section A – Basis of presentation

A1 Material accounting policies

Basis of presentation

Introduction
The consolidated financial statements comprise Telefonaktiebolaget LM Ericsson, the Parent Company, and its subsidiaries ("the Company") and the Company's interests in associated companies. The Parent Company is domiciled in Sweden at Torshamnsgatan 21, SE-164 83 Stockholm. Ericsson provides mobile connectivity solutions to communications service providers, enterprises and the public sector.

The consolidated financial statements for the year ended December 31, 2024, have been prepared in accordance with IFRS® Accounting standards as issued by the International Accounting Standards Board (IASB), and as endorsed by the EU and RFR 1 "Additional rules for Group Accounting," related interpretations issued by the Swedish Corporate Reporting Board (Rådet för hållbarhets- och finansiell rapportering), and the Swedish Annual Accounts Act. For the financial reporting of 2024, the Company has applied IFRS as issued by the IASB (IFRS effective as per December 31, 2024). There is no difference between IFRS effective as per December 31, 2024, and IFRS as endorsed by the EU, nor is RFR 1 related interpretations issued by the Swedish Financial Reporting Board (Rådet för finansiell rapportering) or the Swedish Annual Accounts Act in conflict with IFRS, for all periods presented.

The financial statements were approved by the Board of Directors on February 26, 2025. The financial statements are subject to approval by the Annual General Meeting of shareholders.

Disclosure about new standards and amendments applied as from January 1, 2024, and the preparations for the adoption of new standards and interpretations not adopted in 2024 are disclosed at the end of this note, see heading Other.

Basis of presentation
The financial statements are presented in millions of Swedish Krona (SEK). They are prepared on a going concern and historical cost basis, except for certain financial assets and liabilities that are stated at fair value: financial instruments classified as fair value through profit or loss (FVTPL), financial instruments classified as fair value through other comprehensive income (FVOCI) and plan assets related to defined benefit pension plans. Financial information in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity with related notes are presented with two comparison years. For the consolidated balance sheet, financial information with related notes is presented with one comparison year.

Basis of consolidation and composition of the Group
Subsidiaries are all companies for which Telefonaktiebolaget LM Ericsson, directly or indirectly, is the parent. To be classified as a parent, Telefonaktiebolaget LM Ericsson, directly or indirectly, must control another company which requires that the Parent Company has power over that other company, is exposed to variable returns from its involvement and has the ability to use its power over that other company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that such control ceases.

The Company is comprised of the parent company, Telefonaktiebolaget LM Ericsson, with generally fully-owned subsidiaries in many countries of the world. The largest operating subsidiaries are the fully-owned companies Ericsson AB, incorporated in Sweden and Ericsson Inc., incorporated in the US.

Foreign currency remeasurement and translation
Items included in the financial statements of each entity of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Swedish Krona (SEK), which is the Parent Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of each respective transaction. For practical reasons, the Company uses the closing rate of the previous month end as approximation of the prevailing rate at the date of transaction, although spot rate is used for material transaction where appropriate.

Foreign currency exchange effect is presented as a net item within Financial income and expenses, reported separately from other financial income and expenses items as this reflects the way the Company manages its foreign exchange risks on a net basis.

Translations of Group companies
The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet. This includes goodwill arising on the acquisition of a foreign entity.

Period income and expenses for each income statement are translated at period average exchange rates. For practical reason, the Company uses the closing rate of the previous month end as approximation of the period average exchange rates.

All resulting net exchange differences are recognized as a separate component of Other comprehensive income (OCI), i.e. changes in translation reserves.

The Company is continuously monitoring the economies with high inflation, the risk of hyperinflation and their potential impact on the Company. There is no significant impact due to any currency translation of a hyper-inflationary economy.

Business and operations

For further disclosure, see the notes under section B.

Segment reporting
The segment presentation, as per each segment, is based on the Company's accounting policies as disclosed in this note. An operating segment is a component of a company whose operating results are regularly reviewed by the Company's chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance. The President and CEO is defined as the CODM function in the Company.

The Company's segment disclosure about geographical areas is based on the country in which transfer of control of products and services occur.

For further information, see note B1 "Segment information."

Revenue recognition for standard products and services
Products and services are classified as standard solutions as they do not require significant installation and integration services to be delivered. Installation and integration services are generally completed within a short period of time, from the delivery of the related products. These products

Note A1, cont'd.

and services are viewed as separate distinct performance obligations. This type of customer contract is usually signed as a frame agreement and the customer issues individual purchase orders to commit to purchases of products and services over the duration of the agreement.

For hardware sales, transfer of control and revenue recognition, is usually deemed to occur when the equipment arrives at the customer site.

Standard product software is sold as an on-premises software license that provides a right to use the software as it exists when made available to the customer. Control is transferred when software licenses are provided to the customer at a point in time and already activated, or as a released software version, ready to be activated by the customer at a later stage. Revenue is recognized when control of the software is transferred and unconditional right to payment exists.

Software licenses are also sold on a when-and-if available basis or delivered to the customer network over a period of time. In such cases, the customer is billed on a subscription basis, and revenue is recognized over time. For software revenue based on usage the revenue is recognized upon usage measurement and right to invoice. Revenue for installation and integration services is recognized upon completion of the service.

Revenue for recurring services such as customer support and managed services is recognized as the services are delivered, pro-rata over time. Transaction price for managed services contracts may include variable consideration that is estimated based on performance and prior experience with the customer. Contracts for standard products and services apply to all segments.

For more information, see note A2 "Judgments and critical accounting estimates."

Revenue recognition for enterprise solutions

Enterprise solutions comprise mainly of software platform solutions, delivered as-a-service through a cloud delivery model. These are generally sold as subscription contracts with revenue recognized pro-rata over time or on a usage basis.

Cloud services allow the customer to use hosted software over the contract period without taking possession of the software. Cloud services are highly integrated with the software and the individual components are not considered distinct, hence all revenue is recognized in the period these services are provided. Contract duration ranges from one month to 5 years.

Revenue for fixed fee arrangement is recognized on a pro-rata basis over the contract duration. Revenue for fees based on usage is recognized when usage occurs.

Services sold through wholesalers or distributors are assessed for principal or agent relationship. Wholesalers are treated as agents for services that are activated upon delivery of equipment to the end users since the Company still has the primary responsibility to the customers for providing the services, hence revenue (in the gross amount) is recognized rateably from activation until the end of the contract.

Revenue recognition for Intellectual Property Rights (IPR)

This type of contract relates to the patent and licensing business. The Company has assessed that the nature of its IPR contracts is such that they provide customers a license with the right to access the Company's intellectual properties over time, therefore revenue shall be recognized over the duration of the contract. Royalty revenue based on sales or usage is recognized when the sales and usage occur.

Customer contract related balances

Trade receivables include amounts that are billed in accordance with customer contract terms and amounts that the Company has an unconditional right to, with only passage of time before the amounts can be billed in accordance with the customer contract terms.

Prices on standard products and services contracts are usually fixed, and mostly billed upon delivery of the hardware or software, or completion of installation services. A proportion of the transaction price may be billed upon formal acceptance of the related installation services, which will result in a contract asset for the proportion of the transaction price that is not yet billed. Amounts billed are normally subject to payments terms within 60 days from invoice date.

Standard recurring services contracts are billed over time, often on a quarterly basis. Amounts billed are normally subject to payments terms within 60 days from invoice date. Contract liabilities or receivables may arise depending on whether the quarterly billing is in advance or in arrears.

For Enterprise solution fixed fee contracts, billing is typically in advance, resulting in contract liability. For usage-based contracts, billing is in arrears, resulting in a receivable. Typical credit term is 30 to 45 days.

IPR contracts are usually structured as a royalty fee based on sales or usage over the period, measured on a quarterly basis. This results in a receivable balance if the billing is performed the following quarter after measurement. Some contracts include lump sum amounts, payable either upfront at commencement or on an annual basis. This results in a contract liability balance if payment is in advance of revenue, as revenue is recognized over time. Amounts billed are normally subject to payments terms within 60 days from invoice date.

Customer finance credits arise from credit terms exceeding 179 days in the customer contract or a separate financing agreement signed with the customer. Customer finance is a class of financial assets that is managed separately from receivables. See note F1 "Financial risk management," for further information on credit risk management of trade receivables and customer finance credits. Where financing is provided to the customer, revenue is adjusted to reflect the impact of the financing transaction. These transactions could arise from the customer finance credits above if the contracted interest rate is below the market rate over the duration of the financing period.

Deferred sales commissions

The Company has various incremental commission costs for internal sales personnel and channel partners that relate to the acquisition of customer contracts in the Enterprise segment. These costs are capitalized as deferred contract acquisition costs (within Other non-current assets and Other current assets) and amortized on a straight-line basis to selling and administrative expenses over the contract period. The average contract period is 3 years. The Company expenses sales commissions for commission plans related to customer arrangements with a duration of one year or less. The Company periodically assesses for changes in its business or market conditions which would indicate that its amortization period shall be changed or if there are potential indicators of impairment.

Inventories

Inventories are measured at the lower of cost or net realizable value and using cost formula first-in, first-out (FIFO) related to the Company's owned production and weighted average cost formula for externally purchased components within the Company's production units. The cost of inventories related to work in progress is measured at its individual costs.

Risks of obsolescence have been measured by estimating market value based on future customer demand and changes in technology and customer acceptance of new products. An inventory obsolescence provision is recognized as cost of sales in the income statement when identified.

For more information, see note A2 "Judgments and critical accounting estimates."

Long-term assets

For further disclosure, see the notes under section C.

Goodwill

As from the acquisition date, goodwill acquired in a business combination is allocated to each cash-generating unit (CGU) expected to benefit from the future synergies of the combination.

An annual impairment test for the CGUs or groups of CGUs to which goodwill has been allocated is performed in the fourth quarter, or when there is an indication of impairment. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of the value in use and the fair value less costs of disposal. In assessing the value in use, the estimated future cash flows after tax are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The after-tax amounts, both in relation to cash flows and discount rate, are applied to the calculation because available models for calculating the discount rate include a tax component. The effect of after-tax discount rates applied by the Company is not materially different from a discounting based on before-tax future cash flows

Note A1, cont'd.

and before-tax discount rates, as required by IFRS. Write-downs of goodwill are reported under Other operating expenses in the income statement.

For more information, see note A2 "Judgments and critical accounting estimates" and note C1 "Intangible assets."

Intangible assets other than goodwill

Intangible assets other than goodwill comprise intangible assets acquired through business combination such as customer relationships, technology (patents), and trademarks. In addition, there are capitalized development expenses and separately acquired intangible assets, mainly consisting of software. At initial recognition, acquired intangible assets relating to business combinations are stated at fair value, and capitalized development expenses and software are stated at cost. Subsequent to initial recognition, these intangible assets are stated at the initially recognized amounts less accumulated amortization and any impairment losses. Research and development expenses include amortization and impairment losses mainly relating to capitalized development expenses and technology. Selling and administrative expenses include amortization and impairment losses mainly relating to customer relationships and brands.

Amortization is charged to the income statement, on a straight-line basis, over the estimated useful life of each intangible asset. For acquired intangible assets, such as patents, customer relationships, trademarks, and software estimated useful lives do not exceed 10 years, and capitalized development expenses usually have a useful life of 3 years.

On asset level impairment tests are performed when there is an indication of impairment. However, intangible assets not yet available for use are tested annually for impairment.

For more information, see note A2 "Judgments and critical accounting estimates."

Property, plant, and equipment

Property, plant, and equipment consists of real estate, machinery and other technical assets, other equipment, tools installations, and construction in progress, and are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each component of an item of property, plant, and equipment, including buildings. Estimated useful lives are, generally, 25–50 years for real estate and 3–10 years for machinery and equipment. Depreciation and any impairment charges are included in Cost of sales, Research and development, or Selling and administrative expenses.

Gains and losses on disposals are reported within Other operating income and expenses in the income statement.

Leases

The main types of assets leased by the Company are real estate, vehicles and IT-equipment.

Leases when the Company is the lessee

The Company recognizes right-of-use assets and lease liabilities arising from all leases in the balance sheet, with some exceptions. In the assessment of a lease contract the lease components are separated from non-lease components. The lease term is defined based on the contract lease term and when reasonably certain estimated extension or termination options are included. The average remaining lease term including estimated extension or termination options for real estate contracts is around three years. For lease extensions not included in the lease liability there can be multiple options for different periods (overlapping) and they can have different stipulations for how the various options can be applied to be valid (limitations on size/scope) that must be maintained for extension. As a result, the future payments for these lease extensions are not known.

At commencement date the lease liabilities are measured at the present value of the lease payments not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Group estimates its incremental borrowing rate to measure lease liabilities at the present value of lease payments because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is calculated considering interest swap rates, the creditworthiness of the entity that signs the lease and an adjustment for the asset being collateralized. Lease payments included in the liability are fixed payments, variable payments depending on an index or rate and penalties for termination of contracts.

The right-of-use asset is depreciated over the lease term on a straight-line basis. Depreciation and any impairment charges are included in Cost of sales, Research and development expenses or Selling and administrative expenses.

The Company applies the recognition exemption for short-term leases and leases for which the underlying asset is of low value and recognizes the lease payments for those leases as an expense on a straight-line basis over the lease term.

When the Company acts as a lessor, it is mainly in relation to real estate sublease, financing and operating leases. For more information, see note C3 "Leases."

Obligations

For further disclosure, see the notes under section D.

Provisions and Contingent Liabilities

Provisions are made when there are legal or constructive obligations as a result of past events and when it is probable that an outflow of resources will be required to settle the obligations and the amounts can be reliably estimated. When the effect of the time value of money is material, the estimated cash flows are discounted to present value. However, the actual outflows as a result of the obligations may differ from such estimates. Provisions mainly relate to restructuring, customer and supplier-related provisions, warranty commitments, cash-settled share-based payments, claims or obligations as a result of patent infringement, and other litigations.

A restructuring obligation is considered to have arisen when the Company has a detailed formal plan for the restructuring (approved by management), which has been communicated in such a way that a valid expectation has been raised among those affected. Curtailment gains and losses on defined benefit plans are reported as part of the net restructuring costs when the restructuring provision is raised for the underlying program.

Customer-related provisions mainly consist of estimated losses on onerous contracts. For losses on customer contracts, a provision equal to the total estimated loss is recorded immediately when a loss from a contract is probable and can be estimated reliably. The loss is calculated based on the lower of the unavoidable costs to fulfill a contract and the exit penalty. The unavoidable cost includes both the incremental and allocated costs to fulfill the contract.

Supplier-related provisions relate to contractual commitments mostly relating to inventories. The provision is based on a risk assessment comparing the forecasted sales volumes with the committed purchase obligations. If the contractually committed purchase obligations are assessed to be at risk of not being met, a provision is raised equal to the best estimate of the expected obsolescence or the contractual fee.

Product warranty commitments consider probabilities of all material quality issues based on historical performance for established products and expected performance for new products, estimates of repair cost per unit, and volumes sold still under warranty up to the reporting date.

Share-based payment provision relates to cash-settled share-based programs. Refer to the accounting policy under "Cash-settled plans."

Other provisions relate mainly to patent infringements, litigations, and other provisions which do not fall within the defined categories. The Company provides for estimated future settlements related to patent infringements based on the probable outcome of each infringement. The actual outcome or actual cost of settling an individual infringement may vary from the Company's estimate. The Company estimates the outcome of any potential patent infringement made known to the Company through assertion and the Company's monitoring of patent-related cases in the relevant legal systems.

In the ordinary course of business, the Company is subject to proceedings, lawsuits, and other unresolved claims. These matters are often resolved over a long period of time. The Company regularly assesses the likelihood of any adverse judgments in or outcomes of these matters, as well as potential ranges of possible losses.

Present or possible obligations that do not meet the provision recognition criteria are reported as contingent liabilities.

For more information, see note A2 "Judgments and critical accounting estimates" and note D2 "Contingent liabilities."

Note A1, cont'd.

Group structure

For further disclosure, see the notes under section E.

Business combinations
At the acquisition of a business, the cost of the acquisition, being the purchase price, is measured as the fair value of the assets acquired, and liabilities incurred or assumed at the date of exchange, including any cost related to contingent consideration. Transaction costs attributable to the acquisition are expensed as incurred. The acquisition cost is allocated to acquired assets, liabilities, and contingent liabilities based upon appraisals made, including assets and liabilities that were not recognized on the acquired entity's balance sheet, for example, intangible assets such as customer relationships, brands, patents, and financial liabilities. The Company, on an acquisition-by-acquisition basis, chooses to measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The acquired entity is consolidated into the Group results from the date of acquisition. Accordingly, the consolidated stockholders' equity includes equity in subsidiaries and associated companies earned only after their acquisition.

Associated companies
Investments in associated companies is when the Company has significant influence and the ability to participate in the financial and operating policy decisions of the associated company but is not in control or joint control over those policies. Normally, this is the case in voting stock interest, including effective potential voting rights, which stand at least at 20% but not more than 50%. Associated companies are accounted for in accordance with the equity method. Any change in other comprehensive income of the associated companies is presented as part of other comprehensive income. The Company's share of losses in associates are also recognized to reduce the carrying value of any long-term interest that forms part of its net investment.

Financial instruments and risk management

For further disclosure, see the notes under section F. Plan assets under IAS 19 are excluded from the financial risk management policy and financial instruments disclosures in section F.

Financial assets
Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial securities are recognized on the settlement date. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company sells its receivables with the expectation that all derecognition criteria are fully satisfied thereby no material asset or liability is retained. The Company classifies its financial assets in the following categories: at amortized cost, at fair value through other comprehensive income (FVOCI), and at fair value through profit or loss (FVTPL). The classification depends on the cash flow characteristics of the asset and the business model in which it is held.

The fair values of quoted financial investments and derivatives are based on quoted market prices or rates. If official rates or market prices are not available, fair values are calculated using observable inputs such as market prices for implied volatility, foreign exchange and interest rates. Where there are no observable market data, fair values are calculated using other inputs such as data from transactions, external evidence on exit price or other analytical techniques.

Financial assets at amortized cost
Interest bearing assets, including cash equivalents, held with the objective to collect contractual cash flows, are classified as amortized cost assets. These include securities and deposits not managed on a fair value basis and loans to associates.

Financial assets at fair value through other comprehensive income (FVOCI)
Trade receivables are classified as FVOCI because the business model is primarily to collect, with occasional sales. Sale of trade receivables are made when the liquidity need arises and competitive prices are available for such a sale.

Financial assets at fair value through profit or loss (FVTPL)
All financial assets that are not classified as either amortized cost or FVOCI are classified as FVTPL. Derivatives are classified as FVTPL, unless they are designated as hedging instruments for the purpose of hedge accounting. Derivatives assets and liabilities are offset where there is legally enforceable right to offset, and the Company settles on a net basis with the counterparties. Derivatives assets and liabilities (after offset) are classified as current and non-current based on the maturity of the contract, unless they are intended and expected to be settled within 12 months.

Interest-bearing assets including investment in securities and money market funds are classified as FVTPL where they are either held in a portfolio managed on a fair value basis or held for short-term liquidity purposes.

Customer finance receivables are classified as FVTPL because they are primarily held for sale. These assets are presented on the balance sheet based on their maturity date (i.e., those with a maturity longer than one year are presented as non-current). For more information, see note A2 "Judgments and critical accounting estimates."

Investments in shares and participations are classified as FVTPL and presented as non-current financial assets, unless they are expected to be sold within 12 months thereby presented as other current receivables.

Gains or losses arising from changes in the fair values of investment in shares and participations are presented in the income statement within other operating income, except where investments are viewed as non-operational in nature, in which case gains and losses are presented within financial income.

Gains and losses on derivatives are presented in the income statement as follows: Gains and losses on derivatives used to hedge foreign exchange risks are presented within net foreign exchange gains and losses. Gains and losses on interest rate derivatives used to hedge financial assets and liabilities are presented in financial income and financial expense, respectively.

Gains and losses on revaluation of customer financing receivables are presented in the income statement as selling expenses. Gains and losses arising from changes in the fair values of all other assets in the FVTPL category are presented in the income statement within financial income.

Dividends on equity instruments are recognized in the income statement as part of financial income when the Company's right to receive payments is established.

Impairment in relation to financial assets
At each balance sheet date, financial assets classified as either amortized cost or FVOCI and contract assets are assessed for impairment based on Expected Credit Losses (ECL). The Company adopts a simplified approach for trade receivables and contract assets whereby allowances are always equal to lifetime ECL. The Company has established a provision matrix based on historical credit loss experience, which has been adjusted for current conditions and expectations of future economic conditions. The losses are recognized on a separate line in the income statement. When there is no reasonable expectation of collection, the asset is written off.

Other amortized costs assets are mainly deposits with banks that are deemed to be low risk hence credit risk is assumed not to have increased significantly since initial recognition. If the Company identifies evidence of significant change in credit risk on the assets, lifetime ECL is used to calculate allowance on the asset. Default is deemed if the asset is more than 90 days past due, after which lifetime ECL is also used to calculate allowance on the asset.

Financial liabilities
Financial liabilities are recognized when the Company becomes bound to the contractual obligations of the instrument.

Financial liabilities are derecognized when they are extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expired.

Note A1, cont'd.

Trade payables

Trade payables are recognized as amortized cost liabilities. Under the Company's supplier payment program, some suppliers sell their Ericsson receivables to banks and the Company can if requested introduce a bank interested in purchasing such receivables. The Company does not pay or receive a fee, nor provide additional security under the program. This arrangement does not lead to any significant change in the nature or function of the Company's liabilities because the supplier invoices are considered part of working capital used in the Company's normal operating cycle. The maximum credit period agreed with any supplier does not exceed six months. Therefore, these liabilities remain classified as trade payables with separate disclosure in the notes, see note B8 "Trade payables."

Borrowings

Borrowings issued by the Parent Company are designated as FVTPL where they are managed on a fair value basis. These are long term borrowings held in an Asset and liability management portfolio where the interest rate risk is managed by matching fixed and floating interest rates of interest-bearing balance sheet items. Changes in fair value of this portfolio are recognized in financial expense, except for changes in fair value due to changes in credit risk which are recognized in other comprehensive income.

Borrowings not managed on a fair value basis are classified as amortized cost liabilities. These include revolving credit facilities and commercial papers program which are used for short term liquidity purposes and cash collaterals received.

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Cash flow hedge accounting

The Company has the following recurring hedge programs:

a) Certain customer contracts where a fluctuation in the SEK/USD foreign exchange (FX) rate would significantly impact net sales. These contracts are multi-year contracts denominated in USD with highly probable payments at fixed points in time.
b) Highly probable forecasted sales denominated in USD in Ericsson AB (EAB) for the next 7 to 18 months are hedged on a monthly rolling basis.

For both programs, the Company enters into FX forward contracts that match the terms of the foreign exchange exposure as closely as possible and designates these as hedging instruments.

At inception, the Company documents the economic relationship between the hedged item and hedging instrument. For FX hedges, the hedge ratio is usually 1:1. The Company designates changes in forward rates as the hedged risk. When applying hedge accounting, the effective portion of changes in the fair value of derivatives that is designated and qualifies as cash flow hedges is recognized in OCI. The gain or loss relating to an ineffective portion is recognized immediately in Financial income and expenses, net. Upon recognition of the hedged net sales, the cumulative amount in cash flow hedge reserve is released in the OCI as a reclassification adjustment and recognized in net sales.

Employee related

For further disclosure, see the notes under section G.

Post-employment benefits

Pensions and other post-employment benefits are classified as either defined contribution plans or defined benefit plans. These also include gratuity plans, medical plans and leave encashment plans which are expected to be provided to employees over a period longer than 12 months.

The present value of the defined benefit obligations for current and former employees is calculated using the Projected Unit Credit Method. The discount rate for each country is determined by reference to market yields on high-quality corporate bonds that have maturity dates approximating the terms of the Company's obligations. In countries where there is no deep market for such bonds such as Sweden the market yields on government bonds are used. The calculations are based upon actuarial assumptions that are updated annually. The Company's net liability for each defined benefit plan consists of the present value of pension commitments less the fair value of plan assets and is recognized net on the balance sheet. When the result is a net benefit to the Company, the recognized asset is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan, referred to as 'asset ceiling'. The pension asset is presented as Other Financial assets, non-current.

Interest cost on the defined benefit obligation and interest income on plan assets is calculated as a net interest amount and presented within Financial expenses. Curtailment gains and losses due to restructuring programs are recognized as part of the restructuring costs. Settlement events are considered as risk management activities driven by Group Treasury functions, therefore any gains and losses are presented within Financial expenses. Swedish special payroll tax is accounted for as a part of the pension cost, and the pension liability respectively.

Payroll taxes related to actuarial gains and losses are included in determining actuarial gains and losses, reported under OCI.

For more information, see note A2 "Judgment and critical accounting estimates."

Share-based compensation to employees and the Board of Directors

Share-based compensation relates to remuneration to employees, including key management personnel and the Board of Directors, and could be settled in either shares or cash.

The majority of the granted share-based programs are cash-settled, except for programs for the Executive Team and since 2023 the long-term variable compensation (LTV) program. These programs are share-settled. Share-settled plans will be settled in the Parent Company Class B shares provided the market-related and non-market-related vesting conditions are met.

Share-settled plans

Compensation costs are recognized over the vesting period, based on the fair value of the Ericsson share at the grant date, and considers the performance and market-related vesting conditions. All plans have service conditions, while some have performance and market-related vesting conditions. Examples of performance conditions could be revenue and profit targets and market conditions relate to the development of the Parent Company's share price in relation to a group of reference shares.

For further detailed information, see note G3 "Share-based compensation."

Cash-settled plans

The total compensation expense for a cash-settled plan is equal to the payments made to the employees at the end of the service period. The fair value of the synthetic shares, being the cash equivalents of shares, is therefore reassessed and amended during the service period, and accounted for as a provision. Otherwise the accounting is similar to a share-settled plan. Cash-settled plans relating to employees' share-based payment programs have similar vesting criteria to share-settled plans. All plans have service conditions, while some have performance and market-related vesting conditions.

In all years, except for 2023, non-executive directors could elect to receive part of their remuneration as synthetic shares, which will be converted to cash at the end of a specified vesting period based upon the market value of the class B shares in the Parent Company at the time of payment.

For further detailed information, see notes G2 "Information regarding members of the Board of Directors and Group management" and G3 "Share-based compensation."

Other

For further disclosure, see the notes under section H.

Income taxes

Income taxes in the consolidated financial statements include both current and deferred taxes. Income taxes do not include VAT, sales/use taxes, or other taxes not based on taxable profits. Income taxes are reported in the income statement unless the underlying item is reported directly in equity or

Note A1, cont'd.

OCI. For those items, the related income tax is also reported directly in equity or OCI. A current tax liability or asset is recognized for the estimated taxes payable or refundable for the current year or prior years.

Current income tax and deferred taxes are measured at the tax rate that is expected to be applied based on the tax laws that have been enacted or substantially enacted for the reporting period in the corresponding jurisdiction.

Deferred tax is recognized for temporary differences between the book values of assets and liabilities and their tax values for unused tax loss carry-forwards and for unused tax credits. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, tax loss carry-forwards and tax credits can be utilized. In the recognition of income taxes, the Company offsets current tax receivables against current tax liabilities and deferred tax assets against deferred tax liabilities in the balance sheet, when the Company has a legal right to offset these items and the intention to do so. Deferred tax is not recognized for temporary differences when it is probable that the temporary difference will not reverse in the foreseeable future.

For more information, see note A2 "Judgment and critical accounting estimates."

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash flows from foreign subsidiaries are translated at the average exchange rate during the period. For practical reasons, the Company uses the closing rate of the previous month end as approximation of the period average exchange rate, although spot rate is used to report cash flow for material transaction where appropriate. Payments for subsidiaries acquired or divested are reported as cash flow from investing activities, net of cash and cash equivalents acquired or disposed of respectively. Movements in cash collaterals received and bank borrowings less than 3 months (used for short-term liquidity purposes) are presented net within "Other financing activities".

Cash and cash equivalents consist of cash, bank, and interest-bearing securities that are highly liquid monetary financial instruments with a remaining maturity of three months or less at the date of acquisition.

Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants received are mainly recognized in the consolidated income statement as a deduction against the related expense.

Climate-related considerations

The Company has considered climate-related factors when preparing the financial statements, see note B5 "Inventories." In note G3 "Share-based compensation" information can be found on specific climate-related targets for long-term incentive plans.

New accounting standards and interpretations

On January 1, 2024, the following amendments issued by the IASB were adopted with no material impact on the results and financial position of the Company.

- Amendments to IAS 1 Presentation of financial statements – Classification of liabilities as current or non-current
- Amendments to IAS 1 Presentation of financial statements – non-current liabilities with covenants
- Amendments to IFRS 16 Leases – Lease liability in a sale and leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures: Supplier Finance Arrangements
  These amendments will increase the disclosures for Supplier Finance Arrangements

The following new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2024, and have not been applied in preparing these consolidated financial statements.

IASB has issued the following new amendment with effective date January 1, 2025:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on August 15, 2023).

The Company has finalized the evaluation of impact on financial statement from this amendment to be applied from January 1, 2025. The Company concluded that certain functional currencies of its foreign operations are not exchangeable into the group presentation currency, SEK, however the impact of adjustments to the financial statements is immaterial.

IASB has issued the following new amendments with effective date January 1, 2026:

- Annual Improvements Volume 11 (issued on July 18, 2024)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on May 30, 2024).
- Amendments to Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (issued December 2024).

The Company has not finalized the evaluation of any impact on financial results or position from these amendments.

IASB has issued the following new standards with effective date January 1, 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on April 9, 2024)

The Company has not yet concluded on the impact of IFRS 18 on the presentation of the financial statements.

A2 Judgments and critical accounting estimates

The preparation of financial statements and application of accounting standards often involve management's judgment and the use of estimates and assumptions deemed to be reasonable at the time they are made. However, other results may be derived with different judgments or using different assumptions or estimates, and events may occur that could require a material adjustment to the carrying amount of the asset or liability affected. Examples of this could occur with a change in strategy or restructuring. Judgments for accounting policies to be applied as well as estimates may also be impacted due to this. The following are the most important accounting policies subject to such judgments and the key sources of estimation uncertainty that the Company believes could have the most material impact on the reported results and financial position.

Judgments

Judgments made in the process of applying the Company's accounting policies that have most significant effect on the financial statements are as follows:

Revenue recognition

Management applies judgment when assessing the customer's ability and intention to pay in a contract. The assessment is based on the latest customer credit standing and the customer's past payment history. This assessment may change during the contract execution, and if there is evidence of deterioration in the customer's ability or intention to pay, then no further revenue shall be recognized until the collectability criteria is met. Conversely, this assessment may also change favorably over time, upon which revenue shall now be recognized on a contract that did not initially meet the collectability criteria.

Revenue for standard products is recognized when control over the equipment is transferred to the customer at a point in time. This assessment shall be viewed from a customer's perspective considering indicators such as transfer of titles and risks, customer acceptance, physical possession, and billing rights. Judgment may be applied in determining whether risk and rewards have been transferred to the customer and whether the customer has accepted the products. Often all indicators of transfer of control are assessed together and an overall judgment formed as to when transfer of control has occurred in a customer contract.

Inventory valuation

In situations where excess inventory balances are identified, estimates of net realizable values for the excess volumes are made.

Allowances for obsolescence in inventory considers aging, historical consumption and judgments around market demands. There may also be judgments around internal and external circumstances, e.g. withdrawal of a product or economic and political changes in the global market.

Acquired customer relationships, intellectual property rights and other intangible assets, including goodwill

At initial recognition and subsequent remeasurement, management judgments are made, both for key assumptions and impairment indicators.

Management judgment is required when a purchase price allocation is made, for example when determining the fair values of acquired intangible assets. Judgment is also required in defining the cash-generating units for impairment testing purposes.

Provisions and contingent liabilities

Management applies judgment in determining the probability of outflow of economic resources to settle the obligation or possible obligation. Further judgment is required in determining the value of the present or possible obligation as this is based on the Company's best estimate of the expenditure required to settle the obligation or possible obligation.

Pensions and other post-employment benefits

The discount rate assumptions are based on rates for high-quality fixed-income investments with durations as close as possible to the Company's pension plans. In countries where there is not a deep market in high-quality corporate bonds, the market yields on government bonds shall be applied. Judgment is applied in determining the depth of the high-quality corporate bond market in each country when concluding on the most suitable market yield to be used. In Sweden, the Company uses market yield for government bonds to value its pension liability.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Revenue recognition

The Company uses estimates in determining the amount and timing of revenue particularly when determining the transaction price and its allocation to performance obligations identified under the contract.

Transaction price, including variable considerations impacting contract liabilities, for example volume rebate earnings, is estimated at the commencement of the contract (and periodically thereafter). Judgment is used in the estimation process based on historical experience with the type of business and customer. This includes assessment of price concession based on latest available information on contract negotiations that could have retrospective impact on prices for products and services already ordered or delivered.

The variable amount of consideration, and its impact on contract liabilities, may also be dependent based upon a final reconciliation event with the customer. In order for a reliable estimate of that amount prior to the event, judgments may be applied using both historical information and evaluation of probability of occurrence of the contingent event.

Above types of estimation uncertainty are included in the Contract liabilities. At December 31, 2024, the total carrying amount of Contract liabilities amounted to SEK 41.2 (34.4) billion. For further detailed information, see note B6 "Customer contract related balances."

Inventory valuation

Inventories are valued at the lower of cost and net realizable value. Estimates of the inventory value, write-downs and any reversal of such, are required in relation to forecasted sales volumes, prices and inventory balances. Inventory write-downs during the period, amounted to SEK 3.3 (4.0) billion or 11% (10%) of gross inventory at year end. Write-downs were reduced in respect of reversals by SEK 2.0 (0.8) million or 7% (2%) of gross inventory at year end. For further detailed information, see note B5 "Inventories."

Acquired customer relationships, intellectual property rights and other intangible assets, including goodwill

At initial recognition, future cash flows are estimated, to ensure that the initial carrying values do not exceed the expected discounted cash flows for the items of this type of asset. After initial recognition, impairment testing is performed when there is an indication of impairment. Additionally, goodwill impairment testing is performed once per year aligned with updated business plans. An indication of impairment may be a material deviation in actual cash flows compared to the business plan as well as new estimates that indicate lower future cash flows. The estimation uncertainty is considered higher for the Enterprise segment than the other segments in the next twelve months. This is due to uncertainties regarding the market uptake of new technologies. Impairment losses for intangible assets and goodwill amounted to SEK −15.3 (−31.9) billion for 2024.

At December 31, 2024, the carrying amount of acquired intangible assets amounted to SEK 64.0 (75.6) billion, including goodwill of SEK 56.1 (52.9) billion.

For further discussion on goodwill and intangible assets other than goodwill, see note A1 "Material accounting policies." Estimates related to acquired intangible assets are based on similar assumptions and risks as goodwill. For more information, see noteC1 "Intangible assets."

Provisions and contingent liabilities

The key sources of estimation uncertainty relating to provisions are the assessment of the probability of outflow and whether a reliable estimate can be made. Estimation uncertainty exists with respect to ongoing internal

Note A2, cont'd.

investigations, proceedings and other matters with government and regulatory authorities. The Company continues to fully cooperate with the DOJ in its investigation into matters discussed in the 2019 internal Iraq investigation report and related topics concerning jurisdictions including Iraq, and the Company is providing additional documents and other information which continue to be requested by the DOJ. The scope and duration of the investigation remains uncertain. Estimation uncertainty over the expected settlement relating to litigation and disputes including intellectual property related topics such as patents exists as they may continue over several years and the outcome is unknown.

The same estimation uncertainties described above for provisions exist for contingent liabilities. As the contingent liabilities will only be confirmed in the future based on the resolution of the litigation or dispute, management is required to estimate the possibility of an adverse outcome occurring and the potential settlement value. A contingent liability may exist at year end, and/or expense (provision) may have to be recognized at a later stage based on the latest conditions and progress of the potential obligation.

Provisions and contingent liabilities are regularly reassessed based on the latest information available and are adjusted to reflect the Company's best estimate of the eventual outcome.

At December 31, 2024, provisions amounted to SEK 11.7 (11.7) billion. For further detailed information, see note D1 "Provisions."

At December 31, 2024, contingent liabilities disclosed amounted to SEK 3.6 (3.0) billion. For further detailed information, see note D2 "Contingent liabilities" including a description of contingent liabilities which cannot be quantified.

Pensions and other post-employment benefits

Accounting for the costs of defined benefit pension plans and other applicable post-employment benefits is based on actuarial valuations, relying on key estimates for discount rates, future salary increases, employee turnover rates and mortality tables. The impact of applying an alternative discount rate based on Swedish covered bonds and the sensitivities of key estimates and assumptions used in valuing the main pension plans are disclosed in note G1, "Post-employment benefits." At December 31, 2024, defined benefit obligations for pensions and other post-employment benefits amounted to SEK 86.6 (85.5) billion and fair value of plan assets amounted to SEK 64.4 (62.6) billion.

Deferred tax

The measurement of deferred tax assets involves an assessment regarding the deductibility of costs not yet subject to taxation and estimates regarding sufficient future taxable income to enable utilization of unused tax losses and/or tax credits in different tax jurisdictions. All deferred tax assets are subject to annual review of probable utilization.

The valuation of temporary differences, tax loss carry-forwards and tax credits are based on management's estimates of future taxable profits in different tax jurisdictions against which the temporary differences, loss carry-forwards and tax credits may be utilized. These estimates are primarily based on business plans for the Company´s estimated outcome of future taxable profits.

At December 31, 2024, the value of deferred tax assets amounted to SEK 24.4 (22.4) billion. For further detailed information, see note H1 "Taxes."

Accounting for income tax, value added tax, and other taxes

Accounting for income taxes is based upon evaluation of taxable income in all jurisdictions where the profits arise. As prescribed in IFRIC 23, only uncertainty over income tax treatment is considered if and when recognizing and measuring income tax items in the financial statements.

Assets relating to value added tax, and other taxes are separately assessed for recoverability in each jurisdiction according to the local regulations.

The total complexity of rules related to taxes and the accounting for these require management's involvement in judgments regarding classification of transactions and in estimates of probable outcomes of claimed deductions and/or disputes.

Section B – Business and operations

B1 Segment information

Segments
When determining Ericsson's operating segments, consideration has been given to the financial reporting reviewed by the Chief Operating Decision Maker (CODM). Markets and what type of customers the products and services aim to attract have been considered, as well as the distribution channels they are sold through. Commonality regarding technology, research and development has also been taken into account. To best reflect the business focus, three operating segments are presented:
- Networks
- Cloud Software and Services
- Enterprise.

Segment Networks offers hardware and software solutions and related services, enabling communications service providers to evolve to new 5G capabilities. The portfolio includes Radio Access Network (RAN), RAN Compute, Transport, Antenna products and a complete service portfolio. 82% (82% in both 2023 and 2022) of the IPR licensing revenues are reported as part of segment Networks.

Segment Cloud Software and Services provides solutions that equip communications service providers to enhance their business agility, service experience, and operational efficiency. The portfolio includes Core Networks, Business and Operations Support Systems, Network Management, Cognitive Network Solutions and Managed Network Services. 18% (18% in both 2023 and 2022) of the IPR licensing revenues are reported as part of segment Cloud Software and Services.

Segment Enterprise provides advanced connectivity solutions for businesses to accelerate digitalization, drive innovation and optimize processes. The portfolio includes Global Communications Platform, Wireless Wide-Area Networks (WWAN) and private cellular networks.

Other comprises media businesses as well as other non-allocated businesses, including RedBee Media. Segment-level information has also been presented for Other.

Market areas
The market areas are the Company's primary sales channel with the responsibility to sell and deliver Mobile Networks customer solutions.
The Company operates worldwide and reports its operations divided into five geographical market areas:
- North America
- Europe and Latin America
- South East Asia, Oceania and India
- North East Asia
- Middle East and Africa.

Segment Enterprise has a multi-channel go-to-market distribution model. Sales from segment Enterprise and Other, and the IPR licensing revenues are externally reported as market area Other.

Major customers
The Company derives most of its sales from large, multi-year agreements with a limited number of significant customers. Out of a customer base of more than 500 customers, mainly consisting of communications service providers, the 10 largest customers accounted for 44% (43% in 2023 and 50% in 2022) of net sales. These customers were reported under segments Networks and Cloud Software and Services. The largest customer accounted for approximately 13% (8% in 2023 and 14% in 2022) and the second largest customer accounted for 8% (7% in 2023 and 10% in 2022) of net sales.

Segment information 2024

	Networks	Cloud Software and Services	Enterprise	Other	Group/Total segments
Segment sales	158,207	62,635	24,863	2,175	247,880
Net sales	158,207	62,635	24,863	2,175	**247,880**
Gross income	**73,648**	**23,021**	**12,788**	**–92**	**109,365**
Gross margin (%)	46.6%	36.8%	51.4%	–4.2%	44.1%
Earnings (loss) before financial items and income tax (EBIT)[1)2)]	**25,665**	**–435**	**–22,083**	**1,166**	**4,313**
EBIT margin (%)	16.2%	–0.7%	–88.8%	53.6%	1.7%
Financial income and expenses, net					–1,724
Income after financial items					**2,589**
Income tax					–2,215
Net income					**374**
Other segment items					
Share in earnings of associated companies	94	2	–	–342	–246
Amortizations	–1,288	–30	–2,661	–1	–3,980
Depreciations	–4,187	–1,381	–274	–198	–6,040
Impairment losses[1)]	–305	–87	–15,308	–14	–15,714
Restructuring charges	–1,899	–2,434	–511	–168	–5,012
Gains/losses on investments and sale of operations	–7	10	–165	17	–145

1) Segment Enterprise includes impairment of goodwill and intangible assets of SEK –15.3 billion, mainly related to the acquisition of Vonage in 2022. For more information, see note C1 "Intangible assets."
2) Segment Other includes a gain of SEK 1.9 billion from the resolution of a commercial dispute, see note B4 "Other operating income and expenses."

Note B1, cont'd.

Segment information 2023

	Networks	Cloud Software and Services	Enterprise	Other	Group/Total segments
Segment sales	171,442	63,630	25,745	2,534	263,351
Net sales	**171,442**	**63,630**	**25,745**	**2,534**	**263,351**
Gross income	**67,959**	**22,088**	**12,016**	**–461**	**101,602**
Gross margin (%)	39.6%	34.7%	46.7%	–18.2%	38.6%
Earnings (loss) before financial items and income tax (EBIT)[1]	**19,382**	**–220**	**–38,336**	**–1,152**	**–20,326**
EBIT margin (%)	11.3%	–0.3%	–148.9%	–45.5%	–7.7%
Financial income and expenses, net					–2,993
Income (loss) after financial items					**–23,319**
Income tax					–2,785
Net income (loss)					**–26,104**
Other segment items					
Share in earnings of associated companies	83	41	–	–	124
Amortizations	–1,013	–43	–3,401	–1	–4,458
Depreciations	–4,460	–1,470	–274	–495	–6,699
Impairment losses[1]	–527	–176	–31,952	–77	–32,732
Restructuring charges	–4,437	–1,924	–173	13	–6,521
Gains/losses on investments and sale of operations	–24	–39	–16	–206	–285

[1] Segment Enterprise includes impairment of goodwill of SEK –31.9 billion related to the acquisition of Vonage. For more information, see note C1 "Intangible assets."

Segment information 2022

	Networks	Cloud Software and Services	Enterprise	Other	Group/Total segments
Segment sales	193,468	60,524	14,597	2,957	271,546
Net sales	**193,468**	**60,524**	**14,597**	**2,957**	**271,546**
Gross income	**86,368**	**20,106**	**7,096**	**–275**	**113,295**
Gross margin (%)	44.6%	33.2%	48.6%	–9.3%	41.7%
Earnings (loss) before financial items and income tax (EBIT)[1]	**38,512**	**–1,689**	**–4,473**	**–5,330**	**27,020**
EBIT margin (%)	19.9%	–2.8%	–30.6%	–180.3%	10.0%
Financial income and expenses, net					–2,411
Income after financial items					**24,609**
Income tax					–5,497
Net income					**19,112**
Other segment items					
Share in earnings of associated companies	30	27	–	–40	17
Amortizations	–1,424	–122	–2,019	–12	–3,577
Depreciations	–4,073	–1,792	–515	–185	–6,565
Impairment losses	–211	–91	–87	–12	–401
Restructuring charges	–146	–96	–65	–92	–399
Gains/losses on investments and sale of operations	253	–	111	–108	256

[1] Segment Other includes a provision of SEK –2.3 billion related to the DPA breach resolution with the US Department of Justice, including expenses for the extended monitorship, and by SEK –1.0 billion due to charges related to the divestment of IoT and other portfolio adjustments.

Products and Services by Segments

	Networks	Cloud Software and Services	Enterprise	Other	Total
2024					
Products	121,814	22,409	5,927	–	150,150
Services	36,393	40,226	18,936	2,175	97,730
Total	**158,207**	**62,635**	**24,863**	**2,175**	**247,880**
2023					
Products	131,393	21,672	5,704	–4	158,765
Services	40,049	41,958	20,041	2,538	104,586
Total	**171,442**	**63,630**	**25,745**	**2,534**	**263,351**
2022					
Products	147,997	21,105	4,923	–1	174,024
Services	45,471	39,419	9,674	2,958	97,522
Total	**193,468**	**60,524**	**14,597**	**2,957**	**271,546**

Note B1, cont'd.

Market area 2024

	Net sales					Non-current assets[5]
	Networks	Cloud Software and Services	Enterprise	Other	Total	Total
North America[1]	57,875	14,326	598	87	72,886	18,223
Europe and Latin America[2]	40,855	22,271	284	–	63,410	66,765
South East Asia, Oceania and India[3]	23,259	9,114	37	–	32,410	1,005
North East Asia[4]	14,477	4,142	18	124	18,761	1,374
Middle East and Africa	10,344	9,761	678	–12	20,771	173
Other [1)2)3)4)6)]	11,397	3,021	23,248	1,976	39,642	–
Total	**158,207**	**62,635**	**24,863**	**2,175**	**247,880**	**87,540**
[1] of which in the United States[6]					*98,265*	*17,175*
[2] of which in EU[6]					*35,264*	*62,126*
of which in Sweden[6]					*2,341*	*61,065*
[3] of which in India[6]					*15,194*	*569*
[4] of which in Japan[6]					*9,072*	*199*
[4] of which in China[6]					*10,221*	*1,007*

[5] Total non-current assets excluding financial instruments, deferred tax assets, and post-employment benefit assets.
[6] Including IPR licensing revenue reported under Market area Other which is allocated based on the country location of the customer. Other sales are attributed to countries based on the destination of products or services delivered.

Market area 2023

	Net sales					Non-current assets[5]
	Networks	Cloud Software and Services	Enterprise	Other	Total	Total
North America[1]	44,640	14,199	266	125	59,230	33,214
Europe and Latin America[2]	42,298	22,270	245	71	64,884	64,497
South East Asia, Oceania and India[3]	43,235	10,038	36	9	53,318	886
North East Asia[4]	18,986	4,720	37	189	23,932	1,775
Middle East and Africa	12,902	10,457	378	2	23,739	174
Other[1)2)3)4)6)]	9,381	1,946	24,783	2,138	38,248	–
Total	**171,442**	**63,630**	**25,745**	**2,534**	**263,351**	**100,546**
[1] of which in the United States[6]					*85,313*	*32,133*
[2] of which in EU[6]					*34,257*	*59,456*
of which in Sweden[6]					*1,774*	*58,728*
[3] of which in India[6]					*31,205*	*535*
[4] of which in Japan[6]					*10,139*	*132*
[4] of which in China[6]					*10,716*	*1,449*

[5] Total non-current assets excluding financial instruments, deferred tax assets, and post-employment benefit assets.
[6] Including IPR licensing revenue reported under Market area Other which is allocated based on the country location of the customer. Other sales are attributed to countries based on the destination of products or services delivered.

Market area 2022

	Net sales					Non-current assets[5]
	Networks	Cloud Software and Services	Enterprise	Other	Total	Total
North America[1]	81,917	13,362	47	68	95,394	41,065
Europe and Latin America[2]	44,644	21,638	99	409	66,790	93,612
South East Asia, Oceania and India[3]	23,695	9,179	17	60	32,951	999
North East Asia[4]	22,488	4,015	8	222	26,733	3,385
Middle East and Africa	11,707	10,472	368	24	22,571	–804
Other[1)2)3)4)6)]	9,017	1,858	14,058	2,174	27,107	–
Total	**193,468**	**60,524**	**14,597**	**2,957**	**271,546**	**138,257**
[1] of which in the United States[6]					*109,709*	*39,906*
[2] of which in EU[6]					*35,859*	*92,167*
of which in Sweden[6]					*3,239*	*88,057*
[3] of which in India[6]					*10,957*	*519*
[4] of which in Japan[6]					*9,965*	*187*
[4] of which in China[6]					*10,523*	*2,068*

[5] Total non-current assets excluding financial instruments, deferred tax assets, and post-employment benefit assets.
[6] Including IPR licensing revenue reported under Market area Other which is allocated based on the country location of the customer. Other sales are attributed to countries based on the destination of products or services delivered.

B2 Net sales

	2024	2023	2022
Hardware	93,521	99,642	119,215
Software	56,629	59,123	54,809
Services	97,730	104,586	97,522
Total	**247,880**	**263,351**	**271,546**
of which IPR licensing revenues	*13,962*	*11,101*	*10,399*
of which export sales from Sweden	*133,339*	*125,242*	*153,833*

B3 Expenses by nature

	2024	2023	2022
Goods and services	127,649	127,214	147,023
Employee remuneration	93,405	101,438	89,191
Amortizations and depreciations	10,020	11,157	10,142
Impairments, obsolescence allowances and revaluation	3,969	4,996	4,383
Inventory changes, net	10,208	9,304	–7,738
Additions to capitalized development	–1,300	–2,173	–1,720
Expenses charged to cost of sales and operating expenses	**243,951**	**251,936**	**241,281**

Total restructuring charges in 2024 were SEK 5.0 (6.5 in 2023 and 0.4 in 2022) billion, which relates to cost reduction activities during the year. Restructuring charges are included in the expenses presented above, and consist mainly of employee renumerations.

Restructuring charges by function

	2024	2023	2022
Cost of sales	2,046	2,802	195
R&D expenses	2,119	2,431	54
Selling and administrative expenses	847	1,288	150
Total	**5,012**	**6,521**	**399**

B4 Other operating income and expenses

	2024	2023	2022
Other operating income			
Gains on sales of intangible assets and PP&E	13	17	85
Gains on investments and sale of operations[1)]	409	136	701
Other operating income[2)]	2,807	841	445
Total	**3,229**	**994**	**1,231**
Other operating expenses			
Losses on sales of intangible assets and PP&E	–21	–	–54
Losses on investments and sale of operations[1)]	–554	–421	–445
Impairment of goodwill[3)]	–1,260	–31,897	–
Other operating expenses[2)]	–764	–541	–3,994
Total	**–2,599**	**–32,859**	**–4,493**

1) Information about divestments is presented in note E2 "Business combinations."
2) 2024 includes a gain of SEK 1.9 billion from the resolution of a commercial dispute. 2022 includes a provision of SEK –2.3 billion related to the DPA breach resolution with the US Department of Justice, including expenses for the extended monitorship, and by SEK –1.0 billion due to charges related to the divestment of IoT and other portfolio adjustments.
3) 2024 and 2023 includes an impairment of SEK –1.3 (–31.9) billion mainly related to the acquisition of Vonage. For more information about the impairment of goodwill, see note C1 "Intangible assets."

B5 Inventories

	2024	2023
Components	6,948	10,612
Finished goods	11,701	13,610
Contract work in progress	8,476	11,851
Total	**27,125**	**36,073**

The amount of inventories recognized as expense and included in Cost of sales was SEK 56,275 (65,042) million.

During the period, write-downs of inventory to net realizable values were expensed for an amount of SEK 3,329 (3,994) million. Write-downs were reduced by SEK 2,004 (823) million in respect of reversals. Previous write-downs have been reversed primarily as a result of changes in estimated customer demand.

Contract work in progress consists of costs incurred to date on customer projects where the performance obligations are yet to be fully met. These costs will be recognized as cost of sales when the related revenue is recognized in the income statement.

The Company's current climate-related strategy's aim to have a portfolio of energy efficient products may affect recoverability of inventories as customers push for fast substitution and uptake of volume towards the most energy efficient products. The current radio product offering largely reflects the latest and most energy efficient technologies and ongoing improvements are expected in future. These factors have been included in the inventory obsolescence risk assessment at year end.

Potential climate-related risk to the Company's operations are mitigated through having appropriate insurance policies for damage to inventories and fixed assets, as well as potential business interruptions. The Company also has a globally spread production capability as well as geographically diverse sourcing channels to mitigate risks of supply interruptions due to natural disasters, including severe weather events.

B6 Customer contract related balances

	2024	2023
Customer finance credit	4,522	6,917
Trade receivables[1]	44,151	42,215
Contract assets	6,924	7,999
Contract liabilities	41,229	34,416
Deferred sales commissions[2]	1,195	1,006

1) Total trade receivables include SEK 177 (166) million relating to associated companies.
2) Of the total Deferred sales commissions balance SEK 491 (414) million is current. The non-current balance is presented within Other financial assets, non-current (see note F3 "Financial assets, non-current") and the current balance is presented within Other current receivables (see note B7 "Other current receivables").

The increase in contract liabilities is mainly due to incentive earnings based on increased sales.

Deferred sales commissions amortized in the year is SEK 571 (457) million.

For information about credit risk and impairment of customer contract related balances, see note F1, "Financial risk management."

Revenue recognized in the period

	2024	2023
Revenue recognized relating to the opening contract liability balance	23,980	32,874
Revenue recognized relating to performance obligations satisfied, or partially satisfied, in prior reporting periods	138	134

Transaction price allocated to the remaining performance obligations

	2024	2023
Aggregate amount of transaction price allocated to unsatisfied, or partially unsatisfied, performance obligations	134,199	133,247

The Company expects that the transaction price allocated to the remaining performance obligations will be converted into revenue in accordance with the following estimates: 67% in 2025, 17% in 2026 and the remaining 16% in 2027 and beyond.

B7 Other current receivables

	2024	2023
Prepaid expenses	2,659	2,552
Advance payments to suppliers	47	128
Derivative assets[1]	185	1,851
Other taxes[2]	3,044	4,176
Other[3]	3,326	3,255
Total	**9,261**	**11,962**

1) See also note F1 "Financial risk management."
2) Other taxes mainly includes VAT receivables.
3) Includes items such as loans to associates, deferred sales commissions and deposits paid to third parties.

B8 Trade payables

	2024	2023
Trade payables to associates	413	434
Trade payables excluding associates	29,760	27,334
Total	**30,173**	**27,768**

Of the trade payables, invoices included in the supplier payment program (SPP) are as follows:

	2024
Opening balance	8,255
New invoices	24,984
Payments to bank	–25,615
Translation difference	586
Closing balance[1]	**8,210**
1) Of which suppliers already received payments from bank at year end	6,398

Range of payment due dates for year end invoices

	2024
Trade payables in SPP	76 to 180 days
Trade payables not in SPP	0 to 180 days

B9 Other current liabilities

	2024	2023
Accrued interest	373	439
Accrued expenses	31,377	26,294
of which employee-related	*17,869*	*13,440*
of which supplier-related	*8,592*	*8,009*
of which other[1]	*4,916*	*4,845*
Derivative liabilities[2]	3,337	1,794
Other[3]	5,590	8,458
Total	**40,677**	**36,985**

1) Major balance relates to accrued expenses for customer projects.
2) See also note F1 "Financial risk management."
3) Includes items such as VAT and other payroll deductions.

Section C – Long-term assets

C1 Intangible assets

	Capitalized development expenses		Goodwill		Customer relationships, IPR, and other intangible assets[1]	
	2024	2023	2024	2023	2024	2023
Cost						
Opening balance	22,983	21,096	91,185	90,914	80,810	82,854
Additions	1,300	2,173	–	–	376	97
Balances regarding acquired/divested business[2]	–	–	–375	348	–249	306
Disposals	–	–153	–	–	–314	– 563
Reclassifications	20	–16	–	–	–	–
Translation differences	268	–117	4,392	–77	4,437	–1,884
Closing balance	**24,571**	**22,983**	**95,202**	**91,185**	**85,060**	**80,810**
Accumulated amortizations						
Opening balance	–14,560	–13,646	–	–	–50,405	–48,770
Amortizations	–1,480	–1,137	–	–	–2,500	–3,321
Balances regarding divested business[2]	–	–	–	–	184	–
Disposals	–	153	–	–	314	563
Translation differences	–193	70	–	–	–2,281	1,123
Closing balance	**–16,233**	**–14,560**	**–**	**–**	**–54,688**	**–50,405**
Accumulated impairment losses						
Opening balance	–3,745	–3,745	–38,241	–6,344	–7,738	–7,744
Balances regarding divested business[2]	–	–	375	–	65	–
Impairment losses	–	–	–1,260	–31,897	–14,073	–19
Translation differences	–	–	1	–	–672	25
Closing balance	**–3,745**	**–3,745**	**–39,125**	**–38,241**	**–22,418**	**–7,738**
Net carrying value	**4,593**	**4,678**	**56,077**	**52,944**	**7,954**	**22,667**

[1] Intellectual property rights.
[2] For more information on acquired/divested businesses, see note E2 "Business combinations."

The total goodwill for the Company is SEK 56.1 (52.9) billion and is allocated to the operating segments Networks, with SEK 29.6 (27.8) billion, Cloud Software and Services, with SEK 3.7 (3.5) billion and Enterprise, with SEK 22.7 (21.6) billion. Within Enterprise Global Communications Platform (Vonage) carries SEK 11.6 (11.1) billion, Enterprise Wireless Solutions (Cradlepoint) SEK 9.9 (9.0) billion and iconectiv carries SEK 1.2 (1.1) billion. Segment Other does not carry goodwill. More information is disclosed in note B1 "Segment information."

Impairment losses

In 2024 impairment charges attributed to the acquisition of Vonage were made for intangibles and goodwill by SEK –14.7 billion in the group of cash generating units (CGU) Global Communications Platform. This group consists of one CGU including Communications Platform as a Service (CPaaS) and one CGU including Cloud-based Unified Communications as a Service (UCaaS)/Contact Center as a Service (CCaaS) and Consumer (VoIP). The identification of CGUs in 2024 coincided with management changing the organization from a functional dimension to a product dimension. The impairment charge was reported in the income statement of segment Enterprise by SEK –1.2 billion on line item Research and development expenses, SEK –12.6 billion on line item Selling and administrative expenses and –0.9 billion on Other operating expenses. The reason for the impairment included lower market growth outlook and reduction of activities in some countries. The recoverable amount for this group of CGUs was SEK 17.0 billion this amount was determined by value in use using a discount rate of 11,3% and the recoverable amount determined by Fair value less costs of disposal was lower.

In 2024 impairment charges were also made by SEK –0.4 billion in CGU Emodo due to a strategic decision to discontinue the business operation and it was reported on line item Research and development expenses, Selling and administrative expenses and Other operating expenses in the income statement for segment Enterprise. In CGU Enterprise Wireless Solutions an impairment charge of SEK –0.2 billion was made due to a change in strategy and reported on the line item Research and development expenses in the income statement for segment Enterprise. In CGU Networks an impairment charge of SEK –0.04 billion was made due to a strategy change and was reported on line item Research and development expenses in segment Networks.

In 2023 an impairment charge of goodwill attributed to the acquisition of Vonage by SEK –31.9 billion was made in the cash generating unit, CGU, Global Communications Platform and reported on the line item Other operating expenses in the income statement of segment Enterprise. The reason for the impairment was mainly due to macroeconomic headwinds, including rising interest rates and changing demand trends. The impairment charge represented 50% of the total amount of goodwill and other intangible assets attributed to the Vonage acquisition. The recoverable amount for the CGU was SEK 29.5 billion. This amount was determined by value in use and was higher than the value determined by fair value less costs of disposal.

In 2022 there was an impairment loss of intangibles of SEK –61 million in a business related to the Internet of Things in segment Enterprise due to a strategic decision to discontinue the business operation, which is reported on the line item Research and development expenses in the income statement.

Intangible assets

The carrying value of customer relationships, IPR, and other intangible assets is SEK 8.0 (22.7) billion, of which customer relationships, acquired through the Vonage transaction, amounts to SEK 3.4 (16.1) billion with a remaining amortization period of 3 to 7 years.

Capitalized development expenses

The Company capitalizes 5G radio product development costs which are amortized over a period of 3 years. In considering the Company's climate-related aim to have more energy efficient products, the Company continually assesses the impact of future radio product improvements on the recoverability of such development costs. The conclusion is that the carrying value at year-end is appropriate as the amortization period and product development lifecycle are relatively short.

Note C1, cont'd.

Goodwill allocation

Goodwill allocation has not changed during 2024. In 2023 goodwill of SEK 0.3 billion was added to the CGU Enterprise Wireless Solutions within segment Enterprise from the acquisition of Ericom. In 2022 goodwill from the Vonage acquisition was allocated to the CGU Global Communications Platform within segment Enterprise.

Impairment tests

Each of segment Networks and segment Cloud Software and Services is a CGU. There are several CGUs within segment Enterprise. The value in use method (VIU) has been applied for goodwill impairment testing, except for CGU iconectiv where fair value less cost of disposal has been used. For VIU it means that the recoverable amounts for CGUs are established as the present value of expected future cash flows based on business plans approved by management. The assumptions are also based on the Company's market share ambition and upon information gathered in the Company's long-term strategy process, including assessments of new technology, the Company's competitive position and new types of business and customers.

Estimation of future cash flows includes assumptions mainly for the following key financial parameters:

- Sales growth
- Development of EBIT (based on EBIT margin or cost of goods sold and operating expenses relative to sales)
- Related development of working capital and capital expenditure requirements.

The assumptions regarding industry-specific market drivers and market growth are based on industry sources as input to the projections made within the Company for the development 2025–2029 for key telecom industry parameters:

- By 2029, about 39 years after the introduction of digital mobile technology, it is predicted that there will be 9.4 billion mobile subscriptions (excl. Cellular IoT) compared to 8.7 billion in 2024. Out of all mobile subscriptions, 8.1 billion will be associated with a smartphone.
- The number of 5G subscriptions is forecasted to reach 5.6 billion (excluding Cellular IoT) by the end of 2029 compared to 2.3 billion in 2024.
- By 2029, about 50 billion connected devices are forecasted compared to 30 billion in 2024, of the 50 billion around 39 billion will be related to Internet of Things, IoT. Connected IoT devices includes connected cars, machines, meters, sensors, point-of-sale terminals, consumer electronics and wearables.
- Cellular IoT is predicted to grow from 3.9 billion devices in end of 2024 to 6.7 billion devices in end of 2029.
- Mobile data traffic volume is estimated to increase by more than two times in the period 2025–2029. The mobile traffic is driven by smartphone users and video traffic, with mobile video traffic forecasted to grow by around 19% annually through 2029 to account for more than 80% of all mobile data traffic. Fixed Wireless Access traffic is another contributor to mobile traffic, growing with around 27% annually in the period to account for almost 35% of all mobile data traffic in 2029.

Sales growth in the Enterprise segment is driven by the adoption of 5G and the convergence of 5G and Cloud communications in the enterprise market. The Enterprise Wireless WAN market is expected continue to grow at a CAGR significantly above 20% until 2028, while the global CPaaS market growth is assumed to be slightly above 10% in the same period. The CGUs in Global Communications Platform and Enterprise Wireless Solutions have assumed a forecasted compounded annual growth rate above 15% (15%) over the next five years followed by a gradual decline in growth rates. The assumptions reflect the expected high growth market conditions in which both CGUs are present. Market maturity and market growth at long term sustainable levels are not expected to be reached until after the 5-year forecast period. It is noted that it is more difficult to estimate market conditions the further into the future they are forecasted.

For VIU the forecasted cash flows to calculate recoverable amounts are based on five-year explicit business plans. For the CGUs in Global Communications Platform and Enterprise Wireless Solutions additional two years have been added to reflect the progression towards the steady state cash flow projections.

There are no reasonably possible changes that would lead to the carrying value not being recoverable for any CGU or group of CGUs, except for Global Communications Platform. The recoverable amount of Global Communications Platform exceeds the carrying amount by SEK 1.6 billion. The CGUs in this group were written down to their recoverable amount in the second quarter 2024. The current head room comes partly from the amortization of intangible assets since the write-down. The recoverable amount for the group of CGUs in Global Communications Platform would equal the carrying value if the long-term EBIT margin would be decreased by 1% or if the terminal growth rate would be decreased by 1%. Likewise, an increase in the applied WACC would give the same outcome.

An after-tax discount rate has been applied for the discounting of projected after-tax cash flows. This discounting is not materially different from a discounting based on before-tax future cash flows and before-tax discount rates, as required by IFRS. The higher rate for Global Communications Platform is partly driven by increased uncertainty and partly by the higher risk-free rate implied by USD treasury bonds. Global Communications Platform and Enterprise Wireless Solutions forecast their cash flows in USD.

In note A1 "Material accounting policies," and note A2 "Judgments and critical accounting estimates," further disclosures are given regarding goodwill impairment testing. The assumptions for 2023 are disclosed in note C1 "Intangible assets" in the Annual Report of 2023. Risk assessment on the business plans is carried out on a regular basis and an impairment review will be performed if conditions suggest that such assets may be impaired.

Rates per cash generated unit (CGU)

	Post-tax discount rates (%)		Terminal growth rates (%)	
Cash Generating Unit	2024	2023	2024	2023
Networks	9.5	10.0	2.0	2.0
Cloud Software and Services	10.0	10.5	1.5	1.5
Global Communications Platform	13.5	11.0	3.5	3.5
Enterprise Wireless Solutions	11.0	11.0	3.5	3.5
iconectiv	n/a	10.5	n/a	3.5
Emodo	n/a	14.5	n/a	2.0
RedBee Media	n/a	12.5	n/a	2.0

C2 Property, plant and equipment

	Real estate	Machinery and other technical assets	Other equipment, tools and installations	Construction in progress and advance payments	Total
2024					
Cost					
Opening balance	7,336	3,752	37,397	1,058	49,543
Additions	208	239	949	944	2,340
Disposals	−301	−127	−1,928	−213	−2,569
Reclassifications	507	14	524	−1,045	–
Translation differences	335	156	1,065	36	1,592
Closing balance	**8,085**	**4,034**	**38,007**	**780**	**50,906**
Accumulated depreciations					
Opening balance	−4,265	−2,898	−28,091	–	−35,254
Depreciations	−469	−346	−3,046	–	−3,861
Disposals	277	103	1,820	–	2,200
Reclassifications	−128	86	42	–	–
Translation differences	−201	−124	−859	–	−1,184
Closing balance	**−4,786**	**−3,179**	**−30,134**	**–**	**−38,099**
Accumulated impairment losses					
Opening balance	−437	−211	−1,446	–	−2,094
Impairment losses	−28	17	−174	−97	−282
Disposals	22	8	118	97	245
Reclassifications	−17	15	2	–	–
Translation differences	−26	−13	−92	–	−131
Closing balance	**−486**	**−184**	**−1,592**	**–**	**−2,262**
Net carrying value	**2,813**	**671**	**6,281**	**780**	**10,545**
2023					
Cost					
Opening balance	7,523	3,825	38,220	973	50,541
Additions	87	134	1,713	1,363	3,297
Balances regarding acquired/divested business	–	–	−347	–	−347
Disposals	−443	−221	−2,318	−232	−3,214
Reclassifications	327	75	627	−1,029	–
Translation differences	−158	−61	−498	−17	−734
Closing balance	**7,336**	**3,752**	**37,397**	**1,058**	**49,543**
Accumulated depreciations					
Opening balance	−4,282	−2,797	−27,606	–	−34,685
Depreciations	−480	−382	−3,410	–	−4,272
Balances regarding divested business	–	–	227	–	227
Disposals	395	220	2,321	–	2,936
Reclassifications	–	1	−1	–	–
Translation differences	102	60	378	–	540
Closing balance	**−4,265**	**−2,898**	**−28,091**	**–**	**−35,254**
Accumulated impairment losses					
Opening balance	−385	−114	−1,121	–	−1,620
Impairment losses	−101	−114	−428	−19	−662
Disposals	40	7	65	19	131
Translation differences	9	10	38	–	57
Closing balance	**−437**	**−211**	**−1,446**	**–**	**−2,094**
Net carrying value	**2,634**	**643**	**7,860**	**1,058**	**12,195**

Contractual commitments for the acquisition of property, plant and equipment as per December 31, 2024, amounted to SEK 565 (632) million.

C3 Leases

Leases with the Company as lessee

Right-of-use assets

	2024				2023			
	Real estate	Vehicles	Other	Total	Real estate	Vehicles	Other	Total
Cost								
Opening balance	16,003	769	300	17,072	15,895	998	303	17,196
Additions	2,295	265	–	2,560	1,307	257	1	1,565
Balances regarding acquired/divested business	–31	–	–	–31	2	–	–	2
Terminations	–1,794	–270	–	–2,064	–870	–489	–	–1,359
Translation differences	606	22	11	639	–331	3	–4	–332
Closing balance	**17,079**	**786**	**311**	**18,176**	**16,003**	**769**	**300**	**17,072**
Accumulated depreciations								
Opening balance	–9,180	–489	–184	–9,853	–7,789	–629	–138	–8,556
Depreciations	–1,950	–190	–39	–2,179	–2,146	–232	–49	–2,427
Balances regarding acquired/divested business	31	–	–	31	–	–	–	–
Terminations	1,421	252	–	1,673	546	373	–	919
Translation differences	–328	–15	–7	–350	209	–1	3	211
Closing balance	**–10,006**	**–442**	**–230**	**–10,678**	**–9,180**	**–489**	**–184**	**–9,853**
Accumulated impairment losses								
Opening balance	–453	–	–61	–514	–374	–	–	–374
Impairment losses	–99	–	–	–99	–93	–	–61	–154
Terminations	47	–	–	47	3	–	–	3
Translation differences	–24	–	–	–24	11	–	–	11
Closing balance	**–529**	**–**	**–61**	**–590**	**–453**	**–**	**–61**	**–514**
Financial sublease								
Opening balance	–385	–	–	–385	–396	–	–	–396
Derecognition for sublease	–	–	–	–	–2	–	–	–2
Translation differences	–36	–	–	–36	13	–	–	13
Closing balance	**–421**	**–**	**–**	**–421**	**–385**	**–**	**–**	**–385**
Net carrying value	**6,123**	**344**	**20**	**6,487**	**5,985**	**280**	**55**	**6,320**

Lease liabilities
The lease liabilities amounted to SEK 7,495 (7,455) million, of which SEK 2,132 (2,235) million is classified as current. The remaining contractual maturities as of December 31, 2024, is shown in note D4 "Contractual obligations."

Lease cost
The total lease cost amounted to SEK 3,603 (3,788) million, of which depreciation was SEK 2,179 (2,427) million, impairment losses were SEK 99 (154) million, lease expense relating to low-value assets was SEK 432 (459) million, interest expense was SEK 421 (464) million and variable lease expense was SEK 472 (284) million. Variable lease expense consists mainly of property tax and lease termination fees.

Cash payments

	2024	2023
Repayments of the lease liabilities[1]	–2,492	–2,857
Interest expense of the lease liabilities	–421	–464
Low-value asset not included in the measurement of the liabilities	–432	–459
Variable lease payments not included in the measurement of the lease liabilities	–472	–284
Total cash outflow	**–3,817**	**–4,064**

[1] Including advance payments.

Future cash outflow
Future cash outflows from leases not yet commenced in 2024 to which the Company is committed as the lessee is SEK 568 (249) million.

Leases with the Company as lessor
Lessor leases relate to subleases of real estate. These lease contracts vary in length from 1 to 5 years.

Receivables related to subleases amounted to SEK 69 (70) million for operating leases and to SEK 84 (75) million for financial leases. Interest income from financial subleases was SEK 2 (5) million.

At December 31, 2024, future minimum receivables were distributed as follows:

Future minimum receivables

	Financial leases	Operating leases
2025	14	45
2026	–	21
2027	–	13
2028	–	3
2029	–	1
Total	**14**	**83**

Section D – Obligations

D1 Provisions

	Restructuring	Customer related	Supplier related	Warranty	Share-based payments	Other	Total
2024							
Opening balance	3,720	2,857	954	956	1,584	1,635	11,706
Additions	4,498	686	324	389	2,209	1,239	9,345
Reversal of excess amounts	−252	−485	−399	−209	−101	−313	−1,759
Charged to income statement							*7,586*
Utilization	−4,175	−748	−230	−376	−820	−941	−7,290
Reclassifications	−3	−632	83	–	–	73	−479
Translation differences	84	82	11	6	120	−111	192
Closing balance	**3,872**	**1,760**	**743**	**766**	**2,992**	**1,582**	**11,715**
of which current provisions	*2,993*	*1,648*	*274*	*560*	*1,633*	*1,096*	*8,204*
of which non-current provisions	*879*	*112*	*469*	*206*	*1,359*	*486*	*3,511*
2023							
Opening balance	669	3,093	722	678	985	5,441	11,588
Additions	6,082	481	849	831	1,410	824	10,477
Reversal of excess amounts	−112	−131	−416	–	−60	−821	−1,540
Charged to income statement							*8,937*
Utilization	−2,866	−541	−138	−547	−682	−3,792	−8,566
Reclassifications	−14	–	−57	–	–	7	−64
Translation differences	−39	−45	−6	−6	−69	−24	−189
Closing balance	**3,720**	**2,857**	**954**	**956**	**1,584**	**1,635**	**11,706**
of which current provisions	*2,865*	*984*	*346*	*705*	*902*	*977*	*6,779*
of which non-current provisions	*855*	*1,873*	*608*	*251*	*682*	*658*	*4,927*

Provisions will fluctuate over time depending on the business mix, market mix and technology shifts. Risk assessment in the ongoing business is performed monthly to identify the need for new additions and reversals of excess amounts. Management uses its best judgment to estimate provisions based on this assessment. Under certain circumstances, provisions are no longer required due to outcomes being more favorable than anticipated, which affect the provision balance as a reversal. In other cases, the outcome can be negative, and if so, a charge is recorded in the income statement.

For 2024, the total provision value is SEK 11.7 (11.7) billion, of which SEK 3.5 (4.9) billion is classified as non-current. The significant restructuring provision additions of SEK 4.5 (6.1) billion and utilization of SEK 4.2 (2.9) billion is due to cost-reduction activities and utilization of prior year provisions. For more information, see note A1 "Material accounting policies" and note A2 "Judgments and critical accounting estimates" for key estimation uncertainty regarding timing and amount.

Restructuring provisions

Restructuring provisions relate to structural efficiency programs that are planned and controlled by management and have a material impact on either the scope of the business undertaken or the manner in which the business is conducted. Restructuring provisions in 2024 relate to the cost-reduction activities that have resulted in fundamental reorganizations of the impacted units. The scope of the structural efficiency measures involves service delivery, supply and manufacturing, R&D, and selling and administration expenses. Restructuring provisions are recognized based on the expected costs of the respective restructuring programs and primarily consist of personnel costs. Estimation uncertainty exists regarding the execution of the restructuring programs, which may impact the expected timing and realization of costs. Restructuring provisions are reviewed and adjusted regularly based on management's best estimate. The expected timing and amount of outflows are dependent on whether the plan execution is in line with management's assessment. The majority of the restructuring provision will be utilized within 1 year. For more information about the restructuring charges booked in the income statement, see note B3 "Expenses by nature."

Customer-related provisions

Customer-related provisions mainly consist of provisions for losses on customer contracts. To measure the customer-related provisions, management estimates the unavoidable costs to fulfill the obligations under the customer contract. If the exit penalty is lower than the estimated costs to fulfill the contract, then the provision value is limited to the exit penalty value. The unavoidable costs to fulfill the contract sometimes differ from management's estimates. Provisions raised for loss-making customer contracts are therefore regularly reviewed and adjusted based on the latest information available considering the realization of the costs estimated. The expected timing and amount of outflows are dependent on whether the customer contract execution is in line with management's assessment. The majority of the customer-related provisions will be utilized within 1 year.

Supplier-related provisions

Supplier-related provisions are for supplier claims/guarantees based on the contractual commitments mostly relating to inventory. The provision is calculated by comparing the committed purchase obligations with the expected usage based on forecasted sales volumes, and any excess is provided for based on an assessment of the risk of obsolescence. If the committed purchase obligations are not required to be purchased, but a fee is chargeable by the vendor due to the failure to meet the committed volumes, then the provision is based on the expected fee to be incurred. Estimation uncertainty exists regarding the expected usage and sales volumes forecast and, if applicable, the assessment of the risk of obsolescence, as these are based on management's expectations. If applicable, when the committed inventory is purchased, the provision is reclassified from provisions to inventory allowances. The expected timing and amount of outflows are dependent on the actual outcome of the supplier claims and guarantees. The majority of the supplier-related provisions will be utilized over 2 years.

Warranty provisions

Warranty provisions are based on historic quality rates for established products as well as estimates regarding quality rates for new products and costs to remedy the various types of faults predicted. Uncertainty exists

Note D1, cont'd.

regarding the timing and amount as management utilizes the historical trends to estimate the warranty provisions as well as the cost to repair or replace, which may differ from the actual outcomes. New product warranty provisions require further estimation since historical information is not available. These provisions do not include costs for service in additions within customer contracts that are accounted for as separate performance obligations. The expected timing and amount of outflows are dependent on the actual product faults which may occur. The majority of the warranty provisions are expected to be utilized within 1 year.

Share-based payments provisions
Share-based payments provisions relate to cash-settled share-based programs and are based on the present period's best estimate of the eventual pay-outs, see note G3 "Share-based compensation" for more information. The uncertainty regarding outflows is relating to the fair value of the underlying instrument during the service period and expected fulfilment of the service conditions. Share-based payment provisions will be utilized according to the awards' vesting dates and will be utilized over a period of 3 years.

Other provisions
Other provisions mostly relate to litigation and patent infringement disputes. Management regularly assesses the likelihood of any adverse outcomes relating to ongoing litigations and disputes, and if deemed probable then a provision is raised based on the best estimate of the expenditure required to settle with the counterpart. There is uncertainty in the final outcome and settlement, therefore management reviews the estimation regularly. Outflows relating to litigations are inherently uncertain regarding timing and amount, and therefore the majority of the provisions are classified as current, but outflows may happen over a number of years depending on when settlement is reached.

D2 Contingent liabilities

	2024	2023
Contingent liabilities	3,559	3,037
Total	**3,559**	**3,037**

Contingent liabilities mainly relate to, in order of materiality, litigations and disputes including intellectual property matters, tax litigations in subsidiaries, pension guarantees and losses on customer contracts, which are assessed to be possible obligations for the Company. The Company actively manages its IPR portfolio and its need for third party licenses and is involved from time to time, in the ordinary course of business, in litigation related thereto, as plaintiff, defendant and other capacities. The Company also monitors the performance of obligations due to it by third party vendors and other suppliers and takes appropriate action where necessary to secure such performance. The single largest contingent liability relates to the pension commitments in Sweden of SEK 0.6 (0.6) billion. See note G1 "Post-employment benefits" for more information on the pension contingent liability in Sweden.

Outflows relating to litigation, both tax and legal, due to their nature are inherently uncertain regarding timing and amount. All ongoing litigations are, therefore, regularly evaluated, their potential economic outflows and probability estimated, and necessary provisions made, or contingent liabilities disclosed. In note A2 "Judgments and critical accounting estimates," further disclosure is presented in relation to (i) key sources of estimation uncertainty and (ii) the decision made in relation to accounting policies applied.

As part of its defense to a now settled patent infringement lawsuit filed by Ericsson in 2013 in the Delhi High Court against Indian handset company Micromax, Micromax filed a complaint against Ericsson with the Competition Commission of India (CCI). The CCI decided to refer the case to the Director General's Office for an in-depth investigation. The CCI opened similar investigations against Ericsson in January 2014 based on claims made by Intex Technologies (India) Limited and, in 2015, based on a now settled claim from iBall. Ericsson has challenged CCI's jurisdiction in these cases before the Delhi High Court.

On July 13, 2023, the Division Bench of the Delhi High Court found that in this instance the CCI has no power to conduct the pending investigations against Ericsson. The CCI has appealed this order to the Supreme Court of India.

In April 2019, Ericsson was informed by China's State Administration for Market Regulation (SAMR) Anti-monopoly bureau that SAMR has initiated an investigation into Ericsson's patent licensing practices in China. Ericsson is cooperating with the investigation, which is still in a fact-finding phase. The next steps include continued fact finding and meetings with SAMR in order to facilitate the authority's assessments and conclusions. In case of adverse findings, SAMR has the power to impose behavioral and financial remedies.

The above matters relating to Micromax and SAMR are possible obligations which cannot be quantified and are, therefore, not included in the contingent liability amount disclosed in the table.

D3 Assets pledged as collateral

	2024	2023
Chattel mortgages[1]	7,697	7,678
Bank deposits	1,443	547
Marketable securities	298	276
Total	**9,438**	**8,501**

1) See also note G1 "Post-employment benefits."

D4 Contractual obligations

	Payment due by period				
SEK billion	<1 year	1–3 years	3–5 years	>5 years	Total
2024					
Current and non-current debt[1]	6.8	10.9	16.3	10.2	44.2
Lease obligations[2]	2.5	3.3	1.6	1.2	8.6
Other non-current liabilities	–	0.1	0.8	0.1	1.0
Purchase obligations[3]	18.7	2.7	0.7	–	22.1
Trade payables	30.2	–	–	–	30.2
Commitments for customer finance[4]	28.8	18.9	–	–	47.7
Derivatives liabilities[4]	1.4	1.8	0.1	–	3.3
Total	**88.4**	**37.7**	**19.5**	**11.5**	**157.1**
2023					
Current and non-current debt[1]	18.3	4.9	18.4	12.0	53.6
Lease obligations[2]	2.6	3.6	1.3	1.1	8.6
Other non-current liabilities	–	0.1	0.6	–	0.7
Purchase obligations[3]	18.4	0.7	0.2	–	19.3
Trade payables	27.8	–	–	–	27.8
Commitments for customer finance[4]	27.3	5.7	4.0	–	37.0
Derivatives liabilities[4]	1.3	0.2	0.3	–	1.8
Total	**95.7**	**15.2**	**24.8**	**13.1**	**148.8**

1) Current and non-current debt, including interest commitments.
2) Future lease obligations, nominal lease liability, see also note C3 "Leases."
3) The amounts of purchase obligations are gross, before deduction of any related provisions.
4) See also note F1 "Financial risk management."

Demand for customer finance arrangements continues to be strong. The increase in commitments in 2024 is primarily from new customer financing arrangements entered into in the fourth quarter.

Section E – Group structure

E1 Equity

Capital stock

Parent Company	Class A shares	Class B shares	Total
December 31, 2024	1,309	15,434	16,743
December 31, 2023	1,309	15,413	16,722

The capital stock of the Parent Company is divided into two classes: Class A shares (quota value SEK 5.00) and Class B shares (quota value SEK 5.00). Both classes have the same rights of participation in the net assets and earnings. Class A shares, however, are entitled to one vote per share while Class B shares are entitled to one tenth of one vote per share.

The Annual General Meeting (AGM) 2024 resolved to issue 4,100,000 Class C shares for the Long-Term Variable Compensation Program LTV I 2023 for Ericsson's executive team and other executives. In accordance with an authorization from the AGM, the Board of Directors resolved to repurchase the new issued shares, which were subsequently converted into Class B shares. The quotient value of the repurchased shares was SEK 5.00, totaling SEK 20.5 million, representing 0.1% of capital stock. The acquisition cost was SEK 20.7 million.

At December 31, 2024, the total number of treasury shares was 15,579,561 (14,009,306 in 2023 and 4,009,306 in 2022) Class B shares.

Number of shares

	Class A shares	Class B shares	Total
2024			
As of January 1	261,755,983	3,082,395,752	3,344,151,735
As of December 31	261,755,983	3,086,495,752	3,348,251,735
2023			
As of January 1	261,755,983	3,072,395,752	3,334,151,735
As of December 31	261,755,983	3,082,395,752	3,344,151,735

Dividends

The Board of Directors propose to the Annual General Meeting a dividend to the shareholders of SEK 2.85 per share (SEK 2.70 in 2023 and SEK 2.70 in 2022), representing a total dividend of SEK 9.5 (9.0) billion. The dividend is proposed to be paid in two installments, SEK 1.43 per share with the record date March 27, 2025 (payment date April 1, 2025), and SEK 1.42 per share with the record date September 29, 2025 (payment date October 2, 2025).

Dividends paid per share amounted to SEK 2.70 (SEK 2.70 in 2023 and SEK 2.50 in 2022). Total dividends paid to the shareholders was SEK 9.0 (9.0) billion.

Additional paid in capital

Additional paid in capital relates to payments made by owners and includes share premiums paid.

Translation reserves

The translation reserves comprise all foreign currency translation reserves arising from the translation of the financial statements of foreign operations to the Group presentation currency and changes regarding revaluation of excess value in local currency.

Cash flow hedge reserves

For further information, see note F1 "Financial risk management."

Revaluation of borrowings

For further information, see note F4 "Interest-bearing liabilities."

Retained earnings

Retained earnings, including net income for the year, comprise the earned profits of the Parent Company and its share of net income in subsidiaries, and associated companies. Retained earnings also include remeasurements related to post-employment benefits.

Remeasurements related to post-employment benefits

Actuarial gains and losses resulting from experience-based events and changes in actuarial assumptions, fluctuations in the effect of the asset ceiling, and adjustments related to the Swedish special payroll taxes. For more information, see note G1 "Post-employment benefits."

Non-controlling interests

Equity in a subsidiary not attributable, directly or indirectly, to a parent.

Note E1, cont'd.

Changes in OCI by components of equity (net of tax)

	Translation reserves[1]	Cash flow hedge reserves	Revaluation of borrowings	Retained earnings	Total equity
2024					
Remeasurements of defined benefits pension plans	–	–	–	739	739
Revaluation of credit risk on borrowings	–	–	–450	–	–450
Cash flow hedge reserves	–	–3,240	–	–	–3,240
Cash flow hedge reserves reclassification to profit and loss	–	725	–	–	725
Translation reserves changes	6,608	–	–	–	6,608
Translation reserves reclassification to profit and loss	73	–	–	–	73
Share of other comprehensive income of associates	40	–	–	–	40
Movement attributable to non-controlling interests	–147	–	–	–7	–154
Total	**6,574**	**–2,515**	**–450**	**732**	**4,341**
2023					
Remeasurements of defined benefits pension plans	–	–	–	655	655
Revaluation of credit risk on borrowings	–	–	–530	–	–530
Cash flow hedge reserves	–	374	–	–	374
Cash flow hedge reserves reclassification to profit and loss	–	1,090	–	–	1,090
Translation reserves changes	–2,425	–	–	–	–2,425
Translation reserves reclassification to profit and loss	59	–	–	–	59
Share of other comprehensive income of associates	–10	–	–	–	–10
Movement attributable to non-controlling interests	50	–	–	–1	49
Total	**–2,326**	**1,464**	**–530**	**654**	**–738**
2022					
Remeasurements of defined benefits pension plans	–	–	–	8,561	8,561
Revaluation of credit risk on borrowings	–	–	818	–	818
Cash flow hedge reserves	–	2,331	–	–	2,331
Cash flow hedge reserves reclassification to profit and loss	–	280	–	–	280
Cash flow hedge transfer to goodwill	–	–3,677	–	–	–3,677
Translation reserve changes	7,273	–	–	–	7,273
Translation reserve reclassification to profit and loss	–85	–	–	–	–85
Share of other comprehensive income of associates	49	–	–	–	49
Movement attributable to non-controlling interests	–143	–	–	11	–132
Total	**7,094**	**–1,066**	**818**	**8, 572**	**15,418**

[1] Changes in translation reserves include changes regarding translation of goodwill in local currency of SEK 4,393 million (SEK –77 million in 2023 and SEK 5,070 million in 2022), and realized gains/losses net from divested/liquidated companies, SEK 73 million (SEK 59 million in 2023 and SEK –85 million in 2022).

E2 Business combinations

Acquisitions

	2024	2023	2022
Consideration			
Purchase price paid on acquisition	–	579	51,297
Deferred consideration/Other[1]	–	–	1,972
Total consideration, all cash and cash equivalents	**–**	**579**	**53,269**
Net assets (liabilities) acquired			
Intangible assets	–	306	23,554
Property, plant and equipment	–	1	186
Right-of-use of assets	–	2	334
Cash and cash equivalents	–	7	521
Other assets	–	83	5,344
Provisions, incl. post-employment benefits	–	–	–1,050
Other liabilities	–	–168	–16,916
Total identifiable net assets (liabilities)	**–**	**231**	**11,973**
Goodwill	**–**	**348**	**41,296**
Total	**–**	**579**	**53,269**
Acquisition-related costs[2]	–	36	436

[1] Deferred consideration relates to the pre-combination portion of employee stock awards that were previously granted to Vonage employees, which was paid out post acquisition according to the original award vesting schedule.

[2] Acquisition-related costs are included in Selling and administrative expenses in the consolidated income statement.

In 2024, the Company made no acquisitions. However, a negative cash flow effect from business combinations amounting to SEK 141 (1,309) million occurred due to the current year pay-out of deferred consideration relating to the 2022 Vonage acquisition, see also note H3 "Statement of cash flows."

Vonage: On July 21, 2022, the Company acquired, in an all cash transaction, all of the shares in Vonage Holdings Corp., a US-based global provider of cloud-based communications. The intangible assets acquired mainly relate to customer relationships. The fair values of the assets acquired, and liabilities assumed at the acquisition date, were made final in 2022 and are presented in the table under the column "2022."

In the current year the Company impaired the acquired intangible assets by SEK –13.8 billion and goodwill by SEK –0.9 (–31.9) billion. For more information, see note C1 "Intangible assets."

Note E2, cont'd.

Acquisitions 2022–2024

Business	Description	Transaction date
Ericom	An Israel based enterprise cloud security platform provider.	Apr 2023
Vonage	A US based global provider of cloud-based communications.	Jul 2022

Divestments

	2024	2023	2022
Proceeds			
Cash and cash equivalents	–	–633	20
Shares in associated companies	–	–	298
Total proceeds	**–**	**–633**	**318**
Net assets disposed of			
Property, plant and equipment	–	121	–
Investments in associates	–	–	82
Other assets	–	–	23
Provisions, incl. post-employment benefits	–	–	–42
Other liabilities	–39	35	–101
Total net assets	**–39**	**156**	**–38**
Net gains/losses from divestments[1]	39	–789	356
Shares in associated companies	–	–	–298
Cash flow effect	**–**	**–633**	**20**

[1] Includes net gains/losses for liquidated subsidiares.

In 2024, the Company made divestments with a cash flow effect amounting to SEK 0 (–633) million. Net gains/losses from the divestments are presented in Other operating income/Other operating expenses in the income statement, see also note B4 "Other operating income and expenses."

For more information, see note H3 "Statement of cash flow."

In 2024, the Company entered into a binding agreement in relation to the sale of iconectiv, which is an acquired US subsidiary (83.3% ownership) forming part of Segment Enterprise and is a provider of network number portability solutions and data exchange services. The sale, which is subject to the customary closing conditions including regulatory approvals, is expected to be completed during the first half of 2025.

Divestments 2022–2024

Business	Description	Transaction date
IoT	IoT accelerator and connected vehicle cloud businesses and related assets.	Mar 2023
Aerialink	A US based company providing premier messaging solutions for business to business communications.	Nov 2022

E3 Equity in associated companies

	2024	2023
Opening balance	1,150	1,127
Share in earnings/loss	–246	124
Distribution of capital stock	–16	–25
Contributions	49	–
Taxes	–102	–20
Reclassifications	415	–
Dividends	–111	–46
Translation differences	40	–10
Closing balance	**1,179**	**1,150**

The Company owns 49.07% of the shares in Ericsson Nikola Tesla d.d., located in Croatia and 35.6% of the shares in ConcealFab Inc., located in the US.

See also note H4 "Related party transactions."

Section F – Financial instruments

F1 Financial risk management

The Company's financial risk management is governed by a policy approved by the Board of Directors. The Board of Directors is responsible for overseeing the capital structure and financial management of the Company, approving certain matters (such as investments, customer finance commitments and borrowing) and setting limits on the exposure to financial risks.

For the Company, a robust financial position with an investment grade rating, low leverage and ample liquidity is deemed important. This provides financial flexibility and independence to operate and manage variations in working capital needs as well as to invest in business opportunities.

The Company's overall capital structure should support the financial targets. The capital structure is managed by balancing equity, debt financing and liquidity in such a way that the Company can secure funding of operations at a reasonable cost of capital. Regular borrowings are complemented with committed credit facilities to give additional flexibility to manage unforeseen funding needs. The Company strives to deliver strong free cash flow.

The Company's capital objectives are:
- Free cash flow before M&A of 9–12% of net sales
- Positive net cash position
- Investment grade rating by Moody's (Baa3), S&P Global (BBB–) and Fitch Ratings (BBB–).

Capital objectives-related information

	2024	2023
Free cash flow before M&A as % of net sales[1]	16.2%	–0.4%
Positive net cash (SEK billion)[1]	37.8	7.8
Credit rating and outlook		
Fitch Ratings	BBB–, stable	BBB–, stable
S&P Global	BBB–, stable	BBB–, developing
Moody´s	Ba1, stable	Ba1, stable

[1] For more information about the measures, see Alternative performance measures and Financial terminology.

In June 2024, S&P changed its outlook from developing to stable, whilst maintaining its rating at BBB–.

The Company has a Treasury and Customer Finance organization with the principal role to ensure that appropriate financing is in place through loans and committed credit facilities, actively manage the Company's liquidity as well as financial assets and liabilities, and manage and control financial risk exposures in a manner consistent with underlying business risks and financial policies. The Customer Finance function may support with suitable third-party financing solutions for customers to facilitate their purchases from Ericsson. In some cases, and to the extent that customer loans are not provided directly by banks, the Parent Company may provide vendor finance credits to customers directly. The central function also monitors the exposure from outstanding vendor credits and credit commitments.

The Company classifies financial risks as:
- Foreign exchange risk
- Interest rate risk
- Credit risk
- Liquidity risk
- Refinancing risk
- Market price risk in own and other equity instruments.

The Board of Directors has established risk limits for defined exposures to foreign exchange and interest rate risks as well as to political risks in certain countries.

For further information about accounting policies, see note A1 "Material accounting policies."

Foreign exchange risk

The Company is a global company with sales mainly outside Sweden. Sales and costs incurred are to a large extent denominated in currencies other than SEK and therefore the financial results of the Company are impacted by currency fluctuations. The Company reports the financial statements in SEK. Movements in exchange rates between currencies that affect these statements will impact the comparability between periods.

Line items, primarily sales, are impacted by translation exposure incurred when converting foreign entities' financial statements into SEK. Line items and profitability, such as EBIT are impacted by transaction exposure incurred when financial assets and liabilities, primarily trade receivables and trade payables, are initially recognized and subsequently remeasured due to changes in foreign exchange rates.

The table below presents the external net sales and cost exposures for the largest currencies which impact profitability. The internal exposures will not impact group profitability if all related transactions occur and are recognized in the profit and loss in the same month. Any effect on profit and loss from internal transactions is a function of timing and FX volatility, therefore impossible to predict.

Currency exposure, SEK billion

Currency	Sales translation	Sales transaction	Sales net	Cost translation	Cost transaction[1]	Cost net
USD[2]	93.8	41.7	135.5	–59.0	–41.4	–100.4
EUR	36.6	1.2	37.8	–30.7	–2.0	–32.7
INR	15.1	–0.8	14.3	–8.5	0.1	–8.4
JPY	9.0	–	9.0	–3.0	–	–3.0
GBP	8.8	–1.1	7.7	–7.2	–0.1	–7.3
AUD	5.9	–0.2	5.7	–4.4	0.1	–4.3
CNY	5.0	–	5.0	–3.2	1.0	–2.2
SAR	4.7	0.3	5.0	–3.4	0.1	–3.3

[1] External purchases in foreign currency translated to functional currency.
[2] Sales transaction exposure in 2024 includes volume in the cash flow hedge of USD 2,467 million. Based on the outstanding cash flow hedge volume at year end, the hedged sales volume that will occur in 2025 is USD 2,043 million.

Translation exposure

Translation exposure relates to sales and cost incurred in foreign entities when converted into SEK upon consolidation. These exposures cannot be addressed by hedging.

Transaction exposure

The Company considers the following transaction exposures.

a) Transaction risk impacting net sales and net income

Transaction exposure relates to sales and cost incurred in non-reporting currencies in individual group companies. Foreign exchange risk is as far as possible concentrated in Swedish group companies, primarily Ericsson AB, by selling to foreign subsidiaries in either the functional currency of the customers, EUR or USD. This transaction risk can be hedged, although it is only done for material cash inflows or outflows that are highly certain. The Board of Directors has provided a mandate for the following recurring hedge programs:

i) The Company has identified certain customer contracts where a fluctuation in the SEK/USD foreign exchange rate would significantly impact net sales. These contracts are multi-year contracts with highly probable payments at fixed points in time denominated in USD.

ii) Hedge of highly probable forecasted sales and purchases denominated in USD in EAB for the next 7 to 18 months, on a monthly rolling basis.

For both programs, hedge accounting is applied, whereby the Company enters into foreign exchange forward contracts that match the terms of the foreign exchange exposure as closely as possible and designates them as hedging instruments. Hedge ineffectiveness is expected to be minimal but may arise due to differences in timing of the cash flows between the hedged items and the hedging instruments.

b) Transaction exposure in individual balance sheet

According to Company policy, transaction exposure in subsidiaries' balance sheets (e.g., trade receivables and trade payables that are remeasured due to change in foreign exchange rates) should be fully hedged. Foreign exchange exposures in balance sheet items are hedged through offsetting balances

Note F1, cont'd.

or derivatives. Foreign exchange exposures are managed net, and its effects are presented net within Financial income and expenses. This is not designated as hedge accounting.

Interest rate risk

The Company is exposed to interest rate risk through market value fluctuations in certain balance sheet items and through changes in interest income and expenses.

Sensitivity analysis

The Company uses the Value at Risk (VaR) methodology to measure foreign exchange and interest rate risks managed by the treasury function. This statistical method expresses the maximum potential loss that can arise with a certain degree of probability during a certain period of time. For the VaR measurement, the Company has chosen a probability level of 99% and a one-day time horizon. The daily VaR measurement uses market volatilities and correlations based on historical daily data (one year), with the limitation that historical data does not necessarily reflect future events.

The treasury function operates under two mandates. In the liquidity management activity, it has a mandate to deviate from floating interest on net liquidity and take foreign exchange positions up to an aggregated risk of VaR SEK 45 million given a confidence level of 99% and a one-day horizon. The average VaR calculated for 2024 was SEK 12.4 (15.9) million. No VaR limits were exceeded during 2024.

In the asset-liability management activity, the interest rate risk is managed by matching fixed and floating interest rates in interest-bearing balance sheet items. The policy is that the net sensitivity on a one basis point move on interest-bearing assets matching interest-bearing liabilities, taking derivatives into consideration, is less than SEK 10 million. The average exposure during 2024 was SEK 0.8 (1.5) million per basis point shift.

Sensitivity to interest rate increase of 1 basis point, SEK million

	< 3M	3–12M	1–3Y	3–5Y	>5Y	Total
Interest-bearing assets	–	–1	–1	–4	–1	–7
Interest-bearing liabilities[1]	–	1	2	4	1	8
Derivatives	–	–	–1	–	1	–
Total	**–**	**–**	**–**	**–**	**1**	**1**

[1] Borrowings are included as they are designated FVTPL.

Derivatives

Outstanding derivatives

	Gross amount recognized	Offset	Net amount presented	Related amounts not offset – collaterals	Net
2024					
Currency derivatives[1]					
Assets	214	–29	185	–92	93
Liabilities	–3,361	29	–3,332	3,237	–95
Interest rate derivatives					
Assets	–	–	–	–	–
Liabilities	–5	–	–5	–	–5
2023					
Currency derivatives[1]					
Assets	1,916	–43	1,873	–1,486	387
Liabilities	–1,837	43	–1,794	873	–921
Interest rate derivatives					
Assets	–	–	–	–	–
Liabilities	–22	–	–22	–	–22

[1] Currency derivatives designated as cash flow hedge of SEK 0 (1,617) million are included in Other current receivables and SEK 2,229 (679) million in Other current liabilities.

Cash collaterals paid or received under Credit Support Annex (CSA) to ISDA for cross-currency derivatives are recognized as Interest-bearing securities, current or Borrowings, current, respectively.

The Company holds the following currency derivatives designated as hedging instruments:

Foreign exchange forward contracts

	< 3 months	3–12 months	> 1 year	Total
Notional Amount (USD millions)	961	1,082	1,934	3,977
Average forward rate (SEK/USD)	9.93	10.57	10.19	

Hedge ratio is 1:1 and changes in forward rate have been designated as the hedged risk. Hedge effectiveness is assessed periodically to ensure critical terms of hedging instrument matches the hedged item. Forecasted sales and purchases are updated periodically and reviewed to ensure hedged item remains highly probable. Ineffectiveness will arise if critical terms no longer match, or if timing of forecast transactions materially changes. No hedge ineffectiveness was recognized in the income statement in 2024. See note E1 "Equity" for movement in the cash flow hedge reserve.

Credit risk

Credit risk is divided into three categories: credit risk in trade receivables and contract assets, customer finance risk and financial credit risk, see note A1 "Material accounting policies."

Credit risk in trade receivables and contract assets

Credit risk in trade receivables and contract assets is governed by a policy applicable to all legal entities in the Company. The purpose of the policy is to:

- Avoid credit losses through establishing internal standard credit approval routines in all the Company's legal entities.
- Ensure monitoring and risk mitigation of defaulting accounts, i.e. events of non-payment.
- Ensure efficient credit management within the Company and thereby improve days sales outstanding and cash flow.
- Define escalation path and approval process for customer credit limits.

The credit risk of all customers is regularly assessed. Through credit management system functionality, credit checks are performed every time a sales order is generated in the source system. These are based on the credit limit and risk profile set on the customer. Credit blocks appear if credit limit is reached or if past due receivables are higher than permitted levels. Release of a credit block requires authorization.

Letters of credits are used as a method for securing payments from customers operating in emerging markets, in particular in markets with unstable political and/or economic environments. By having banks confirming the letters of credit, the political and commercial credit risk exposures to the Company are mitigated.

Impairment of trade receivables and contract assets

Trade receivables and contract assets are assessed for impairment under a unified model. The Company has determined that credit risk largely depends on both the risk in the country where the customer resides (e.g. ability to make cross border payments) as well as the payment pattern of the customer. Therefore, expected credit losses (ECLs) are calculated using a provision matrix that specifies a fixed rate depending both on the number of days past due and the country risk rating. The country risk ratings depend on the ratings used by all Export Credit Agencies within the OECD. The rates defined in the provision matrix are based on historical loss patterns for that grouping of customers. These rates are adjusted for current conditions as well as management expectations of changes to political risks and payment patterns in the future. The provision rates are higher on high risk countries compared to low risk countries and also higher on amounts that remain unpaid for longer periods of time. The Company has assessed the recent global economic conditions on the expected credit losses model for trade receivables and updated the provision matrix as appropriate.

Note F1, cont'd.

Exposure of trade receivables and contract assets

	2024	2023
Gross balance	53,902	52,799
Allowance for expected credit losses	−2,827	−2,585
Net balance and carrying value	**51,075**	**50,214**

Aging analysis of gross values of trade receivables and contracts assets by risk category

	Not due	Days past dues 1–90	91–180	181–360	>360	Total
2024						
Country risk: Low	33,801	2,914	243	270	261	37,489
Country risk: Medium	9,379	1,025	164	168	659	11,395
Country risk: High	2,684	449	117	133	1,635	5,018
Total	**45,864**	**4,388**	**524**	**571**	**2,555**	**53,902**
2023						
Country risk: Low	27,431	2,434	445	137	320	30,767
Country risk: Medium	14,369	826	227	224	605	16,251
Country risk: High	3,364	512	186	197	1,522	5,781
Total	**45,164**	**3,772**	**858**	**558**	**2,447**	**52,799**

The distribution of trade receivables and contract assets closely follows the distribution of the Company's sales, see note B1 "Segment information." The 10 largest customers represented 45% (47%) of the total trade receivables and contract assets in 2024.

Movements in allowances for impairment of trade receivables and contract assets

	2024	2023
Opening balance	2,585	2,492
Balances regarding acquired business	–	−16
Increase in allowance	265	268
Write-offs	−21	−35
Translation difference	−2	−124
Closing balance	**2,827**	**2,585**

Total past due more than 360 days has increased, resulting in a higher allowance as a percentage of gross exposure at year end. The Company's write-offs have historically been low. During the year SEK 21 (35) million were written off due to the Company having no reasonable expectation of collection.

Customer finance credit risk

All commitments to provide customer finance are made only after approval in accordance with the work procedure for the Board of Directors and the established credit approval process.

Prior to the approval of new facilities reported as customer finance, an internal credit risk assessment is conducted in order to assess the credit rating of each transaction for political and commercial risk. The credit risk analysis is made by using an assessment tool, where the political risk rating is similar to the rating used by all Export Credit Agencies within the OECD. The commercial risk is assessed by analyzing a large number of parameters, which may affect the level of the future credit risk exposure. The output from the assessment tool for the credit rating also includes an internal pricing of the risk. This is expressed as a risk margin per annum over the relevant base rate. The reference pricing for political and commercial risks, on which the tool is based, is reviewed using information from OECD Market Pricing Benchmark and/or prevailing pricing in bank loan and bond markets for similar structured financed deals. The objective is that the internally set risk margin shall reflect the assessed risk and that the pricing is as close as possible to the current market pricing. A reassessment of the credit rating for each customer finance facility is made on a regular basis.

Customer finance is arranged for infrastructure projects in different geographical markets.

Gross customer finance exposures by geographical markets

	2024	2023
North America	467	1,839
Europe and Latin America	2,110	2,033
South East Asia, Oceania and India	2,211	3,679
Middle East and Africa	2,328	2,130
Total gross exposure	**7,116**	**9,681**
of which its related carrying value	*4,522*	*6,917*
Total outstanding number of customer finance arrangements	70	65
Top 5 largest facilities as % of gross exposures	75%	86%
Unutilized customer finance commitments (SEK million)	47,775	37,019

Security arrangements for customer finance facilities may include pledges of equipment or pledges of specific assets belonging to the borrower. If available, third-party risk coverage is arranged. "Third-party risk coverage" means that a financial payment guarantee covering the credit risk has been issued by a bank, an export credit agency or an insurance company. All such institutions have been rated at least investment grade. A credit risk transfer under a sub-participation arrangement with a bank can also be arranged. In this case the entire credit risk and the funding is taken care of by the bank for the part that they cover.

Outstanding customer finance credit risk exposure[1)]

	2024	2023
Fair value of customer finance credits	4,522	6,917
Financial guarantees for third-parties	3	4
Accrued interest	5	7
Maximum exposure to credit risk	**4,530**	**6,928**
Less third-party risk coverage	−35	−79
The Company's risk exposure, less third-party risk coverage	**4,495**	**6,849**

1) This table shows the maximum exposure to credit risk.

Fair value assessment of customer finance credits

Customer finance risk exposures are held at fair value and are classified as Level 3 in the fair value hierarchy. The Credit Asset Management Team within Ericsson Credit AB has an established process with respect to measurement of fair values. The quarterly credit review uses an internal model to determine a commercial rating for each outstanding credit and calculation of its fair value. The model is based on external credit rating, political/country rating and bank pricing. Regular monitoring of customer behavior is also a part of the internal assessment.

Customer finance fair value reconciliation

	2024	2023
Opening balance	6,917	5,370
Additions	20,758	49,583
Disposals/repayments	−23,920	−47,409
Revaluation/amortization of interest[1)]	407	−467
Translation difference	360	−160
Closing balance	**4,522**	**6,917**
of which non-current	*190*	*1,347*

1) Revaluation gain recognized in Selling and administrative expenses of SEK 6 (loss of 209) million, of which gain of SEK 6 (loss of 209) million relate to credits held at the end of the year.

Due to the continuing 5G buildout, the demand for customer financing arrangements remains high. Most of such financing arrangements have been transferred to banks.

Financial credit risk

Financial instruments carry an element of risk in that counterparts may be unable to fulfill their payment obligations. This exposure arises in the investments in cash, cash equivalents, interest-bearing securities and from derivative positions with positive unrealized results against banks and other counterparties.

The Company mitigates these risks by investing cash primarily in high rated securities such as treasury bills, government bonds, commercial papers, and mortgage-covered bonds (see Liquidity risk section below). Separate credit limits are assigned to each counterpart in order to manage

Note F1, cont'd.

risk concentration. All derivative transactions are covered by ISDA netting agreements to reduce the credit risk. For cross-currency derivatives a Credit Support Annex (CSA) to ISDA is signed selectively to further reduce the credit risk by exchanging collateral weekly against market value. The Company has also moved some derivative exposures to clearing counterparties with daily settlement of margins.

At December 31, 2024, the credit risk in financial cash instruments was equal to the instruments' carrying value. Credit exposure in derivative instruments was SEK 0.1 (0.4) billion.

Liquidity risk

The Company minimizes the liquidity risk by maintaining a sufficient cash position, centralized cash management, investments in highly liquid interest-bearing securities, and by having sufficient committed credit lines in place to meet potential funding needs. For information about contractual obligations, analyzed by contractual maturity, see note D4 "Contractual obligations." The short-term commitment on debt in the next 12 months are sufficiently covered by cash and other interest-bearing assets at year end. Ongoing collection from customers are expected to satisfy operational requirements including trade payables and other purchase obligations. Commitments for new customer finance is not expected to have negative short-term effect on collection as majority are sold within a short period.

The Company also has access to supplier payment program whereby extended payment terms up to 180 days are agreed with some suppliers. The Company expects to maintain the current level of supplier balances on these arrangements. The appetite for sale and purchase of invoices by financial institutions may be affected by current market conditions, which potentially affect the Company's working capital adversely. However, such effect is expected to be gradual as business terms are renegotiated with customers and suppliers on an ongoing basis. Where required, the Company expects short-term borrowing facilities to be drawn down or rolled over to meet liquidity needs.

Cash, cash equivalents and interest bearing securities

	Rating or equivalent	< 3 M	3–12 M	1–5 Y	>5 Y	Total
2024						
Bank deposits		40,749	389	–	–	41,138
Other financial institutions		1,437	–	–	–	1,437
Type of issuer:						
Governments	AA/AAA	4,639	995	3,175	603	9,412
Corporates	A2/P2	2,672	198	–	–	2,870
Mortgage institutes	AAA	–	5,353	14,878	783	21,014
		49,497	**6,935**	**18,053**	**1,386**	**75,871**
2023						
Bank deposits		33,298	181	–	–	33,479
Other financial institutions		548	–	–	–	548
Type of issuer:						
Governments	AA/AAA	789	490	1,254	–	2,533
Corporates	A2/P2	1,510	296	–	–	1,806
Mortgage institutes	AAA	1,995	5,668	8,676	–	16,339
		38,140	**6,635**	**9,930**	–	**54,705**

Refinancing risk

Refinancing risk is the risk that the Company is unable to refinance outstanding debt on reasonable terms and conditions, or at all, at a given point in time. The Company mitigates the risk by having diversified funding sources through a mix of bonds, bilateral loans, and private placements, with a spread of debt maturing over time. The funding strategy is flexible to enable pre-financing before loan maturities and funding in various currencies. In addition to the long-term funding programs, the Company has a commercial paper program and a committed liquidity revolving credit facility for short-term liquidity purposes. All unused committed revolving credit facilities can be used to mitigate the refinancing risks when liabilities fall due.

The average maturity of Parent Company borrowings was 3.6 years (3.2 years) at December 31, 2024.

Funding programs[1]

	Amount	Utilized	Unutilized
Euro Medium Term Note program (USD million)	5,000	2,178	2,822
Commercial Paper Program (SEK million)	10,000	1,615	8,385

1) There are no financial covenants related to these programs.

In January 2024, the Company signed a loan agreement with European Investment Bank for USD 184 million. In July 2024, the Company signed a loan agreement with Nordic Investment Bank for USD 108 million.

Committed credit facilities

	Amount	Utilized	Unutilized
Multi-currency revolving credit facility (USD million)[1]	2,000	–	2,000
Liquidity revolving credit facility (USD million)[2]	1,000	–	1,000

1) The facility does not have interest rates linked to credit rating or financial covenants but is linked to two of Ericsson's sustainability KPIs. The facility matures in September 2028.
2) The facility matures in May 2026.

Fair valuation of the Company's financial instruments

The Company's financial instruments accounted for at fair value generally meet the requirements of level 1 valuation as they are based on quoted prices in active markets for identical assets. For some of the Company's financial assets and liabilities, especially derivatives, quoted prices are not readily available and fair values are calculated using market inputs such as interest rate quotes and currency rates.

For financial liabilities designated at fair value to profit and loss, the carrying amount reflects the effect in own credit spreads either in quoted prices or quoted Credit Default Swap (CDS) for Investment Grade companies.

Valuation hierarchy

– Quoted market prices – level 1

Assets and liabilities are classified as level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions.

– Valuation technique using observable inputs – level 2

Assets and liabilities classified as level 2 have been valued using models whose inputs are observable either directly or indirectly. Valuations based on observable inputs include cash equivalents (e.g. discounted papers, term deposits) and interest rate derivatives which are valued using interest rate yield curves. Other market observable inputs include credit spreads and FX forward rates. Inputs for base interest rates are quoted fixing rates, interest rates swaps and IBOR rates.

FX derivatives are valued by using observable forward rates, discounted using base interest rate curve. Valuation of foreign exchange options are made using the Black-Scholes formula. The value of credit risks in derivative contracts are monitored regularly. Derivative credit and debit valuations adjustments are calculated based on outstanding market values and default probabilities from the CDS market, and if effect on valuation is material, are included in the fair value of the derivatives.

– Valuation technique using significant unobservable inputs – level 3

Assets and liabilities are classified as level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Apart from trade receivables and customer finance receivables, this valuation technique mainly applies to investment in shares and other participations whereby valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price. Using a market approach to valuation, unobservable inputs are generally determined via reference to observable inputs, historical observations or other analytical techniques.

Note F1, cont'd.

Reconciliation of Level 3 fair value of other financial assets

	Investment in shares and participations
Opening balance	2,002
Additions	207
Disposals	−63
Gains or losses[1]	−275
Translation differences	−4
Closing balance	**1,867**

[1] Table shows net gains or losses recognized in Other operating income or expenses, of which SEK 246 million unrealized loss relate to Level 3 assets held at the end of the year.

Financial instruments carried at amortized cost
Financial instruments, such as some cash equivalents, interest-bearing securities, borrowings and payables, are carried at amortized cost which is deemed to be equal to fair value. When a market price is not readily available and there is insignificant interest rate exposure and credit spreads affecting the value, the carrying value is considered to represent a reasonable estimate of fair value.

Financial instruments

	2024					2023				
			Fair value hierarchy level					Fair value hierarchy level		
SEK billion	Amortized cost	Fair value	Level 1	Level 2	Level 3	Amortized cost	Fair value	Level 1	Level 2	Level 3
Assets at fair value through profit or loss										
Customer finance	–	4.5	–	–	4.5	–	6.9	–	–	6.9
Interest-bearing securities	–	31.7	30.4	1.3	–	–	19.1	18.6	0.5	–
Cash equivalents[1]	–	24.3	0.3	24.0	–	–	17.5	0.8	16.7	–
Other financial assets	–	2.7	0.8	–	1.9	–	2.1	0.1	–	2.0
Other current assets	–	0.2	–	0.2	–	–	1.9	–	1.9	–
Assets at fair value through OCI										
Trade receivable	–	44.2	–	–	44.2	–	42.2	–	–	42.2
Assets at amortized cost										
Interest-bearing securities	0.3	–	–	–	–	0.4	–	–	–	–
Other financial assets	0.3	–	–	–	–	0.6	–	–	–	–
Financial assets	**0.6**	**107.6**				**1.0**	**89.7**			
Financial liabilities at designated FVTPL										
Parent Company borrowings	–	−35.7	−19.7	−16.0	–	–	−38.0	−23.7	−14.3	–
Financial liabilities at FVTPL										
Other current liabilities	–	−3.3	–	−3.3	–	–	−1.8	–	−1.8	–
Liabilities at amortized cost										
Trade payables	−30.2	–	–	–	–	−27.8	–	–	–	–
Borrowings	−2.3	–	–	–	–	−8.9	–	–	–	–
Financial liabilities	**−32.5**	**−39.0**				**−36.7**	**−39.8**			

[1] Total Cash and cash equivalent is SEK 43.9 (35.2) billion, of which SEK 24.3 (17.5) billion relating to Cash equivalents are presented in the table above.

Market price risk in own shares and other listed equity investments
The Company is exposed to fluctuations in its own share price through share-based compensation for employees and the Board of Directors. Some of the plans are share-settled and some are cash-settled as further disclosed in note A1 "Material accounting policies", note G2 "Information regarding members of the Board of Directors and Group management" and note G3 "Share-based compensation."

Share-based plans for employees
The obligation to deliver shares under the Long-Term Variable compensation programs (LTV) for the Executive Team is covered by holding Ericsson Class B shares as treasury stock. The cash flow exposure is managed through the holding of Ericsson Class B shares as treasury stock shall be sold to generate funds, which also cover social security payments, when shares are delivered to participants at the end of their service period.

Cash-settled plans to employees and the Board of Directors
In the case of synthetic share programs (a cash-settled program as defined in IFRS 2) to Board members and cash-settled plans to employees, the Company is exposed to risks in relation to own share price, both with regard to compensation expenses and social security charges. The obligations to pay compensation amounts under the synthetic share-based compensations to the Board of Directors and employees are covered by a provision in the balance sheet. For further information about LTV, the cash- settled plans to employees and the synthetic share-based compensations to the Board of Directors, see note G2 "Information regarding members of the Board of Directors and Group management" and note G3 "Share-based compensation."

F2 Financial income and expenses

	2024	2023	2022
Contractual interest on financial assets	2,515	1,897	717
of which on financial assets at amortized cost	*538*	*403*	*251*
Net revaluation gains and losses on financial assets	137	64	−146
Other financial income	82	184	207
Financial income	**2,734**	**2,145**	**778**
Contractual interest on financial liabilities	−2,486	−2,282	−972
of which on financial liabilities at amortized cost	*−277*	*−501*	*−128*
Net revaluation gains and losses on financial liabilities	82	−134	379
Lease interest expense	−421	−464	−464
Net interest on pension liabilities	−647	−517	−361
Other financial expenses	−631	−721	−512
Financial expenses	**−4,103**	**−4,118**	**−1,930**
Net foreign exchange gains/losses	−355	−1,020	−1,259
Financial income and expenses, net	**−1,724**	**−2,993**	**−2,411**
Net gains and losses on financial instruments exclude effect of foreign exchange translations:			
Financial instruments at fair value through profit or loss[1)]	289	885	−2,552
Financial liabilities designated at fair value through profit or loss	−378	−1,100	2,847

1) Excludes net gain from revaluation of customer finance receivables of SEK 6 million (net loss of SEK 209 million in 2023 and net loss of SEK 15 million in 2022), reported as Selling and administrative expenses, and net loss on revaluation of investments in shares and participations of SEK 202 million (net loss of SEK 186 million in 2023 and net loss of SEK 205 million in 2022) reported as Other operating income or expenses.

F3 Financial assets, non-current

	Other investments in shares and participations		Interest-bearing securities, non-current		Other financial assets, non-current[1)]	
	2024	2023	2024	2023	2024	2023
Opening balance	2,091	2,074	9,931	9,164	6,350	6,839
Additions	207	206	15,950	12,887	2,919	1,899
Disposals/repayments/deductions	−64	−2	−224	−4,127	−2,585	−816
Amortization	–	–	–	–	−136	−457
Change in value in funded pension plans[2)]	–	–	–	–	−960	−1,033
Revaluation	−202	−185	160	269	21	–
Reclassification	–	–	−6,377	−8,262	−455	−65
Translation differences	−3	−2	–	–	7	−17
Closing balance	**2,029**	**2,091**	**19,440**	**9,931**	**5,161**	**6,350**

1) Includes items such as pension surplus assets, tax credit receivables, deferred sales commissions and loans to associates.
2) This amount includes changes in the asset ceiling. For further information, see note G1 "Post-employment benefits."

F4 Interest-bearing liabilities

As of December 31, 2024, the Company's outstanding interest-bearing liabilities were SEK 38.0 (46.9) billion.

Interest-bearing liabilities (excluding lease obligations)

	2024	2023
Borrowings, current		
Current part of non-current borrowings	3,953	8,995
Other borrowings, current	2,184	8,660
Total borrowings, current	**6,137**	**17,655**
Borrowings, non-current		
Notes and bond loans	31,799	29,071
Other borrowings, non-current	105	147
Total borrowings, non-current	**31,904**	**29,218**
Total interest-bearing liabilities	**38,041**	**46,873**

Reconciliation of liabilities arising from financing activities (including lease obligations)

	2024	2023
Opening balance	54,328	42,234
Cash flows		
Proceeds from issuance borrowings	3,615	19,728
Repayment of borrowings	–15,917	–7,884
Other financing activities	152	1,101
Lease payments	–2,492	–2,857
Non-cash changes		
Effect of foreign exchange movement	2,705	–930
Revaluation due to changes in credit risk	567	667
Other changes in fair value	343	1,131
New and extended lease contracts	2,536	1,547
Balances regarding acquired business	–	2
Other non-cash movements	–301	–411
Closing balance	**45,536**	**54,328**

Notes, bonds, bilateral loans, syndicated loans and commercial papers in the Parent Company

Issued-maturing	Nominal amount	Coupon	Currency	Maturity date	Carrying value 2024	Changes in fair value due to changes in credit risk 2024	Cumulative changes in fair value due to changes in credit risk 2024	Carrying value 2023
Notes and bond loans								
2017–2024	500	1.875%	EUR	Mar 1, 2024	–	–13	–	5,523
2017–2025[1]	150	2.741%	USD	Dec 22, 2025	1,611	–3	24	1,416
2020–2030[1]	200	3.020%	USD	Dec 30, 2030	1,918	33	120	1,736
2021–2029	500	1.000%	EUR	May 26, 2029	5,222	189	37	4,701
2022–2027	750	1.125%	EUR	Feb 8, 2027	8,314	79	77	7,714
2023–2028	500	5.375%	EUR	May 29, 2028	6,123	116	257	5,798
Total notes and bond loans					**23,188**	**401**	**515**	**26,888**
Bilateral loans and syndicated loans								
2019–2024[3]	281		USD	July 31, 2024	–	–11	–	2 829
2019–2025[2]	150		USD	Dec 18, 2025	1,664	7	15	1 509
2021–2028[3]	305		USD	Jun 21, 2028	3,329	53	–23	2 976
2023–2030[2]	107		USD	Dec 16, 2030	1,223	20	49	1 097
2023–2030[3]	273		USD	Dec 18, 2030	3,041	55	37	2 718
2023–2024[4]	200		USD	Aug 30, 2024	–	–	–	2 002
2023–2024[4]	200		USD	Feb 29, 2024	–	–	–	2 002
2024–2031[3]	184		USD	Feb 15, 2031	2,050	23	23	–
2024–2031[2]	108		USD	July 14, 2031	1,207	19	19	–
Total bilateral and syndicated loans					**12,514**	**166**	**120**	**15,133**
Commercial papers								
2024–2025[4)5]	1,615		SEK	Feb–Mar 2025	1,607	–	–	2,014
Total commercial papers					**1,607**	**–**	**–**	**2,014**

1) Private Placement, Swedish Export Credit Corporation (SEK).
2) Nordic Investment Bank (NIB), R&D project financing.
3) European Investment Bank (EIB), R&D project financing.
4) Short-term borrowings are classified as amortized cost liabilities.
5) Commercial papers with weighted average yield of 2.788%.

To secure long-term funding, the Company uses notes and bond programs together with bilateral research and development loans, as well as private placements. All outstanding notes and bond loans are issued by the Parent Company under its Euro Medium Term Note (EMTN) program. Bonds issued at a fixed interest rate are normally swapped to a floating interest rate using interest rate swaps under the Asset and liability management mandate described in note F1 "Financial risk management." In addition to the long-term funding programs, the Company has a commercial paper program and a committed liquidity revolving credit facility to efficiently manage liquidity needs, further described in note F1 "Refinancing risk." The total weighted average interest rate cost for Parent Company funding during the year was 5.88% (5.15%). Borrowings in subsidiaries amount to SEK 0.7 (2.2) billion and comprise primarily short-term bank loans.

Section G – Empolyee related

G1 Post-employment benefits

Ericsson sponsors a number of post-employment benefit plans throughout the Company, which are in line with market practice in each country.

The Company has updated the assumptions used to value the defined benefit pension liabilities based on the latest market conditions. Financial assumption changes resulted in net actuarial gains on defined benefit obligations of SEK 5.0 billion although this was offset by experience losses in Sweden. The other major change in the year was a buy-in transaction for a UK pension plan which resulted in a remeasurement loss on plan asset of SEK 2.2 billion.

Swedish plans

Sweden has both defined benefit and defined contribution plans based on collective agreement between the parties in the Swedish labor market:

- A defined benefit plan, known as ITP 2 (occupational pension for salaried employees in manufacturing industries and trade), complemented by a defined contribution plan, known as ITPK (supplementary retirement benefits). This is a final salary-based plan
- A defined contribution plan, known as ITP 1, for employees born in 1979 or later
- A defined contribution plan ITP 1 or alternative ITP, for employees earning more than 10 income base amount and who have opted out of the defined benefit plan ITP 2, where rules are set by the Company and approved by each employee selected to participate.

The Company has by far most of its Swedish pension liabilities under defined benefit plans which according to IAS 19 is funded to 63% (59%) by the assets of Ericsson Pensionsstiftelse (a Swedish Pension Foundation). These liabilities, if valued using different methodology and assumptions established by the Swedish PRI Pensionsgaranti, are funded to 96% (99%) by the assets of Ericsson Pensionsstiftelse. There are no funding requirements for the Swedish plans.

The disability and survivors' pension part of the ITP-plan is secured through an insurance solution with the company Alecta, see section about Multi-employer plans.

The Company pays benefits directly to the pensioners as the obligations fall due. The responsibility for governance of the plans and the plan assets lies with the Company and the Pensionsstiftelse. The Swedish Pensionsstiftelse is managed with the objective to achieve a good risk adjusted return while reducing the need for unexpected funding requirements. Traditional asset-liability matching (ALM) studies are undertaken on a regular basis to allocate within different asset classes.

The plans are exposed to various risks, e.g., a sudden decrease in the bond yields, which would lead to an increase in the plan liability. A sudden instability in the financial market might also lead to a decrease in fair value of plan assets held by the Pensionsstiftelse, as the holdings of plan assets are partly exposed to equity markets; however, this may be partly offset by higher values in fixed income holdings. Swedish plans are linked to inflation and higher inflation will most likely lead to a higher liability.

Multi-employer plans

As before, the Company has secured the disability and survivors' pension part of the ITP Plan through an insurance solution with the insurance company Alecta. Although this part of the plan is classified as a multi-employer defined benefit plan, it is not possible to get sufficient information to apply defined benefit accounting, as for most of the accrued pension benefits in Alecta, information is missing on the allocation of earnings process between employers. Full vesting is instead registered on the last employer. Alecta is not able to calculate a breakdown of assets and provisions for each respective employer, and therefore, the disability and survivors' pension portion of the ITP Plan has been accounted for as a defined contribution plan.

Alecta has a collective funding ratio which acts as a buffer for its insurance commitments to protect against fluctuations in investment return and insurance risks. Alecta's collective funding ratio ranges from 125% to 170% and reflects the market value of Alecta's plan assets as a percentage of its commitments to policy holders (both guaranteed and non-guaranteed), measured in accordance with Alecta's actuarial assumptions, which are different from those in IAS 19. Alecta's collective funding ratio was 162% (158%) as of December 31, 2024. The Company's share of Alecta's saving premiums is 0.4% and the total share of active members in Alecta is 2.1%. The expected contribution to the plan is SEK 89 million for 2025.

Contingent liabilities / Assets pledged as collateral

Contingent liabilities include the Company's mutual responsibility as a credit insured company of PRI Pensionsgaranti in Sweden. This mutual responsibility can only be imposed in the instance that PRI Pensionsgaranti has consumed all of its assets, and it amounts to a maximum of 2% of the Company's pension liability in Sweden. The Company has a pledged business mortgage of SEK 7.4 billion to PRI Pensionsgaranti at year end. PRI continuously measures the Company credit risk levels according to the credit insurance terms and conditions.

US plans

The Company operates both defined contribution and defined benefit pension plans in the US, which are a combination of final salary pension plans and contribution-based arrangements. The final salary pension plans provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. Retirees generally do not receive inflationary increases once in payment.

The other type of plan is a contribution-based pension plan, which provides a benefit determined using a "cash balance" approach. The balance is credited monthly with interest credits and contribution credits, based on a combination of current year salary and length of service.

The majority of benefit payments are from trustee-administered funds; however, there are also a number of unfunded plans where the Company meets the benefit payment obligation as it falls due. In the US, the Company's policy is at least to meet or exceed the funding requirements of federal regulations. The funded level in the US Pension Plan is above the point at which minimum funding would be required for fiscal year 2024.

Plan assets held in trusts are governed by local regulations and practice, as is the nature of the relationship between the Company and the trustees (or equivalent) and their composition. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies with the Plan Administrative Committee (PAC). The PAC is composed of representatives from the Company.

The Company's plans are exposed to various risks associated with pension plans, i.e., a sudden decrease in bond yields would lead to an increase in the present value of the defined benefit obligation. A sudden instability in the financial markets might also lead to a decrease in the fair value of plan assets held by the trust. Pension benefits in the US are not linked to inflation; however, higher inflation poses the risk of increased final salaries being used to determine benefits for active employees. There is also a risk that the duration of payments to retirees will exceed the life expectancy in mortality tables.

UK plans

The Company operates both defined benefit and defined contribution plans in the UK. All defined benefit plans in the UK are closed to future pension accrual.

The defined benefit plans provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided is defined by the Trust Deed and Rules and depends on members' length of service and their salary. Pensions in payment are generally updated in line with the UK retail price index, subject to caps defined by the rules.

The plans' assets are held in trusts and are invested in a diverse range of assets. The plans are governed by local regulations and responsibility for the governance of the plans lies with the Trustee Directors, who are appointed by the Company from its employees and from the plans' members. Independent professional trustees sit on the Boards for all the defined benefit plans.

The plans remain exposed to various risks associated with defined benefit plans, e.g. a decrease in bond yields or increase in inflation would lead to an increase in the present value of the defined benefit obligation. Alternatively,

Note G1, cont'd.

the duration of payments to retirees could exceed the life expectancy assumed in the current mortality tables leading to an increase in liabilities. A sudden instability in the financial markets might also lead to a decrease in the fair value of the plans' assets. In November 2024, the trustees purchased a bulk annuity buy-in contract (valued at SEK 7.3 billion) from an insurance company to secure all future payments to members of one of the UK pension plan. This transaction resulted in a remeasurement loss on plan asset of SEK 2.2 billion as the value attributable to the bulk annuity policy has been taken to equal the value of the benefit obligation it relates to. Following this transaction, the risks of most of the UK defined benefit plans have been transferred to insurance companies through annuity buy-in contracts. This significantly reduced the financial exposure to the Company as changes to the value of defined benefit obligations are directly met by the insurers. The Company retains the legal responsibility to pay all scheme benefits hence the plan liabilities remain on the balance sheet alongside the corresponding buy-in asset.

Other plans

The Company also sponsors plans in other countries. The main plans are in Brazil, India and Ireland. The main pension plans in Brazil are wholly funded with a net surplus of assets. The plan in Ireland is a final salary pension plan and is fully funded with a net surplus of assets. The plans are managed by corporate trustees with directors appointed partly by the local company and partly by the plan members. The trustees are independent from the local company and subject to the specific country's pension laws.

The Provident Fund Plan in India is self-managed through a registered Exempted Trust and according to local legislation, investment returns shall be guaranteed at minimum rates of return specified by the government. The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social and economic factors in the past.

Amount recognized in the Consolidated balance sheet

	Sweden	US	UK	Other	Total
2024					
Defined benefit obligation (DBO)	49,423	5,340	10,473	21,362	86,598
Fair value of plan assets	31,191	5,153	11,195	16,820	64,359
Deficit/surplus (+/–)	**18,232**	**187**	**–722**	**4,542**	**22,239**
Plans with net surplus, excluding asset ceiling[1]	–	330	727	1,152	2,209
Provision for post-employment benefits[2]	**18,232**	**517**	**5**	**5,694**	**24,448**
2023					
Defined benefit obligation (DBO)	50,043	5,073	10,595	19,824	85,535
Fair value of plan assets	29,627	4,815	12,410	15,741	62,593
Deficit/surplus (+/–)	**20,416**	**258**	**–1,815**	**4,083**	**22,942**
Plans with net surplus, excluding asset ceiling[1]	–	255	1,889	1,143	3,287
Provision for post-employment benefits[2]	**20,416**	**513**	**74**	**5,226**	**26,229**

1) Plans with a net surplus, i.e., where plan assets exceed DBO, are reported as Other financial assets, non-current, see note F3 "Financial assets, non-current." The asset ceiling decreased during the year to SEK 635 (755) million.
2) Plans with net liabilities are reported in the balance sheet as Post-employment benefits, non-current.

Total pension cost recognized in the Consolidated income statement

The costs for post-employment benefits within the Company are distributed between defined contribution plans and defined benefit plans.

	Sweden	US	UK	Other	Total
2024					
Pension cost for defined contribution plans	1,306	500	178	1,626	3,610
Pension cost for defined benefit plans[1]	1,624	79	–56	1,248	2,895
Total	**2,930**	**579**	**122**	**2,874**	**6,505**
Total pension cost expressed as a percentage of wages and salaries					8.3%
2023					
Pension cost for defined contribution plans	1,223	522	148	1,571	3,464
Pension cost for defined benefit plans[1]	2,013	67	–67	1,166	3,179
Total	**3,236**	**589**	**81**	**2,737**	**6,643**
Total pension cost expressed as a percentage of wages and salaries					7.8%
2022					
Pension cost for defined contribution plans	1,192	542	128	1,209	3,071
Pension cost for defined benefit plans[1]	2,144	160	–22	1,204	3,486
Total	**3,336**	**702**	**106**	**2,413**	**6,557**
Total pension cost expressed as a percentage of wages and salaries					8.9%

1) For the UK plans, negative cost was due to interest income of SEK 624 million (SEK 626 million in 2023 and SEK 355 million in 2022) exceeding interest cost of SEK 532 million (SEK 514 million in 2023 and SEK 312 million in 2022) during the year.

Note G1, cont'd.

Change in the net defined benefit obligation

	2024			2023		
	Present value of obligation[1]	Fair value of plan assets	Total	Present value of obligation[1]	Fair value of plan assets	Total
Opening balance	85,535	–62,593	22,942	83,691	–60,480	23,211
Included in the income statement[2]						
Current service cost	2,210	–	2,210	2,291	–	2,291
Past service cost and gains and losses on settlements	–82	–	–82	179	–	179
Interest cost/income (+/–)	2,953	–2,377	576	2,839	–2,371	468
Taxes and administrative expenses	–	64	64	–	78	78
Other	41	22	63	108	–7	101
	5,122	**–2,291**	**2,831**	**5,417**	**–2,300**	**3,117**
Remeasurements						
Return on plan assets excluding amounts in interest expense/income	–	1,583	1,583	–	–663	–663
Actuarial gains/losses (–/+) arising from changes in demographic assumptions	–229	–	–229	267	–	267
Actuarial gains/losses (–/+) arising from changes in financial assumptions	–4,958	–	–4,958	–943	–	–943
Experience-based gains/losses (–/+)	2,825	–	2,825	347	–	347
	–2,362	**1,583**	**–779**	**–329**	**–663**	**–992**
Other changes						
Translation difference	1,781	–1,760	21	–179	110	–69
Contributions and payments from:						
Employers[3]	–2,097	–682	–2,779	–1,737	–594	–2,331
Plan participants	362	–357	5	350	–342	8
Payments from plans:						
Benefit payments	–1,825	1,825	–	–1,294	1,292	–2
Settlements	–	–	–	–488	488	–
Other	82	–84	–2	104	–104	–
Closing balance	**86,598**	**–64,359**	**22,239**	**85,535**	**–62,593**	**22,942**

1) The weighted average duration of DBO is 16.8 (16.8) years.
2) Excludes the impact of the asset ceiling of SEK 65 (62) million in 2024.
3) The expected contribution to the plans during 2025 is SEK 2.8 billion.

Present value of the defined benefit obligation

	Sweden	US	UK	Other	Total
2024					
DBO, closing balance	49,423	5,340	10,473	21,362	86,598
of which partially or fully funded	*49,423*	*4,823*	*10,473*	*18,064*	*82,783*
of which unfunded	–	*517*	–	*3,298*	*3,815*
2023					
DBO, closing balance	50,043	5,073	10,595	19,824	85,535
of which partially or fully funded	*50,043*	*4,560*	*10,595*	*16,702*	*81,900*
of which unfunded	–	*513*	–	*3,122*	*3,635*

Note G1, cont'd.

Asset allocation by asset type and geography[1)]

	Sweden	US	UK	Other	Total	*of which unquoted*[2)]
2024						
Cash and cash equivalents	231	206	1,025	572	2,034	*15%*
Equity securities	8,557	431	914	1,920	11,822	*24%*
Debt securities	14,559	4,052	118	9,717	28,446	*26%*
Real estate	5,760	–	–	516	6,276	*100%*
Investment funds	2,139	792	308	2,120	5,359	*68%*
Assets held by insurance company	–	–	8,002	1,909	9,911	*100%*
Other	–55	–328	828	66	511	*1%*
Total	**31,191**	**5,153**	**11,195**	**16,820**	**64,359**	
of which real estate occupied by the Company	–	–	–	–	–	
of which securities issued by the Company	–	–	–	–	–	
2023						
Cash and cash equivalents	271	181	681	133	1,266	*22%*
Equity securities	7,311	361	769	1,873	10,314	*27%*
Debt securities	14,335	3,591	5,681	9,285	32,892	*21%*
Real estate	5,461	–	–	544	6,005	*100%*
Investment funds	2,016	834	2,346	1,829	7,025	*69%*
Assets held by insurance company	–	–	2,437	1,679	4,116	*100%*
Other	233	–152	496	398	975	*38%*
Total	**29,627**	**4,815**	**12,410**	**15,741**	**62,593**	
of which real estate occupied by the Company	–	–	–	–	–	
of which securities issued by the Company	–	–	–	–	–	

1) Asset class is presented based on the underlying exposure of the investment. This includes direct investment in securities or investment through pooled funds that invest in an asset class.
2) Unquoted refers to assets classified as fair value level 2 and 3. Unquoted assets comprise mainly investments in pooled investment vehicles.

Actuarial assumptions

	2024			2023		
	Sweden	US	UK	Sweden	US	UK
Financial assumptions						
Discount rate	2.4%	5.6%	5.6%	2.1%	5.0%	4.8%
Inflation rate	2.0%	2.5%	3.1%	2.0%	2.5%	3.0%
Salary increase rate	2.5%	4.0%	–	2.5%	4.0%	–
Demographic assumptions						
Life expectancy after age 65 in years	23	22	23	23	23	23

Actuarial assumptions are assessed on a quarterly basis. See also note A1 "Material accounting policies" and note A2 "Judgments and critical accounting estimates."

Sweden

The defined benefit obligation (DBO) has been calculated using a discount rate based on the yields of Swedish government bonds. IAS 19 Employee Benefits prescribes that if there is not a deep market in high-quality corporate bonds, the market yields on government bonds shall be applied for the pension liability calculation. As of December 31, 2024, the discount rate applied in Sweden was 2.4% (2.1%). If the discount rate had been based on Swedish covered mortgage bonds, the discount rate as of December 31, 2024 would have been 3.6% (3.5%). If the discount rate based on Swedish covered mortgage bonds had been applied for the pension liability calculation, the DBO at December 31, 2024 would have been approximately SEK 10.5 (12.1) billion lower.

US and UK

The defined benefit obligation has been calculated using a discount rate based on yields of high-quality corporate bonds, where "high-quality" has been defined as a rating of AA and above.

Total remeasurements in Other comprehensive income related to post-employment benefits

	2024	2023
Actuarial gains and losses (+/–)	340	538
The effect of asset ceiling	99	–87
Swedish special payroll taxes	438	454
Total	**877**	**905**

Sensitivity analysis of significant actuarial assumptions, SEK billion

Impact on the DBO of a change in assumptions	Sweden	US	UK
Financial assumptions			
Discount rate –0.5%	5.3	0.2	0.7
Discount rate +0.5%	–4.7	–0.2	–0.6
Inflation rate –0.5%	–4.7	0.0	–0.5
Inflation rate +0.5%	5.3	0.0	0.5
Salary increase rate –0.5%	–1.4	0.0	–
Salary increase rate +0.5%	1.5	0.0	–
Demographic assumptions			
Longevity – 1 year	–2.3	0.0	–0.2
Longevity + 1 year	2.3	0.1	0.2

G2 Information regarding members of the Board of Directors and Group management

Remuneration to the Board of Directors

SEK	Board fees	Number of synthetic shares/portion of Board fee	Value at grant date of synthetic shares allocated in 2024	Number of previously allocated synthetic shares outstanding	Net change in value of synthetic shares[1]	Committee fees	Total fees paid in cash[2]	Total remu-neration 2024	Total remu-neration 2023
			A		B		C	(A+B+C)	
Board member									
Jan Carlson	4,640,000	62,021/75%	3,479,998	25,948	2,987,549	440,000	1,600,000	8,067,547	4,082,525
Jacob Wallenberg	1,175,000	15,705/75%	881,208	25,948	1,423,458	195,000	488,750	2,793,416	487,525
Jon Fredrik Baksaas	1,175,000	10,470/50%	587,472	17,298	948,947	540,000	1,127,500	2,663,919	1,015,455
Carolina Dybeck Happe[4]	587,500	–	–	10,003	321,797	–	–	321,797	−166,650
Börje Ekholm	–	–	–	–	–	–	–	–	–
Eric A. Elzvik	1,175,000	5,235/25%	293,736	8,648	474,439	540,000	1,421,250	2,189,425	1,355,889
Kristin S. Rinne	1,175,000	5,235/25%	293,736	14,216	659,144	395,000	1,276,250	2,229,130	1,051,307
Helena Stjernholm[5]	–	–	–	17,298	595,375	–	–	595,375	766,726
Jonas Synnergren	1,175,000	15,705/75%	881,208	–	530,358	505,000	798,750	2,210,316	1,610,000
Christy Wyatt	1,175,000	15,705/75%	881,208	–	530,358	200,000	493,750	1,905,316	1,325,000
Karl Åberg	1,175,000	–	–	–	–	195,000	1,370,000	1,370,000	–
Employee Representatives									
Ulf Rosberg	51,750	–	–	–	–	14,400	66,150	66,150	63,750
Kjell-Åke Soting	51,750	–	–	–	–	21,600	73,350	73,350	76,950
Annika Salomonsson	51,750	–	–	–	–	19,800	71,550	71,550	69,150
Loredana Roslund (deputy)	51,750	–	–	–	–	–	51,750	51,750	54,750
Frans Frejdestedt (deputy)	51,750	–	–	–	–	–	51,750	51,750	29,250
Stefan Wänstedt (deputy)	51,750	–	–	–	–	1,800	53,550	53,550	29,250
Total	**13,763,000**	**130,076**	**7,298,566**	**119,359**	**8,471,425**	**3,067,600**	**8,944,350**	**24,714,341[3]**	**11,850,877**
Total including resigned Board members	**13,763,000**	**130,076**	**7,298,566**	**173,770[6]**	**10,396,596[7]**	**3,067,600**	**8,944,350**	**26,639,512[3]**	**9,615,320[8]**

1) The difference in value as of the time for payment, compared to December 31, 2023, for synthetic shares allocated in 2019 (for which payment was made in 2024). The difference in value as of December 31, 2024 compared to December 31, 2023, for synthetic shares allocated in 2020, 2021 and 2022. Calculated on a share price of SEK 89.88. The value of synthetic shares allocated in 2020, 2021, 2022 and 2023 includes respectively SEK 2.00, SEK 2.50, SEK 2.70 and SEK 2.70 per share in compensation for dividends resolved by the Annual General Meetings 2021, 2022, 2023 and 2024, and the value of the synthetic shares allocated in 2019 includes dividend compensation for dividends resolved in 2020, 2021, 2022 and 2023.
2) Committee fee and cash portion of the Board fee.
3) Excluding social security charges in the amount of SEK 5,466,068.
4) Resigned from the Board of Directors on September 23, 2024 thereby being entitled to only half of the Board fee.
5) Resigned from the Board of Directors in connection with the Annual General Meeting held on April 3, 2024.
6) Including synthetic shares previously allocated to the former Directors Kurt Jofs, Nora Denzel and Ronnie Leten.
7) Including synthetic shares previously allocated to the former Directors Kurt Jofs, Nora Denzel and Ronnie Leten. For these synthetic shares the net change in value corresponds to the difference in value as of the time for the payment compared to December 31, 2023.
8) Including the former Directors Kurt Jofs, Nora Denzel, Ronnie Leten and the Employee Representatives Torbjörn Nyman and Anders Ripa.

Comments to the table

- The Chair of the Board was entitled to a Board fee of SEK 4,640,000.
- The other non-employee Directors were entitled to a Board fee of SEK 1,175,000 each.
- The Chair of the Audit and Compliance Committee was entitled to a fee of SEK 540,000 and the other non-employee members of the Audit and Compliance Committee were entitled to a fee of SEK 310,000 each. The Chair of the Enterprise Business and Technology Committee was entitled to a fee of SEK 230,000 and the other non-employee members of the Enterprise Business and Technology Committee were entitled to a fee of SEK 200,000 each. The Chairs of the Finance and Remuneration Committees were entitled to a fee of SEK 220,000 each and the other non-employee members of these Committees were entitled to a fee of SEK 195,000 each.
- The non-employee Directors have not received any remuneration other than the fees and synthetic shares as above. None of the Directors have entered into a service contract with the Parent Company or any of its subsidiaries, providing for termination benefits.
- Members and deputy members of the Board who are Ericsson employees received no remuneration or benefits other than their entitlements as employees and a fee to the employee representatives and their deputies of SEK 2,250 per attended Board meeting and SEK 1,800 per attended Committee meeting.
- The Annual General Meeting 2024 resolved that non-employee Directors may choose to receive the Board fee (i.e., exclusive of Committee fee) as follows: i) 25% of the Board fee in cash and 75% in the form of synthetic shares, ii) 50% in cash and 50% in the form of synthetic shares, or iii) 75% in cash and 25% in the form of synthetic shares. Directors may also choose not to participate in the synthetic share program and receive 100% of the Board fee in cash. Committee fees are always paid in cash.

The number of synthetic shares allocated is based on a volume-weighted average of the market price of Ericsson's Class B shares on Nasdaq Stockholm during the five trading days immediately following the publication of Ericsson's interim report for the first quarter 2024, which was SEK 56.11. The number of synthetic shares is rounded down to the nearest whole number of shares.

The synthetic shares are vested during the Directors' term of office and the right to receive payment with regard to the allocated synthetic shares occurs after the publication of the Company's year-end financial statement during the fifth year following the Annual General Meeting, which resolved on the synthetic share program, i.e., in 2029. The amount payable shall be determined based on the volume-weighted average price for Ericsson's Class B shares on Nasdaq Stockholm during the five trading days immediately following the publication of the year-end financial statement.

Synthetic shares were allocated to members of the Board for the first time in 2008 and have been allocated annually since then on equal terms and conditions. Payment based on synthetic shares allocated in 2019 occurred in 2024. The amounts paid in 2024 under the synthetic share programs were determined based on the volume-weighted average price for Ericsson's Class B shares on Nasdaq Stockholm during the five trading days immediately following the publication of the year-end financial statements for 2023, which was SEK 60.29 and totaled SEK 4,650,892, excluding social security charges. The payments made do not constitute a cost for the Company in 2024. The

Note G2, cont'd.

Company's costs for the synthetic shares have been disclosed each year and the net change in value of the synthetic shares for which payment was made in 2024, is disclosed in the table above "Remuneration to members of the Board of Directors".

The value of all outstanding synthetic shares fluctuates in line with the market value of Ericsson's Class B share and may differ from year to year compared to the original value on their respective grant dates. The change in value of the outstanding synthetic shares is established each year and affects the total recognized costs that year. As of December 31, 2024, the total outstanding number of synthetic shares under the programs is 249,435 and the total accounted debt is SEK 28,661,785.

Remuneration to the Group management

The Company's costs for remuneration to the Group management are the costs recognized in the income statement during the financial year. These costs are disclosed under Remuneration costs below.

Costs recognized during a financial year in the income statement are not fully paid by the Company at the end of the fiscal year. The unpaid amounts that the Company has in relation to the Group management are disclosed under Outstanding balances.

Remuneration costs

The total remuneration to the President and CEO and to other members of the Group management, consisting of the Executive Team (ET), includes fixed salary, short- and long-term variable compensation, pension and other benefits. These remuneration elements are based on the guidelines for remuneration to Group management (the Guidelines) as approved by the Annual General Meetings (AGM) of shareholders held in 2020 and 2023.

Remuneration costs for the President and CEO and other members of the Executive Team (ET)

SEK	President and CEO 2024	President and CEO 2023	President and CEO 2022	Other members of ET 2024[3]	Other members of ET 2023[3]	Other members of ET 2022[3]	Total 2024	Total 2023	Total 2022
Salary[1]	20,526,329	19,520,568	19,154,852	145,880,088	135,208,734	132,945,295	166,406,417	154,729,302	152,100,147
Termination benefits	–	–	–	57,092,817	–	25,503,967	57,092,817	–	25,503,967
Annual variable remuneration provision earned for the year	15,036,644	–	–	162,568,816	48,399,226	90,908,181	177,605,460	48,399,226	90,908,181
Long-term variable compensation provision	19,780,629	31,708,587	41,125,015	33,628,636	30,547,582	43,688,149	53,409,265	62,256,169	84,813,164
Pension costs[2]	10,151,804	10,151,804	9,856,121	22,964,759	24,607,643	42,248,588	33,116,563	34,759,447	52,104,709
Other benefits	584,168	828,287	135,743	27,184,306	19,575,733	20,167,043	27,768,474	20,404,020	20,302,786
Social charges and taxes	20,762,202	19,546,145	22,079,378	65,013,883	45,222,286	60,745,133	85,776,085	64,768,431	82,824,511
Total	**86,841,776**	**81,755,391**	**92,351,109**	**514,333,305**	**303,561,204**	**416,206,356**	**601,175,081**	**385,316,595**	**508,557,465**

[1] Includes compensation for unused vacation days.
[2] Includes cash payments to the President and CEO in lieu of defined contribution payment in a cost neutral way to Ericsson.
[3] Does not include cash compensation paid to Rory Read of USD 32.76 million in 2022 and USD 10.64 million in 2023. The total amount was reported separately as 'Deviations from adopted Guidelines for remuneration to Group Management' in Remuneration Report 2022 as compensation for acceleration of pre-existing long-term share based variable incentive program of restricted and performance stock units (RSU and PSU) in Vonage.

Comments to the table

- Fredrik Jejdling was appointed Executive Vice President by the Board of Directors effective November 7, 2017. He did not substitute the President and CEO as the deputy to the President and CEO in 2024. Information regarding Fredrik Jejdling is included in the group "Other members of ET." The details of Fredrik Jejdling's remuneration in 2024 can be found in the Remuneration Report 2024.
- The group "Other members of ET 2024" includes a total of 20 persons. The group partly consists of: MajBritt Arfert, Scott Dresser, Erik Ekudden, Moti Gyamlani, Niklas Heuveldop, Chris Houghton, Fredrik Jejdling, Jenny Lindqvist, Stella Medlicott, Per Narvinger and Åsa Tamsons. In addition are the following persons who joined ET during 2024: Yossi Cohen on February 1, Chafic Nassif on February 26, Lars Sandström on April 1, Andrés Vicente on May 1, Patrick Johansson on August 1, and the following persons who left ET during 2024: Rory Read on February 1, Carl Mellander on April 1, Nunzio Mirtillo on May 1 and Fadi Pharaon on August 1.
- The group "Other members of ET 2023" includes a total of 16 persons. The group partly consists of: MajBritt Arfert, Scott Dresser, Erik Ekudden, Moti Gyamlani, Niklas Heuveldop, Chris Houghton, Fredrik Jejdling, Stella Medlicott, Carl Mellander, Nunzio Mirtillo, Per Narvingar, Fadi Pharaon, Rory Read and Åsa Tamsons. In addition Jenny Lindqvist, joined ET on February 1, 2023, and George Mulhern, left ET effective November 1, 2023.
- The group "Other members of ET 2022" includes a total of 19 persons. The group partly consists of: MajBritt Arfert, Scott Dresser, Erik Ekudden, Niklas Heuveldop, Chris Houghton, Fredrik Jejdling, George Mulhern, Moti Gyamlani, Per Narvingar, Stella Medlicott, Carl Mellander, Nunzio Mirtillo, Fadi Pharaon, Rory Read and Åsa Tamsons. In addition Xavier Dedullen, left ET effective March 21, 2022, and Arun Bansal, Jan Karlsson and Peter Laurin, left ET effective June 1, 2022.
- The salary stated in the table for the President and CEO and other members of the ET includes vacation pay paid during 2024, as well as other contracted compensation expenses in 2024.
- "Long-term variable compensation provision" refers to the compensation costs for full year 2024 for all outstanding share-based plans.

Outstanding balances

The Company has recognized the following liabilities relating to unpaid remunerations in the balance sheet:

- Ericsson's commitments for defined benefit-based pensions as of December 31, 2024, for other members of ET under IAS 19 amounted to SEK 34.2 (35.4) million which refers to the ITP plan. During 2024 the funding methodology used for disability and survivor's pension have changed hence liabilities have ceased and benefits are insured going forward. The President and CEO does not have a Swedish defined benefit-based pension plan, hence, Ericsson bears no commitment.
- For previous Presidents and CEOs, the Company has made provisions for defined benefit pension plans in connection with their active service periods within the Company.

Severance terms and severance pay for the President and CEO and members of Group Management

Upon termination by the company, salary and pension benefits for six or 12 months (period of notice) is paid. Thereafter severance pay, according to agreement, equivalent to a maximum of 12 or 18 months of salary, based on their fixed salary, is paid. The fixed salary during the notice period plus any severance pay cannot exceed an amount corresponding to 24 months fixed salary. Severance pay shall be reduced by 50% of income from other employment during the same period. In the event of termination by the employee, a notice period of 6 or 12 months with salary and pension benefits applies. No severance pay can then be requested unless it is a question of significant structural changes within the Group or other events, which have a significant negative impact on the content of the work. Agreements on severance pay contain both a non-competition clause, non-solicit and a post-employment cooperation clause.

G3 Share-based compensation

Accounting treatment of Long-Term Variable Compensation Programs

In note A1" Material accounting policies", the overall accounting policies for share-based payments within the Company are disclosed. In summary:

- Share-settled programs, the total compensation expense is calculated based on the fair value (FV) at grant date and recognized over the service period of three years
- Cash-settled plans, the accounting principles are the same as for any other accruals or provisions. Prior to payout an accrual or provision is recognized every period based on the present period's best estimate of the total amount. Any difference between total payout and the sum of accruals or provisions is recognized in the income statement in the period of final payout.

Long-Term Variable Compensation

All long-term variable compensation programs have been designed to form a part of a well-balanced total remuneration package and in general to span over a minimum of three years (service period). As these are variable compensation programs, the outcomes cannot be predicted when the programs are introduced and rewards depend on long-term personal commitment, corporate performance and the share price performance.

To reinforce a strong alignment between our shareholders and our Executives the LTV 2024 for Executives will grant, vest and be delivered in Ericsson Class B-shares. Until LTV 2022 Executive Performance Plan (EPP), the granting and vesting has been in synthetic shares with the outcome delivered as a cash settlement. With this action the new Long-Term Variable Compensation Program (LTV) for the Executive Team (ET) and the Executive Performance Plan (EPP) for senior managers have merged into one plan.

All programs are share-based payment programs as defined by IFRS 2 "Share-based Payment," either share- or cash-settled. The significant share-based payment programs are described below.

LTV and EPP performance criteria

Program year	Target	Criteria	Weight	Performance period	Vesting opportunity (linear pro-rata)	Achievement[3]	Achieved vesting level
2024	2024 Group operating income (EBITA)	Range (SEK billion): 16.7 -30.7	45%	Jan 1, 2024–Dec 31, 2024	0%–200%	SEK 26.0[2] billion	132.82%
2024	Absolute TSR	Range: 6%–14%	25%	Jan 1, 2024–Dec 31, 2026	0%–200%		
2024	Relative TSR	Ranking of Ericsson: 6–2	20%	Jan 1, 2024–Dec 31, 2026	0%–200%[1]		
2024	Group Environmental, Social and Governance ("ESG")	CO_2e emissions (ktonnes): 138–114	1.66%	Jan 1, 2024–Dec 31, 2024	0%–200%	105.6 ktonne CO_2	200%
		CO_2e emissions (ktonnes): 133–110	1.66%	Jan 1, 2025–Dec 31, 2025	0%–200%		
		CO_2e emissions (ktonnes): 126–102	1.68%	Jan 1, 2026–Dec 31, 2026	0%–200%		
		Increasing the representation of women leaders in the Group: Range 25%–27%	5%	Jan 1, 2024–Dec 31, 2026	0%–200%		
2024 Total			**100%**		**0%–200%**		
2023	2023 Group operating income (EBITA)	Range (SEK billion): 26.4 - 40.4	45%	Jan 1, 2023–Dec 31, 2023	0%–200%	SEK 21.4[2] billion	0%
2023	Absolute TSR	Range: 6%-14%	25%	Jan 1, 2023–Dec 31, 2025	0%–200%		
2023	Relative TSR	Ranking of Ericsson: 6–2	20%	Jan 1, 2023–Dec 31, 2025	0%–200%[1]		
2023	Group Environmental, Social and Governance ("ESG")	CO_2e emissions (ktonnes): 142–121	1.66%	Jan 1, 2023–Dec 31, 2023	0%–200%	121.9 ktonne CO_2	193.72%
		CO_2e emissions (ktonnes): 132–113	1.66%	Jan 1, 2024–Dec 31, 2024	0%–200%	105.6 ktone CO_2	200%
		CO_2e emissions (ktonnes): 122–104	1.68%	Jan 1, 2025–Dec 31, 2025	0%–200%		
		Increasing the representation of women leaders in the Group: Range 23%–25%	5%	Jan 1, 2023–Dec 31, 2025	0%–200%		
2023 Total			**100%**		**0%–200%**		
2022	2022 Group operating income (EBIT)	Range (SEK billion): 24.1–34.1	45%	Jan 1, 2022–Dec 31, 2022	0%–200%	SEK 32.2[2] billion	162.76%
2022	Absolute TSR	Range: 6%-14%	25%	Jan 1, 2022–Dec 31, 2024	0%–200%	0.54%	0.00%
2022	Relative TSR	Ranking of Ericsson: 6–2	20%	Jan 1, 2022–Dec 31, 2024	0%–200%[1]	10 out of 12	0.00%
2022	Group Environmental, Social and Governance ("ESG")	CO_2e emissions (ktonnes): 265–200	5%	Jan 1, 2022–Dec 31, 2024	0%–200%	201.3 ktonne CO_2	189.52%
		Increasing the representation of women leaders in the Group: Range 22%–24%	5%	Jan 1, 2022–Dec 31, 2024	0%–200%	24.15%	200%
2022 Total			**100%**		**0%–200%**		**92.72%**
2021	2021 Group operating income (EBIT)	Range (SEK billion): 15.0–24.0	50%	Jan 1, 2021–Dec 31, 2021	0%–200%	SEK 27.4[2] billion	200%
2021	Absolute TSR	Range: 6%–14%	30%	Jan 1, 2021–Dec 31, 2023	0%–200%	–16.17%	0.00%
2021	Relative TSR	Ranking of Ericsson: 6–2	20%	Jan 1, 2021–Dec 31, 2023	0%–200%[1]	12 out of 11	0.00%
2021 Total			**100%**		**0%–200%**		**100.00%**

[1] The portion of the Performance Share Awards granted to a participant based on the relative TSR performance condition is subject to fulfilment of the related performance criteria over the performance period compared to peer groups consisting of 11 companies for the program year 2024, 2023, 2022 and 2021. The vesting of the Performance Share Awards under this performance condition will vary depending on the Company's TSR performance ranking versus the other companies in the peer group at the end of the performance period.

[2] Excludes restructuring charges and items not included in target performance criterion.

[3] Resolved by the Board of Directors.

Note G3, cont'd.

Share-Settled Programs

Long-Term Variable Compensation Program for the Executive Team and Executives

The Long-Term Variable Compensation Program for the ET and Executives as approved by the shareholders, is designed to provide long-term incentives for members of the ET and Executives, to incentivize the Company's performance creating long-term value.

Awards under LTV (Performance Share Awards) are granted to the participants, provided that certain performance conditions are met, to receive a number of shares, free of charge, following expiration of a three-year vesting period (vesting period). Allotment of shares pursuant to Performance Share Awards are subject to the achievement of performance criteria which are defined specific to each year's program when the program is introduced.

Which portion, if any, of the Performance Share Awards for LTV will vest is determined at the end of the relevant performance period based on the satisfaction of the predetermined performance criteria for that year's LTV program (performance period). The performance criteria for the currently running LTV and EPP are summarized in the above table along with the satisfaction and achieved vesting levels for the ones where the performance period has lapsed. It is generally required that the participant retains his or her employment over a period of three years from the date of grant of awards to be eligible for receiving the performance awards.

Provided that the performance criteria have been met during the performance period and that the participant has retained his or her employment (unless special circumstances are at hand) during the service period, allotment of vested shares will take place as soon as practicably possible following the expiration of the vesting period.

When determining the final vesting level of Performance Share Awards, the Board of Directors examines whether the vesting level is reasonable considering the Company's financial results and position, conditions on the stock market and other circumstances, and if not, reserves the right to reduce the vesting level to a lower level deemed appropriate.

In the event delivery of shares to the participants cannot take place under applicable law or at a reasonable cost and employing reasonable administrative measures, the Board of Directors is entitled to decide that participants may, instead, be offered cash settlement.

All major decisions relating to outcome of LTV are taken by the Remuneration Committee, with approval by the full Board of Directors as required.

2024 Long-Term Variable Compensation Program for the Executive Team and Executives (LTV 2024)

LTV 2024 was approved at the Annual General Meeting (AGM) of shareholders held in 2024 and includes all members of the ET and Executives, a total of 176 members in 2024, including the President and CEO.

The participants were granted Performance Share Awards on May 17, 2024. The value of the underlying shares in respect of the Performance Share Awards made to the President and CEO was 150% of the annual base salary, and for other participants ranged between 10% and 100% of the participants' respective annual base salaries at the time of grant. The share price used to calculate the number of shares to which the Performance Share Awards entitles was calculated as the volume weighted average of the market price of Ericsson B shares on Nasdaq Stockholm during the five trading days immediately following the publication of the Company's interim report for the fourth quarter of 2023.

Having evaluated the ongoing long-term variable compensation programs and considering investor input obtained, the Remuneration Committee and the Board of Directors proposed to the Annual General Meeting of shareholders 2024 a long-term variable compensation program 2024 similar to the long-term variable compensation program 2023. The purpose is to further strengthen Ericsson's commitment to long-term sustainability and responsible business. Hence again a one-year Group operating income (EBITA) target measured over the period January 1, 2024 to December 31, 2024 was included as a performance condition for LTV 2024 in addition to the standard three-year total shareholder return (TSR) performance conditions, which were also used for LTV plans since LTV 2020 however with different weights.

The performance criteria relating to TSR are absolute TSR development and relative TSR development for the Ericsson B share over the period January 1, 2024 to December 31, 2026 (the performance period). The criteria related to ESG are split into two sub-components: reducing carbon dioxide equivalent ("CO_2e") emissions in the Group's own activities and increasing the representation of women leaders in the Group. The ESG performance criteria are being measured over the period January 1, 2024 to December 31, 2026 (the performance period), where the reducing carbon dioxide equivalent ("CO_2e") emissions in the Group's own activities is split into 3 annual targets.

The performance criteria for LTV 2024 along with the details on how the performance criteria will be calculated and measured are explained in minutes from the AGM 2024 under Item 16.

The Board of Directors resolved on the achieved vesting level as outlined in the table "LTV and EPP Performance criteria".

2023 Long-Term Variable Compensation Program for the Executive Team and Executives (LTV 2023)

LTV 2023 was approved at the Annual General Meeting (AGM) of shareholders held in 2023 and includes all members of the ET and Executives, a total of 176 members in 2023, including the President and CEO.

The participants were granted Performance Share Awards on May 18, 2023. The value of the underlying shares in respect of the Performance Share Awards made to the President and CEO was 190% of the annual base salary, and for other participants ranged between 10% and 70% of the participants' respective annual base salaries at the time of grant. The share price used to calculate the number of shares to which the Performance Share Awards entitles was calculated as the volume weighted average of the market price of Ericsson B shares on Nasdaq Stockholm during the five trading days immediately following the publication of the Company's interim report for the fourth quarter of 2022.

Having evaluated the ongoing long-term variable compensation programs and considering investor input obtained, the Remuneration Committee and the Board of Directors proposed to the Annual General Meeting of shareholders 2023 a long-term variable compensation program 2023 similar to the long-term variable compensation program 2022 adjusting the Group Environmental, Social and Governance performance criterion ("ESG") on reducing carbon dioxide equivalent ("CO_2e") emissions in the Group's own activities from one to three annual targets. The purpose is to further strengthen Ericsson's commitment to long-term sustainability and responsible business. Hence again a one-year Group operating income (EBITA) target measured over the period January 1, 2023 to December 31, 2023 was included as a performance condition for LTV 2023 in addition to the standard three-year total shareholder return (TSR) performance conditions, which were also used for LTV 2022, LTV 2021 and LTV 2020 however with different weights.

The performance criteria relating to TSR are absolute TSR development and relative TSR development for the Ericsson B share over the period January 1, 2023 to December 31, 2025 (the performance period). The criteria related to ESG are split into two sub-components: reducing carbon dioxide equivalent ("CO_2e") emissions in the Group's own activities and increasing the representation of women leaders in the Group. The ESG performance criteria are being measured over the period January 1, 2023 to December 31, 2025 (the performance period), where the reducing carbon dioxide equivalent ("CO_2e") emissions in the Group's own activities is split into 3 annual targets.

The Remuneration Committee and the Board decided to propose a long-term variable remuneration program for 2023 with a similar structure as the long-term variable remuneration program for 2022 to the 2023 Annual General Meeting.

The performance criteria for LTV 2023 along with the details on how the performance criteria will be calculated and measured are explained in minutes from the AGM 2023 under Item 16.

The Board of Directors resolved on the achieved vesting level as outlined in the table "LTV and EPP Performance criteria".

2022 Long-Term Variable Compensation Program for the Executive Team (LTV 2022)

LTV 2022 was approved at the Annual General Meeting (AGM) of shareholders held in 2022 and includes all members of the ET, a total of 15 ET members in 2022, including the President and CEO.

The participants were granted Performance Share Awards on May 18, 2022. The value of the underlying shares in respect of the Performance Share

Note G3, cont'd.

Awards made to the President and CEO was 190% of the annual base salary, and for other participants ranged between 30% and 70% of the participants' respective annual base salaries at the time of grant. The share price used to calculate the number of shares to which the Performance Share Awards entitles was calculated as the volume weighted average of the market price of Ericsson B shares on Nasdaq Stockholm during the five trading days immediately following the publication of the Company's interim report for the fourth quarter of 2021.

Having evaluated the ongoing long-term variable compensation programs and considering investor input obtained, the Remuneration Committee and the Board of Directors proposed to the Annual General Meeting of shareholders 2022 a long-term variable compensation program 2022 for the Executive Team similar to the long-term variable compensation program 2021 adding a Group Environmental, Social and Governance performance criterion ("ESG"). The purpose is to further strengthen Ericsson's commitment to long-term sustainability and responsible business. Hence again a one-year Group operating income (EBIT) target measured over the period January 1, 2022 to December 31, 2022 was included as a performance condition for LTV 2022 in addition to the standard three-year total shareholder return (TSR) performance conditions, which were also used for LTV 2021, LTV 2020 and LTV 2019 however with different weights.

The performance criteria relating to TSR are absolute TSR development and relative TSR development for the Ericsson B share over the period January 1, 2022 to December 31, 2024 (the performance period). The criteria related to ESG are split into two sub-components: reducing carbon dioxide equivalent ("CO_2e") emissions in the Group's own activities and increasing the representation of women leaders in the Group. The ESG performance criteria are being measured over the period January 1, 2022 to December 31, 2024 (the performance period).

The Remuneration Committee and the Board decided to propose a long-term variable remuneration program for 2023 with a similar structure as the long-term variable remuneration program for 2022 to the 2023 Annual General Meeting.

The performance criteria for LTV 2022 along with the details on how the performance criteria will be calculated and measured are explained in minutes from the AGM 2022 under Item 16.

The Board of Directors resolved on the achieved vesting level as outlined in the table "LTV and EPP Performance criteria".

2021 Long-Term Variable Compensation Program for the Executive Team (LTV 2021)

LTV 2021 was approved at the Annual General Meeting (AGM) of shareholders held in 2021 and includes all members of the ET, a total of 15 ET members in 2021, including the President and CEO.

The participants were granted Performance Share Awards on May 3, 2021. The value of the underlying shares in respect of the Performance Share Awards made to the President and CEO was 190% of the annual base salary, and for other participants ranged between 30% and 70% of the participants' respective annual base salaries at the time of grant. The share price used to calculate the number of shares to which the Performance Share Awards entitles was calculated as the volume weighted average of the market price of Ericsson B shares on Nasdaq Stockholm during the five trading days immediately following the publication of the Company's interim report for the fourth quarter of 2020.

Following evaluation of the previously introduced Long-term variable compensation programs, the Board of Directors decided to use the same performance criteria for LTV 2021 as the ones used for LTV 2020, LTV 2019 and LTV 2018 in order to secure continuity and consistency in supporting achievement of the Company's 2022 targets. Hence again a one-year Group operating income (EBIT) target measured over the period January 1, 2021 to December 31, 2021 was included as a performance condition for LTV 2021 in addition to the standard three-year total shareholder return (TSR) performance conditions, which were also used for LTV 2020, LTV 2019 and LTV 2018.

The performance criteria relating to TSR are absolute TSR development and relative TSR development for the Ericsson B share over the period January 1, 2021 to December 31, 2023 (the performance period).

The performance criteria for LTV 2021 along with the details on how the performance criteria will be calculated and measured are explained in minutes from the AGM 2021 under Item 16.

The Board of Directors resolved on the achieved vesting level as outlined in the table "LTV and EPP Performance criteria".

2019 Long-Term Compensation Program and 2020 Long-Term Compensation Program for the Executive Team (LTV 2019 – 2020)

The Performance Share Awards vested during 2024 and the participants received the equivalent number of shares free of charge with the official closure of LTV 2019 and LTV 2020.

Cash-Settled Plans

Executive Performance Plans (EPP)

No new EPP plan was issued in 2023 as the eligible executives were offered the LTV 2023 share granted and vested Plan. The running Executive Performance Plans (EPP) continue to run over the performance period until vesting is complete.

The Executive Performance Plan (EPP) is a cash-settled plan which uses the same performance criteria as the ones under the respective year's long-term variable compensation program for the ET.

Senior managers, except for the members of the ET, are selected as participants to EPP annually through a nomination process that identifies individuals according to performance, potential, critical skills, and business critical roles.

There are two award levels, high and regular, which represent the potential award levels as a percentage of the participant's annual gross salary, which are determined separately by the Board of Directors for each year's plan before the plan is launched. Participants are assigned a potential award, which is converted into a number of synthetic shares based on the same market price of Ericsson B shares used for the respective year's LTV. The three-year vesting period is the same as for the LTV. The vesting level of the award is subject to the achievement of the same performance criteria over the same performance period defined for the respective year and generally requires that the participant retains his or her employment over the vesting period.

At the end of the vesting period, the allotted synthetic shares are converted into a cash amount, based on the market price of Ericsson B shares at Nasdaq Stockholm at the vesting date, and this final amount is paid to the participant in cash gross before tax.

Executive Performance Plan 2022 (EPP 2022)

165 senior managers were selected to participate in EPP 2022. The regular award level is set at 15% and the high award level is set at 25% for all countries except for the US/Canada. The regular and high award levels are set at 35% and 45% respectively in the US/Canada.

Executive Performance Plan 2021 (EPP 2021)

159 senior managers were selected to participate in EPP 2021. The regular award level is set at 15% and the high award level is set at 25% for all countries except for the US. The regular and high award levels are set at 25% and 35% respectively in the US. The awards under EPP 2021 were paid in 2024 at the end of the vesting period and EPP 2021 was officially closed.

Key Contributor Plans (KC Plans)

The KC Plan is a cash-settled retention plan. Employees, except for senior managers and the members of the ET, are selected as participants to KC Plan annually through a nomination process that identifies individuals according to performance, potential, critical skills, and business critical roles. Participants are assigned a potential award based on a percentage of their annual gross salary, which is converted into a number of synthetic shares based on the same market price of Ericsson B shares used for the respective year's LTV.

The KC Plan is a retention plan, therefore there are no performance criteria for vesting of awards. In general, there is a three-year service period for receiving the award in full and the award is subject only to continued employment during the service period. As of the KC 2019 plan the total service period is three years, however the payout is distributed over the entire service period with staggered payments according to the below schedule:

- 25% of the award to be paid at the end of the first year,
- 25% of the award to be paid at the end of the second year, and
- the remaining 50% of the award to be paid at the end of the third year.

Accounting wise, the plans with three staggered payments are seen as three separate tranches. The tranches are accounted for as separate awards and accrued in parallel with the same grant date but different vesting dates. The consequence of the staggered payments is a front-end loaded cost for these plans. The accounting model is referred to as staged vesting.

Note G3, cont'd.

The value of each synthetic share is driven by the absolute share price performance of Ericsson B shares during the service period. At the end of the service period, the allotted synthetic shares are converted into a cash amount, based on the market price of Ericsson B shares Nasdaq Stockholm at the vesting date, and this final amount is paid to the participant in cash gross before tax.

Key Contributor Plans 2024 (KC Plan 2024)
9,538 employees were selected to participate in KC Plan 2024. In general there are multiple levels between 10%–50% of the participants' annual gross salary (deviation exists in legal entities Vonage). The total service period is three years, however the payout is distributed over the entire service period with staggered payments as explained under Key Contributor Plans (KC Plans).

Key Contributor Plans 2023 (KC Plan 2023)
10,154 employees were selected to participate in KC Plan 2023. There are multiple levels between 10%–50% of the participants' annual gross salary. The total service period is three years, however the payout is distributed over the entire service period with staggered payments as explained under Key Contributor Plans (KC Plans). The former Vonage entitlements are included and updated in the numbers and accordingly expensed.

In addition, former Vonage has issued a retention plan to 87 participants with a two-year service period, no performance criteria and the vesting is 50%/50% on each annual anniversary.

Key Contributor Plan 2022 (KC Plan 2022)
7,704 employees were selected to participate in KC Plan 2022. There are at multiple levels between 10%–40% of the participants' annual gross salary. The total service period is three years, however the payout is distributed over the entire service period with staggered payments as explained under Key Contributor Plans (KC Plans).

Cradlepoint Key Contributor Conversion Plan 2022 (KC Conversion Plan 2022)
The KC Conversion Plan is a cash-settled retention plan with 95 participants. The plan has a closed participation group and there will not be any new participants. There is a two-year service period, no performance criteria, (February 2022–February 2024) for receiving the award in full. The payout is distributed over the two-year period: 50% of the award was paid March 2023: USD 4.8 million and 50% of the award was paid March 2024. The value of each payout is based on the share price of Ericsson B shares at vesting date.

Key Contributor Plan 2021 (KC Plan 2021)
7,246 employees were selected to participate in KC Plan 2021. There are three award levels at 10%, 25% and 30% of the participants' annual gross salary. The total service period is three years, however the payout is distributed over the entire service period with staggered payments as explained under Key Contributor Plans (KC Plans) and was officially closed in 2024.

Claw back policy
In 2023, the Board of Directors of the Company adopted a written claw back policy for the purpose of recovering certain incentive compensation from executive officers in the event of a required accounting restatement, and to disclose any recovered compensation. This policy is applicable in parallel to the claw back rights contained in the guidelines for remuneration to Group management, and ongoing compensation programs (which are connected to breaches of Ericsson's Code of Business Ethics).

Number of shares
The awards granted to the participants of the LTV programs and the development of the granted shares over time, considering the fulfilment of performance conditions, are displayed in the below table.

Number of shares for Executive Team and Executives

(million) Share-settled programs	LTV 2024	LTV 2023	LTV 2022	LTV 2021
Maximum shares required	10.4	4.1	2.0	2.1
Granted shares	4.0	3.7	0.7	0.6
of which the president and CEO	0.5	0.6	0.3	0.3

Outstanding number of shares

	Executive Team/ Executives programs[1]						of which the President and CEO					
(million) Share-settled programs	LTV 2024	LTV 2023	LTV 2022	LTV 2021	Prior 2021[2]	Total	LTV 2024	LTV 2023	LTV 2022	LTV 2021	Prior 2021[2]	Total
Outstanding number of shares, beginning of period	–	2.0	0.9	0.5	1.7	5.1	–	0.3	0.4	0.3	0.7	1.7
Granted shares for current year program	4.0	–	–	–	–	4.0	0.5	–	–	–	–	0.5
Exercised	–	–	–	–0.5	–1.5	–2.0	–	–	–	–0.3	–0.7	–1.0
Forfeited	–	–0.2	–0.1	–	–0.2	–0.5	–	–	–	–	–	–
Increase/decrease due to performance condition	0.7	0.1	–0.2	–	–	0.6	0.1	–	–0.1	–	–	–
Outstanding number of shares, end of period	4.7	1.9	0.6	–	–	7.2	0.6	0.3	0.3	–	–	1.2

[1] LTV 2023 and 2024 include Executive Team and Executives.
[2] Includes LTV 2019 and LTV 2020 programs.

Compensation expense
The table below, Compensation expense for LTV 2021-2024, shows the compensation expense relating to the open programs in the current year. Therefore, the expense shown in the prior year columns will not necessarily agree to the expense in the income statement for that financial period. The compensation expense under the current year column is the expense in the income statement for 2024.

The compensation expense is based on the FV and the number of shares or synthetic shares. The compensation expense for the share-settled long-term variable compensation programs for the President and CEO, the ET and Executives during 2024 was SEK 93 (82) million. The compensation expense for the EPP and the KC Plans during 2024, which are cash settled, was SEK 27 (39) million and SEK 1,953 (1,250) million respectively. The total compensation expense during 2024 amounted to SEK 2,073 (1,371) million.

The total provision for the cash-settled plans amounted to SEK 2,992 (1,584) million, including social security charges of SEK 272 (153) million, at the end of 2024.

Note G3, cont'd.

Compensation expense for LTV 2021–2024

(million)	2024	2023	2022	2021	Total
Share-settled programs[1]					
LTV 2024	44	–	–	–	44
LTV 2023	24	25	–	–	49
LTV 2022	18	20	12	–	50
LTV 2021	7	31	36	24	98
Total share-settled programs	**93**	**76**	**48**	**24**	**241**
of which the President and CEO	*24*	*28*	*22*	*11*	*85*
Cash-settled plans					
EPP 2022	30	20	12	–	62
EPP 2021	–3	16	15	17	45
Total executive performance plans	**27**	**36**	**27**	**17**	**107**
KC 2024	1,127	–	–	–	1,127
KC 2023	620	811	–	–	1,431
KC 2022	217	330	280	–	827
KC 2021	–11	91	89	355	524
Total key contributor plans	**1,953**	**1,232**	**369**	**355**	**3,909**
Total cash-settled plans	**1,980**	**1,268**	**396**	**372**	**4,016**
Total compensation expense	**2,073**	**1,344**	**444**	**396**	**4,257**

[1] LTV 2024 and 2023 include Executive Team and Executives

Fair value (FV)

The compensation expense for the share-settled plans is based on FV and the number of shares. The FV for the LTV programs includes adjustments for absolute and relative TSR development performance criteria at the grant date, using a Monte Carlo model, which uses a number of inputs, including expected dividends, expected share price volatility and the expected period to exercise. The performance criteria of the LTV program are also based on the outcome of the Group operating income (EBITA) as per fiscal year 2024 and 2023 and Group operating income (EBIT) as per fiscal years 2022 and 2021. The FV for the Group operating income (EBITA and EBIT) performance criteria is calculated as the share price at grant date, reduced by the net present value of the dividend expected during the three-year vesting period. For the performance criteria the number of shares is adjusted in relation to the achievement level of the performance criteria at the end of the performance period.

Fair values (SEK)

Executive team/Executives programs	LTV 2024	LTV 2023	LTV 2022	LTV 2021
Share price at grant	61.46	55.59	78.88	116.66
Fair value Absolute TSR	59.05	32.75	41.18	113.47
Fair value ESG – Environmental (1,2,3)	53.61	47.80	71.45	–
Fair value ESG – Social	53.61	47.80	71.45	–
Fair value Relative TSR	55.61	39.40	54.48	108.61
Fair value Group operating income (EBITA and EBIT)	53.61	47.80	71.45	110.70

Payout of Cash-settled Plan

During 2024 four plans vested: EPP 2021, KC Plan 2021 tranche 3, KC Plan 2022 tranche 2 and KC Plan 2023 tranche 1 (vesting February). The share price for the plan that vested February 18, 2024 was SEK 55.63 and the accumulated payout to the participants amounted to SEK 632.2 million.

The Ericsson share purchase plan (ESPP)

Ericsson is committed to helping employees thrive and to recognizing them for the impact they create by providing opportunities to enrich their working experience. In order to encourage employees to play an active role in achieving the Company's purpose, further create sense of belonging and ownership, the new Ericsson share purchase plan was launched in November 2021. At the end of 2024 the plan is implemented in 69 countries to 76,000 eligible employees.

The ESPP is an all-employee share purchase plan that enables employees to purchase Ericsson B-shares up to a maximum value of SEK 55,000 per year via monthly payroll deduction. In recognition of the employees' commitment, Ericsson supports the participants with a net cash payment up to 15% of their elected contribution amounts and will cover the tax on the Company supported amount, which is payable via payroll. Under the ESPP participants will acquire Ericsson B shares at market price on the stock exchange and the ESPP does therefore not have any dilutive effect.

Ericsson share purchase plan

Eligible employees	Number of countries with ESPP	Number of participants	Take-up rate – percent of eligible employees
76,000	69	13,148	17.3%

Option agreements

Prior to taking office as President and CEO of Ericsson, Board member Börje Ekholm entered into an option agreement in 2016 with Investor AB and AB Industrivärden, shareholders of Ericsson. Each of these two shareholders has issued 1,000,000 call options to Börje Ekholm on market terms (valuation conducted, using the Black & Scholes model, by an independent third party). Under the agreements, Börje Ekholm purchased a total of 2,000,000 call options issued by the shareholders, for a purchase price of SEK 0.49 per call option. Each call option entitled the purchase of one Ericsson Class B

Note G3, cont'd.

share from the shareholders at a strike price of SEK 80 per share (adjusted for dividend effects during the option period) after a seven-year period. The exercise period was one year with the possibility of extending it by up to one year in the event that the holder is unable to exercise the option during the exercise period due to a regulatory restriction or prohibition. The option program was concluded in November 2024 through a cash settlement. A total of 2,000,000 call options were exercised with net proceeds of SEK 2.44 per option. As the call options were purchased on market terms as described above, no compensation expense has been recognized by the Group during the option period.

In 2024, Board Chair Jan Carlson entered into an option agreement with Investor AB, a shareholder of Ericsson, for the acquisition of 132,538 call options relating to shares in Telefonaktiebolaget LM Ericsson. Under the agreement, Investor AB has issued call options to Jan Carlson on market terms (valuation conducted, using the Black & Scholes model, by an independent third party) and Jan Carlson purchased the call options at a price of SEK 15.09 per call option. Each call option entitles the purchase of one Ericsson Class B share from Investor AB at a strike price of SEK 68.62 per share (to be recalculated to neutralize the effects of dividend payments during the option period) after a six-year period starting May 7, 2024. The exercise period is one year with the possibility to be extended for up to one year in the event that the holder is unable to exercise the option during the exercise period due to a regulatory restriction or prohibition. Due to the fact that the call options were purchased on market terms as described above, no compensation expense has been recognized by the Company during the option period and will not be recognized during the remaining part of the option period.

G4 Employee information

Average number of employees by market area

	2024			2023		
	Women	Men	Total	Women	Men	Total
North America	2,624	7,585	10,209	2,720	8,546	11,266
Europe and Latin America[1]	11,074	31,566	42,640	11,772	33,740	45,512
South East Asia, Oceania and India	6,199	20,453	26,652	6,035	21,625	27,660
North East Asia	3,941	7,434	11,375	4,293	8,403	12,696
Middle East and Africa	890	3,388	4,278	886	3,624	4,510
Total	**24,728**	**70,426**	**95,154**	**25,706**	**75,938**	**101,644**
[1] of which in EU	*8,314*	*23,856*	*32,170*	*8,900*	*25,564*	*34,464*
of which in Sweden	*3,125*	*9,259*	*12,384*	*3,393*	*10,224*	*13,617*

Number of employees by market area at year-end

	2024	2023
North America	9,935	10,744
Europe and Latin America[1]	43,353	45,380
South East Asia, Oceania and India	26,389	27,016
North East Asia	10,426	12,331
Middle East and Africa	4,133	4,481
Total	**94,236**	**99,952**
[1] of which in EU	*33,342*	*34,763*
of which in Sweden	*13,420*	*13,977*

Number of employees by age at year-end 2024

	Women	Men	Percent of total
Under 25 years old	1,276	1,595	3%
25–35 years old	8,418	16,595	27%
36–45 years old	8,057	25,560	36%
46–55 years old	4,894	17,180	23%
Over 55 years old	2,328	8,333	11%
Percent of total	**27%**	**73%**	**100%**

Employee movements

	2024	2023
Headcount at year-end	94,236	99,952
Employees who have left the Company	11,919	13,362
Employees who have joined the Company	6,203	7,785
Temporary employees	339	433

Board members, Presidents and Group management at year end

	2024		2023	
	Women	Men	Women	Men
Parent Company				
Board members and President	25%	75%	38%	62%
Group Management	24%	76%	25%	75%
Subsidiaries				
Board members and Presidents	23%	77%	21%	79%

Amounts related to the President and CEO and the Executive Leadership Team are included in the table below.

Wages and salaries and social security expenses

SEK million	2024	2023
Wages and salaries	77,983	84,996
Social security expenses	15,422	16,442
of which pension costs	*5,929*	*6,175*

Remuneration to Board members and Presidents in subsidiaries

SEK million	2024	2023
Salary and other remuneration	535	459
of which annual variable remuneration	*112*	*109*
Pension costs[1]	36	36

[1] Pension costs are over and above any social security charges and taxes.

Section H – Other

H1 Taxes

The Company's tax expense was SEK −2,215 (−2,785) million or 85.6% (−11.9%) of income after financial items. The tax rate may vary between years depending on business and geographical mix.

Income taxes recognized in the income statement

	2024	2023	2022
Current income taxes for the year	−6,461	−4,289	−7,353
Current income taxes related to prior years	−162	118	253
Deferred tax income/expense (+/−)	4,563	1,406	1,617
Share of taxes in associated companies	−102	−20	−14
Pillar Two tax expense	−53	–	–
Income tax expense	**−2,215**	**−2,785**	**−5,497**

A reconciliation between reported tax expense for the year and the theoretical tax expense that would arise when applying the statutory tax rate in Sweden, 20.6%, on the consolidated income/loss before taxes, is shown in the table below.

The tax rate is negatively impacted by the effect on non-tax deductible goodwill and the remeasurement of tax loss carry-forwards and positively impacted by the other intangible asset impairments mainly related to Vonage of SEK 15.1 (31.9) billion. In 2022 taxes were positively impacted by SEK 411 million as a result of utilization of previously expensed withholding tax assets in Sweden and negatively impacted by the tax effect of the provision for the Department of Justice (DOJ) settlement of SEK 450 million.

Reconciliation of Swedish income tax rate with effective tax rate

	2024	2023	2022
Calculated tax expense at Swedish tax rate of 20.6%	−533	4,804	−5,070
Effect of foreign tax rates	430	−884	−605
Current income taxes related to prior years	−162	118	253
Remeasurement of tax loss carry-forwards	−973	−28	−49
Remeasurement of deductible temporary differences	308	394	15
Withholding tax expense	−780	−217	–
Recognition of previously expensed withholding tax	–	–	411
Tax effect of non-deductible expenses	−1,045	−7,311	−760
Tax effect of non-taxable income	655	335	327
Tax effect of changes in tax rates	−62	4	−19
Pillar Two tax expense	−53	–	–
Income tax expense	**−2,215**	**−2,785**	**−5,497**
Effective tax rate	*85.6%*	*−11.9%*	*22.3%*

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about any deferred tax assets or liabilities related to Pillar Two income taxes.

Deferred tax balances

Deferred tax assets and liabilities are derived from the balance sheet items as shown in the table below. The table includes the effect of the IAS 12 amendments on deferred tax arising from a single transaction effective January 1, 2023.

Tax effects of temporary differences and tax loss carry-forwards

	Deferred tax assets	Deferred tax liabilities	Net balance
2024			
Intangible assets and property, plant and equipment	1,447	3,457	
Right-of-use assets and similar assets	–	1,199	
Current assets	4,340	1,323	
Post-employment benefits	4,778	229	
Provisions	4,788	–	
Lease liabilities and similar liabilities	1,307	–	
Deferred tax credits	5,027	–	
Other	2,394	359	
Loss carry-forwards	5,603	–	
Deferred tax assets/liabilities	**29,684**	**6,567**	**23,117**
Netting of assets/liabilities	−5,272	−5,272	
Deferred tax assets/liabilities, net	**24,412**	**1,295**	**23,117**
2023			
Intangible assets and property, plant and equipment	1,195	7,193	
Right-of-use assets and similar assets	–	1,272	
Current assets	3,413	1,313	
Post-employment benefits	5,297	477	
Provisions	3,980	–	
Lease liabilities and similar liabilities	1,337	–	
Deferred tax credits	5,453	–	
Other	2,095	178	
Loss carry-forwards	6,158	–	
Deferred tax assets/liabilities	**28,928**	**10,433**	**18,495**
Netting of assets/liabilities	−6,553	−6,553	
Deferred tax assets/liabilities, net	**22,375**	**3,880**	**18,495**

Changes in deferred taxes, net

	2024	2023
Opening balance, net	18,495	14,610
Recognized in net income	4,563	1,406
Recognized in other comprehensive income	505	−631
Balances regarding acquired/divested businesses	–	−57
Deferred tax credits increase (+) / utilization (−)	−685	3,249
Translation difference	239	−82
Closing balance, net	**23,117**	**18,495**

Tax on items charged to Equity and Other comprehensive income

	2024	2023	2022
Remeasurements of defined benefits pension plans	−147	−251	−2,093
Revaluation of credit risk on borrowings	117	137	−212
Cash flow hedge reserves	652	−380	−671
Non-controlling interests	2	–	−4
Total	**624**	**−494**	**−2,980**

Note H1, cont'd.

Tax on items charged to Equity and Other comprehensive income (OCI) is presented in the table above. Of the total tax effect reported in OCI, SEK 507 (–631) million is deferred tax and SEK 117 (137) million is current tax.

As a result of Parent Company exemptions from tax on dividends from subsidiaries and on capital gains on disposal, there are no significant taxable temporary differences associated with investments in subsidiaries, branches and associates.

Tax loss carry-forwards

Significant tax assets regarding tax loss carry-forwards are reported to the extent that realization of the related tax benefit through future taxable profits is probable also when considering the period during which these can be utilized, as described below.

The majority of the recognized tax loss carry-forwards pertain to Sweden, US, Germany and Brazil. These countries have long or indefinite periods of utilization. Of the total SEK 5,603 (6,158) million recognized deferred tax assets related to tax loss carry-forwards, SEK 3,815 (4,172) million relates to Sweden.

Future profit projections support the conclusion that the deferred tax assets will be utilized in the foreseeable future.

As of December 31, 2024, the recognized tax loss carry-forwards amounted to SEK 25,354 (27,666) million. The tax value of the tax loss carry-forwards is reported as a tax asset based on the utilization periods and the expectation that the Group will realize a significant taxable income to offset these loss carry-forwards. The tax loss carry-forwards of SEK 11,025 (8,918) million at a tax value of SEK 2,399 (1,819) million have not been recognized due to judgments that they are unlikely to be utilizable against future taxable profits in the respective jurisdictions. The majority of both recognized and unrecognized tax loss carry-forwards have an expiration date in excess of five years. The majority of unrecognized tax loss carry-forwards pertains to US, Ireland, Hungary and the UK. The final years which the recognized and unrecognized tax loss carry-forwards can be utilized are shown in the following table.

Tax loss carry-forwards

	Recognized tax loss		Unrecognized tax loss	
Year of expiration	Tax loss carry-forwards	Tax value	Tax loss carry-forwards	Tax value
2025	58	10	136	19
2026	2	1	160	26
2027	10	2	1,331	327
2028	59	15	450	107
2029	300	85	118	16
2030 or later (also includes unlimited carry-forwards)	24,925	5,490	9,052	1,960
Total	**25,354**	**5,603**	**11,247**	**2,455**

Deferred tax credits

In addition to deferred tax credits of SEK 5,027 (5,453) million recognized in 2024, unused deferred tax credits, relating mainly to R&D tax credits, for which no deferred tax asset was recognized in the consolidated balance sheet amounted to SEK 1,114 (1,148) million. The final years in which the tax credits can be utilized are shown in the below table.

Risk assessment on the business plans is carried out on a regular basis, and deferred tax asset recoverability analysis will be performed if conditions suggest that such assets might need to be impaired.

Deferred tax credits

	Recognized deferred tax creditis	Unrecognized deferred tax credits
Year of expiration	Tax value	Tax value
2025	32	108
2026	121	122
2027	33	105
2028	1,376	9
2029	2,132	10
2030 or later	1,333	760
Total	**5,027**	**1,114**

H2 Earnings per share

	2024	2023	2022
Basic			
Net income (loss) attributable to owners of the Parent Company (SEK million)	20	–26,446	18,724
Average number of shares outstanding, basic (millions)	3,332	3,330	3,330
Earnings (loss) per share, basic (SEK)	**0.01**	**–7.94**	**5.62**
Diluted			
Net income (loss) attributable to owners of the Parent Company (SEK million)	20	–26,446	18,724
Average number of shares outstanding, basic (millions)	3,332	3,330	3,330
Dilutive effect for share-based compensation programs (millions)	7	–	4
Average number of shares outstanding, diluted (millions)	3,339	3,330	3,334
Earnings (loss) per share, diluted (SEK)	**0.01**	**–7.94**	**5.62**

H3 Statement of cash flows

Cash and cash equivalents include cash of SEK 19,622 (17,686) million and cash equivalents of SEK 24,263 (17,504) million. For more information regarding the disposition of cash and cash equivalents and unutilized credit commitments, see note F1 "Financial risk management."

Cash and cash equivalents as of December 31, 2024, include SEK 727 (1,115) million in countries where there exist significant cross-border conversion restrictions due to hard currency shortage or strict government controls. This amount is not directly available for distribution to the Parent Company or be used to pay normal business expenditures in the local jurisdictions for the next 12 months.

Adjustments to reconcile net income to cash

	2024	2023	2022
Property, plant and equipment			
Depreciations	3,861	4,272	4,114
Impairment losses	282	662	274
Total	**4,143**	**4,934**	**4,388**
Right-of-use assets			
Depreciations	2,179	2,427	2,451
Impairment losses	99	154	66
Total	**2,278**	**2,581**	**2,517**
Intangible assets			
Amortizations			
Capitalized development expenses	1,480	1,137	1,586
Customer relationships, IPRs and other intangible assets	2,500	3,321	1,991
Total amortizations	*3,980*	*4,458*	*3,577*
Impairments			
Customer relationships, IPRs and other intangible assets	14,073	19	61
Goodwill	1,260	31,897	–
Total impairments	*15,333*	*31,916*	*61*
Total	**19,313**	**36,374**	**3,638**
Total depreciation, amortization and impairment losses on property, plant and equipment and intangible assets	**25,734**	**43,889**	**10,543**
Taxes	2,540	3,189	5,383
Dividends from associates[1]	111	46	58
Undistributed earnings in associates[1]	348	–104	–3
Gains/losses on investments and sale of operations, intangible assets and PP&E, net[2]	153	268	–287
Other non-cash items[3]	1,731	4,422	1,944
Total adjustments to reconcile net income to cash	**30,617**	**51,710**	**17,638**

[1] See note E3 "Associated companies."
[2] Includes revaluation gains and losses on investments, see note B4 "Other operating income and expenses.
[3] Relates mainly to unrealized foreign exchange, gains/losses on financial instruments.

For information about reconciliation of liabilities arising from financing activities, see note F4 "Interest-bearing liabilities."

Acquisitions/divestments of subsidiaries and other operations

	Acquisitions	Divestments
2024		
Cash flow from business combinations[1]	–141	–
Acquisitions/divestments of other investments/associates	–256	86
Total	**–397**	**86**
2023		
Cash flow from business combinations[1]	–1,309	–633
Acquisitions/divestments of other investments	– 206	8
Total	**–1,515**	**–625**
2022		
Cash flow from business combinations[1]	–51,734	20
Acquisitions/divestments of other investments	–261	287
Total	**–51,995**	**307**

[1] See also note E2 "Business combinations."

H4 Related party transactions

SEK billion	2024	2023	2022
Sales to Ericsson Nikola Tesla	0.4	0.4	0.3
Purchases from Ericsson Nikola Tesla	1.6	1.6	1.5

IAS 24, "Related Party Disclosures" requires disclosure of related party relationships, transactions and outstanding balances.

During 2024, various minor related party transactions were executed pursuant to contracts based on terms customary in the industry and negotiated on an arm's length basis. The main related party transactions related to Ericsson Nikola Tesla d.d located in Croatia, where Ericsson holds 49.07% of the shares. For information regarding equity and Ericsson's share of assets, liabilities and income in associated companies, see note E3 "Associated companies."

For information regarding transactions with the Board of Directors and Group management, see note G2 "Information regarding members of the Board of Directors and Group management."

For information about the Company's pension trusts, see note G1 "Post-employment benefits."

H5 Fees to auditors

	Deloitte	Others	Total
2024			
Audit fees	178	21	199
Audit-related fees	4	3	7
Tax fees	3	50	53
All other fees	2	35	37
Total	**187**	**109**	**296**
2023			
Audit fees	164	8	172
Audit-related fees	6	–	6
Tax fees	12	13	25
All other fees	–	37	37
Total	**182**	**58**	**240**
2022			
Audit fees	163	7	170
Audit-related fees	7	2	9
Tax fees	2	11	13
All other fees	1	22	23
Total	**173**	**42**	**215**

At the 2024 Annual General Meeting, Deloitte was appointed auditor for the period until the 2025 Annual General Meeting.

The audit-related services include quarterly reviews and assurance regarding Ericsson's Sustainability and Corporate Responsibility Report. The tax services include corporate tax compliance work. Other services include work related to agreed-upon-procedures engagements.

H6 Events after the reporting period

Ericsson appoints Charlotte Levert as Chief People Officer

On February 5, 2025, Ericsson announced the appointment of Charlotte Levert as its new Chief People Officer, Senior Vice President, and Head of Group Function People. Charlotte Levert who is currently Vice President and Head of People Business Area Cloud and Software Services will replace MajBritt Arfert, whose departure Ericsson announced in October 2024. Charlotte Levert took up her new position on February 10 and is based in Sweden.

Ericsson announces changes to the Executive Team and to the Market Area structure

On February 25, 2025, Ericsson announced changes to its Executive Team and to its global operating structure, consolidating its regional structure in a more efficient way. Per Narvinger has been appointed Executive Vice President and Head of Business Area Networks. Jenny Lindqvist has been appointed Head of Cloud Software and Services. Fredrik Jejdling will step down as Head of Business Area Networks on March 15, 2025, and remain an executive advisor to the business until June 30, 2025.

In Ericsson's new operating structure, two new Market Areas will be created to replace Market Area North America, Market Area Europe and Latin America and Market Area Middle East and Africa. Market Area Americas will be headed by Yossi Cohen and Market Area Europe, Middle East & Africa will be headed by Patrick Johansson.

Parent Company financial statements with notes

Parent Company financial statements

Notes to the Parent Company financial statements

Parent Company financial statements

Parent Company income statement

January–December, SEK million	Notes	2024	2023	2022
Selling expenses		–125	–203	–298
Administrative expenses		–1,195	–1,615	–1,194
Operating expenses		**–1,320**	**–1,818**	**–1,492**
Other operating income and expenses	P2	4,827	3,606	691
Earnings (loss) before financial items and taxes (EBIT)		**3,507**	**1,788**	**–801**
Financial income and expenses, net	P3	3,138	–2,496	19,213
Income (loss) after financial items		**6,645**	**–708**	**18,412**
Contributions to subsidiaries, net	P13	–2,415	–81	–7,272
		4,230	**–789**	**11,140**
Taxes	P4	–488	–382	631
Net income (loss)		**3,742**	**–1,171**	**11,771**

Parent Company statement of comprehensive income (loss)

January–December, SEK million	2024	2023	2022
Net income (loss)	**3,742**	**–1,171**	**11,771**
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss			
Cash flow hedge reserve			
Gains/losses arising during the period	–	–	3,703
Transfer to investments	–	–	–3,677
Tax on items that will not be reclassified to profit or loss	–	–	–758
Total other comprehensive loss, net of tax	**–**	**–**	**–732**
Total comprehensive income (loss)	**3,742**	**–1,171**	**11,039**

Parent Company balance sheet

SEK million	Notes	Dec 31 2024	Dec 31 2023
Assets			
Non-current assets			
Intangible assets	P5	160	–
Tangible assets	P6	295	344
Financial assets			
Investments in subsidiaries	P7, P8	93,569	106,534
Investments in associated companies	P7, P8	628	628
Other investments in shares and participations	P7	1,998	2,059
Receivables from subsidiaries	P7, P10	5,352	6,635
Customer finance, non-current	P9	193	150
Deferred tax assets	P4	534	561
Other financial assets, non-current	P7	8	26
Interest-bearing securities, non-current	P7, P17	19,439	9,930
		122,176	**126,867**
Current assets			
Trade receivables	P9	5	6
Customer finance, current	P9	128	81
Receivables from subsidiaries	P10	15,194	17,839
Current income taxes		1	84
Other current receivables	P11	4,548	4,423
Interest-bearing securities, current	P17	12,222	9,355
Cash and cash equivalents	P17	27,073	15,640
		59,171	**47,428**
Total assets		**181,347**	**174,295**
Stockholders' equity, provisions and liabilities			
Stockholders' equity	P12		
Capital stock		16,743	16,722
Revaluation reserve		20	20
Statutory reserve		31,472	31,472
Restricted equity		**48,235**	**48,214**
Retained earnings		18,593	28,755
Net income (loss)		3,742	–1,171
Non-restricted equity		**22,335**	**27,584**
		70,570	**75,798**
Provisions			
Post-employment benefits	P14	6	3
Other provisions	P15	138	272
		144	**275**
Non-current liabilities			
Notes and bond loans	P16	21,511	20,975
Other borrowings, non-current	P16	10,289	8,096
Other non-current liabilities		84	79
		31,884	**29,150**
Current liabilities			
Borrowings, current	P16	5,509	15,578
Trade payables	P19	412	435
Liabilities to subsidiaries	P10	67,806	47,585
Other current liabilities	P18	5,022	5,474
		78,749	**69,072**
Total stockholders' equity, provisions and liabilities		**181,347**	**174,295**

Parent Company statement of cash flows

January–December, SEK million	Notes	2024	2023	2022
Operating activities				
Net income (loss)		3,742	–1,171	11,771
Adjustments to reconcile net income to cash	P22	18,258	34,369	8,382
		22,000	**33,198**	**20,153**
Changes in operating net assets				
Customer finance, current and non-current		–91	313	242
Trade receivables		1,363	–1,717	–5
Trade payables		–113	–3	243
Provisions and post-employment benefits		–130	–2,161	2,142
Other operating assets and liabilities, net		–428	1,033	–1,068
		601	**–2,535**	**1,554**
Interest received		3,523	3,786	1,708
Interest paid		–5,311	–4,310	–1,542
Taxes paid/received		–455	–337	–259
Cash flow from operating activities		**20,358**	**29,802**	**21,614**
Investing activities				
Investments in property, plant and equipment		–71	–83	–81
Investments in intangible assets		–5	–	–
Investments in shares and other investments		–1,054	–12,031	–58,586
Divestments of shares and other investments		375	1,227	552
Other investing activities		–4,366	1,908	–3,634
Purchase of investments		–15,950	–12,887	–13,583
Sale of investments		8,561	9,845	40,541
Cash flow from investing activities		**–12,510**	**–12,021**	**–34,791**
Cash flow before financing activities		**7,848**	**17,781**	**–13,177**
Financing activities				
Borrowings from subsidiaries		51,614	72,081	57,291
Repayment of loans from subsidiaries		–50,777	–51,527	–53,716
Proceeds from issuance of borrowings		3,061	15,989	7,777
Repayment of borrowings		–13,808	–3,333	–9,993
Share issue		21	50	–
Repurchase of own shares		–21	–50	–
Dividends paid		–8,997	–8,991	–8,325
Settled contributions from/to (–) subsidiaries		–81	–7,272	–1,526
Other financing activities		20,806	–41,387	7,353
Cash flow from financing activities		**1,818**	**–24,440**	**–1,139**
Effect from remeasurement in cash		1,767	–1,432	919
Net change in cash		**11,433**	**–8,091**	**–13,397**
Cash and cash equivalents, beginning of period		**15,640**	**23,731**	**37,128**
Cash and cash equivalents, end of period	P17	**27,073**	**15,640**	**23,731**

Parent Company statement of changes in stockholders' equity

SEK million	Capital stock	Revaluation reserve	Statutory reserve	Total restricted equity	Disposition reserve	Other retained earnings	Non-restricted equity	Total
2024								
January 1, 2024	16,722	20	31,472	48,214	100	27,484	27,584	75,798
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**3,742**	**3,742**	**3,742**
Transactions with owners								
Share issue, net	21	–	–	21	–	–	–	21
Repurchase of own shares	–	–	–	–	–	–21	–21	–21
Long-term variable compensation plans	–	–	–	–	–	27	27	27
Dividends paid	–	–	–	–	–	–8,997	–8,997	–8,997
December 31, 2024	**16,743**	**20**	**31,472**	**48,235**	**100**	**22,235**	**22,335**	**70,570**
2023								
January 1, 2023	16,672	20	31,472	48,164	100	37,653	37,753	85,917
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**–**	**–1,171**	**–1,171**	**–1,171**
Transactions with owners								
Share issue, net	50	–	–	50	–	–	–	50
Repurchase of own shares	–	–	–	–	–	–50	–50	–50
Long-term variable compensation plans	–	–	–	–	–	43	43	43
Dividends paid	–	–	–	–	–	–8,991	–8,991	–8,991
December 31, 2023	**16,722**	**20**	**31,472**	**48,214**	**100**	**27,484**	**27,584**	**75,798**

Notes to the Parent Company financial statements

P1 Material accounting policies

The financial statements of the Parent Company, Telefonaktiebolaget LM Ericsson, have been prepared in accordance with the Annual Accounts Act and RFR 2 "Reporting in separate financial statements." RFR 2 requires the Parent Company to use the same accounting principles as for the Group, i.e., IFRS, to the extent allowed by RFR 2.

The main deviations between accounting policies adopted for the Group and accounting policies for the Parent Company are:

Subsidiaries and associated companies
The investments are accounted for according to the acquisition cost method. Investments are carried at cost and only dividends are accounted for in the income statement. An annual impairment test for the investments in each subsidiary is performed in the fourth quarter, or when there is an indication of impairment. An impairment loss is recognized if the carrying amount of an investment exceeds the sum of the subsidiary's equity and related goodwill, intangible liabilities and deferred tax liabilities or its estimated future cash flows after tax. Cash flows are discounted to present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Contributions to/from subsidiaries and shareholders' contributions are accounted for according to RFR 2. Contributions from/to Swedish subsidiaries are reported net in the income statement. Shareholders' contributions increase the Parent Company's investments.

Classification and measurement of financial instruments
IFRS 9 "Financial instruments" is adopted, except regarding financial guarantees and revaluation of borrowings due to change in credit risk. Financial guarantees are included in contingent liabilities according the exception allowed in RFR 2. Revaluation of borrowings due to change in credit risk are reported in the income statement.

Leases
Leases are reported according to the exception allowed in RFR 2. For leases where the Parent Company is lessee this means that the right-of-use assets and liabilities are not recognized on the balance sheet. Costs under the lease are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease. For leases where the Parent Company is lessor, the equipment is recorded as property, plant and equipment and revenue as well as depreciation is recognized on a straight-line basis over the lease term. Expenses related to the lease income are recognized when incurred. Direct expenses incurred when a lease agreement is entered are added to the carrying amount of the leased asset and expensed over the lease period on the same basis as the lease income.

Deferred taxes
The accounting of untaxed reserves in the balance sheet results in different accounting of deferred taxes as compared to the principles applied in the consolidated statements. Swedish GAAP and tax regulations require a company to report certain differences between the tax basis and book value as an untaxed reserve in the balance sheet of the standalone financial statements. Changes to these reserves are reported as an addition to, or withdrawal from, untaxed reserves in the income statement.

Pensions
Pensions are accounted for according to the simplification rule in RFR 2. The pension obligation is secured with transferring of funds to a pension trust. A net pension obligation is only accounted for to the extent that the fair value of the trust is lower than the pension obligation. According to RFR 2, disclosures from IAS 19 is adopted as applicable.

Business combinations
Transaction costs attributable to the acquisition are included in the cost of acquisition in the Parent Company statements compared to Group statements where these costs are expensed as incurred.

Judgments and critical accounting estimates
See notes to the consolidated financial statements – note A2 "Judgments and critical accounting estimates." Major judgments and critical accounting estimates applicable to the Parent Company include trade and customer finance receivables and acquired intellectual property rights and other intangible assets, excluding goodwill.

Changes in accounting policies
On January 1, 2024, the following amendments issued by the IASB were adopted with no material impact on the results and financial position of the Parent Company.
- Amendments to IAS 1 Presentation of financial statements – Classification of liabilities as current or non-current
- Amendments to IAS 1 Presentation of financial statements – non-current liabilities with covenants
- Amendments to IFRS 16 Leases – Lease liability in a sale and leaseback.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures: Supplier Finance Arrangements
  The Parent Company has added disclosures for Supplier Finance Arrangements.

A number of new amendments to standards and interpretations are not yet effective for the year ended December 31, 2024, and have not been applied in preparing the Parent Company financial statements.

IASB has issued an amendment with effective date January 1, 2025, relating to "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability." There are no additions or exemptions in RFR 2 relating to this amendment and the impact is expected to be immaterial, but to consider is the already existing rule in RFR 2 regarding reporting currency.

A change in Swedish Annual Accounts Act in 2024 removes a mandatory exemption in RFR 2; IFRS 9 (see "Classification and measurement of financial instruments") and allows reporting of revaluation of borrowings due to change in credit risk under Other comprehensive income from January 1, 2025. The Swedish Corporate Reporting Board made the formal decision to remove the mandatory exemption in December 2024 and the Parent Company will evaluate and decide if the IFRS 9 rule regarding reporting of revaluation of borrowings due to change in credit risk shall be applied without exemption.

Among the amendments issued by IASB with effective date January 1, 2026, are "Annual Improvements Volume 11" and "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)." There are no additions or exemptions in RFR 2. There is a new standard with effective date January 1, 2027: "IFRS 18 Presentation and Disclosure in Financial Statements." Additions or exemptions allowed in RFR 2 for this new standard are not yet decided by the Swedish Corporate Reporting Board. For amendments and new standards effective from 2026 and 2027, the Parent Company has not yet concluded on the impact on financial results or on the presentation of the financial statements. For the changes in IFRS standards, more details can be found in the consolidated financial statements, note A1 "Material accounting policies."

P2 Other operating income and expenses

	2024	2023	2022
License revenues and other operating revenues			
Subsidiaries	2,912	3,468	2,956
Other operating income/expenses[1]	1,915	138	−2,265
Total	**4,827**	**3,606**	**691**

[1] 2024 includes a gain of SEK 1.9 billion from the resolution of a commercial dispute. 2022 includes a provision of SEK −2.3 billion related to the DPA breach resolution with the US Department of Justice, including expenses for the extended monitorship.

P3 Financial income and expenses

	2024	2023	2022
Financial income			
Result from participations in subsidiaries			
Dividends	18,540	32,422	19,412
Net gains on participations	505	78	19
Result from participations in associated companies			
Dividends	111	45	59
Result from participations in other companies			
Net gains on participations	289	121	96
Interest income from subsidiaries	2,133	2,838	1,465
Interest income from others	1,837	1,076	147
Total	**23,415**	**36,580**	**21,198**
Financial expenses			
Losses on sales of participations in subsidiaries	−2	−5	–
Write-down of investments in subsidiaries[1]	−14,025	−32,783	−1,446
Net loss from associated companies	–	–	−557
Net loss from participations in other companies	−472	−299	−209
Interest expense to subsidiaries	−2,715	−2,858	−712
Interest expenses to others	−2,302	−2,054	−368
Other financial expenses[2]	−689	−695	948
Total	**−20,205**	**−38,694**	**−2,344**
Net foreign exchange gain/(loss) on financial liabilities/assets	−72	−382	359
Financial income and expenses, net	**3,138**	**−2,496**	**19,213**
Net gains and losses on financial instruments below excluding effect of gains and losses from foreign exchange transactions:			
Net gains and losses on financial instruments at FVTPL[3]	302	−900	−2,563
Net gains and losses on financial liabilities designated at FVTPL	−945	−1,100	2,847

[1] For information about write-downs in 2024, see note P7 "Financial assets."
[2] Revaluation of borrowings due to change in credit risk in 2024: SEK −567 million (SEK −667 million in 2023 and SEK 1,030 million in 2022).
[3] Excludes net gain from revalation of customer finance receivables of SEK 14 million (SEK −209 million in 2023 and SEK −64 million in 2022), reported as Operating expenses.

Interest expenses on pension liabilities are included in Other financial expenses shown above.

P4 Taxes

Income taxes recognized in the income statement

	2024	2023	2022
Current income taxes for the year	−41	−113	758
Current income taxes related to prior years	−372	−244	−294
Top-up tax Pillar Two[1]	−48	–	–
Deferred tax income/expense (+/−)	−27	−25	167
Tax income/expense	**−488**	**−382**	**631**

[1] The Parent Company has booked a current tax expense relating to top-up tax (Pillar Two) amounting to SEK 48 million for countries that have failed the safe harbour test and have no QDMTT (qualified domestic minimum top-up tax) implemented.

A reconciliation between reported tax expense for the year and the theoretical tax expense that would arise when applying the statutory tax rate in Sweden, 20.6%, on the income before taxes, is shown in the table below.

Reconciliation of Swedish income tax rate with effective tax

	2024	2023	2022
Expected tax expense at Swedish tax rate	−871	163	−2,295
Current income taxes related to prior years	−372	−244	−294
Tax effect of non-deductible expenses	−306	−291	−668
Tax effect of non-taxable income	3,998	6,739	4,186
Tax effect related to write-downs of investments in subsidiaries	−2,889	−6,753	−298
Utilization of previous years' tax losses	–	4	–
Top-up tax Pillar Two[1]	−48	–	–
Tax income/expense	**−488**	**−382**	**631**

[1] The Parent Company has booked a current tax expense relating to top-up tax (Pillar Two) amounting to SEK 48 million for countries that have failed the safe harbour test and have no QDMTT (qualified domestic minimum top-up tax) implemented.

Income taxes recognized in Other retained earnings

	2024	2023	2022
Current income taxes for the year	–	–	−758
Tax expense/income	**–**	**–**	**−758**

Deferred tax balances

Deferred tax assets are derived from the balance sheet items as shown in the table below.

Tax effects of temporary differences

	2024	2023
Current assets	407	388
Post-employment benefits	28	35
Provisions	8	30
Other	91	108
Deferred tax assets	**534**	**561**

Changes in deferred taxes

	2024	2023
Opening balance	561	586
Recognized in net income (loss)	−27	−25
Closing balance	**534**	**561**

P5 Intangible assets

Patents, licenses, trademarks and similar rights

	2024	2023
Accumulated acquisition costs		
Opening balance	5,086	5,086
Acquisitions	164	–
Sales/disposals	–	–
Closing balance	**5,250**	**5,086**
Accumulated amortization		
Opening balance	–4,138	–4,134
Amortization	–4	–4
Sales/disposals	–	–
Closing balance	**–4,142**	**–4,138**
Accumulated impairment losses		
Opening balance	–948	–948
Impairment losses	–	–
Closing balance	**–948**	**–948**
Net carrying value	**160**	**–**

The balances are mainly related to Radio Frequency technology.

P6 Property, plant and equipment

	2024			2023		
	Other equipment and installations	Construction in process and advance payments	Total	Other equipment and installations	Construction in process and advance payments	Total
Accumulated acquisition costs						
Opening balance	1,963	34	1,997	1,972	26	1,998
Additions	1	70	71	8	79	87
Sales/disposals	–	–	–	–84	–4	–88
Reclassifications	83	–84	–1	67	–67	–
Closing balance	**2,047**	**20**	**2,067**	**1,963**	**34**	**1,997**
Accumulated depreciation						
Opening balance	–1,653	–	–1,653	–1,618	–	–1,618
Depreciation	–119	–	–119	–117	–	–117
Sales/disposals	–	–	–	82	–	82
Closing balance	**–1,772**	**–**	**–1,772**	**–1,653**	**–**	**–1,653**
Net carrying value	**275**	**20**	**295**	**310**	**34**	**344**

P7 Financial assets

Investments in subsidiaries and associated companies

	Subsidiaries		Associated companies	
	2024	2023	2024	2023
Opening balance	106,534	128,638	628	628
Acquisitions and stock issues	3	150	–	–
Shareholders' contribution	1,076	11,857	–	–
Repayment of shareholders' contribution	–	−1,028	–	–
Write-downs[1)]	−14,025	−32,783	–	–
Disposals	−19	−300	–	–
Closing balance	**93,569**	**106,534**	**628**	**628**

1) In 2024 write-downs of investments in subsidiaries were made by SEK 14.0 (32.8) billion, whereof SEK 13.4 billion was related to the investment in Vonage. The reason for the write-down of the investment in Vonage was mainly due to lower market growth and changing demand trends. Other write-downs were mainly a result of devaluation of currency and lowered expectation on future profitability for a few entities. For impairment test in 2024 of investments in subsidiaries and associated companies country specific discount rates (10.0%–30.0%) were applied. At the time of the write-downs the recognized amounts in the balance sheet related to each impacted subsidiary were equal to value in use or equity value of the entity.

Other financial assets

	Other investments in shares and participations		Interest-bearing securities, non-current		Other financial assets, non-current		Receivables from subsidiaries, non-current	
	2024	2023	2024	2023	2024	2023	2024	2023
Accumulated acquisition costs								
Opening balance	2,059	2,039	9,930	9,157	26	36	6,635	15,414
Additions	146	206	15,950	12,887	–	–	1,441	11,517
Disposals/repayments/deductions	−6	−1	−255	−4,233	−8	–	−3,110	−10,804
Reclassifications	–	–	−6,348	−8,152	−10	−10	−188	−8,026
Fair value remeasurement	−201	−185	162	271	–	–	–	–
Translation difference	–	–	–	–	–	–	574	−1,466
Closing balance	**1,998**	**2,059**	**19,439**	**9,930**	**8**	**26**	**5,352**	**6,635**

P8 Investments

The following listing shows certain shareholdings owned directly and indirectly by the Parent Company as of December 31, 2024.

A complete listing of shareholdings, prepared in accordance with the Swedish Annual Accounts Act and filed with the Swedish Companies Registration Office (Bolagsverket), may be obtained upon request to: Telefonaktiebolaget LM Ericsson, External Reporting, SE-164 83 Stockholm, Sweden.

Shares owned directly by the Parent Company

Company	Reg. No.	Domicile	Percentage of ownership	Par value in local currency, million	Carrying value, SEK million
Subsidiaries					
Ericsson AB	556056-6258	Sweden	100	50	20,731
Ericsson Shared Services AB	556251-3266	Sweden	100	361	2,216
Datacenter i Rosersberg AB	556895-3748	Sweden	100	–	74
Datacenter i Mjärdevi Aktiebolag	556366-2302	Sweden	100	10	69
Aktiebolaget Aulis	556030-9899	Sweden	100	14	6
Other (Sweden)			–	–	736
Ericsson Austria GmbH		Austria	100	4	94
Ericsson Danmark A/S		Denmark	100	90	216
Oy L M Ericsson Ab		Finland	100	13	196
Ericsson France S.A.S		France	100	21	524
Ericsson Antenna Technology Germany GmbH		Germany	100	2	21
Ericsson Germany GmbH		Germany	100	1	1,816
Ericsson Hungary Ltd.		Hungary	100	1,301	120
L M Ericsson Limited		Ireland	100	4	34
Ericsson Telecomunicazioni S.p.A.		Italy	100	44	2,429
Ericsson Holding International B.V.		Netherlands	100	222	2,983
Ericsson A/S		Norway	100	75	257
Ericsson Sp. z o.o.		Poland	100	4	412
Ericsson España, S.A.U.		Spain	100	28	14
Ericsson Ltd.		United Kingdom	100	53	1,663
Other (Europe, excluding Sweden)			–	–	555
Ericsson Canada Inc.		Canada	100	–	221
Ericsson Holding II Inc.		United States	100	–	34,295
Ericsson Smart Factory Inc.		United States	100	–	424
Ericsson Global Network Platform Holding Inc.		United States	100	–	18,031
Compañía Ericsson S.A.C.I.		Argentina	95[1)]	7,677	10
Ericsson de Colombia S.A.S.		Colombia	100	701	178
Ericsson Telecom S.A. de C.V.		Mexico	100	1,439	576
Other (United States, Latin America)			–	–	384
Teleric Pty Ltd.		Australia	100	20	100
Ericsson (China) Company Ltd.		China	100	65	475
P.T. Ericsson Indonesia		Indonesia	95	9,531	614
Ericsson India Private Limited		India	100	291	51
Ericsson-LG Co., Ltd.		Korea, Republic of	75	285	2,279
Ericsson (Malaysia) Sdn Bhd		Malaysia	100	3	131
L. M. Ericsson (Nigeria) Limited		Nigeria	100	50	10
Ericsson South Africa (Pty) Ltd.		South Africa	70	–	94
Ericsson Taiwan Ltd.		Taiwan	90	270	36
Ericsson (Thailand) Ltd.		Thailand	49[2)]	90	17
Ericsson Telekomünikasyon A.Ş.		Turkey	100	5	150
Other (the rest of the world)			–	–	327
Total					**93,569**
Associated companies					
ConcealFab, Inc.		United States	36	–	298
Leone Media Inc.		United States	46	134	–
Ericsson Nikola Tesla d.d.		Croatia	49	65	330
Total					**628**

1) Through subsidiary holdings, total holdings amount to 100% of Compañía Ericsson S.A.C.I.
2) Through subsidiary holdings, total holdings amount to 74% of Ericsson (Thailand) Ltd.

Note P8, cont'd.

Shares owned by subsidiaries

Company	Reg. No.	Domicile	Percentage of ownership
Subsidiaries			
Ericsson Telekommunikation GmbH		Germany	100
Ericsson GmbH		Germany	100
Ericsson Telecommunicatie B.V.		Netherlands	100
Ericsson Inc.		United States	100
Vonage Holdings Corp.		United States	100
Ericsson Enterprise Solutions, Inc.		United States	100
Iconectiv, LLC.		United States	83
Ericsson Telecomunicações LTDA.		Brazil	100
Ericsson Australia Pty. Ltd.		Australia	100
Ericsson (China) Communications Co. Ltd.		China	100
Nanjing Ericsson Panda Communication Co. Ltd.		China	51
Ericsson Japan K.K.		Japan	100

P9 Trade receivables and customer finance

Trade receivables and customer finance

	2024	2023
Trade receivables excluding associated companies	5	24
Allowances for impairment	–	–18
Trade receivables, net	**5**	**6**
Trade receivables related to associated companies	–	–
Trade receivables, total	**5**	**6**
Customer finance	321	231
Customer finance, net	**321**	**231**

Outstanding customer finance credit risk exposure[1)]

	2024	2023
Fair value of customer finance credits	321	231
of which current	*128*	*81*
Financial guarantees for third-parties	3	4
Accrued interest	5	7
Maximum exposure to credit risk	**329**	**242**
Less third-party risk coverage	–	–
Parent Company's risk exposure, less third-party risk coverage	**329**	**242**
Credit commitments for customer finance	145	185

1) This table shows the maximum exposure to credit risk.

Movements in allowances for impairment of trade receivables

	2024	2023
Opening balance	18	19
Additions	–	–
Utilization	–18	–
Reversal of excess amounts	–	–
Translation difference	–	–1
Closing balance	**–**	**18**

Customer finance fair value reconciliation

	2024	2023
Opening balance	231	544
Additions	137	292
Disposals/repayments	–103	–388
Revaluation	56	–217
Translation difference	–	–
Closing balance	**321**	**231**

Credit risk management is governed on a Group level. For further information, see notes to the consolidated financial statements; note B6, "Customer contract related balances" and note F1 "Financial risk management."

P10 Receivables and liabilities – subsidiaries

	Payment due by period				
	<1 year	1–5 years	>5 years	2024 Total	2023 Total
Non-current receivables					
Financial receivables	–	5,352	–	5,352	6,635
Current receivables					
Trade receivables	1,240	–	–	1,240	2,408
Financial receivables	13,954	–	–	13,954	15,431
Total	**15,194**	**–**	**–**	**15,194**	**17,839**
Non-current liabilities					
Financial liabilities	–	–	–	–	–
Current liabilities					
Trade payables	426	–	–	426	316
Financial liabilities	67,380	–	–	67,380	47,269
Total	**67,806**	**–**	**–**	**67,806**	**47,585**

P11 Other current receivables

	2024	2023
Prepaid expenses	349	315
Accrued revenues	274	123
Derivative assets	3,196	3,326
Other	729	659
Total	**4,548**	**4,423**

P12 Equity and other comprehensive income

Capital stock at December 31, 2024, consisted of the following:

Capital stock

	Number of shares	Capital stock
Class A shares[1)]	261,755,983	1,309
Class B shares[1)]	3,086,495,752	15,434
Total	**3,348,251,735**	**16,743**

1) Class A shares (quotient value SEK 5.00) and Class B shares (quotient value SEK 5.00).

The Annual General Meeting (AGM) 2024 resolved to issue 4,100,000 Class C shares for the Long-Term Variable Compensation Program LTV I 2023 for Ericsson's executive team and other executives. In accordance with an authorization from the AGM, the Board of Directors resolved to repurchase the new issued shares, which were subsequently converted into Class B shares. The quotient value of the repurchased shares was SEK 5.00, totaling SEK 20.5 million, representing 0.1 % of capital stock. The acquisition cost was SEK 20.7 million.

The Board of Directors propose a dividend of SEK 2.85 (2.70) per share and that the Parent Company shall retain the remaining part of non-restricted equity. The dividend is proposed to be paid in two installments, SEK 1.43 per share with the record date March 27, 2025 (payment date April 1, 2025), and SEK 1.42 per share with the record date September 29, 2025 (payment date October 2, 2025). Holders of the Class B treasury shares are not entitled to receive a dividend. All Class B treasury shares are held by the Parent Company. Assuming that no treasury shares remain on the record date, the Board of Directors propose that earnings are distributed as follows:

Proposed disposition of earnings

Dividend to be paid to the shareholders	9,542,517,445
Amount to be retained by the Parent Company	12,792,927,405
Total non-restricted equity of the Parent Company	22,335,444,850

	Capital stock	Revaluation reserve	Statutory reserve	Total restricted equity	Disposition reserve	Other retained earnings	Non-restricted equity	Total
2024								
January 1, 2024	16,722	20	31,472	48,214	100	27,484	27,584	75,798
Net income	–	–	–	–	–	3,742	3,742	3,742
Total other comprehensive income, net of tax	–	–	–	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**3,742**	**3,742**	**3,742**
Transactions with owners								
Share issue,net	21	–	–	21	–	–	–	21
Repurchase of own shares	–	–	–	–	–	–21	–21	–21
Long-term variable compensation plans	–	–	–	–	–	27	27	27
Dividends paid	–	–	–	–	–	–8,997	–8,997	–8,997
December 31, 2024	**16,743**	**20**	**31,472**	**48,235**	**100**	**22,235**	**22,335**	**70,570**
2023								
January 1, 2023	16,672	20	31,472	48,164	100	37,653	37,753	85,917
Net income (loss)	–	–	–	–	–	–1,171	–1,171	–1,171
Total other comprehensive income, net of tax	–	–	–	–	–	–	–	–
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**–**	**–1,171**	**–1,171**	**–1,171**
Transactions with owners								
Share issue,net	50	–	–	50	–	–	–	50
Repurchase of own shares	–	–	–	–	–	–50	–50	–50
Long-term variable compensation plans	–	–	–	–	–	43	43	43
Dividends paid	–	–	–	–	–	–8,991	–8,991	–8,991
December 31, 2023	**16,722**	**20**	**31,472**	**48,214**	**100**	**27,484**	**27,584**	**75,798**

P13 Contributions

Contributions to Swedish subsidiaries amount to SEK 2,415 (81) million. There were no contributions from Swedish subsidiaries in 2024 and 2023.

P14 Post-employment benefits

The Parent Company has two types of pension plans:

- Defined contribution plans: post-employment benefit plans where the Parent Company pays fixed contributions into separate entities and has no legal or constructive obligation to pay further contributions if the entities do not hold sufficient assets to pay all employee benefits relating to employee service. The expenses for defined contribution plans are recognized during the period when the employee provides service.
- Defined benefit plans: post-employment benefit plans where the Parent Company's undertaking is to provide predetermined benefits that the employee will receive on or after retirement.

Defined benefit obligation – amount recognized in the balance sheet

	2024	2023
Present value of wholly or partially funded pension plans[1)]	1,736	1,659
Fair value of plan assets	–1,917	–1,821
Net obligation/surplus (–) of funded pension plans	**–181**	**–162**
Excess from plan assets not accounted for	187	165
Closing balance provision for pensions	**6**	**3**

1) The total defined benefit obligation is considered to be secured in the pension trust but not wholly funded. The total defined benefit obligation is covered by credit insurance.

The defined benefit obligations are calculated based on the actual salary levels at year-end and based on a discount rate of 2.85% (2.85%) regarding ITP2 and 2.4% (1.0%) for other pension liabilities.

Weighted average life expectancy after the age of 65 is 24.7 (24.7) years for women and 23.5 (23.5) years for men.

The Parent Company utilizes no assets held by the pension trust.

Plan assets allocation

	2024	of which unquoted	2023	of which unquoted
Cash and cash equivalents	14	0%	17	0%
Equity securities	526	34%	449	38%
Debt securities	895	20%	881	20%
Real estate	354	100%	336	100%
Derivatives	–3	88%	14	87%
Investment funds	131	100%	124	100%
Total	**1,917**		**1,821**	
of which Ericsson securities	–		–	

Return on plan assets was 5.3% (3.9%).

Change in the net defined benefit obligation

	2024	2023
Opening balance	3	–
Pension costs, excluding taxes, related to defined benefit obligations accounted for in the income statement	171	250
Pension payments	–94	–82
Return on plan assets	–96	–165
Return on plan assets not accounted for	22	–
Closing balance provision for pensions	**6**	**3**

Estimated pension payments for 2025 related to defined benefit obligations are SEK 97 million.

Pension cost and income recognized in the income statement

	2024	2023	2022
Defined benefit obligations			
Costs excluding interest and taxes	125	211	233
Interest cost	46	39	33
Return on plan assets	–74	–165	–194
Total cost defined benefit plans excluding taxes	**97**	**85**	**72**
Defined contribution plans			
Pension insurance premium	60	59	67
Total cost defined contribution plans excluding taxes	**60**	**59**	**67**
Credit insurance premium	1	2	0
Total cost, net excluding taxes	**158**	**146**	**139**

Of the total pension cost, SEK 186 (271 in 2023 and 300 in 2022) million is included in operating expenses and SEK –28 (–125 in 2023 and –161 in 2022) million in the financial net.

P15 Other provisions

	Restructuring	Other	2024 Total	2023 Total
Opening balance	174	98	272	2,435
Additions	23	13	36	261
Reversal of excess amounts	–1	–23	–24	–
Cash out/utilization	–99	–74	–173	–2,424
Reclassifications	–	27	27	–
Closing balance	**97**	**41**	**138**	**272**
of which current provisions	*93*	*5*	*98*	*195*
of which non-current provisions	*4*	*36*	*40*	*77*

P16 Interest-bearing liabilities

	2024	2023
Borrowings, current		
Current part of non-current borrowings	3,902	8,947
Other borrowings, current	1,607	6,631
Total borrowings, current	**5,509**	**15,578**
Borrowings, non-current		
Notes and bond loans	21,511	20,975
Other borrowings, non-current	10,289	8,096
Total borrowings, non-current	**31,800**	**29,071**
Total interest-bearing liabilities	**37,309**	**44,649**

As of December 31, 2024, the Parent Company's outstanding interest-bearing liabilities, excluding liabilities to subsidiaries, were SEK 37.3 (44.6) billion.

To secure long-term funding, the Company uses notes and bond programs together with bilateral research and development loans, as well as private placements. All outstanding notes and bond loans are issued by the Parent Company under its Euro Medium Term Note (EMTN) program. Bonds issued at a fixed interest rate are normally swapped to a floating interest rate using interest rate swaps under the Asset and liability management mandate described in note F1 "Financial risk management." Total weighted average interest rate cost for funding during the year was 5.88% (5.15%).

The borrowings issued by the Parent Company are held at fair value with changes in value recognized in the income statement, see note P1 "Material accounting policies."

Reconciliation of liabilities arising from financing activities

	2024	2023
Opening balance	44,649	29,566
Cash flows		
Proceeds from issuance of borrowings	3,061	15,989
Repayment of borrowings	−13,808	−3,333
Other financing activities	107	1,503
Non-cash changes		
Effect of foreign exchange movement	2,385	−870
Revaluation due to changes in credit risk	567	667
Other changes in fair value	348	1,127
Closing balance	**37,309**	**44,649**

For detailed information about notes, bonds, bilateral loans, syndicated loans and commercial papers, see notes to the consolidated financial statements, note F4 "Interest-bearing liabilities."

P17 Financial risk management and financial instruments

Ericsson's financial risk management is governed on a Group level. For further information see notes to the consolidated financial statements, note F1, "Financial risk management."

Outstanding derivatives

	Gross amount recognized	Offset	Net amount presented	Related amounts not offset – collaterals	Net
2024					
Currency derivatives					
Assets	3,303	–101	3,202	–92	3,110
Liabilities	–4,187	101	–4,086	3,237	–849
Interest rate derivatives					
Assets	–	–	–	–	–
Liabilities	–6	–	–6	–	–6
2023					
Currency derivatives					
Assets	3,392	–43	3,349	–1,487	1,862
Liabilities	–4,241	43	–4,198	874	–3,324
Interest rate derivatives					
Assets	–	–	–	–	–
Liabilities	–23	–	–23	–	–23

Cash collaterals paid or received under Credit Support Annex (CSA) to ISDA for cross-currency derivatives are recognized as Interest-bearing securities, current or Borrowings, current, respectively.

Cash, cash equivalents and interest bearing securities

	Rating or equivalent	< 3 months	3–12 months	1–5 years	>5 years	Total
2024						
Bank deposits		24,095	148	–	–	24,243
Other financial institutions		1,437	–	–	–	1,437
Type of issuer:						
Governments	AAA	4,397	995	3,175	603	9,170
Corporates	A2/P2	2,672	198	–	–	2,870
Mortgage institutes	AAA	–	5,353	14,878	783	21,014
Total		**32,601**	**6,694**	**18,053**	**1,386**	**58,734**
2023						
Bank deposits		14,488	–	–	–	14,488
Other financial institutions		548	–	–	–	548
Type of issuer:						
Governments	AAA	–	490	1,254	–	1,744
Corporates	A2/P2	1,510	296	–	–	1,806
Mortgage institutes	AAA	1,995	5,668	8,676	–	16,339
Total		**18,541**	**6,454**	**9,930**	**–**	**34,925**

Debt financing is mainly carried out through borrowing in the Swedish and international debt capital markets. Bank financing is used for certain subsidiary funding and to obtain committed credit facilities, see note P16 "Interest-bearing liabilities."

Funding programs[1]

	Amount	Utilized	Unutilized
Euro Medium Term Note program (USD million)	5,000	2,178	2,822
Commercial Paper Program (SEK million)	10,000	1,615	8,385

[1] There are no financial covenants related to these programs.

In January 2024, the Company signed a loan agreement with European Investment Bank for USD 184 million. In July 2024, the Company signed a loan agreement with Nordic Investment Bank for USD 108 million.

Committed credit facilities

	Amount	Utilized	Unutilized
Multi-currency revolving credit facility (USD million)[1]	2,000	–	2,000
Liquidity revolving credit facility (USD million)[2]	1,000	–	1,000

[1] The facility does not have interest rates linked to credit rating or financial covenants but is linked to two of Ericsson's sustainability KPIs. The facility matures in September 2028.
[2] The facility matures in May 2026.

The following table shows analysis of financial liabilities excluding liabilities to group companies by contractual maturity:

	< 1 year	1–3 years	3–5 years	>5 years	Total
2024					
Trade payables	412	–	–	–	412
Borrowings and loans	5,509	9,494	14,998	7,308	37,309
Derivative liabilities	2,203	1,815	68	–	4,086
Total	**8,124**	**11,309**	**15,066**	**7,308**	**41,807**
2023					
Trade payables	435	–	–	–	435
Borrowings and loans	15,578	3,472	16,489	9,110	44,649
Derivative liabilities	3,681	211	306	–	4,198
Total	**19,694**	**3,683**	**16,795**	**9,110**	**49,282**

Note P17, cont'd.

The Company has a Treasury and Customer Finance organization with the principal role to ensure that appropriate financing is in place through loans and committed credit facilities, actively manage the Company's liquidity as well as financial assets and liabilities, and manage and control financial risk exposures in a manner consistent with underlying business risks and financial policies. The Customer Finance function may support with third-party financing solutions for customers to facilitate their purchases from Ericsson. In some cases, and to the extent that customer loans are not provided directly by banks, the Parent Company may provide vendor finance credits to customers directly. The central function also monitors the exposure from outstanding vendor credits and credit commitments.

Fair valuation of the Company's financial instruments

For a description of the Company's valuation techniques and valuation hierarchies, see note F1 "Financial risk management."

Reconciliation of Level 3 fair value of other financial assets

	Other investments in shares and participations
Opening balance	1,970
Additions	146
Disposals	–6
Gains or losses[1]	–274
Closing balance	**1,836**

[1] Table shows net gains or losses recognized in Financial income or expenses, of which SEK 245 million unrealized loss relate to Level 3 assets held at the end of the year.

Financial instruments

	2024					2023				
			Fair value hierarchy level					Fair value hierarchy level		
SEK billion	Amortized cost	Fair value	Level 1	Level 2	Level 3	Amortized cost	Fair value	Level 1	Level 2	Level 3
Assets at fair value through profit or loss										
Customer finance	–	0.3	–	–	0.3	–	0.2	–	–	0.2
Interest-bearing securities	–	31.7	30.4	1.3	–	–	19.1	18.6	0.5	–
Cash equivalents[1]	–	20.6	–	20.6	–	–	10.1	–	10.1	–
Other financial assets[2]	–	2.0	0.2	–	1.8	–	2.1	0.1	–	2.0
Other current receivables	–	3.2	–	3.2	–	–	3.3	–	3.3	–
Assets at fair value through OCI										
Trade receivables	–	0.0	–	–	0.0	–	0.0	–	–	0.0
Assets at amortized cost										
Interest-bearing securities	0.0	–	–	–	–	0.2	–	–	–	–
Other financial assets	0.7	–	–	–	–	0.6	–	–	–	–
Receivables subsidiaries	19.3	–	–	–	–	22.1	–	–	–	–
Financial assets	**20.0**	**57.8**	**–**	**–**	**–**	**22.9**	**34.8**	**–**	**–**	**–**
Financial liabilities at designated FVTPL										
Interest-bearing liabilities	–	–35.7	–19.7	–16.0	–	–	–38.0	–23.7	–14.3	–
Financial liabilities at FVTPL										
Other current liabilities	–	–4.1	–	–4.1	–	–	–4.2	–	–4.2	–
Liabilities at amortized cost										
Trade payables	–0.4	–	–	–	–	–0.4	–	–	–	–
Borrowings	–1.6	–	–	–	–	–6.6	–	–	–	–
Liabilities subsidiaries	–67.4	–	–	–	–	–47.3	–	–	–	–
Financial liabilities	**–69.4**	**–39.8**	**–**	**–**	**–**	**–54.3**	**–42.2**	**–**	**–**	**–**

[1] Total Cash and cash equivalent is SEK 27.1 (15.6) billion, of which SEK 20.6 (10.1) billion relating to Cash equivalents are presented in the table above.
[2] Other financial assets relate to investment in equity interests which are included in Other investments in shares and participations within note P7.

P18 Other current liabilities

	2024	2023
Accrued interest	357	429
Accrued expenses	550	482
of which employee-related	*306*	*326*
of which other	*244*	*156*
Derivative liabilities	4,086	4,198
Other current liabilities	29	365
Total	**5,022**	**5,474**

P19 Trade payables

	2024	2023
Trade payables excluding associated companies	412	432
Associated companies	–	3
Total	**412**	**435**

Of the trade payables, invoices included in the supplier payment program (SPP) are as follows:

	2024
Opening balance	99
New invoices	12
Payments to bank	– 111
Translation difference	–
Closing balance[1]	**–**
[1] Of which suppliers already received payments from bank at year end	–

Range of payment due dates for year end invoices

	2024
Trade payables in SPP	–
Trade payables not in SPP	0–154 days

P20 Assets pledged as collateral

	2024	2023
Bank deposits	1,734	823
Other	248	229
Total	**1,982**	**1,052**

Other includes pledged capital insurances for pension agreements to employees.

P21 Contingent liabilities

	2024	2023
Contingent liabilities	30,794	28,417
Total	**30,794**	**28,417**

Contingent liabilities include pension commitments of SEK 30,657 (28,272) million.

P22 Statement of cash flows

Adjustments to reconcile net income to cash

	2024	2023	2022
Property, plant and equipment			
Depreciation	119	117	115
Total	**119**	**117**	**115**
Intangible assets			
Amortization	4	4	4
Total	**4**	**4**	**4**
Total depreciation and amortization on tangible and intangible assets	**123**	**121**	**119**
Taxes	488	382	–631
Write-downs and capital gains (–)/losses on sale of fixed assets, excluding customer finance, net	13,705	32,888	2,097
Unsettled group contributions	2,415	81	7,272
Other non-cash items	1,527	897	–475
Total adjustments to reconcile net income to cash	**18,258**	**34,369**	**8,382**

P23 Leases

Leases with the Parent Company as lessee

The Parent Company has the following types of lease contracts: lease of real estate and vehicles. Costs for real estate amounted to SEK 654.9 (675.8) million and vehicles to SEK 5.9 (4.2) million. The Parent Company had variable lease expenses of SEK 43.7 (49.9) million related to property taxes.

At December 31, 2024, future payment obligations for leases were distributed as follows:

Future payment obligations for leases

	Operating leases
2025	626
2026	526
2027	211
2028	100
2029	34
2030 and later	59
Total	**1,556**

Leases with the Parent Company as lessor

The operating lease income is mainly income from the subleasing of real estate.

At December 31, 2024, future minimum payment receivables were distributed as follows:

Future minimum payment receivables

	Operating leases
2025	6
2026	–
2027	–
2028	–
2029	–
2030 and later	–
Total	**6**

P24 Information regarding employees

Average number of employees

	2024			2023		
	Men	Women	Total	Men	Women	Total
Europe and Latin America[1]	149	145	294	170	165	335
Total	**149**	**145**	**294**	**170**	**165**	**335**
[1] *of which in EU*	*149*	*145*	*294*	*170*	*165*	*335*
of which in Sweden	*149*	*145*	*294*	*170*	*165*	*335*

Wages and salaries and social security expenses

	2024	2023
Wages and salaries	537	597
Social security expenses	358	311
of which pension costs	*207*	*184*

Remuneration to the Board of Directors and the President and CEO

See notes to the consolidated financial statements, note G2 "Information regarding members of the Board of Directors and Group management."

Long-term variable compensation

Compensation costs for employees of the Parent Company for the cash-settled plan amounted to SEK 8.1 (7.3) million and the cost for share-settled program amounted to SEK 28.7 (44.4) million. See notes to the consolidated financial statements, note G3 "Share-based compensation."

P25 Related party transactions

IAS 24, "Related Party Disclosures" requires disclosure of related party relationships, transactions and outstanding balances.

During 2024, various transactions were executed pursuant to contracts based on terms customary in the industry and negotiated on an arm's length basis.

Ericsson Nikola Tesla d.d.

Ericsson Nikola Tesla d.d. is a company providing the design, sales and service of telecommunications systems and equipment and an associated member of the Group. Ericsson Nikola Tesla d.d. is located in Zagreb, Croatia. The Parent Company holds 49.07% of the shares.

For the Parent Company, the major transactions are license revenues for Ericsson Nikola Tesla d.d.'s usage of trademarks and received dividends.

	2024	2023
Related party transactions		
License revenues	17	5
Dividends	111	45

The Parent Company does not have any contingent liabilities, assets pledged as collateral or guarantees toward Ericsson Nikola Tesla d.d.

Leone Media Inc.

Leone Media Inc., operating under the brand name MediaKind, includes platforms for compression video processing and storage. The Parent Company holds 45.5% of the shares. The Parent Company has provided a loan to Leone Media Inc. of SEK 0.7 (0.6) billion.

	2024	2023
Related party balances		
Receivables	699	594

The Parent Company does not have any contingent liabilities, assets pledged as collateral or guarantees toward Leone Media Inc.

Other related parties

Total receivables from other related parties were SEK 4.0 (3.9) million.

For information regarding the remuneration of management, see notes to the consolidated financial statements, note G2 "Information regarding members of the Board of Directors and Group management."

P26 Fees to auditors

	Deloitte	Others	Total
2024			
Audit fees	110	–	110
Audit-related fees	1	–	1
Tax fees	–	2	2
Other fees	–	5	5
Total	**111**	**7**	**118**
2023			
Audit fees	90	1	91
Audit-related fees	3	–	3
Tax fees	–	–	–
Other fees	–	9	9
Total	**93**	**10**	**103**
2022			
Audit fees	94	–	94
Audit-related fees	2	–	2
Tax fees	–	–	–
Other fees	–	7	7
Total	**96**	**7**	**103**

The allocation of fees to the auditors is based on the requirements in the Swedish Annual Accounts Act.

At the 2024 Annual General Meeting, Deloitte was appointed auditor for the period until the 2025 Annual General Meeting.

The audit-related services include quarterly reviews, SSAE 16 reviews and services in connection with the issuing of certificates and opinions and consultation on financial accounting. The tax services include corporate tax compliance work. Other services include services related to acquisitions.

P27 Events after the reporting period

No material events have occurred after the reporting period that are expected to have a material effect on the Parent Company's financial statements.

For other events after the reporting period, see notes to the consolidated financial statements, note H6 "Events after the reporting period."

Risk factors

This Risk factors section should be read in conjunction with all of the information contained in this Annual Report, including this Financial Report and the consolidated financial statements and accompanying notes.

Ericsson's business is subject to a number of risks and uncertainties that may affect our business, operating results and financial condition, or the trading price of our common stock or other securities. Ericsson cautions the reader that these risk factors may not be exhaustive. Ericsson operates in a continually changing business and regulatory environment, and new risks and uncertainties emerge from time to time. Management cannot predict such new risks and uncertainties, nor can it assess the extent to which any of the risk factors below or any such new risks and uncertainties, or any combination thereof, may impact Ericsson's business. See also "Forward-Looking Statements".

Risks related to business activities and industry

1.1 Ongoing geopolitical and trade uncertainty from a range of factors may have a material adverse impact on Ericsson's business, operations, and ability to meet its targets as well as the information and telecommunications industry as a whole.

Geopolitical alliances are shifting as global tensions over trade and influence drive growing economic, technological, military, and political competition across the world, particularly between the US and China. Geopolitical tensions and ongoing conflicts such as those in the broader Middle East, Russia and Ukraine, amplify the risk of government intervention, including protectionist interventions, such as tariffs, security-related requirements, such as increased regulatory barriers, restrictions on technology transfers, telecommunications and digital infrastructure to promote national security, as well as trade restrictions, export controls and enhanced sanctions measures. Additionally, geopolitical instability increasingly leads some governments to use the private sector for political objectives, including by restricting or enabling market access based on national security interests, leveraging influence over industry standards, providing financial support to domestic companies or restricting the use of foreign equipment or technology in critical infrastructure.

There are particular uncertainties for the future relationship between China and a number of countries (such as the United States, India and Sweden), as a result of, among other things, the restrictions imposed on Chinese vendors or components in 5G networks. These restrictions have been adopted in many countries and have resulted and may continue to result in constraints on access to hardware and software products and components. Ericsson may be affected by any further deterioration of the relationships between these countries. In addition, the Company has business operations in China, and further changes in economic and political policies in or relating to China could have a material adverse effect on the Company's business.

In addition, the new US administration has indicated that it intends to impose a broad range of tariffs on imports to the US. Some of these measures have already taken effect and have and may continue to result in retaliatory tariffs or other trade restrictions from other countries. These developments could have significant negative impacts throughout the information and telecommunications industry, including the Company's international product development and global value and supply chains. Restrictions on international trade, such as tariffs and other controls on imports or exports of goods, technology or data, could increase compliance costs, negatively affect selling prices and margins, reduce demand, and otherwise have a material adverse effect on Ericsson's business.

Due to the strategic nature of the information and telecommunications industry, Ericsson is exposed to competitive risks from state-supported enterprises, particularly from countries with significant government-backed industries. Companies in government-backed industries may receive financial support, favorable regulatory environments and selective enforcement of rules that enable them to operate at a scale and with a cost structure that private sector companies cannot match. They may also receive market and technology access that grants them significant competitive advantages. This dynamic can create competitive pressures, particularly in international markets where these government-supported enterprises can operate with significantly lower margins compared to private sector companies. Additionally, such state-backed entities may pursue opportunities in pursuit of strategic objectives of their government owners and supporters, with less focus on financial returns, allowing for these companies to increase their market share disproportionately.

During the last several years, there have been sustained challenges to the global free trade system, including towards the World Trade Organization dispute settlement body. Certain countries have moved away from the multilateral system and instead have imposed tariffs and other trade barriers, price or exchange controls, restrictions of imports and other government policies. Any increased prospect of government restrictions on international trade could negatively impact Ericsson's ability to benefit from open markets and free trade and could limit Ericsson's operations, increase costs and decrease Ericsson's profitability. Furthermore, the mandated or otherwise required localization of manufacturing and R&D or use of local suppliers or production, as well as their digital counterparts (including data localization of IT-infrastructure and restrictions on data flows), has been steadily growing, motivated by protectionism, domestic industrial policies and national security concerns. Geopolitical uncertainty has led to reduced efficiency in R&D, including restrictions on use of R&D resources, and opportunities to scale or grow with increasing logistical and administrative burdens, while polarization of the industry and fragmentation of global standards continues to develop. There is a risk of moves away from global value and supply chains and towards more regional or national alternatives. Governments may continue to impose conditions that require the use of local suppliers and local production or partnerships with local companies for R&D and IT-infrastructure, require the license or other transfer of intellectual property, or engage in other efforts to promote local businesses and local competitors, which could have a significant adverse impact on Ericsson's ability to operate its global business efficiently.

Many countries, including the US and China, view technology, including telecommunications infrastructure and mobile wireless technologies, as critical infrastructure and aim to lead and influence global policy and regulations around such technologies. While Ericsson is a global company with a global presence, Ericsson may face unique challenges as a Swedish company because Sweden and Europe have historically exerted limited influence in shaping global technology policies compared to more prominent technology regulators and have not committed similar levels of investment in technology infrastructure. Neither Sweden nor the European Union have developed a common and cohesive technology agenda or technology geopolitical strategy, and where regulations in the European Union have been introduced, such regulations have focused on consumer pricing rather than promoting or protecting European-based technology or telecommunications companies. Consequently, Ericsson remains exposed to changes in global policy dynamics that it cannot directly or indirectly influence, and which may be influenced to benefit competitors. Additionally, due to the strategic nature of the industry in which Ericsson operates, foreign countries could support or develop a national champion as an alternative to the established global vendors, such as Ericsson, in order to have further control over local communication networks and infrastructure.

There are numerous ongoing local and regional conflicts, including the ongoing military conflicts between Ukraine and Russia (which market Ericsson has exited) and in the broader Middle East. While the ultimate impact of these events is unclear, the uncertainty they create is expected to continue. These geopolitical developments, including trade or security restrictions and export controls, enhanced sanctions measures and vendor consolidation, can negatively impact global market conditions, including market share, access and position. The strategic and sensitive nature of the information and telecommunications industry also heightens exposure to cyberattacks and corporate espionage, with respect to both technology and commercial matters, resulting in an increased risk of cyber threats from state-backed and criminal threat actors, including digital attacks aimed at disrupting, damaging or infiltrating another's critical infrastructure, network and systems. Countries and their policies have been increasingly focused on mitigating the risk of cyber espionage, geolocation and data control, and the protection of critical national infrastructure and information.

Additionally, political instability, strict requirements on localization of data, manufacturing and R&D, or use of local suppliers or production in the regions in which the Company operates may further increase the risk of possible legal or regulatory violations by Ericsson or its employees. Any violation by Ericsson or its employees could cause severe reputational harm to the Company and have a material adverse effect on Ericsson's business operations and result in government actions and the imposition of significant financial penalties and restrictions on the Company's ability to do business, including with certain customers, such as government bodies or those in certain regulated sectors (e.g. telecommunications).

The continually evolving global geopolitical situation has had and will continue to have consequences for the entire information and telecommunications industry, with the possibility of further industry splits, separation of global value and supply chains and separation of global standards for mobile telecommunications. These developments have also led to several countries evaluating how to ensure uninterrupted access to telecommunication network infrastructure, for example through promoting disaggregation of the Radio Access Network, although the timing and extent of this remains unclear.

All of the above may have a material and potentially lasting adverse impact on Ericsson's international product development and global value and supply chains and necessitate a flexible and adaptive organizational setup, therefore negatively impacting its profitability and business as a whole.

1.2 Challenging global economic conditions may adversely impact the demand, cost and pricing for Ericsson's products and services as well as limit the Company's ability to grow.

Challenging global economic conditions, including due to downturns in the global economy, political unrest and uncertainty, evolving regulatory environments, labor and supply shortages, periods of elevated interest rates or inflation, consumer confidence, or geopolitical risks and trade frictions may have adverse, wide-ranging effects on demand for Ericsson's products and for the products and services of Ericsson's customers. Ericsson operates within a cyclical industry, where customer demand, investment and spending are highly sensitive to macroeconomic conditions, fluctuating market dynamics and broader investment cycles. If Ericsson's customers anticipate or experience reduced consumer spending, communications service provider customers and other customers may postpone, reduce or cancel investments, including significantly reduced expenditures for the Company's products and services, or initiate other cost-cutting measures to maintain or improve their financial position. This reduced demand for products and services could result in increased price competition or deferrals of purchases, leading to lower revenues not fully offset by reduced costs. If Ericsson's financial performance is constrained due to an economic downturn, its ability to reinvest in product innovation, market expansion, or other strategic initiatives important to Ericsson's long-term growth could be limited. Furthermore, if economic conditions lead to reduced investment in technology sectors broadly, Ericsson's growth prospects could be adversely impacted.

Challenging global economic conditions combined with an evolving regulatory environment has led to a technology landscape in Europe with high regulatory pressure and relatively low investment levels in technology infrastructure and development. Due to the challenging global economic conditions, Europe's regulatory environment has heavily focused on consumer protection, including lowering costs for consumers and privacy and data rights, which, while critical for customer trust, has adversely impacted the demand, cost and pricing of products and services in the sectors in which Ericsson operates. Inadequate investment in technology infrastructure in over-regulated markets may reduce demand for infrastructure products, as companies and governments hesitate to invest in more advanced solutions amid economic uncertainties and stringent compliance requirements. The combination of these factors may limit Ericsson's ability to adjust pricing effectively across markets, leading to lower margins and decreased financial performance. Challenging macroeconomic conditions could also lead to financial difficulties or failures among Ericsson's customers or suppliers, increased demand for customer financing, difficulties in collection of accounts receivable and increased counterparty credit risks.

Ericsson's financial results have fluctuated and will continue to fluctuate between interim financial periods, and period-to-period comparisons of Ericsson's results of operations may not be meaningful. Ericsson's net sales, net income and cash flow from operating activities are generally the lowest in the first quarter of the year and the highest in the fourth quarter. Additionally, the level of demand from communications service providers and other customers who buy Ericsson's products and services is seasonal and can vary over short periods of time, including from month to month. As a result, Ericsson's performance in one financial period may not be directly comparable to prior or future financial periods and such comparisons may not fully reflect Ericsson's financial performance, which could lead to unpredictable financial results or trends in Ericsson's overall performance.

Macroeconomic volatility can also lead to increased difficulties in forecasting sales and financial results, as well as increased volatility in Ericsson's reported results and potential impairment losses related to Ericsson's intangible assets as a result of lower forecasted sales of certain products. Should any of the foregoing factors persist or worsen, the adverse impacts on Ericsson's business, operating results and financial condition could become more pronounced.

1.3 Ericsson's business depends upon the continued growth of mobile communications and the success of Ericsson's existing and targeted customer base, which can impact customer demand, as well as Ericsson's product mix and margins.
A substantial portion of Ericsson's business depends on the continued growth of mobile communications in terms of both the number of subscriptions and usage per subscriber, which in turn drives the continued deployment and expansion of network systems by Ericsson's customers. If communications service providers fail to increase the number of subscribers and/or usage does not increase, or if they fail to capitalize on opportunities created through technological evolution, Ericsson's business and operating results could be materially adversely affected. If communications service providers fail to monetize services, fail to adapt their business models or experience a decline in their revenues or profitability, their willingness to further invest in their existing and new networks may decrease, which will reduce their demand for Ericsson's products and services and have an adverse effect on the Company's business, operating results, and financial condition.

During 2024, macroeconomic conditions continued to be challenging, which has led to a continuation in reduced volumes and pace of investment by many of Ericsson's customers. The timing and magnitude of market recovery has been slower than expected, and there can be no assurance as to when levels of market investment will fully recover. The global telecommunications market has become increasingly saturated, and in the absence of technology innovation to create new revenue streams, there is a risk of overall industry decline.

Fixed and mobile networks converge and new technologies, such as IP and broadband, enable communications service providers to deliver services in both fixed and mobile networks. Ericsson is dependent on the uptake of such services and the outcome of regulatory and standardization activities such as spectrum allocation. Delays in uptake, standardization or regulation could adversely affect Ericsson's business, operating results, and financial condition.

In addition, Ericsson's sales volumes and gross margin levels can be reduced by an unfavorable mix and order time of Ericsson's products and services. Ericsson's sales to communications service providers and other customers represent a mix of equipment, software and services, which normally generate different gross margins. The communications service providers still represent the main part of Ericsson's business and are also the focus for sales going forward. Ericsson provides the Company's customers with solutions based on Ericsson's own products as well as third-party products, which normally have lower margins than Ericsson's own products. As a consequence, Ericsson's reported gross margin in a specific period will be affected by the overall mix of products and services as well as the relative content of third-party products. In the Company's Cloud Software and Services and Other segments, third-party products and services represent a larger portion of Ericsson's business than the Company's traditional sales, which impact Ericsson's business models. Further, network expansions and upgrades have much shorter lead times for delivery than initial network build outs. Orders for such network expansions and upgrades are normally placed on a short notice by customers, often less than a month in advance, and, consequently, variations in demand are difficult to forecast. As a result, changes in Ericsson's product and service mix and the short order time for certain of Ericsson's products may affect Ericsson's ability to accurately forecast sales and margins or detect in advance whether actual results will deviate from market consensus and expectations. Product and delivery lead times of certain products may be prolonged due to the potentially restricted market availability of certain components caused by supply chain delays. Short-term variations could have a material adverse effect on Ericsson's business, operating results, financial condition and cash flow.

1.4 Ericsson may not be successful in executing on its key strategies, including improving profitability, capturing 5G market opportunities, capitalizing on the network API and enterprise opportunity, or achieving expected benefits from restructuring activities.
There can be no assurance that Ericsson will be able to successfully implement its strategy to achieve future profitability, growth or create shareholder value. Successful execution of Ericsson's strategy to build the best, high performing and programmable networks and to successfully expand into the enterprise space depends on a number of factors, many of which are outside of its control. There are no guarantees that Ericsson's specific restructuring or cost-saving initiatives will be sufficient, successful or executed in time to deliver improvements in Ericsson's financial results.

Ericsson's 5G market opportunity will depend on availability of attractive spectrum for 5G, and the timing of spectrum allocations, amount of spectrum, and type of frequency bands, such as low bands (below 1 GHz), mid-bands (3–6 GHz) and high bands (above 24 GHz). In addition, the terms of spectrum licenses, such as cost and license period of time, may not be according to needs and plans, which could delay or reduce the 5G market, and the operator usage of this spectrum could be restricted by regulatory authorities for shorter or longer time and in different geographical areas, due to unforeseen circumstances such as interference with other electronic equipment at sensitive locations, e.g., airports. The Company cannot guarantee that it will not become the subject of related liability claims (such as product liability or claims associated with the configuration or installation of equipment), all of which could have a material adverse impact on Ericsson's business, reputation, operating results, financial condition and cash flow.

Operator speed and scale to adopt 5G could also be changed due to market conditions, including resolution of M&A transactions as well as government incentives to deploy 5G. Operator 5G deployment plans could also be delayed by operational issues, such as site access, permits, and availability of installation crews. The timing, size and technology choices of market opportunities beyond enhanced mobile broadband, such as fixed wireline access, industrial IoT and private networks, may materialize differently than estimated. Ericsson or its suppliers may encounter unforeseen technical challenges that can affect Ericsson's ability to develop, supply or deploy 5G networks. Many of Ericsson's customers remain cautious regarding further capital allocation to network infrastructure and will require viable new use cases leveraging advanced network capabilities to justify additional investment.

Ericsson's future growth is partly dependent on enterprises in several industries that are digitalizing and increasingly utilizing wireless network solutions (including Private Cellular Networks), as well as increasingly utilizing and offering automated services, which are growth drivers for network APIs. Ericsson can provide no assurance regarding the timing or magnitude of growth of these network APIs. Competing technologies, such as Wi-Fi, macroeconomic headwinds, and customers' unwillingness to pay for services might slow down this development. Legal and regulatory restrictions such as Net neutrality can also slow down or restrict global expansion of this business. Furthermore, access to devices, sensors, and spectrum might also impact the pace and ability for enterprises to adopt cellular wireless technology. In addition, as described in Risk Factor 3.3 below, Vonage and Ericsson have been engaged in a remediation process relating to ongoing compliance with obligations under the National Security Agreement entered into in connection with Ericsson's acquisition of Vonage. The ongoing compliance efforts and related remediation have adversely affected the Vonage business and may continue to do so, including changes required to business structure and additional compliance costs. The enterprise strategy is subject to a number of uncertainties including demand for network APIs, the success of joint ventures and other business partnerships and customer investment in Ericsson's wireless network offerings.

Furthermore, the Company may not achieve some or all of the expected benefits of its restructuring activities, and restructuring may adversely affect its business. Restructuring activities may be costly and disruptive to Ericsson's business, and Ericsson may not be able to achieve and retain the cost savings and benefits that were initially anticipated. Additionally, restructuring activities can result in a loss of continuity, loss of accumulated knowledge and/or inefficiency during transitional periods. Reorganization and restructuring can require a significant amount of management and other employees' time and focus, which may divert attention from operating and growing Ericsson's business. Restructuring activities can create unanticipated consequences and negative impacts on the business, such as Ericsson's ability to develop, sell and deliver its products and services, and there is no assurance that any ongoing or future restructuring efforts will be successful or generate expected cost savings. Factors that may impede a successful implementation include the retention of key employees, the impact of regulatory matters, and adverse market and macroeconomic conditions. If Ericsson fails to achieve some or all of the expected benefits of its restructuring initiatives, the Company's competitive position, business, financial condition, operating results, cash flows, reputation and share price could all be negatively impacted.

1.5 Ericsson engages in acquisitions and divestments that may be disruptive and require the Company to incur significant expenses, and Ericsson may not be successful in consummating such transactions, protecting the value of acquisitions during integration, or creating the value anticipated from the acquisition.

From time to time, Ericsson makes acquisitions to obtain various benefits, such as reduced time-to-market, access to technology and competence, increased scale or a broadened product portfolio or customer base. Acquisitions can result in the incurrence of material contingent liabilities or an increase in amortization expenses related to intangible assets or impairment of goodwill, which could have a material adverse effect on Ericsson's business, operating results, financial condition and liquidity. Ericsson has recorded impairment charges related to acquisitions in the past, including non-cash impairment charges of SEK 31.9 billion in the third quarter of 2023 and SEK 11.4 billion in the second quarter of 2024, mainly related to goodwill and other intangible assets attributed to Vonage. The Company may record additional impairment charges in future.

From time to time, Ericsson may acquire a company in a sector or geographic region where Ericsson has limited or no experience in and may face increased challenges in understanding and executing on the unique operational, technological and market dynamics of such business. Such limited experience may increase the difficulty of accurately assessing the acquired company's risks and effectively integrating its operations, technologies, products and personnel. Furthermore, integration efforts in unfamiliar areas are complex and resource-intensive, and the risk of encountering unanticipated operational challenges is increased if Ericsson misjudges market or customer needs. Moreover, if the acquired company must operate independently due to regulatory, operational or market requirements, Ericsson will face additional risks in managing appropriate oversight and compliance effectively. Any inconsistencies in risk management or inefficiencies in operations may cause reputational harm or negative financial consequences if the acquired business does not align with Ericsson's corporate standards or faces unforeseen challenges.

Further risks Ericsson could face with respect to acquisitions include:

- Inability to consummate acquisitions that it considers important to the future of its business.
- Underperformance of the acquired company, failure to realize expected benefits and synergies and/or inability to deliver on anticipated business plans to the extent or in the timeframe anticipated.
- Insufficiencies of technologies and products acquired, including unexpected quality, security and operational problems.
- Difficulties in the full or partial integration of the operations, technologies, products and personnel of the acquired company to materialize expected synergies or to maintain independent operations in these companies at a risk-appropriate level.
- Risks of entering markets in which the Company has no or limited prior experience, or in creating such market or eco-system as envisioned.
- Potential loss of key employees.
- Disruption of our ongoing business and diversion of management's attention away from other business concerns.
- Failure to identify significant problems, liabilities, or other challenges during due diligence.
- Risks and expenses of any disclosed, undisclosed or potential legal liabilities of or other adverse financial impacts on the acquired company, including failure to comply with laws or regulations or other requirements or conditions, e.g., from foreign direct investment reviews and decisions such as the Committee on Foreign Investment in the United States (CFIUS) review process. See Risk Factor 3.3 for further information related to the CFIUS review process.

From time to time, Ericsson also divests parts of its business to optimize the Company's product portfolio or operations or may decide to exit certain non-core operations. Any decision to dispose of or otherwise exit businesses may result in the recording of special charges, such as workforce reduction costs and industry- and technology-related write-downs. Risks Ericsson could face with respect to divestments include:

- Difficulties in the separation of the operations, technologies, products and personnel of the business divested.
- Significant amount of management and other employees' time and focus, which may divert attention from operating and growing Ericsson's business.
- Potential loss of key employees.
- Potential loss of accumulated knowledge and/or inefficiency during transitional periods.
- Impairment losses or write-downs of the carrying value of the relevant assets.
- Exposure to litigation, disputes or other claims in connection with, or as a result of, a divestment.
- Difficulties completing divestitures or successfully transitioning divested businesses.
- Expenses of any undisclosed or potential legal liabilities of the business divested.
- Inability to timely consummate divestments mandated by regulatory requirements on commercial terms or at all.

The risks associated with acquisitions and divestments could have a material adverse effect upon Ericsson's business, operating results, financial condition, and liquidity.

1.6 Ericsson has entered into and may in the future enter into joint venture and partnership arrangements, which may not be successful and could expose the Company to future costs.

Ericsson's JV and partnership arrangements may fail to perform as expected for various reasons, including an incorrect assessment of the Company's needs and synergies, an inability to take action without the approval of Ericsson's partners, difficulties in implementing business plans, the lack of capabilities or financial instability of the Company's strategic partners, or the inability to properly oversee or manage the joint venture. Furthermore, certain of Ericsson's current and future joint ventures may involve multiple partners, and the interests of such joint venture partners may not be fully aligned or may directly conflict with Ericsson's or another partner's interests. Ericsson may have limited ability to control or influence joint venture partners, which may impact Ericsson's ability to realize anticipated benefits. If Ericsson or another party within the joint venture fails to adequately anticipate potential competing interests or changing circumstances, the joint venture may be unsuccessful or such partner may seek to terminate the joint venture early or renegotiate the terms of the joint venture. Ericsson is party to particularly complex joint venture arrangements with numerous partners that may prove difficult to manage effectively and compromise the Company's ability to successfully implement strategic plans.

Ericsson's ability to work with these partners or develop new products and solutions, e.g., as part of Ericsson's 5G portfolio or as part of the strategic development of the Enterprise business's Network API platform, may become constrained, which could harm the Company's competitive position in the market and impact its ability to deliver on its strategy. In addition, any adverse regulatory, governmental or other authority decision towards a partner could negatively impact Ericsson or the joint venture, and Ericsson's brand or reputation could also be harmed if a partner does not adhere to Ericsson's compliance and other conduct standards. Additionally, Ericsson's share of any losses from or commitments to contribute additional capital or borrowings to such joint venture and partnership arrangements may adversely affect Ericsson's business, operating results, financial condition and cash flow.

1.7 Ericsson may not be able to properly respond to market trends in the industries in which it operates, including virtualization of network functions and fluctuations in investments in the telecommunications industry.

Ericsson is affected by market conditions and trends in the industries in which the Company operates, including the convergence of the IT and telecommunications industries. Technological developments largely drive convergences enabling digitalization and a move from dedicated hardware to software and cloud-based services. This also includes a disaggregation of the Radio Access Network, although the timing and extent of this remains unclear. This is changing the competitive landscape of Ericsson's business as well as value chains and business models and affects Ericsson's objective-setting, risk assessment and strategies. The change makes access to market easier for new competitors, including new competitors to Ericsson's business that have entered and may continue to enter the market, and negatively impacts Ericsson's market share in selected areas. If Ericsson fails to understand or anticipate market trends and developments or fails to acquire the necessary competencies to develop and sell products, services and solutions that are competitive in this changing business environment, the Company's business, operating results and financial condition will suffer.

The telecommunications industry has historically experienced downturns in which communications service providers substantially reduced their capital spending on new equipment. Uncertainty surrounding global economic growth and geopolitical impacts may materially harm actual market conditions, which could have a material adverse effect on Ericsson's business. Moreover, market conditions are subject to substantial fluctuation and could vary geographically and across technologies. Uncertainties can have an impact on both the capital expenditures driven market as well as the operating expenditures market, e.g., Managed Services. Ericsson's strategy is based on an expansion towards the Enterprise segment, which is a market that is more affected by the overall economic conditions than the communications service provider markets. Even if global conditions improve, conditions in the specific industry segments in which the Company participates could be weaker than in other segments. In that case, the Company's revenue and operating results may be adversely affected. If capital expenditures by communications service providers and other customers are weaker than anticipated, the Company's revenues, operating results and profitability may be adversely affected. The level of demand from communications service providers and other customers who buy Ericsson's products and services can vary over short periods of time, including from month to month. Due to the uncertainty and variations in the telecommunication industry, as well as in the information and telecommunications industry, accurately forecasting revenues, results, and cash flow remains difficult.

With 5G volume at scale shifting from early 5G markets into markets with higher volatility and as Ericsson is establishing business relationship with new customers, the levels of uncertainty and fluctuation can increase going forward. For example, both sales and profit can be impacted due to a significant variation in underlying market and/or product and services mix. Furthermore, Ericsson might fail to anticipate customer demand properly, leading to an over or under supply of components, production capacity and deployment capabilities.

1.8 Ericsson faces intense competition from the Company's existing competitors as well as new entrants, including vendor consolidation resulting in stronger competitors.

The markets in which Ericsson operates are highly competitive in terms of price, functionality, service quality, customization, timing of development, and the introduction of new products and services. The Company faces intense competition from significant competitors, many of which are very large companies with substantial technological and financial resources and established relationships with communications service providers. Ericsson also faces competition from state-owned or state-backed companies or companies that receive explicit or implicit government support that are increasingly competing for opportunities outside of their home countries. In some cases, these state-owned or state-backed entities may pursue opportunities in furtherance of strategic objectives of their government owners or supporters and could be motivated by political or other factors in making their business decisions with less focus on financial returns than other companies. As an independent public company, Ericsson is constrained in ways that certain of its competitors are not. Accordingly, when competing for customers or bidding for projects, Ericsson could find itself at a competitive disadvantage because these state-owned and state-backed entities may not require a competitive financial return. Anti-competitive pricing and other anti-competitive activities could lead to a market share loss for Ericsson in a range of countries and markets.

Ericsson's current and future competitors have engaged and will continue to engage in strategic mergers, acquisitions or joint ventures with each other to combine and leverage their financial resources and portfolios. Consolidation activity may result in new competitors with greater scale, a broader footprint, larger financial resources or more competitive pricing, and such competitor may be established or operate in markets of strategic importance to Ericsson, such as the US, resulting in a loss of market share. In addition, vendor consolidation may lead to stronger competitors who are able to benefit from integration, scale and greater resources, which could increase competition in Ericsson's market. Industry convergence and consolidation among equipment and services suppliers could potentially result in stronger competitors that operate as end-to-end suppliers, as well as competitors more specialized in particular areas, which could, for example, negatively impact certain of Ericsson's segments such as Cloud Software and Services and Enterprise. If established actors in adjacent markets acquire players with new technologies in Ericsson's markets, new strong competitors could emerge. Any of these events could have a materially adverse effect on Ericsson's business, operating results, financial condition and market share.

Additionally, Ericsson faces competition from more diverse vendors, many of which are better able to cross-subsidize. Ericsson's communications service provider customers, which represent the main part of Ericsson's business, are also large and highly sophisticated and exercise significant buying power through the common use of a competitive bidding process. Ericsson also encounters increased competition from new market entrants and alternative technologies, such as satellites, as industry standards evolve. In addition, if Ericsson chooses to enter a new market segment, it might underestimate the skills and practices of the relevant competitors. The Company's competitors may implement new technologies before Ericsson does, offer more attractively priced or enhanced products, services or solutions, or offer other incentives that Ericsson does not provide. Increased competition, and the crystallization of any of the risks above, could result in reduced profit margins, loss of market share and increased research and development costs, as well as increased sales and marketing expenses, which could have a material adverse effect on Ericsson's business, operating results, financial condition and market share.

Ericsson operates in markets in which the technology and the manner in which it is being brought to market is rapidly changing. This has resulted and may continue to result in continuous price pressure on Ericsson's products and services, especially in light of global macroeconomic uncertainty. If Ericsson's counter measures, including enhanced products and business models or end-to-end cost reductions, cannot be achieved in a timely manner or at all, there could be adverse impacts on Ericsson's business, operating results, financial condition and market share.

1.9 Ericsson relies on a limited number of third-party suppliers, which exposes the Company to supply chain and other risks.
Ericsson's ability to deliver its products and services according to market demands and contractual commitments depends significantly on obtaining a timely and adequate supply of materials, components, production capacity, R&D and IT services, and other vital services on competitive terms. Certain of these come from single-source suppliers or, in the case of the development and supply of, for example, key ASIC and FPGA components, printed circuit boards, standard electronics or semiconductors (including foundry node availability), from very few suppliers, on which Ericsson depends. Some of these suppliers have very limited geographical redundancy, making them vulnerable to natural disasters, macroeconomic impacts, conflicts or other potentially disruptive events. Dependency on these suppliers can also make Ericsson vulnerable to changes in pricing and other commercial terms over which it may have limited leverage. Due to the current volatile geopolitical environment, including tensions between the US and China and the potential imposition of tariffs, which could have significant negative impacts throughout the information and telecommunications industry, including the Company's international product development and global value and supply chains, supply chain risk has increased.

Accordingly, there is a risk that Ericsson will be unable to obtain key inputs necessary to produce its products and provide its services on commercially reasonable terms, on time, or at all. This is particularly critical in connection with large, complex projects or those subject to deadlines and deliverables on a strict timeline. Failure or refusal to perform by any of its suppliers could delay or interrupt Ericsson's products or services supply or operations and significantly limit sales or materially increase Ericsson's costs, for example through contractual damages or penalties. In the event of a supply chain disruption, it may take significant time to find an alternative supplier or redesign products to replace components, which could cause significant delays or interruptions in the delivery of Ericsson's products and services. Ericsson has, from time to time, experienced interruptions of supply, and the Company may experience such interruptions in the future, which could hamper Ericsson's ability to procure adequate supplies at commercially reasonable prices, or at all.

Furthermore, the Company's procurement of supplies requires Ericsson to predict future customer demands. If Ericsson fails to anticipate customer demand properly, an over or under supply of components and production capacity could occur. In many cases, some of Ericsson's competitors utilize the same suppliers, and if they have purchased capacity ahead of Ericsson, the Company could be blocked from acquiring necessary products. This could limit Ericsson's ability to supply its customers and increase its costs. At the same time, Ericsson commits to certain capacity levels and/or component quantities, which, if unused, will result in charges for unused capacity or unrecoverable costs. The Company is also exposed to financial counterparty risks to suppliers when Ericsson pays in advance for supplies. Such supply disruptions and cost increases may negatively affect the Company's business, operating results and financial condition.

1.10 A significant portion of Ericsson's revenue is currently generated from large, multi-year agreements with a limited number of key customers, and operator consolidation may increase Ericsson's dependence on key customers and key markets.
Ericsson derives most of its business from large, multi-year agreements with a limited number of significant customers, many of whom are concentrated by industry, product or geography. These agreements may significantly affect the timing and results of Ericsson's operations. Many of these agreements do not contain committed purchase volumes or prices and may include commitments to future price reductions, requiring the Company to constantly manage and control its cost base. However, there can be no assurance that Ericsson's actions to reduce costs will be sufficient or timely enough to maintain the Company's anticipated gross margin from such contracts, which may have a material adverse effect on Ericsson's business, operating results and financial condition. In 2024, Ericsson's largest customer represented approximately 13% of the Company's net sales, and its ten largest customers accounted for 44% of net sales. The loss of, or a reduction in purchases from, a key customer could have a significant adverse impact on the Company's financial results and market share for an extended period. This concentration also reduces Ericsson's bargaining power in negotiating contractual arrangements with key customers.

If the Company's customers' financial conditions deteriorate, Ericsson will be exposed to increased credit and commercial risks. Challenging financial conditions have impacted some of Ericsson's customers' ability to pay their invoices, and the Company may encounter difficulty collecting accounts receivables in whole or in part. In certain circumstances, Ericsson also provides customer financing, and in adverse financial markets or more competitive environments for the customers, demands for these arrangements may increase. If a customer experiences financial distress, the Company may recognize losses on credit extended to such customer, losses relating to Ericsson's commercial risk exposure, and loss of the customer's ongoing business. If customers fail to meet their obligations to Ericsson, the Company may experience reduced cash flows, which could have a material adverse effect on its operating results and financial condition.

In addition, during the past decade, communications service providers and suppliers have undergone significant consolidation, resulting in fewer communications service providers with activities in several countries. This trend is expected to continue due to competitive pressure and market dynamics. A market with fewer and larger communications service providers will increase Ericsson's reliance on key customers and may negatively impact Ericsson's bargaining position and profit margins. Moreover, if the combined companies operate in the same geographic areas, networks may be shared, and less network equipment and fewer associated services may be required. Network investments could be delayed by the consolidation process, which may include, among others, actions relating to merger or acquisition agreements, securing necessary regulatory approvals, or integration of businesses. Network service providers also share parts of their network infrastructure through cooperation agreements rather than legal consolidations, which may adversely affect demand for network equipment. Accordingly, operator consolidation may have a material adverse effect on Ericsson's business, operating results, market share and financial condition.

Furthermore, some of the communications service providers may become more willing to partner with hyperscalers to build and run the telecommunication provider's access networks. Ericsson risks having more complex relations wherein new relationships with its customers or competitors could appear, e.g., Ericsson's customers could also become its competitors by selling telecommunications cloud solutions to communications service providers, or Ericsson's competitors could also become its partners when its software would potentially run on their hardware run-time environment. Moreover, communications service providers including Ericsson's key customers may be adversely impacted by new competition, especially in rural mobile broadband growth affected by the emerging competition from the greenfield satellite broadband sector. Furthermore, due to open interfaces, Ericsson's customers are no longer required to purchase from one vendor and could buy components from different vendors using standardized interfaces, which may result in reduced revenue and gross margins and declining sales to existing and new customers. This could also result in further integration and infringement risk from combination claims.

Product, solution or service quality issues or delays in delivery could lead to reduced revenue and gross margins and declining sales to existing and new customers, as well as penalties, claims or damages. Sales contracts normally include warranty undertakings for faulty products and often include provisions regarding penalties and/or termination rights in the event of a failure to deliver ordered products or services on time or with required quality, and sometimes include damages incurred on customer businesses. Ericsson's quality assurance measures may be unable to prevent certain issues related to reliability, product and service quality, security, privacy or service performance, which may negatively affect Ericsson's reputation, business, operating results and financial condition. This could also include poor quality of artificial intelligence (AI)-based solutions, or third-party products that are part of Ericsson's solutions. If significant warranty obligations arise due to reliability, security, privacy or quality issues with Ericsson's products, solutions or services, Ericsson's operating results, reputation and financial position could be negatively impacted by costs associated with fixing software or hardware defects, including replacement, high service and warranty expenses, high inventory obsolescence expense, adapting or creating a replacement service, delays in collecting accounts receivable or declining sales to existing and new customers.

1.11 Ericsson may not be successful in maintaining technology leadership, including developing new products and enhancements to existing products.

Ericsson depends on the development of new products and enhancements to the Company's existing products, and the success of Ericsson's substantial research and development investments is uncertain. Rapid technology and market changes in Ericsson's industry require the Company to make significant investments in research and development to be innovative. Ericsson invests significantly in new technology, products and solutions, e.g., related to 5G, machine learning, and AI. To be successful, technologies, products and solutions must often be accepted by relevant standardization bodies and/or by the industries and markets as a whole. Ericsson faces significant research and development competition, and competitors may have higher research and development budgets or resources, including due to benefits such as government subsidies. The failure of Ericsson's research and development efforts to be technically or commercially successful could have adverse effects on Ericsson's business, operating results and financial condition. If Ericsson invests in the development of technologies, products and solutions that do not function as expected, are not adopted by the industry, are not ready in time, or are not successful in the marketplace, the Company's sales and earnings may materially suffer. Additionally, it is common for research and development projects to encounter delays due to changing requirements and unforeseen problems. Delays in production and research and development may increase the cost of research and development efforts and put Ericsson at a disadvantage compared to Ericsson's competitors. Furthermore, Ericsson enters into contracts with customers committing to future production during its innovation process, and delays in production and research and development may result in contractual breach if Ericsson is unable to innovate in accordance with the terms of its commitments. These could have a material adverse effect upon the Company's business, customer relationships, operating results and financial condition.

Ericsson may be unable to meet its Cloud Software and Services business objectives, and several risks related to market, technology and operations can impact the plan. 5G market development and subscriber growth, as well as the uptake of cloud native technologies and consequent adoption of Ericsson's new offerings, and automated delivery and life-cycle-management of the products can be slower than expected. Increased competition from both emerging and established competitors may impact Ericsson's market position. The Company could be too slow to adapt to and adopt new technologies like AI and machine learning to drive more automation in products, solutions and services. The transformation to the cloud native solutions that 5G core standards are built on could also include greater complexity and take longer than expected. In addition, the increasing influence of open-source initiatives could drive a best of breed approach in Ericsson's customers, driving prices down and adversely impact the Company's full suite of offerings. For managed services, most contracts span more than one year, with a long sales cycle for new contracts. Risk of termination and reduced scope or renegotiation of existing contracts may have a negative impact on sales and earnings. In the operational dimension, Ericsson may be unable to successfully execute on continued end-to-end efficiency measures to simplify the operating model, as well as being unable to mitigate risks in the customer projects, which could have a material adverse effect on Ericsson's business.

1.12 Ericsson's ability to benefit from intellectual property rights, which are critical to the Company's business, may be limited by changes in regulation relating to patents, inability to prevent infringement, the loss of licenses to or from third parties, infringement claims brought against the Company by competitors and others and changes in the area of open standards when it comes to licensing of open standard essential patents.

There can be no assurance that the Company's patents will not be challenged, invalidated, or circumvented, or that any rights granted in relation to Ericsson's patents will in fact provide the Company with competitive advantages.

Ericsson's use of a combination of trade secrets, confidentiality policies, and nondisclosure and other contractual arrangements, in addition to relying on patent, copyright and trademark laws to protect Ericsson's intellectual property rights, may not be adequate to prevent or deter infringement or other misappropriation. In addition, Ericsson relies on many software patents, and limitations on the patentability of software may materially affect Ericsson's business.

Moreover, the Company may not be able to detect unauthorized use or take appropriate and timely steps to establish and enforce Ericsson's proprietary rights. In fact, existing legal systems of some countries in which Ericsson conducts business offer limited, if any, protection of intellectual property rights. The Company's solutions may also require it to license technologies from third parties. It may be necessary in the future to seek or renew licenses, and there can be no assurance that they will be available on acceptable terms, or at all. Moreover, the inclusion in Ericsson's products of software or other intellectual property licensed from third parties on a non-exclusive basis could limit the Company's ability to protect proprietary rights in Ericsson's products.

Many key aspects of telecommunications and data network technology are governed by industry-wide standards usable by all market participants. As the number of market entrants and the complexity of technology increases, the possibility of functional overlap and inadvertent infringement of intellectual property rights also increases, which has been the case with the introduction of 5G technology. In addition to industry-wide standards, other key industry-wide software solutions are currently developed by market participants as free and open-source software. Contributing to the development and distribution of software developed as free and open-source software may limit

Ericsson's ability to enforce applicable patents in the future. Using free and open-source software may allow third parties to further investigate the Company's software due to the accessibility of source code. This may in turn make this software more prone to assertions from third parties.

Third parties have asserted, and may assert in the future, claims directly against Ericsson or against Ericsson's customers, alleging infringement of their intellectual property rights. Defending such claims may be expensive, time-consuming and divert the efforts of Ericsson's management and/or technical personnel. Intellectual property rights disputes are complex and often take many years to resolve, with parties pursuing remedies across multiple forums and jurisdictions. Interim judgements and verdicts are common and not necessarily indicative of the ultimate outcome. As a result of litigation, Ericsson could be required to pay damages and other compensation directly or to indemnify Ericsson's customers for such damages and other compensation, develop non-infringing products/technology or enter into royalty or licensing agreements. However, the Company cannot be certain that such licenses will be available to the Company on commercially reasonable terms or at all, and such judgments could have a material adverse effect on Ericsson's business, reputation, operating results and financial condition.

Investigations by antitrust authorities, court judgments and legislative and regulatory change could potentially affect Ericsson's ability to benefit from its patent portfolio when licensing patents necessary to conduct an open standard (e.g., 4G and 5G technology), which could have a material adverse effect on Ericsson's business, reputation, operating results and financial condition. As a result of research and development investments, Ericsson holds a leading patent portfolio in open standards, and possible changes regarding such a portfolio may materially affect Ericsson's reputation, business, operating results and financial condition.

Ericsson's ability to benefit from intellectual property rights may be limited by the loss of patent licenses to or from third parties. Patent licensing agreements are generally multi-year and term based and the process for renewal of these licenses normally requires negotiations, particularly in conjunction with technology shifts and the introduction of new standards, such as 5G. Such renewals and negotiations may take time to resolve, sometimes involve litigation and may have material adverse impacts on Ericsson's business and financial position, including on the timing for and level of revenues from the intellectual property rights licensing contract portfolio. Additionally, Ericsson may inadvertently encumber patents in commercial agreements and, therefore, cannot license such patents resulting in lost revenue.

Challenging global economic conditions and political unrest and uncertainty, geopolitical risks and trade frictions may increase the uncertainty around the direction of the global cellular eco-systems and standards, which could have adverse effects on Ericsson's intellectual property rights licensing revenues as well as on the ability to acquire licenses. Additionally, Ericsson's research and development investment decisions could result in a less relevant patent portfolio, affecting Ericsson's ability to generate revenue.

1.13 Ericsson may not be successful in continuing to attract and retain the highly qualified employees and agile and engaged workforce necessary to remain competitive.

Ericsson believes that the Company's future success largely depends on Ericsson's continued ability to hire, develop, motivate and retain engineers and other qualified employees who develop new products/solutions, support Ericsson's existing product range and provide services to the Company's customers and create great customer experience. In order to successfully implement its strategy, Ericsson needs an agile and engaged global workforce.

Competition for highly qualified people in the industries in which the Company operates remains intense. This competition is only further increased by the fact that other industries are looking for similar talent. The increased availability of hybrid or remote working arrangements within Ericsson's industry has further expanded the pool of companies that can complete for Ericsson's employees and employment candidates. The Company's ability to succeed depends in part on maintaining a favorable corporate reputation that can be adversely impacted by many factors, including ongoing litigation, investigations, and adverse media reports. We must also manage leadership development and succession planning throughout our business. Competition for and changes in senior leadership can also disrupt strategic execution, business continuity, and internal and external relationships, and negatively impact Ericsson's performance.

Ericsson has a global workforce. Managing a global employee cohort is challenging, and ensuring appropriate communication and engagement while maintaining Ericsson's culture, transfer of critical knowledge, and necessary business momentum can be difficult to balance. In order to execute on our strategy and enhance our culture of operational excellence, we must effectively manage the impacts of frequent and complex organizational change initiatives. Over the past several years, Ericsson reduced headcount in many countries as part of cost saving and other strategic measures as well as implementing other strategic organizational initiatives. These processes are time-consuming and resource intensive and can have a negative impact on employee morale and engagement due to the volume and pace of change.

If we are unable to make decisions quickly, assess our opportunities and risks and successfully implement new governance, strategic and other processes needed to execute our strategy in the increasingly dynamic and competitive business and regulatory environment, our financial condition, results of operations and relationships with employees, customers, partners and other stakeholders could be adversely impacted. There are no guarantees that Ericsson will be successful in attracting and retaining employees with the right skills in the future and an agile and engaged workforce, and such failure could have a material adverse effect on Ericsson's business and brand.

1.14 Unforeseen risks and disruptions, whether due to natural or man-made events, may be highly damaging to the operation of Ericsson's business.

Ericsson's operations are complex, and several critical operations are centralized in single locations. The Company's business operations and those of its suppliers and customers are vulnerable to interruption by fire, earthquake, hurricane, flood or other natural disasters and adverse weather conditions (including climate-change related events), power loss, security incidents, systems failure, telecommunications failure, pandemics, quarantines, national catastrophes, terrorist activities, war and other events beyond the Company's control. If any of the foregoing events were to occur, Ericsson's or its suppliers' and customers' ability to operate could be seriously impaired, and Ericsson could experience material harm to its business, operating results and financial condition.

Having outsourced significant portions of Ericsson's operations, such as parts of IT, finance and HR operations, Ericsson depends on the performance of external companies, including their security and reliability measures. Regardless of protection measures, systems and communications networks are susceptible to disruption due to failure, vandalism, security incidents, natural disasters, power outages and other events. Ericsson also has a concentration of operations on certain sites, including R&D, production, manufacturing, workforce concentrated areas, network operation centers, information and telecommunications centers and logistic centers and shared services centers, where business interruptions could cause material damage and costs. In addition, these disasters could significantly disrupt Ericsson's business by, among other things, reducing demand for its products and services, impairing its customers' ability to purchase or pay for its products or services, delaying or preventing its suppliers from providing the Company with critical components, damaging or destroying inventory, preventing communications service providers from upgrading their wireless networks to meet new technology standards, or preventing a significant number of its employees, including those who perform critical functions, from performing their duties. Interruptions to Ericsson's systems and communications may have an adverse effect on the Company's operations and financial condition.

Ericsson's commitment to bring connectivity to the world involves operations in areas of high risk related to local conflicts, warfare, terrorism, civil unrest, political instability, organized crime, criminality, kidnappings, authoritarian rule, health crises, man-made accidents or naturally caused crises, such as flooding, earthquakes, tsunamis or other natural disasters. Operating in high-risk areas can present significant challenges that could affect employee and sub-contractor safety and well-being, disrupt Ericsson's business, increase costs, and impair Ericsson's ability to execute its strategic objectives, and the unpredictability of such events makes it difficult to secure safe work environments consistently.

Such high-risk areas and situations may risk the lives or welfare of employees, subcontractors' employees, or their families, as well as trigger liabilities under International Humanitarian Law. Ericsson's internal frameworks, contractual agreements, protective measures, and emergency response plans may not be enough to protect employees or subcontractors' employees from harm. If Ericsson cannot maintain a safe work environment for its employees or fails to provide protection or support, it could have adverse material effects on Ericsson's business and reputation and can lead to litigation and sanctions. Additionally, Ericsson's ability to attract and retain skilled talent may be constrained by the heightened concerns associated with certain locations. In response, Ericsson may be required to implement costly security measures, make accommodations or periodically suspend or alter business activities, which could increase operational costs and impact Ericsson's ability to meet its strategic objectives and customer demand. Furthermore, international businesses and critical infrastructure are also at an increased risk in regions prone to political instability, terrorism and armed conflict, and Ericsson may need to implement costly protective measures to mitigate these risks.

2 Risks related to Ericsson's financial condition

2.1 Ericsson's debt increases the Company's vulnerability to general adverse economic and industry conditions, limits Ericsson's ability to borrow additional funds, and may limit the Company's flexibility in planning for, or reacting to, changes in its business and industry.

As of December 31, 2024, Ericsson's outstanding borrowings were SEK 38.0 billion and the Company is rated investment grade by S&P Global (BBB-) and Fitch Ratings (BBB-) and one step below investment grade by Moody's (Ba1). These debt levels and the credit ratings could have important adverse consequences, including:

- Increasing Ericsson's vulnerability to general economic and industry conditions.
- Requiring a substantial portion of cash flow from operating activities to be dedicated to the payment of principal and interest on the Company's indebtedness, thereby reducing Ericsson's ability to use its cash flow to fund the Company's operations, capital expenditures and future business opportunities.
- Restricting Ericsson from making strategic acquisitions or causing Ericsson to make non-strategic divestitures.
- Limiting Ericsson's ability to obtain additional financing for adjusted working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes.
- Limiting the Company's ability to adjust to changing market conditions and placing Ericsson at a competitive disadvantage compared to Ericsson's competitors.

Ericsson may choose to incur substantial additional indebtedness in the future. If new indebtedness is added to the Company's current debt levels, the related risks that Ericsson now faces could increase. If Ericsson's financial performance were to deteriorate, the Company may not be able to generate sufficient cash to service all of its indebtedness and may be forced to take other actions to satisfy its obligations, which may not be successful.

Ericsson's ability to make scheduled payments on or to refinance the Company's debt obligations depends on its financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors which may be beyond Ericsson's control. If Ericsson's financial performance were to deteriorate significantly, the Company might be unable to maintain a level of cash flows from operating activities sufficient to permit Ericsson to pay the principal, premium, if any, and interest on Ericsson's indebtedness.

If, due to such a deterioration in the Company's financial performance, Ericsson's cash flows and capital resources were to be insufficient to fund its debt service obligations, Ericsson may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance Ericsson's indebtedness. These alternative measures may not be successful and may not permit Ericsson to meet Ericsson's scheduled debt service obligations. In addition, if the Company were required to raise additional capital in the current financial markets, the terms of such financing, if available, could result in higher costs and greater restrictions on its business.

In addition, if Ericsson were to refinance its existing indebtedness, the conditions in the financial markets at that time could make it difficult to refinance Ericsson's existing indebtedness on acceptable terms or at all. If such alternative measures proved unsuccessful, Ericsson could face substantial liquidity problems and might be required to dispose of material assets or operations to meet the Company's debt service and other obligations.

Furthermore, Ericsson relies on various sources for short-term and long-term capital for the funding of the Company's business. Should such capital become unavailable or available in insufficient amounts or on unreasonable terms, Ericsson's business, financial condition and cash flow may materially suffer. Ericsson's business requires a significant amount of cash. If Ericsson does not generate sufficient amounts of capital to support the Company's operations, service its debt and continue Ericsson's research and development programs, or if the Company cannot raise sufficient amounts of capital at the required times and on reasonable terms, Ericsson's business, financial condition and cash flow are likely to be adversely affected. Access to funding may decrease or become more expensive as a result of Ericsson's operational and financial condition, market conditions, or due to deterioration in Ericsson's credit rating. There can be no assurance that additional sources of funds that Ericsson may need from time to time will be available on reasonable terms or at all. If the Company cannot access capital on a commercially reasonable basis, Ericsson's business, financial condition and cash flow could materially suffer.

2.2 Due to having a significant portion of Ericsson's costs in SEK and revenues in other currencies, the Company's business is exposed to foreign exchange fluctuations that could negatively impact its revenues and operating results.

Ericsson incurs a significant portion of the Company's expenses in SEK. As a result of Ericsson's international operations, Ericsson generates, and expects to continue to generate, a significant portion of the Company's revenue in currencies other than SEK. To the extent Ericsson is unable to match revenue received in foreign currencies with costs paid in the same currency, exchange rate fluctuations could have a negative impact on Ericsson's consolidated income statement, balance sheet and cash flows when foreign currencies are exchanged or translated to SEK, which increases volatility in reported results.

As market prices are predominantly established in US dollars or Euros, Ericsson presently has a net revenue exposure in foreign currencies, which means that a stronger SEK exchange rate would generally have a negative effect on Ericsson's reported results. The Company's attempts to reduce the effects of exchange rate fluctuations through a variety of natural and financial hedging activities may not be sufficient or successful, resulting in an adverse impact on Ericsson's results and financial condition.

2.3 Impairment of goodwill, other intangible assets, property and equipment (PP&E) and right-of-use (RoU) assets leased by the Company have impacted and may continue to negatively impact Ericsson's financial condition and operating results.
Ericsson has a significant amount of these assets; for example, patents, customer relations, trademarks, software, PP&E and RoU.

Goodwill is the only intangible asset the Company has recognized to have an indefinite useful life. Other intangible assets are mainly amortized on a straight-line basis over their estimated useful lives, and the assets are reviewed for impairment whenever events such as product discontinuances, product dispositions or other changes in circumstances indicate that the carrying amount may not be fully recoverable. Those intangible assets not yet in use are tested for impairment annually.

Historically, the Company has recognized impairment charges mainly due to restructuring, which is usually limited, but occasionally significant. Additional impairment charges may be incurred in the future and could be significant due to various reasons, including strategy changes, restructuring actions or adverse market conditions that are either specific to Ericsson or the broader industries in which Ericsson operates, or more general in nature and that could have an adverse effect on Ericsson's operating results and financial condition. For example, Ericsson recorded non-cash impairment charges of SEK 31.9 billion in the third quarter of 2023 and SEK 11.4 billion in the second quarter of 2024, mainly related to goodwill and other intangible assets attributed due to Vonage. These impairments resulted from the significant drop in the market capitalization of Vonage's publicly traded peers, increased interest rates, and an overall slowdown in Vonage's core markets, as well as lower anticipated growth in certain Vonage businesses. The impairments were reported in segment Enterprise as items affecting comparability.

Negative deviations in actual cash flows compared to estimated cash flows as well as new estimates that indicate lower future cash flows might result in recognition of impairment charges. Other impairment indicators, such as the impact of increased interest rates, inflation, macroeconomic conditions, and other market events can also lead to the recognition of impairment charges. Non-cash impairment charges reduce the Company's non-restricted equity and, consequently, impact dividend capacity. Estimates require management judgment as well as the definition of cash-generating units for impairment testing purposes. Other judgments might result in significantly different results and may differ from the actual financial condition in the future.

3 Risks related to legal and regulatory matters

3.1 Ericsson's global operations, including those in high-risk jurisdictions, markets and businesses, expose the Company to a wide range of risks.
Ericsson conducts business throughout the world and is subject to the effects of general global economic conditions as well as the legal and regulatory environments unique to specific countries or regions, which can change rapidly. The Company has customers in more than 175 countries, with a significant proportion of Ericsson's sales from emerging markets in the Asia Pacific region, Latin America, Eastern Europe, the Middle East and Africa. Ericsson's extensive global operations, including in high-risk and/or developing jurisdictions and markets, subject the Company to additional risks on many fronts, including civil disturbances, acts of terrorism, acts of war, economic and geopolitical instability and conflict, misuse of technology, human rights violations, pandemics, the imposition of exchange controls, tariffs or other restrictions on trade, economies that are subject to significant fluctuations, nationalization of private assets or other governmental actions affecting the flow of goods and currency, changes to government policies on foreign investment, labor, health and safety issues, effects from changing climate, and difficulty of enforcing agreements and collecting receivables through local legal systems.

When Ericsson contracts with governments or government-affiliated entities, including on mission-critical, defense related or other sensitive or classified projects, it may be subject to additional legal and regulatory requirements and enhanced reputational risks. An increase in the volume of these projects may also expose Ericsson to higher levels of geopolitical risk as it seeks to manage relationships with government and military entities who may serve as the Company's customers, partners and regulators. These types of projects may be subject to scrutiny and challenge by external stakeholders. Failure to adequately manage these risks could result in potential liability, and adverse financial and reputational consequences.

Ericsson reviews its geographic footprint on an ongoing basis and has in the past decided and may in the future decide to change its business model in or exit certain jurisdictions where it is deemed to be in the best interest of the Company. For example, Ericsson has withdrawn its operations in Russia. These exits can be time consuming and resource intensive and involve complex legal and regulatory proceedings that can take many years to resolve. There can be no assurance that Ericsson will be able to successfully manage the risks arising from its global footprint, which could result in adverse impacts on its business, financial condition and reputation.

3.2 Ericsson's substantial international operations are subject to regulatory uncertainties that could adversely affect the Company. Compliance with existing or changed laws, rules or regulations may subject Ericsson to increased costs or reduced products and services demand and may adversely affect the Company.
Ericsson conducts business globally and is consequently exposed to a broad and rapidly evolving range of laws and regulations. Laws, regulations and other expectations are not uniform across jurisdictions, and may be inconsistently interpreted or applied, which can increase the complexity and costs of compliance as well as associated litigation or enforcement risks. The Company could experience penalties and adverse rulings in enforcement or other proceedings for non-compliance with applicable laws, rules or regulations governing its business, which could have a material adverse effect on Ericsson and its customers, including its reputation, business, financial condition, operations, research and development, operating results, cash flows, prospects or its current or future customer relationships, including both private and government customers. Ericsson strives for compliance, but the burden of monitoring and maintaining compliance across global operations in a rapidly changing world and evolving industry is significant. There can be no assurance that Ericsson's compliance policies and programs, including those developed in connection with the now-concluded monitorship, will be effective. The Company has not been in compliance with all such laws, rules and regulations in the past and cannot assure that all past violations have been addressed or that additional violations will not occur in the future. Ericsson's non-compliance with laws, rules and regulations may also affect its customers' compliance requirements and/or lead to actual or perceived breach of Ericsson's contractual obligations to its customers resulting in contract claims and loss of revenue. It may also impact Ericsson's ability to gain new customers.

Further changes in laws, rules, regulations or policies could subject Ericsson to liability, increased costs, or reduced products and services demand, market access restrictions, inability to deliver products of certain origin and have a material adverse effect on Ericsson, including its reputation, business, financial condition, operating results, cash flows or prospects.

Changes to laws, rules or regulations may adversely affect both Ericsson's customers' and the Company's own operations. For example, regulations imposing more stringent, time-consuming or costly planning and zoning requirements or building approvals for radio base stations and other network infrastructure could adversely affect the timing and costs of network construction or expansion, and ultimately the commercial launch and success of these networks. Additionally, data protection and cybersecurity regulations could influence customers' desires to invest in technology solutions that involve data processing. Compliance with these rapidly evolving regulations, both in its own operations and its customers' operations, is time and resource intensive. Similarly, regulations focused on lowering consumer prices and regulations or rules on network neutrality could also affect communications service providers ability or willingness to invest in network infrastructure, which in turn could affect the sales of Ericsson's systems and services. Additionally, delay in radio frequency spectrum allocation, and allocation between different types of usage may adversely affect communications service provider spending or force Ericsson to develop new products to be able to compete. Furthermore, the rapid development and deployment of tools that leverage AI is also causing governments to consider and enact regulation of AI, even for AI that does not pertain to personal data, which could influence development and compliance efforts.

Further, Ericsson develops many of its products and services based on existing laws, rules, regulations and technical standards. Changes to these existing laws and standards, or the implementation of new laws, rules, regulations, restrictions and technical standards relating to products and services not previously regulated, could adversely affect Ericsson's development or supply efforts by increasing compliance costs and causing delay or disruptions. Demand for those products and services could also decline. Regulatory changes related to e.g., license fees, environment, health and safety, security, data localization, privacy (including the cross-border transfer of personal data for example between the EU and the US), and other regulatory areas may increase costs and restrict Ericsson's operations or the operations of network communications service providers. Also, indirect impacts of such changes and changes to laws, rules or regulations in other fields, such as pricing regulations, could have an adverse impact on Ericsson, even though the specific laws, rules or regulations may not apply directly to the Company or its products.

Due to the strategic importance of the industry in which Ericsson operates, countries are increasingly focused on technology and infrastructure policy and regulations, and governments may impose new regulations with additional compliance obligations, particularly in areas such as cybersecurity and data privacy. Compliance with evolving regulatory requirements is resource-intensive and may require ongoing investments and operational adjustments. Furthermore, in certain markets in which Ericsson operates, there is a risk that national governments actively favor or establish local vendors or introduce requirements for local content in their respective markets at the expense of foreign competitors or introduce other requirements impacting how Ericsson can provide products and services to its customers. The implementation of such measures could adversely affect Ericsson's net sales, market share and ability to purchase or supply critical products or components.

Compliance with applicable export control regulations and sanctions or other trade embargoes in force is paramount for the Company. Export control regulations, tariffs, sanctions or other forms of trade restrictions targeting countries in which Ericsson is active may result in a reduction of commitments in those countries, and may be further affected by changes in governments. As an example, an escalation of trade tensions between the US and China has resulted in additional trade restrictions including export controls, and increased tariffs, which if further developed could harm the Company's ability to compete effectively in Chinese markets or with Chinese companies and negatively impact Ericsson's operations in the country. The need to terminate activities as a result of further trade restrictions may also expose Ericsson to customer claims and other risks. Furthermore, the global geopolitical situation in parts of the world remains volatile and uncertain, and the level of export controls and sanctions is still relatively high from a historical perspective. This level could continue to increase, significantly impacting Ericsson's operations. The most recent increase in export controls has particularly targeted China's ability to develop advanced super computers and artificial intelligence, including the semiconductors needed for those operations. A universal element of the sanctions is the financial restrictions with respect to individuals and legal entities, but sanctions can also restrict certain exports and ultimately lead to a complete trade embargo towards a country.

Export control and sanctions laws, rules and regulations are complex, frequently changing and increasing in number. The Company has not been in compliance with all such export control and sanctions rules or regulations in the past and cannot assure that all past violations have been addressed or that additional violations will not occur in the future. Such violations could have material adverse effects on Ericsson, including its reputation, business, financial condition, operating results, cash flows, or prospects and could constitute a violation of the consent judgment with the U.S. Securities and Exchange Commission.

Ericsson's business operations are complex, involving the development, production and delivery of telecommunications solutions to customers in a very large number of jurisdictions. Each jurisdiction has its own tax laws, rules and regulations subject to updates or changes in interpretation or enforcement, and the Company has to comply with the relevant laws, rules and regulations in each of these countries. These laws, rules and regulations involve income taxes and indirect taxes such as VAT and sales taxes as well as withholding taxes on domestic and cross border payments and social security charges related to Ericsson's employees. Constant changes in the laws, rules or regulations and the interpretation thereof also creates further tax exposures. This results in complex tax issues and tax disputes that may lead to additional tax payment obligations. From time to time, Ericsson is subject to challenges from tax authorities that carry the risk of financial penalties regarding its approach to taxation and related matters, including transfer pricing and revenue recognition. Processes with tax authorities including routine audits, bilateral or mutual agreement procedures and others are complex and may take a number of years to resolve which can introduce financial and operational uncertainty. If resolved unfavorably, these matters can result in both monetary penalties and requirements to amend finance, accounting and other operational processes which could have a material adverse impact on the Company's business. As a global company, Ericsson also faces the risk of being taxed for the same income in more than one jurisdiction (double taxation). This could have adverse effects on Ericsson, including its reputation, business, financial condition, operating results, cash flows, or prospects.

Ericsson cannot guarantee that it will not become the subject of product liability claims or be required to comply with future changed regulatory requirements. Ericsson may, in addition, be affected by regulatory or other restrictions imposed on the Company's customers use of radio equipment that may have a material adverse effect on Ericsson's business, operating results, financial condition, reputation and brand.

All of the above may have a material and potentially lasting adverse impact on Ericsson, including its reputation, business, including sales market share, market access, supply chain and R&D activities, financial condition, operating results, cash flows, or prospects.

3.3 Ericsson is subject to certain US, UK and other anti-corruption (including anti-bribery, anti-money-laundering, sanctions, terror finance and anti-terrorism) laws, rules and regulations and other regulatory requirements or conditions in other jurisdictions, or imposed as a result of foreign direct investment reviews and decisions, and may be subject to heightened scrutiny by governmental authorities.

Ericsson is, from time to time, involved in legal proceedings and regulatory investigations, and is subject to certain other regulatory requirements, conditions and agreements. If any of these lawsuits or legal proceedings are determined unfavorably against the Company or it is determined that the Company is not in compliance with any of these regulatory requirements, conditions or agreements, the Company could be required to pay substantial damages, fines and/or penalties, be subject to public scrutiny, negative reputational consequences, or become subject to additional enforcement actions, regulatory review and/or adverse decisions. Ericsson could face potential debarment from government contracting in the United States and elsewhere, reputational risk, as well as potential counterparty reluctance to continue business relationships. In addition, these ongoing matters and investigations require significant resources and costs for investigation, compliance and remediation that could lead to adverse financial and reputational consequences.

Additionally, due to the strategic nature of the industry in which Ericsson operates and its previously disclosed regulatory investigations, Ericsson is closely monitored by government authorities and may be subject to heightened scrutiny from regulators. As previously disclosed, Ericsson has resolved matters with government agencies through settlements, which increase regulatory scrutiny of its current and future compliance practices. This heightened scrutiny exposes Ericsson to an elevated risk of compliance audits, investigations and enforcement actions and any future perceived or actual non-compliance with applicable laws and regulations could result in more significant penalties, restrictions on its operations, or reputational harm that may impact its business relationships and customer trust.

In connection with the acquisition of Vonage by Ericsson, and as a condition to CFIUS's approval of the acquisition, Vonage, Ericsson and the U.S. Department of Justice and the U.S. Department of the Treasury, in their capacity as CFIUS monitoring agencies, entered into a National Security Agreement in July 2022, which imposes restrictions on access to certain types of sensitive data, equipment and systems. Vonage and Ericsson are engaged and cooperating with the CFIUS monitoring agencies in relation to ongoing compliance with the National Security Agreement restrictions, related remediation efforts to address concerns raised by the CFIUS monitoring agencies regarding such access, and the CFIUS monitoring agencies' requests for information. The ongoing compliance efforts and related remediation have required changes to the Vonage business, including reduction and cessation of operations in certain jurisdictions. Further changes may be required which could adversely affect the Vonage business, including changes to business structure and additional compliance measures with associated costs. The CFIUS monitoring agencies review of integrations and connections of Ericsson and Vonage technologies could also increase time to market. Vonage and Ericsson continue to cooperate with the CFIUS monitoring agencies in investigating historical and ongoing compliance with the terms of the National Security Agreement. The ultimate outcome of these investigations remains uncertain. Violations of a CFIUS mitigation agreement, such as the National Security Agreement, can result in an enforcement action imposing monetary penalties or other remedies. CFIUS has increased its resources and focus on enforcement and has recently imposed major financial penalties for violations of mitigation agreements involving unauthorized access to sensitive data and failure to report such incidents promptly to CFIUS.

In February 2022, Ericsson publicly disclosed that an internal investigation in 2019 included a review of the conduct of Ericsson employees, vendors and suppliers in Iraq during the period between 2011 to 2019. The investigators could not determine the ultimate recipients of any payments, nor identify that any Ericsson employee was directly involved in financing terrorist organizations. The Company's 2019 internal Iraq investigation did not conclude that Ericsson made or was responsible for any payments to any terrorist organization.

The Company continues to fully cooperate with the DOJ in its investigation into matters discussed in the 2019 internal Iraq investigation report and related topics concerning jurisdictions including Iraq, and the Company is providing additional documents and other information that continue to be requested by the DOJ. As additional information continues to be identified and evaluated in continued cooperation with the DOJ during its ongoing investigation, it is expected that there will not be any conclusive determinations on the outcome until the investigation is completed. The scope and duration of the investigation remains uncertain.

Ericsson is required to comply with anti-corruption and anti-bribery laws in the jurisdictions in which it operates, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and other similar laws in other countries in which the Company does business. As a result of doing business in foreign countries, including through channel partners and agents, Ericsson is exposed to risks of violating anti-corruption laws. As a company that operates in certain regulated sectors, Ericsson deals with both governments and state-owned business enterprises, the employees of which are often considered foreign officials for purposes of the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery legislation. Some of the international locations in which Ericsson operates have developing legal systems and may have higher levels of corruption than more developed jurisdictions. Actual or alleged non-compliance with anti-corruption laws and other laws governing the conduct of business with government entities and/or officials (including local laws) could subject Ericsson to criminal and civil penalties and other remedial measures, which could have a material adverse effect on Ericsson, including its reputation, business, financial condition, operating results, cash flows or prospects. For additional information regarding certain of the legal proceedings and inquiries in which Ericsson is involved, see "Legal proceedings" in the Board of Directors' Report.

3.4 Ericsson is involved in lawsuits and legal proceedings, which, if determined unfavorably, could require the Company to pay substantial damages, fines and/or penalties.

Ericsson is involved in legal proceedings in the ordinary course of its business. These proceedings include matters such as commercial and contractual disputes, intellectual property rights disputes, labor disputes and any government or authority inquiry or investigation, e.g., antitrust and tax, disputes. Legal proceedings can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. An unfavorable resolution of a particular matter could have a material adverse effect on Ericsson's business, operating results, financial condition and reputation. As a publicly listed company, Ericsson may be exposed to lawsuits in which plaintiffs allege that the Company or its officers have failed to comply with securities laws, stock market regulations or other laws, regulations or requirements. Whether or not there is merit to such claims, the time and costs incurred to defend the Company and its officers and the potential settlement or compensation to the plaintiffs could have significant impact on Ericsson's reported results and reputation.

In addition, the Company is from time to time and may in the future be subject to additional inquiries, litigation or other proceedings or actions, regulatory or otherwise, arising in relation to the matters described above and related or other litigation and investigative matters. An unfavorable outcome of any such litigation or regulatory proceeding or action could have a material adverse effect on Ericsson's business, financial condition and operating results.

For additional information regarding certain of the legal proceedings and inquiries in which Ericsson is involved, see "Legal proceedings" in the Board of Directors' Report.

3.5 Ericsson is subject to a broad range of rapidly evolving privacy, security and data localization regulations, as well as corresponding contractual obligations, and may be subject to regulatory penalties and/or breach of contract claims for failure to comply.

Ericsson and certain of its third-party providers receive, store, handle, transmit, use and otherwise process proprietary information, including personal information, belonging to the Company's business and information about actual and prospective customers, end users, employees and service providers (collectively, "Confidential Information"). More stringent privacy, security and data localization regulations are developing at a rapid pace in many countries and markets in which Ericsson operates, including the General Data Protection Regulation (EU/UK), and national privacy regimes in India, China and some states of the United States (such as the California Consumer Privacy Act and similar laws in other states). These regulations require subject entities to, among other things, notify individuals about how personal information is used and provide individuals certain rights with respect to such information, including rights to access, correct and delete such information and to opt-out of certain uses and disclosures of such information. In addition, cybersecurity regulatory requirements are evolving globally, including regulations and laws related to cybersecurity incident notifications, supply chain security, secure development, and baseline cybersecurity requirements such as the Network and Information Security Directive 2 (EU), the Cyber Resilience Act (EU), and 2024 Telecommunications (telecom cyber security) Rules (India), applicable to parts of Ericsson's internal operations, portfolio and customers' operations.

Ericsson is also subject to contractual obligations to its customers and third parties relating to privacy, security and use of data generally, which, amongst other things, requires Ericsson to ensure appropriate security and limit the use of customer Confidential Information. While Ericsson strives to comply with applicable privacy, security and data localization regulations and its contractual obligations, the complexity, uncertainty, pace of implementation of new laws, challenges in applying the concepts to new technologies and contradictions in local and regional privacy, security and data localization regulations may mean that Ericsson is found to be non-compliant with these requirements or its contractual obligations, and subject to penalties and breach of contract claims, along with potential damage to Ericsson's brand and reputation. Ericsson continues to periodically review its privacy and cybersecurity compliance across its global operations to comply with these varied global and ever-changing requirements, which does and will continue to require significant investments and resources. For example, Ericsson is reviewing data management in connection with its customer support function and is in the process of identifying and implementing certain changes, for example, changes to data access and amendments to customer contracts and policies and procedures. Due to the diverse nature worldwide of privacy, security and data localization regulations, any single incidence of non-compliance, or serious breach of confidentiality or disruption of secure operations, by Ericsson may lead to regulatory agencies in various jurisdictions levelling separate penalties or judgments against Ericsson. Due to the nature of Ericsson's business, which involves telecommunications and critical infrastructure, and the amount of personal information of which Ericsson is the controller or processor, such an event could have far-ranging consequences, such as orders to change its operations or cease processing personal information, even if it was accidental or caused by a third party outside of the control of Ericsson. Consequences could include large fines, as well as significant damage claims and the loss of trust of customers, end users and employees, which may have material adverse effects on Ericsson's business, reputation, financial condition and operating results and may require it to change its business practices and potentially the services, features, integrations and other capabilities of its offerings.

3.6 Ericsson may be found non-compliant with existing, new and emerging human rights and environmental due diligence regulations and may be subject to administrative penalties and/or civil liability.

The regulatory landscape addressing corporate conduct in relation to human rights and environmental impacts is rapidly evolving. New legislation, imposing more stringent due diligence requirements (for example, the US Uyghur Forced Labor Prevention Act, the Norwegian Transparency Act, the UK Modern Slavery Act, France's Duty of Vigilance Law and the German Supply Chain Due Diligence Law), has already entered into force and requires Ericsson to assess risks from a value chain perspective, including full supply chain perspective, beyond first-tier suppliers. Additionally, emerging legislation from the European Union (the Corporate Sustainability Due Diligence Directive and the Forced Labor Ban Regulation) will put additional significant requirements on Ericsson to adopt and refine additional mechanisms to identify, address, prevent and mitigate certain human rights and environmental risks in its operations and business relationships, and on Ericsson's management to oversee these matters. Because of this existing and future regulation, Ericsson may be expected to engage in increasingly more detailed due diligence with respect to its third parties, such as customers, suppliers and employees, some of which may not have the controls and data necessary to assist Ericsson with its compliance. Due to the global reach of this legislation, an impact in any country of operation or where Ericsson engages with suppliers, customers or other third parties may lead to non-compliance and thereby potential administrative penalties or civil or other liability or reputational harm. Moreover, similar to the US Uyghur Forced Labor Prevention Act, the upcoming EU Forced Labor Regulation, enable customs authorities to seize and destroy shipments that include components produced with forced labor, unless the company in question provides credible evidence of full supply chain due diligence efforts that prove the absence of forced labor. Such actions by law enforcement would have significant financial and reputational impacts on Ericsson's operations and business relationships. In order to comply with the relevant legislation, Ericsson needs to increase supply chain transparency and knowledge of supplier base and material content. Ericsson might also need to shift its supply chains from high-risk countries, which could have adverse financial implications, including increasing the total costs associated with its businesses.

4 Risks related to cybersecurity matters

4.1 Vulnerabilities (and threat actors exploiting vulnerabilities), including in Ericsson's products, services and operations may lead to compromise of identities, target of work force, misuse of accounts, network disruption, cybersecurity incidents, and material harm to Ericsson or Ericsson's customers, any of which may have a material adverse effect on Ericsson's business, operations, financial performance, customer and vendor relationships, reputation and brand, and may lead to significant penalties or litigation, or to regulatory investigations or actions.

Ericsson relies on IT systems, i.e., hardware, software, technology infrastructure and networks for both internal and external operations that are critical to its business. Ericsson develops, owns and manages some of these IT systems but also relies on third parties for a range of IT systems and related products and services, including but not limited to cloud computing services. Ericsson faces numerous and evolving cybersecurity risks, including from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as social engineering/phishing, malware (including ransomware), malfeasance by insiders, human or technological error, and as a result of bugs, misconfigurations or exploited vulnerabilities in software or hardware.

Cyberattacks and security incidents are expected to accelerate in both frequency and impact as attacks are increasingly sophisticated and utilize tools and techniques that are designed to circumvent controls, avoid detection, and remove or obfuscate forensic evidence, which means that Ericsson may be unable to detect, investigate, contain or recover from future attacks or incidents in a timely or effective manner. For example, the presence of vulnerabilities in Ericsson's products, services or operations, may not be detected during product development and operations, and may be leveraged by a threat actor to cause material harm to Ericsson or Ericsson's customers. Moreover, certain threat groups, including those that are state-sponsored, are well funded and have access to significant resources and advanced expertise, including AI technologies, against which Ericsson may lack sufficient capabilities to detect or respond. Vulnerabilities in Ericsson's products, solutions or services not detected and treated during product development or solution delivery may be exploited by a threat actor to cause harm to Ericsson's customers, end users or Ericsson with potential societal or double material adverse effects. Vulnerabilities could be brought in through different stages of the product life cycle. As almost any modern software can contain open source and third-party components, so does software in networks, and unmitigated security exposures can put Ericsson customers at varying levels of risk and expose Ericsson to liabilities or loss of business.

Moreover, threat actors exploiting vulnerabilities in Ericsson's IT systems, processes or personnel due to insufficient implementation of controls, such as lack of access management or use of more sophisticated attack techniques can result in security incidents that impact the confidentiality, availability or integrity of Ericsson's IT systems, Confidential Information, personnel, products, services, or solutions. These incidents include data breaches, intrusions, espionage, sabotage, disruptive attacks utilizing malware (such as ransomware or other extortion-based tactics), exploitation of hardware or software vulnerabilities, bugs, hardware or software misconfigurations in Ericsson's IT systems, data privacy infringements, leakage of Confidential Information, unauthorized or accidental usage or modification of data or accounts, fraud and general malfeasance.

Ericsson utilizes third parties to a large extent to whom the Company has outsourced significant aspects of Ericsson's IT systems, product development, services, finance and other internal and external-facing operations. Events or incidents caused as a result of vulnerabilities in their operations or products could have a material adverse effect on Ericsson, Ericsson's business, potentially disrupting operations, leaking valuable or sensitive information, personal data or damaging Ericsson's products that have been installed in the Company's customers' networks. For example, in early 2024, a vulnerability concerning a third-party remote connectivity technology deployed by Ericsson, was publicly disclosed by the supplier. This prompted a thorough and rigorous evaluation of potential indications of compromise across Ericsson's IT environment. A comprehensive analysis of all systems conclusively confirmed the absence of any evidence of compromise. Furthermore, Ericsson has acquired and continues to acquire companies that may have cybersecurity vulnerabilities and/or unsophisticated fraud detection, authentication controls or other security measures, which may expose the Company to significant cybersecurity, operational, and financial risks.

A cybersecurity incident in Ericsson's operations or supply chain could have an adverse impact on the integrity of solutions or services provided by Ericsson as well as Ericsson's ability to comply with legal, regulatory or contractual requirements. These incidents may include tampering with components, the inclusion of backdoors or implants, the unintentional inclusion of vulnerabilities in components or software, and cybersecurity incidents which prevent a supplier from being able to fulfil commitments to Ericsson.

Any cybersecurity incident including unintended use, abuse, misconfiguration, or unintended actions, involving Ericsson's operations, supply chain, product development, services, third-party providers or installed product base, could cause severe harm to Ericsson.

Ericsson's IT systems and storage and other business applications, and the systems, storage and other business applications maintained by the Company's third-party providers, have been in the past, and are expected to be in the future, subject to cybersecurity incidents. Ericsson expects continued attempts to gain unauthorized access to breach Ericsson's IT systems and/or Confidential Information, and other forms of malfeasance and disruptive attacks. In some cases, such incidents are difficult to anticipate or to detect immediately and the damage caused thereby. Ericsson also cannot guarantee that a material incident will not occur in the future.

If an actual or perceived breach of security occurs in Ericsson's network or any of its third-party providers' networks, Ericsson could incur significant costs, and the Company's reputation could be harmed. While Ericsson works to safeguard Ericsson's internal network systems and assess and validate the security of the Company's third-party providers to mitigate these potential risks, including through security requirements and employee awareness and training, there is no assurance that such actions will be sufficient to prevent security incidents. Ericsson cannot guarantee that the Company's cybersecurity program and processes will be fully implemented, complied with or effective in protecting Ericsson's IT systems and Confidential Information. Any insurance that Ericsson carries may be partially or wholly insufficient to cover losses or costs associated with responding to and remediating any or all cybersecurity incidents that the Company may experience.

In addition, insiders may steal or monitor Confidential Information or disrupt networks related to Ericsson or its customers, through technological or non-technological means. To gain strategic access or to steal specific information, competitors or governments may induce insiders or recruit employees who sell information or services for personal gain. Any insider incident could cause severe harm to Ericsson.

If Ericsson or customer identities are misused or compromised, it can be difficult to differentiate authorized parties undertaking normal account activities from the threat actor's use of a compromised identity or credential. Identity and access management routines are required to access Ericsson's customers' networks, and any limitation of this capability would adversely impact Ericsson's ability to offer services and products to Ericsson's customers.

Furthermore, threat actors may target employees, or other members of Ericsson's workforce, through technological and non-technological means. End users remains one of the most common attack vectors for access to enterprises. With a diverse workforce of approximately 94,000 employees and 10,000 non-employees, Ericsson is susceptible to risks of ransomware, disruption, extortion or information loss resulting from large scale attacks towards Ericsson's employees, or society at large. Additionally, remote and hybrid working arrangements at Ericsson (and at many third-party providers) also increase this risk due to the challenges associated with managing remote computing assets and security vulnerabilities that are present in many non-corporate and home networks.

The forgoing risks are increasing and rapidly evolving, and any of the above could result in a material adverse effect on Ericsson's business, operations, financial performance, customer and vendor relationships, reputation and brand and result in financial penalties, litigation, regulatory investigations and other governmental actions.

4.2 Ericsson is incorporating AI technologies into certain products, services and processes, which may present operational and reputational risks.

Ericsson has incorporated and intends to continue to incorporate AI technologies into its products, services and processes. The market for such technologies is subject to rapid technological change, innovation, evolving industry standards, changing customer needs, requirements, and preferences. Ericsson's success depends on its ability to continue to innovate and enhance existing products and services, expand offerings, and anticipate and respond to the rapidly changing landscape and develop and introduce new offerings that will keep pace with technological and competitive developments. As with many innovations, AI presents risks and challenges that could adversely impact Ericsson's business. If Ericsson fails to keep pace with rapidly evolving technological developments in AI, its competitive position and business results may suffer. The introduction of these technologies, particularly generative AI, into internal processes and new and existing product and service offerings may result in new or expanded risks and liabilities, including enhanced governmental or regulatory scrutiny, litigation, compliance issues, ethical concerns, intellectual property, confidentiality or security risks, as well as other risks that could adversely affect Ericsson's reputation, business, operating results and financial condition.

Ericsson may be unsuccessful in identifying or resolving AI-related ethical and legal issues before they arise. Regulation of AI technology is rapidly changing, complicating both compliance and development efforts. AI-related issues, deficiencies and/or failures could give rise to legal and/or regulatory action, including with respect to proposed legislation regulating AI in certain jurisdictions, such as the European Union, which evolves from time to time, and as a result of new applications of existing data protection regulation, which could damage Ericsson's reputation or otherwise materially harm its business.

AI technologies can create accuracy issues, unintended biases, and discriminatory outcomes, or may create or rely on content that is inaccurate or flawed. If Ericsson fails to appropriately respond to this evolving landscape, or the recommendations, content, or analyses that AI applications produce are or are alleged to be deficient or inaccurate, Ericsson could be subjected to competitive harm, potential legal liability, and brand or reputational harm. The legal and regulatory landscape surrounding AI technologies is rapidly evolving and uncertain, including in the areas of intellectual property, cybersecurity, and privacy and data protection. For example, there is uncertainty around the validity and enforceability of intellectual property rights related to the use, development, and deployment of AI technologies. Compliance with new or changing laws, regulations or industry standards relating to AI may impose significant operational costs and may limit Ericsson's ability to develop, deploy or use AI technologies. There can be no assurance that the measures Ericsson has taken to mitigate the potential risks related to AI will be sufficient. Any of the above could result in a material adverse effect on Ericsson's reputation, business, operating results and financial condition.

5 Risks related to environmental, social and business conduct matters

5.1 Failure to comply with environmental, social and business conduct regulations and laws in applicable jurisdictions may expose Ericsson to significant penalties and other sanctions or liabilities.

Ericsson is subject to environmental, social and business conduct laws, rules and regulations as well as related requirements, which apply to Ericsson's operations, facilities, products and services. Ericsson expects these laws, rules and regulations and the resources needed for complying with them to increase as governments impose new laws, rules, regulations and other requirements. Ericsson's measures for managing compliance with these laws, rules, regulations and other requirements may not be effective at avoiding potential liabilities arising from Ericsson's current, historical and future processes, operations and business relationships.

Ericsson has failed to comply with some of these laws, rules, regulations and other requirements in the past, and if it fails to comply in the future, the Company could be subject to significant penalties and other sanctions or liabilities that could have a material adverse effect on Ericsson. If suppliers do not adhere to the Code of Conduct for Business Partners and laws related to environmental, social and business conduct, this could also have a material adverse effect on Ericsson. Additionally, there is a risk that Ericsson may have to incur expenditures to cover environmental, occupational health and safety-liabilities to maintain compliance with current or future applicable laws and regulations or to undertake any necessary remediation. Future regulations or judgments, as well as any change in interpretation of existing laws, could have a significant adverse effect on Ericsson. These changing rules, regulations, and stakeholder expectations have resulted in, and are likely to result in, increased general and administrative expenses and increased management time and attention. For example, developing and acting on environmental, social and business conduct initiatives, and collecting, measuring, and disclosing environmental, social and business conduct information and metrics can be costly, difficult and time consuming and is subject to evolving disclosure standards. Failure to manage the foregoing risks could have an adverse impact on Ericsson's business, operating results, financial condition, reputation and brand.

New environmental, health and safety laws, rules, regulations and standards are being developed, such as those related to climate change and the potential environmental impact resulting therefrom, that may affect the Company, its suppliers, and its customers. Such laws, rules, regulations and standards could cause Ericsson to incur additional direct costs for compliance, including costs associated with changes to manufacturing processes, or costs associated with the procurement of raw materials and components used in Ericsson's products, as well as increased indirect costs resulting from its customers, suppliers or both incurring additional costs that are passed on to us. These costs may adversely impact the Company, including its reputation, business, financial condition, operating results, cash flows, or prospects. It is difficult to reasonably estimate the future impact of environmental matters, such as climate change and extreme weather events, including potential liabilities.

Additionally, the U.S. Securities Exchange Commission's disclosure requirements regarding specified minerals (conflict minerals) could adversely affect the sourcing, availability and pricing of minerals used in the manufacture of certain of Ericsson's products, which may have a material adverse effect on its business. In addition, since Ericsson's supply chain is complex, the Company may not be able to sufficiently verify the origins for these minerals contained in its products through the due diligence procedures that Ericsson implements, which may harm its reputation and its business. Ericsson may also encounter challenges if customers request that all Ericsson's product components be certified as "conflict-free". Ericsson acknowledges that similar challenges exist for other mineral and metals, outside the scope of the U.S. Securities and Exchange Commission disclosure rule.

In addition, in April 2024, the Critical Raw Materials Act, which seeks to improve the EU's access to a secure and sustainable supply of certain raw materials that are to be designated strategic or critical entered into force. The legislative initiatives under the Critical Raw Materials Act may impact Ericsson's current supply chains in relation to the sourcing of certain materials, and such impact may therefore have an adverse effect on its business.

5.2 There is increasing scrutiny from stakeholders on environmental, social, and business conduct matters.

Investors, customers, policymakers and other stakeholders are increasingly attuned to companies' management of climate change, human capital, and other environmental, social and business conduct matters. We engage in various initiatives to manage such matters and address stakeholder expectations; however, such initiatives can be costly and may not have the desired effect. For example, many of our initiatives leverage methodologies, standards, and data that are complex, at times reliant on third-parties, and continue to evolve. Moreover, stakeholders have different, and at times conflicting, expectations, and proponents and opponents of varying topics are increasingly resorting to activism, including litigation, to advance their perspectives. Addressing stakeholder expectations, including evolving legal requirements, entails costs, and any failure to successfully navigate such expectations, as well as evolving interpretations of any existing laws or regulations, may result in reputational harm, loss of customers or employees, regulatory or investor engagement, or other adverse impacts to our business.

Auditor's Report

To the general meeting of the shareholders of Telefonaktiebolaget LM Ericsson (publ) corporate identity number 556016-0680

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Telefonaktiebolaget LM Ericsson (publ) for the financial year January 1, 2024 – December 31, 2024. The annual accounts and consolidated accounts of the company are included on pages 13–111 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue recognition from large contracts with customers

Ericsson generates revenues primarily from sales of hardware, software, and services to its customers. The majority of these revenues are related to large multi-year framework agreements with customers which often include discounts and incentives arrangements. The associated customers issue purchase orders under these framework agreements that in combination constitute a contract and commitment to purchases of products and services over the duration of the agreement with the customer. These large contracts with customers may give rise to a risk of material misstatement due to incorrect amount and timing of revenue recognition for the respective obligation, that could have a material impact on the financial statements.

Ericsson conducts an assessment at contract inception to determine which promised goods and services in a contract are distinct and accordingly identified as performance obligations. The amount and timing of revenue recognized is determined in relation to the individual performance obligations of the contract.

Application of accounting standards for revenue recognition of large contracts with customers is associated with complexity in determining the amount and timing of revenue recognized in relation to individual elements of the contracts and involves inherent management judgment. We identified revenue recognition from large contracts with customers as a key audit matter due to the significant degree of audit effort, especially in evaluating the sufficiency of audit evidence, in performing audit procedures to evaluate the adherence to the accounting standards.

Our audit procedures related to the amount and timing of revenue recognized in relation to significant contracts included, but were not limited to the following:

- We tested the effectiveness of the Company's controls over revenue recognition with particular focus on the controls related to the amount and timing of revenue recognition for each performance obligation within large contracts with customers.
- We tested a sample of large contracts with customers to assess management's judgments related to the timing of recognition for each revenue obligation based on the contract.
- We tested a sample of revenue transactions related to large contracts with customers recorded during the year by tracing them to supporting evidence of delivery and acceptance and assessed the revenue recorded in the period by comparing it to contract terms such as, delivery terms, transaction prices including, discounts and incentive agreements.
- We tested a sample of ongoing negotiations with existing customers and analysed reversals of revenue subsequent to year end for indicators of unrecorded discounts and concessions during the period.

Valuation of acquired customer relationships, intellectual property rights and other intangible assets, including goodwill related to Global Communications Platform (Vonage) and Enterprise Wireless Solutions (Cradlepoint)

Acquired customer relationships, intellectual property rights and other intangible assets, including goodwill, are collectively significant assets in the consolidated balance sheet. The Company's evaluation of acquired customer relationships, intellectual property rights and other intangible assets, including goodwill for impairment involves the comparison of the recoverable amount to its carrying value. The Company's assessment of the recoverable amount is based on discounted future cash flow models derived from internal business plans covering five years followed by a gradually declining cash flow development in the following period to its terminal value. The assessment requires management to make significant estimates and assumptions regarding forecasts of future sales growth, operating income, working capital and capital expenditure requirements, as well as assumptions on discount rates. In Q2 2024 Ericsson recorded a write down of intangible assets of SEK 14.7 billion attributed to the cash generating units relating to Vonage. The impairment was mainly a result of lower anticipated market growth in Vonage's current offerings driven by lower market growth estimates and increased competition in certain of Vonage offerings in 2024. The assets impacted included goodwill, acquired customer relationships, intellectual property rights and other intangible assets.

We identified valuation of acquired customer relationships, intellectual property rights and other intangible assets, including goodwill related to Vonage and Cradlepoint as a key audit matter due to the significant judgments and estimates used in determining the forecasts of future sales growth, operating income, working capital and capital expenditure requirements, as well as assumptions on discount and terminal growth rates. Changes in these assumptions could have a significant impact on either the recoverable amount, the amount of any impairment charge, or both. The assessment of management's assumptions regarding recoverable amount requires a high degree of auditor judgment, including an increased extent of audit effort and the need to involve our valuation specialists.

Our audit procedures related to the assumptions regarding recoverable amount included, but were not limited to the following:

- We tested the effectiveness of the Company's controls over goodwill impairment evaluation and determination of the recoverable amount with particular focus on the controls over management's preparation and review of assumptions for future sales growth, operating income, working capital, capital expenditure requirements and method for determining the discount rate used.
- We evaluated management's ability to accurately forecast future sales growth, operating income working capital and capital expenditure requirements by comparing actual results to management's historical forecasts, the Company's historical results, external analyst reports and internal communications to management and the Board of Directors.
- With the assistance of our valuation specialists, we evaluated the discount rates, including testing the underlying source information and the mathematical accuracy of the calculations, and developing a range of independent estimates and comparing those to the discount rates selected by management.
- With the assistance of our valuation specialists, we further evaluated the company's sensitivity analysis by comparing to our own sensitivity analysis to corroborate the disclosures around assumptions that are most sensitive to a reasonably possible change that could cause the carrying amount to exceed its recoverable amount for a cash generating unit.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–12 and 116–131 in the Financial report, 1–11 in the Remuneration report, 1–60 and 62–63 in the Sustainability and Corporate Responsibility report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate

in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
– Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
– Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
– Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Telefonaktiebolaget LM Ericsson (publ) for the financial year January 1, 2024 – December 31, 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:
– has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
– in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Telefonaktiebolaget LM Ericsson (publ) for the financial year January 1, 2024 – December 31, 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Telefonaktiebolaget LM Ericsson (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of The Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Deloitte AB, was appointed auditor of Telefonaktiebolaget LM Ericsson (publ) by the general meeting of the shareholders on the April 3, 2024 and has been the company's auditor since March 31, 2020.

Stockholm February 26, 2025
Deloitte AB

Thomas Strömberg
Authorized public accountant

Forward-looking statements

This Annual Report includes forward-looking statements, including statements reflecting the Company's current views relating to the growth of the market, future market conditions, future events, financial condition, and expected operational and financial performance, including, in particular the following:

- Potential material additional liability resulting from past conduct, including allegations of past conduct that remains unresolved or unknown in multiple jurisdictions, including Iraq, which remains the subject of ongoing investigations by Ericsson and US governmental authorities.
- Risks related to internal controls and governance, including the potential to incur material liability in connection with internal controls surrounding payments made to third parties in connection with past conduct in multiple jurisdictions, including Iraq, which remains the subject of ongoing investigations by Ericsson and US governmental authorities.
- The risk that the ongoing investigations by Ericsson and US governmental authorities result in a conclusion by Ericsson or US governmental authorities that the Company's past conduct included making or having responsibility for making payments to a terrorist organization or other improper payments, which could lead to material additional liability.
- Risks related to our ongoing compliance with obligations under the National Security Agreement entered into in connection with Ericsson's acquisition of Vonage Holdings Corp. (Vonage), which may adversely affect the Vonage business and subject the Company to additional liabilities.
- Our goals, strategies, planning assumptions and operational or financial performance expectations.
- Macroeconomic conditions, including inflationary pressures and effects on customer investments, market recovery and growth.
- Ongoing geopolitical and trade uncertainty, including challenging global economic conditions, market trends and the imposition of tariffs and sanctions.
- Continued growth of mobile communications, the success of our existing and targeted customer base, and our ability to maintain technology leadership.
- Success in implementing key strategies, including improving profitability, capturing 5G market opportunities, capitalizing on network API and Enterprise opportunities, and expected benefits from restructuring activities.
- Risks related to cybersecurity and privacy, security and data localization.
- Industry trends, future characteristics and development of the markets in which we operate.
- Risks of global operations, including legal and regulatory requirements and uncertainties, and unfavorable lawsuits and legal proceedings.
- Our future liquidity, capital resources, capital expenditures, cost savings and profitability, and risks related to financial condition.
- The expected demand for our existing and new products and services as well as plans to launch new products and services, including research and development expenditures.
- Our ability to deliver on future plans and achieve future growth.
- The expected operational or financial performance of strategic cooperation activities and joint ventures.
- Risks related to acquisitions and divestments that may be disruptive and incur significant expenses, including our ability to successfully consummate such transactions, protect the value of acquisitions during integration, or achieve the value anticipated with an acquisition.
- Trends related to our industry, including our regulatory environment, competition and customer structure.
- Intense competition from existing competitors, and new entrants, including vendor consolidation.
- Limited number of third-party suppliers, large, multi-year agreements with limited number of key customers, and operator consolidation.
- Risks related to intellectual property, key employees, and unforeseen risks and disruptions due to natural or man-made events.
- Risks related to environmental, social and business conduct.
- Other factors included in our filings with the US Securities and Exchange Commission (the SEC), including the factors described throughout this report, included in the section Risk Factors, as updated by subsequent reports filed with the SEC.

The words "believe," "expect," "foresee," "anticipate," "assume," "intend," "likely," "projects," "may," "could," "plan," "estimate," "forecast," "will," "should," "would," "predict," "aim," "ambition," "seek," "potential," "target," "might," "continue," or, in each case, their negative or variations, and similar words or expressions are used to identify forward-looking statements. Any statement that refers to the Company's strategy, future financial performance, expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Such statements are based on management's expectations as of the date of this report, unless an earlier date is specified, including expectations based on third-party information and projections that management believes to be reputable.

We caution investors that these statements are subject to risks and uncertainties many of which are difficult to predict and generally beyond our control that could cause actual results to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. Important factors that could affect whether and to what extent any of our forward-looking statements materialize include but are not limited to the factors described throughout this Annual Report, including in the section Risk factors. These forward-looking statements also represent our estimates, assumptions and expectations only as of the date that they were made, and to the extent they represent third-party data, we have not undertaken to independently verify such third-party data and do not intend to do so.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Readers are urged to carefully review and consider the various disclosures made in this Annual Report and in other documents we file from time to time with our regulators that disclose risks and uncertainties that may affect our business. Unless specifically indicated otherwise, the forward-looking statements in this Annual Report do not reflect the potential impact of any divestitures, mergers, acquisitions, or other business combinations that have not been completed as of the date of this report. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this Annual Report, to reflect events or changes in circumstances or changes in expectations or the occurrence of anticipated events, whether as a result of new information, future events or otherwise, except as required by applicable law or stock exchange regulation. This Annual Report includes websites or references to additional company reports. These are intended to provide inactive, textual references only.

The information on websites and contained in those reports is not part of this report and not incorporated by reference in this report.

This Annual Report contains statements based on hypothetical scenarios and assumptions as well as estimates that are subject to a high level of uncertainty, and these statements should not necessarily be viewed as being representative of current or actual risk or performance, or forecasts of expected risk or performance. In addition, historical, current, and forward-looking environmental and social-related statements may be based on standards for measuring progress that are still developing and on internal controls and processes that continue to evolve. While certain matters discussed in this Annual Report may be significant, any significance should not be taken, or otherwise assumed, as necessarily rising to the level of materiality used for purposes of complying with Ericsson's public company reporting obligations pursuant to the US federal securities laws and regulations, even if the report uses the words "material" or "materiality."

Five-year summary – Financial information

For definitions of certain financial terms used, see Alternative performance measures and Financial terminology.

Five-year summary

	2024	Change	2023	2022	2021	2020
Income statement and cash flow items, SEK million						
Net sales	247,880	−6%	263,351	271,546	232,314	232,390
Operating expenses	−105,436	17%	−90,187	−83,030	−69,071	−66,280
EBIT (loss)	4,313	–	−20,326	27,020	31,780	27,808
Net income (loss)	374	–	−26,104	19,112	22,980	17,623
Cash flow from operating activities	46,261	545%	7,177	30,863	39,065	28,933
Year-end position, SEK million						
Total assets	292,374	−2%	297,036	349,537	305,614	271,530
Property, plant and equipment	10,545	−14%	12,195	14,236	13,580	13,383
Stockholders' equity	94,284	−4%	98,673	134,814	108,775	86,674
Non-controlling interests	−1,301	3%	−1,265	−1,510	−1,676	−1,497
Per share indicators						
Earnings (loss) per share, basic, SEK	0.01	–	−7.94	5.62	6.82	5.26
Earnings (loss) per share, diluted, SEK	0.01	–	−7.94	5.62	6.81	5.26
Dividends per share, SEK[1]	2.85	6%	2.70	2.70	2.50	2.00
Number of shares outstanding (in millions)						
end of period, basic	3,333	0%	3,330	3,330	3,330	3,328
average, basic	3,332	0%	3,330	3,330	3,329	3,323
average, diluted	3,339	0%	3,337	3,334	3,332	3,326
Other information, SEK million						
Additions to property, plant and equipment	2,340	−29%	3,297	4,477	3,663	4,493
Depreciations and write-downs/impairments of property, plant and equipment	4,143	−16%	4,934	4,388	3,872	4,114
Acquisitions/capitalization/divestments of intangible assets	1,052	−64%	2,924	66,178	1,723	11,817
Amortizations and write-downs/impairments of intangible assets	19,313	−47%	36,374	3,638	2,820	2,126
Research and development expenses	53,514	6%	50,664	47,298	42,074	39,714
as percentage of net sales	21.6%	–	19.2%	17.4%	18.1%	17.1%
Inventory turnover days	83	−10%	92	93	88	78
Alternative Performance Measures (APMs)[2]						
Sales growth adjusted for comparable units and currency	−5%	–	−10%	3%	4%	5%
Gross margin	44.1%	–	38.6%	41.7%	43.4%	40.3%
Adjusted gross margin	44.9%	–	39.6%	41.8%	43.5%	40.6%
EBIT margin	1.7%	–	−7.7%	10.0%	13.7%	12.0%
Adjusted EBIT margin	3.8%	–	−5.2%	10.1%	13.9%	12.5%
Adjusted EBIT margin excluding impairments of goodwill and intangible assets	9.9%	–	6.9%	10.1%	14.1%	12.6%
EBITA margin	8.9%	–	5.7%	10.7%	14.3%	12.5%
Adjusted EBITA margin	11.0%	–	8.1%	10.9%	14.6%	13.1%
Restructuring charges, SEK million	5,012	−23%	6,521	399	549	1,306
Free cash flow before M&A, SEK million	40,034	–	−1,084	22,196	32,056	22,261
Free cash flow after M&A, SEK million	39,723	–	−3,224	−29,492	32,115	12,663
Free cash flow before M&A as percentage of net sales	16.2%	–	−0.4%	8.2%	13.8%	9.6%
Capital employed, SEK million	162,967	−8%	177,965	202,899	184,283	161,990
Return on equity	0.0%	–	−22.7%	15.4%	23.2%	20.7%
Return on capital employed	2.5%	–	−10.7%	14.0%	18.4%	17.0%
Equity ratio	31.8%	–	32.8%	38.1%	35.0%	31.4%
Capital turnover	1.5	7%	1.4	1.4	1.3	1.4
Adjusted working capital, SEK million	30,702	−22%	45,479	36,653	59,667	45,613
Gross cash, SEK million	75,871	39%	54,705	56,249	97,608	72,045
Net cash, SEK million	37,830	383%	7,832	23,319	65,777	41,885
Statistical data, year-end						
Number of employees	94,236	−6%	99,952	105,529	101,322	100,824
of which in Sweden	13,420	−4%	13,977	14,481	14,183	13,173
Export sales from Sweden, SEK million	133,339	6%	125,242	153,833	140,898	132,269

[1] For 2024, as proposed by the Board of Directors.
[2] A reconciliation of each APM to the most directly reconcilable line items in the financial statements for 2024 and four comparison years is available on pages 120–124.

Five-year summary – Non-financial information

For further information, definitions and details, see the Sustainability and Corporate Responsibility Report[1].

Five-year summary

	2024	Change	2023	2022	2021	2020
Employees						
Employee headcount at year-end	94,236	–6%	99,952	105,529	101,322	100,824
Average number of employees	95,154	–6%	101,644	101,741	100,757	98,589
Employees who have left the Company	11,919	–11%	13,362	14,381	11,631	7,839
Employees who have joined the Company	6,203	–20%	7,785	17,235	12,129	9,246
Employees by age group						
Under 25	3%	–	3%	4%	3%	3%
25–35	27%	–	29%	30%	31%	33%
36–45	36%	–	35%	34%	34%	34%
46–55	23%	–	23%	23%	23%	22%
Over 55	11%	–	10%	10%	9%	8%
Share of women						
All employees	27%	–	26%	26%	25%	25%
Line managers	24%	–	23%	22%	21%	21%
Top management	32%	–	31%	35%	36%	32%
Executive Team	24%	–	25%	19%	20%	20%
Board of Directors	25%	–	38%	36%	23%	23%
Occupational health and safety[2]						
Fatalities – Employees	–	–100%	1	0	1	0
Fatalities – Suppliers and subcontractors	2	–78%	8	6	11	5
Lost workday incidents – Employees	28	–47%	53	96	77	90
Lost workday incidents – Suppliers and subcontractors	44	2%	43	30	66	44
Facility energy consumption						
Energy consumption in own operations, GWh[3]	721	4%	690	693	631	628
Share of renewable energy in own operations	65%	–	70%	67%	62%	62%
Energy intensity, GWh/net sales SEK billion	2.9	12%	2.6	2.6	2.7	2.7
Waste, product take-back and water						
Waste generated in own operations, metric tons[3]	10,210	42%	7,182	8,130	6,777	6,916
of which recycled[3]	70%	–	48%	47%	67%	49%
Product take-back, metric tons	3,872	0%	3,869	4,825	5,389	6,079
of which recycled or re-used	98%	–	94%	97%	96%	95%
Water consumption, Mm^3	1.1	24%	0.9	1.1	1.2	1.5
Green House Gas emissions, kiloton CO_2e						
Direct emissions – Scope 1	17	–36%	27	38	38	40
Indirect emissions – Scope 2 (market based)	34	–20%	42	45	58	74
Other indirect emissions – Scope 3[3] [4]	18 713	–41%	31,783	30,844	28,023	30,035
Emissions intensity, kiloton CO_2e/net sales SEK million						
Scope 1	0.07	–30%	0.10	0.14	0.16	0.17
Scope 2, market based	0.14	–13%	0.16	0.17	0.25	0.32

[1] The Sustainability and Corporate Responsibility Report is not to be considered incorporated by reference due to being referenced here.
[2] Values for past years have been updated to reflect that third parties involved in accidents are no longer included in these metrics as presented here. Accidents involving third parties are detailed in section S1 of the sustainability statements.
[3] Scope and/or measurement methodologies have been updated in 2024 which either limits year-over-year comparability, or has resulted in restatements of previously reported values. For further information, see page 10 of the sustainability statements.
[4] For further information on Scope 3 categories included and Ericsson's GHG accounting methodologies, see section E1 in the sustainability statements.

Alternative performance measures

In this section, the Company presents its Alternative Performance Measures (APMs), which are not recognized measures of financial performance under IFRS. This section includes a reconciliation of the APM's to the most directly reconcilable line items in the financial statements. The presentation of APMs has limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS.

APMs are presented to enhance an investor's evaluation of ongoing operating results, to aid in forecasting future periods and to facilitate meaningful comparison of results between periods.

Management uses these APMs to, among other things, evaluate ongoing operations in relation to historical results, for internal planning and forecasting purposes and in the calculation of certain performance-based compensation. APMs should not be viewed as substitutes for income statement or cash flow items computed in accordance with IFRS.

Some of the APMs have been renamed and the use of "Adjusted" replaces "excluding restructuring charges." This is a change in nomenclature only. The calculation methodology and reconciliation are the same.

The APMs presented in this report may differ from similarly titled measures used by other companies.

Adjusted working capital

SEK million	2024	2023	2022	2021	2020
Current assets	154,307	154,988	173,803	174,805	149,795
Current non-interest-bearing provisions and liabilities					
Provisions, current	–8,204	–6,779	–7,629	–5,782	–7,580
Contract liabilities	–41,229	–34,416	–42,251	–32,834	–26,440
Trade payables	–30,173	–27,768	–38,437	–35,684	–31,988
Current tax liabilities[1)]	–3,322	–3,561	–2,640	–2,917	–4,486
Other current liabilities[1)]	–40,677	–36,985	–46,193	–37,921	–33,688
Adjusted working capital	30,702	45,479	36,653	59,667	45,613

1) As from 2021 current tax liabilities is presented as a separate line item in the balance sheet and the comparison year 2020 has been updated accordingly.

Definition
Current assets less current non-interest-bearing provisions and liabilities (which include: current provisions, contract liabilities, trade payables, current tax liabilities and other current liabilities).

Reason to use
Due to the need to optimize cash generation to create value for Ericsson's shareholders, management focuses on working capital and reducing lead times between orders booked and cash received.

Capital employed

SEK million	2024	2023	2022	2021	2020
Total assets	292,374	297,036	349,537	305,614	271,530
Non-interest-bearing provisions and liabilities					
Provisions, non-current	3,511	4,927	3,959	3,722	2,886
Deferred tax liabilities	1,295	3,880	4,784	884	1,089
Other non-current liabilities	996	755	745	1,587	1,383
Provisions, current	8,204	6,779	7,629	5,782	7,580
Contract liabilities	41,229	34,416	42,251	32,834	26,440
Trade payables	30,173	27,768	38,437	35,684	31,988
Current tax liabilities[1)]	3,322	3,561	2,640	2,917	4,486
Other current liabilities[1)]	40,677	36,985	46,193	37,921	33,688
Capital employed	162,967	177,965	202,899	184,283	161,990

1) As from 2021 current tax liabilities is presented as a separate line item in the balance sheet and the comparison year 2020 has been updated accordingly.

Definition
Total assets less non-interest-bearing provisions and liabilities (which includes non-current provisions, deferred tax liabilities, contract liabilities, other non-current liabilities, current provisions, trade payables, current tax liabilities and other current liabilities).

Reason to use
Capital employed represents the value of the balance sheet assets that contributes to revenue and profit generation. It is also used in the calculation of return on capital employed.

Capital turnover

SEK million	2024	2023	2022	2021	2020
Net sales	247,880	263,351	271,546	232,314	232,390
Average capital employed					
Capital employed at beginning of period	177,965	202,899	184,283	161,990	165,273
Capital employed at end of period	162,967	177,965	202,899	184,283	161,990
Average capital employed	170,466	190,432	193,591	173,137	163,632
Capital turnover (times)	1.5	1.4	1.4	1.3	1.4

Definition
Net sales divided by average capital employed (based on the amounts at January 1 and December 31).

Reason to use
Capital turnover indicates how effectively investment capital is used to generate revenues.

EBIT margin / Adjusted EBIT and Adjusted EBIT margin / Adjusted EBIT and Adjusted EBIT margin excluding impairment of goodwill and intangible assets

SEK million	2024	2023	2022	2021	2020
EBIT (loss)	4,313	–20,326	27,020	31,780	27,808
Net sales	247,880	263,351	271,546	232,314	232,390
EBIT margin, %	1.7%	–7.7%	10.0%	13.7%	12.0%
Restructuring charges	5,012	6,521	399	549	1,306
Adjusted EBIT (loss)	9,325	–13,805	27,419	32,329	29,114
Adjusted EBIT margin, %	3.8%	–5.2%	10.1%	13.9%	12.5%
Impairment of goodwill and intangible assets	15,333	31,916	61	313	137
Adjusted EBIT excluding impairment of goodwill and intangible assets	24,658	18,111	27,480	32,642	29,251
Adjusted EBIT margin excl. impairment of goodwill and intangible assets, %	9.9%	6.9%	10.1%	14.1%	12.6%

Definition
EBIT: Earnings (loss) before financial items and income tax.
EBIT margin: EBIT as a percentage of net sales.
Adjusted EBIT: EBIT excluding restructuring charges.
Adjusted EBIT margin: Adjusted EBIT as a percentage of net sales.
Adjusted EBIT excluding impairment of goodwill and intangible assets: EBIT excluding restructuring charges and impairment of goodwill and intangible assets.
Adjusted EBIT margin excluding impairment of goodwill and intangible assets as a percentage of net sales.

Reason to use
EBIT margin shows the EBIT in percentage of net sales. EBIT margin is a key internal measure as the Company believes that it provides users of the financial statements with a better understanding of the Group's short- and long-term financial performance. The Company's view is that adjusted EBIT margin excluding impairment of goodwill and intangible assets gives a fair view of the profitability of the ongoing business.

The Company decided to change the adjusted EBIT excluding impairment of goodwill to also exclude the impairment of intangible assets. The comparison years have been updated accordingly.

EBITA and EBITA margin / Adjusted EBITA and Adjusted EBITA margin

SEK million	2024	2023	2022	2021	2020
Net income (loss)	374	–26,104	19,112	22,980	17,623
Income tax	2,215	2,785	5,497	6,270	9,589
Financial income and expenses, net	1,724	2,993	2,411	2,530	596
Amortizations and write-downs of acquired intangible assets	17,832	35,238	2,051	1,477	1,220
EBITA	22,145	14,912	29,071	33,257	29,028
Net sales	247,880	263,351	271,546	232,314	232,390
EBITA margin, %	8.9%	5.7%	10.7%	14.3%	12.5%
Restructuring charges	5,012	6,521	399	549	1,306
Adjusted EBITA	27,157	21,433	29,470	33,806	30,334
Adjusted EBITA margin, %	11.0%	8.1%	10.9%	14.6%	13.1%

Definition
EBITA: earnings (loss) before interest, income tax, amortizations and write-downs of acquired intangible assets (including goodwill).
EBITA margin: EBITA as a percentage of net sales.
Adjusted EBITA: EBITA excluding restructuring charges.
Adjusted EBITA margin: Adjusted EBITA as a percentage of net sales.

Reason to use
Amortizations and write-downs of intangible assets are normally non-cash items in the income statement. EBITA margin % gives an indication of the financial performance without the impact from acquired companies. The Company's view is that adjusted EBITA margin gives a fair view of the profitability of the ongoing business.

Additionally, Ericsson provides forward-looking targets for adjusted EBITA margin and Free cash flow before M&A as a percentage of net sales, which are non-IFRS financial measures. Ericsson has not provided quantitative reconciliation of these targets to the most directly comparable IFRS measures because certain information needed to reconcile these non-IFRS financial measures to the most comparable IFRS financial measures are dependent on specific items or impacts that are not yet determined, are subject to incarcerating and variability in timing and amount due to their nature, are outside of Ericsson's control or cannot be predicted, including items and impacts such as currency exchange rate changes, acquisitions and disposals, and charges such as impairments or acquisition related charges. Accordingly, reconciliations of these non-IFRS forward-looking financial measures to the most directly comparable IFRS financial measures are not available without unreasonable efforts. Such unavailable reconciling items could significantly impact our results of operations and financial condition.

Equity ratio

SEK million	2024	2023	2022	2021	2020
Total equity	92,983	97,408	133,304	107,099	85,177
Total assets	292,374	297,036	349,537	305,614	271,530
Equity ratio, %	31.8%	32.8%	38.1%	35.0%	31.4%

Definition
Equity expressed as a percentage of total assets.

Reason to use
This supports financial flexibility and independence to operate and manage variations in working capital needs as well as to capitalize on business opportunities.

Free cash flow before M&A/Free cash flow after M&A

SEK million	2024	2023	2022	2021	2020
Cash flow from operating activities	46,261	7,177	30,863	39,065	28,933
Net capital expenditures and other investments (excluding M&A)					
Investments in property, plant and equipment	–2,340	–3,297	–4,477	–3,663	–4,493
Sales of property, plant and equipment	116	163	249	115	254
Product development	–1,300	–2,173	–1,720	–962	–817
Other investments[1)]	–211	–97	–126	–131	801
Repayment of lease liabilities	–2,492	–2,857	–2,593	–2,368	–2,417
Free cash flow before M&A	40,034	–1,084	22,196	32,056	22,261
Acquisitions of subsidiaries and other operations	–397	–1,515	–51,995	–389	–9,657
Divestments of subsidiaries and other operations	86	–625	307	448	59
Free cash flow after M&A	39,723	–3,224	–29,492	32,115	12,663
Net sales	247,880	263,351	271,546	232,314	232,390
Free cash flow before M&A as percentage of net sales, %	16.2%	–0.4%	8.2%	13.8%	9.6%

1) Other investments is part of the line item Other investing activities in the Consolidated cash flow statement. The differences are movements in other interest-bearing assets and the cash flow hedge reserve gain, which are not part of the definition of Free cash flow.

Definition
Free cash flow before M&A: Cash flow from operating activities less net capital expenditures, other investments and repayment of lease liabilities (excluding M&A).
Free cash flow after M&A: Cash flow from operating activities less net capital expenditures, other investments and repayment of lease liabilities.
Free cash flow before M&A as a percentage of net sales.

Reason to use
Free cash flow before M&A represents the cash that the Company generates after capital expenditures, other investments and repayment of lease liabilities. The Company believes that free cash flow before M&A is a good way of reflecting the cash flows generated by the Company that can be used to expand the business, invest in subsidiaries, pay dividends and reduce debt.

Free cash flow after M&A represents the cash that the Company generates after capital expenditures, other investments, repayment of lease liabilities and acquisitions/divestments of subsidiaries. The Company believes that free cash flow after M&A is a good way of reflecting the cash flows generated by the Company that can be used to expand the business, pay dividends and reduce debt.

Free cash flow before M&A as a percentage of net sales is used by the Company as one of the long-term targets, as it reflects the Company's ability to convert net sales into free cash flow.

Gross cash

SEK million	2024	2023	2022	2021	2020
Cash and cash equivalents	43,885	35,190	38,349	54,050	43,612
Interest-bearing securities, current	12,546	9,584	8,736	12,932	6,820
Interest-bearing securities, non-current	19,440	9,931	9,164	30,626	21,613
Gross cash	75,871	54,705	56,249	97,608	72,045

Definition
Cash and cash equivalents plus interest-bearing securities (current and non-current).

Reason to use
Gross cash shows total available cash and interest-bearing securities and is a parameter for calculating the net cash position.

Gross margin / Adjusted gross income / Adjusted gross margin

SEK million	2024	2023	2022	2021	2020
Gross income	109,365	101,602	113,295	100,749	93,724
Net sales	247,880	263,351	271,546	232,314	232,390
Gross margin, %	44.1%	38.6%	41.7%	43.4%	40.3%
Restructuring charges included in cost of sales	2,046	2,802	195	273	725
Adjusted gross income	111,411	104,404	113,490	101,022	94,449
Adjusted gross margin,%	44.9%	39.6%	41.8%	43.5%	40.6%

Definition
Gross margin: Gross income as a percentage of net sales.
Adjusted gross income: Gross income excluding restructuring charges
Adjusted gross margin: Adjusted gross income as a percentage of net sales.

Reason to use
Gross margin shows the difference between net sales and cost of sales, in percentage of net sales. Gross margin is impacted by several factors such as business mix, service share, price development and cost reductions. Gross margin is an important internal measure, and this measure is also provided in the income statement as the Company believes that it provides users of the financial statements with a better understanding of the Group's business development. The Company's view is that gross margin excluding restructuring charges gives a fair view of the profitability of the ongoing business.

Net cash

SEK million	2024	2023	2022	2021	2020
Cash and cash equivalents	43,885	35,190	38,349	54,050	43,612
+ Interest-bearing securities, current	12,546	9,584	8,736	12,932	6,820
+ Interest-bearing securities, non-current	19,440	9,931	9,164	30,626	21,613
– Borrowings, current	6,137	17,655	5,984	9,590	7,942
– Borrowings, non-current	31,904	29,218	26,946	22,241	22,218
Net cash	37,830	7,832	23,319	65,777	41,885

Definition
Cash and cash equivalents plus interest-bearing securities (current and non-current) less borrowings (current and non-current).

Reason to use
A positive net cash position is one of the company's capital targets. This creates financial flexibility and independence to operate and manage variations in working capital needs.

Return on capital employed

SEK million	2024	2023	2022	2021	2020
EBIT (loss)	4,313	–20,326	27,020	31,780	27,808
Average capital employed					
Capital employed at beginning of period	177,965	202,899	184,283	161,990	165,273
Capital employed at end of period	162,967	177,965	202,899	184,283	161,990
Average capital employed	170,466	190,432	193,591	173,137	163,632
Return on capital employed, %	2.5%	–10.7%	14.0%	18.4%	17.0%

Definition
EBIT (loss) as a percentage of average capital employed (based on the amounts at January 1 and December 31).

Reason to use
Return on capital employed is a measure of the profitability after taking into account the amount of capital used. A higher return on capital employed indicates a more efficient use of capital.

Return on equity

SEK million	2024	2023	2022	2021	2020
Net income (loss) attributable to owners of the Parent Company	20	–26,446	18,724	22,694	17,483
Average stockholders' equity					
Stockholders' equity, beginning of period	98,673	134,814	108,775	86,674	82,559
Stockholders' equity, end of period	94,284	98,673	134,814	108,775	86,674
Average stockholders' equity	96,479	116,744	121,795	97,725	84,617
Return on equity, %	0.0%	–22.7%	15.4%	23.2%	20.7%

Definition
Net income (loss) attributable to owners of the Parent Company as a percentage of average stockholders' equity (based on the amounts on January 1 and December 31).

Reason to use
Return on equity is a measure of the profitability in relation to the book value of stockholders' equity. Return on equity is a measure of how investments are used to generate earnings growth.

Sales growth adjusted for comparable units and currency

SEK million	2024	2023	2022	2021	2020
Net sales	247,880	263,351	271,546	232,314	232,390
Acquired/divested business	–	–9,048	–7,015	–1,201	–1,362
Net FX impact	3,277	–9,421	–25,968	11,607	7,796
Comparable net sales, excluding FX impact	251,157	244,882	238,563	242,720	238,824
Comparable net sales adjusted for acquired/divested business	263,351	271,373	232,314	232,390	227,132
Sales growth adjusted for comparable units and currency, %	–5%	–10%	3%	4%	5%

Definition
Sales growth adjusted for the impact of acquisitions and divestments as well as the effects of foreign currency fluctuations. Also named organic sales growth.

Reason to use
Ericsson's presentation currency is in SEK while the total revenues are mainly in other currencies. Reported sales growth is dependent on fluctuations in SEK versus other currencies and in addition acquired or divested business can have an impact on reported net sales. Sales growth adjusted for comparable units and currency shows the underlying sales development without these impacts.

The Ericsson share

Share trading

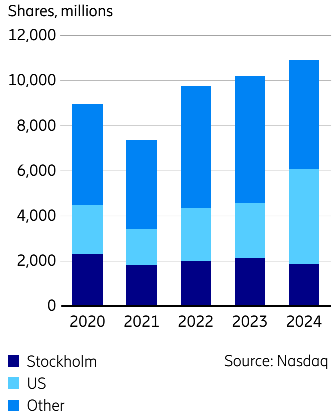
The Telefonaktiebolaget LM Ericsson (the Parent Company) Class A and Class B shares (Ericsson shares) are listed on Nasdaq Stockholm. In the United States, the Class B shares are listed on Nasdaq New York in the form of American Depositary Shares (ADS) evidenced by American Depositary Receipts (ADR) under the symbol ERIC. Each ADS represents one Class B share.

In 2024, approximately 1.9 (2.1) billion Class B shares were traded on Nasdaq Stockholm and approximately 4.2 (2.5) billion ADS were traded in the United States (including Nasdaq New York). A total of 6.1 (4.6) billion Ericsson Class B shares were thus traded on the exchanges in Stockholm and in the United States. According to Nasdaq, trading volume in Ericsson shares decreased by approximately –12% on Nasdaq Stockholm and increased by approximately 71% in the United States when compared to 2023.

With the implementation of the MiFID directive in the EU, share trading became heavily fragmented across a large number of venues and trading categories. Trading on MTFs (multilateral trading facilities) and other venues gained market shares from stock exchanges such as Nasdaq Stockholm. In the last few years, following a series of merger and acquisitions among trading venues, trading has become more concentrated.

According to Nasdaq, total trading in Ericsson B shares on all venues combined has increased over the past five years from 9.0 billion shares in 2020 to 10.9 billion shares in 2024. Over the same period, trading of Ericsson ADS in the US has increased from 2.2 billion shares in 2020 to 4.2 billion shares in 2024.

Share trading on different market places (B shares and ADS)



The Ericsson share

Share/ADS listings
Nasdaq Stockholm
Nasdaq New York

Share data	
Total number of shares in issue	3,348,251,735
of which Class A shares, each carrying one vote [1]	*261,755,983*
of which Class B shares, each carrying one tenth of one vote [1]	*3,086,495,752*
Ericsson treasury shares, Class B	15,579,561
Quotient value	SEK 5.00
Market capitalization, December 31, 2024	SEK 301 billion
ICB (Industry Classification Benchmark)	9,500

[1] Both classes of shares have the same rights of participation in the net assets and earnings.

Ticker codes	
Nasdaq Stockholm	ERIC A/ERIC B
Nasdaq New York	ERIC
Bloomberg Nasdaq Stockholm	ERICA:SS/ERICB:SS
Bloomberg Nasdaq	ERIC:US
Reuters Nasdaq Stockholm	ERICa.ST/ERICb.ST
Reuters Nasdaq	ERIC.O

Changes in number of shares and capital stock 2020–2024

		Number of shares	Share capital (SEK)
2020	December 31	3,334,151,735	16,670,758,678
2021	December 31	3,334,151,735	16,670,758,678
2022	December 31	3,334,151,735	16,670,758,678
2023	May 2, new issue (Class C shares, later converted to Class B shares)[1]	10,000,000	50,000,000
2023	December 31	3,344,151,735	16,720,758,678
2024	May 2, new issue (Class C shares, later converted to Class B shares)[2]	4,100,000	20,500,000
2024	December 31	3,348,251,735	16,741,258,678

[1] The Annual General Meeting 2023 resolved to issue 10,000,000 Class C shares for the Long-Term Variable Compensation Programs LTV II 2023, LTV 2022 and LTV 2021 for Ericsson's Executive Team and other executives. In accordance with an authorization from the AGM, the Board of Directors resolved to repurchase the new issued shares, which were subsequently converted into Class B shares. The quotient value of the repurchased shares was SEK 5.00, totaling SEK 50 million, representing less than 0.3% of capital stock. The acquisition cost was approximately SEK 50.2 million.

[2] The Annual General Meeting 2024 resolved to issue 4.1 million Class C shares for the Long-Term Variable Compensation Program (LTV) I 2023 for Ericsson's executive team and other executives. In accordance with an authorization from the Annual General Meeting, the Board of Directors resolved to repurchase the new issued shares, which were subsequently converted into Class B shares. The quotient value of the repurchased shares was SEK 5.00, totaling SEK 20.5 million, representing approximately 0.1% of capital stock, and the acquisition cost was SEK 20.7 million.

Share performance indicators

	2024	2023	2022	2021	2020
Earnings (loss) per share, diluted, SEK [1]	0.01	–7.94	5.62	6.81	5.26
Dividend per share, SEK [2]	2.85	2.70	2.70	2.50	2.00
Total shareholder return, %	47	8	–36	4	22
P/E ratio	14,962	–8	11	15	19

[1] Calculated on average number of shares outstanding, diluted.
[2] For 2024 as proposed by the Board of Directors.

For definitions of the financial terms used, including a description of alternative performance measure, see Glossary and Financial Terminology.

Share and ADS prices

Principal trading market – Nasdaq Stockholm – share prices

The tables state the high and low share prices for the Class A and Class B shares as reported by Nasdaq Stockholm for the periods indicated. Trading on the exchange generally continues until 5:30 p.m. (CET) each business day. In addition to trading on the exchange, there is trading off the exchange and on alternative venues during trading hours and also after 5:30 p.m. (CET).

Nasdaq Stockholm publishes a daily Official Price List of Shares, which includes the volume of recorded transactions in each listed stock, together with the prices of the highest and lowest recorded trades of the day. The Official Price List of Shares reflects price and volume information for trades completed by the members.

Host market – Nasdaq New York – ADS prices

The tables state the high and low share prices quoted for the ADSs on Nasdaq New York for the periods indicated. The Nasdaq New York quotations represent prices between dealers, not including retail markups, markdowns or commissions, and do not necessarily represent actual transactions.

Share prices on Nasdaq Stockholm

SEK	2024	2023	2022	2021	2020
Class A at last day of trading	89.80	63.80	66.00	100.20	105.40
Class A high (Dec 9, 2024)	92.20	73.00	118.40	128.80	119.00
Class A low (Apr 17, 2024)	54.20	50.00	63.50	91.90	64.10
Class B at last day of trading	89.88	63.11	60.90	99.79	99.98
Class B high (Dec 9, 2024)	92.34	68.50	117.32	121.80	110.15
Class B low (Apr 17, 2024)	53.02	48.53	58.81	91.00	59.54

Source: Nasdaq Stockholm

Share prices on Nasdaq New York

USD	2024	2023	2022	2021	2020
ADS at last day of trading	8.08	6.30	5.84	10.87	11.95
ADS high (Oct 15, 2024)	8.62	6.43	12.78	15.32	12.20
ADS low (Apr 15, 2024)	4.77	4.33	5.16	9.93	6.15

Source: Nasdaq New York

Share prices on Nasdaq Stockholm and Nasdaq New York

	Nasdaq Stockholm				Nasdaq New York	
	SEK per Class A share		SEK per Class B share		USD per ADS[1]	
Period	High	Low	High	Low	High	Low
Annual high and low						
2020	119.00	64.10	110.15	59.54	12.61	6.15
2021	128.80	91.90	121.80	91.00	15.32	9.93
2022	118.40	63.50	117.32	58.81	12.78	5.16
2023	73.00	50.00	68.50	48.53	6.43	4.33
2024	92.20	54.20	92.34	53.02	8.62	4.77
Quarterly high and low						
2023 First Quarter	73.00	60.40	68.50	54.96	6.43	5.22
2023 Second Quarter	70.00	56.40	62.66	53.36	6.04	5.01
2023 Third Quarter	63.00	53.10	59.62	49.79	5.75	4.74
2023 Fourth Quarter	64.70	50.00	64.28	48.53	6.36	4.33
2024 First Quarter	67.00	55.20	65.33	54.88	6.28	5.20
2024 Second Quarter	67.30	54.20	67.10	53.02	6.34	4.77
2024 Third Quarter	80.30	65.00	79.04	64.58	7.83	6.12
2024 Fourth Quarter	92.20	75.00	92.34	74.72	8.62	7.31
Monthly high and low						
August 2024	76.90	67.80	76.92	67.54	7.48	6.41
September 2024	80.30	72.70	79.04	74.20	7.83	7.16
October 2024	91.90	75.00	91.84	74.72	8.62	7.31
November 2024	91.00	86.70	91.22	86.68	8.52	7.91
December 2024	92.20	87.50	92.34	87.48	8.48	7.92
January 2024	98.00	83.90	97.68	83.24	8.90	7.55

[1] One ADS = 1 Class B share.

Source: Nasdaq Stockholm and Nasdaq New York

Shareholders

As of December 31, 2024, the Parent Company had 385,423 shareholders registered at Euroclear Sweden AB (the Central Securities Depository – CSD), of which 764 holders had a US address. According to information provided by the Company's depositary bank, Deutsche Bank, there were 368,323,666 ADSs outstanding as of December 31, 2024, and 2,580 registered holders of such ADSs. A significant number of Ericsson ADSs are held by banks, brokers and/or nominees for the accounts of their customers. As of January 14, 2025, there was 211,276 accounts.

According to information known at year-end 2024, approximately 87.4% of the Class A and Class B shares were owned by institutions, Swedish and other international institutions. The major shareholders do not have different voting rights than other shareholders holding the same classes of shares. As far as Ericsson knows, the Company is not directly or indirectly owned or controlled by another corporation, by any foreign government or by any other natural or legal person(s) separately or jointly.

The table below shows the total number of shares in the Parent Company owned by the Executive Team and Board members (including Deputy employee representatives as well as holdings by spouses, children who are minors and private company holdings, if applicable) as of December 31, 2024.

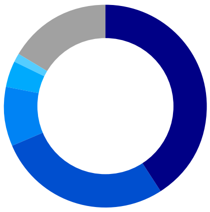
The Executive Team and Board members, ownership

	Number of Class A shares	Number of Class B shares	Voting rights, percent
The Executive Team and Board members (31 persons)	0	3,074,240	0.05%

For individual holdings, see Corporate Governance Report.

Geographical ownership breakdown of share capital including retail shareholders and treasury shares

Percent of capital

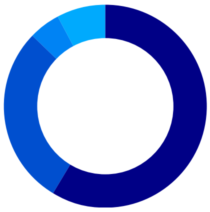


	2024	2023
Sweden	40.87%	40.85%
United States	27.75%	25.42%
United Kingdom	9.62%	12.31%
Norway	4.20%	5.50%
Denmark	1.23%	1.20%
Other countries	16.33%	14.72%

Source: Nasdaq

Ownership breakdown by type of owner

Percentage of voting rights



	2024	2023
Swedish institutions	58.79%	58.32%
of which:		
– Investor AB	*24.52%*	*23.75%*
– Industrivärden AB	*15.10%*	*15.11%*
– AMF Tjänstepension and AMF Fonder	*5.00%*	*4.52%*
Foreign institutions	28.61%	29.76%
Swedish retail investors	5.11%	5.52%
Other	7.50%	6.4%

Source: Nasdaq

Number of shares[1)]

Holding	No. of shareholders	No. of A shares	No. of B shares	Percentage of share capital	Percentage of voting rights	Market value, MSEK
1–500	306,167	1,309,759	37,946,837	1.17%	0.89%	3,528
501–1,000	35,078	901,620	25,629,240	0.79%	0.61%	2,385
1,001–5,000	35,849	2,613,677	75,327,924	2.33%	1.78%	7,005
5,001–10,000	4,703	996,020	32,680,150	1.01%	0.75%	3,027
10,001–15,000	1,263	413,578	15,113,598	0.46%	0.34%	1,396
15,001–20,000	641	329,053	11,078,993	0.34%	0.25%	1,025
20,001–	1,721	255,192,276	2,888,245,909	93.88%	95.37%	282,512
Total, December 31, 2024[2)]	**385,423**	**261,755,983**	**3,086,495,752**	**100%**	**100%**	**300,920**

[1)] Source: Euroclear.
[2)] Includes a nominee reporting discrepancy of 473,101 shares.

The following table shows share information as of December 31, 2024 with respect to the 15 largest shareholders ranked by voting rights as well as their percentage of voting rights as of December 31, 2024, 2023 and 2022.

Largest shareholders December 31, 2024 and percentage of voting rights December 31, 2024, 2023 and 2021

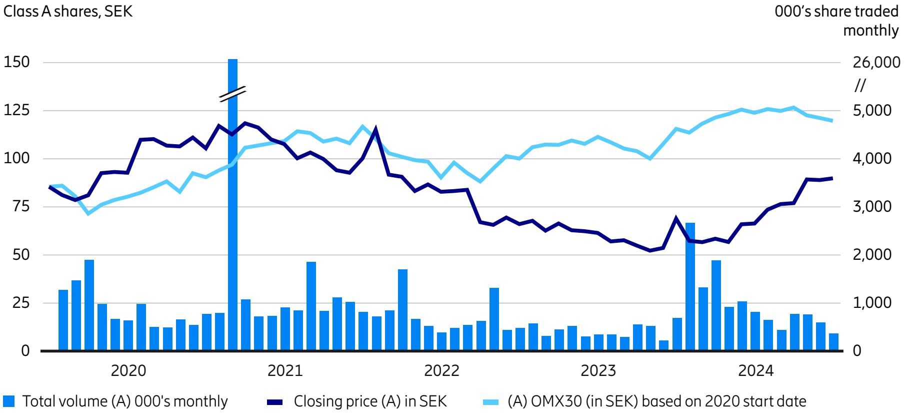
Identity of person or group[1)]	Number of Class A shares	Of total Class A shares percent	Number of Class B shares	Of total Class B shares percent	Of total Class A+B shares percent	2024 Voting rights percent	2023 Voting rights percent	2022 Voting rights percent
Investor AB	120,762,803	46.14	190,729,738	6.18	9.30	24.52	23.75	23.79
AB Industrivärden	86,052,615	32.88	1,000,000	0.03	2.60	15.10	15.11	15.14
AMF Tjänstepension and AMF Fonder	20,650,000	7.89	78,880,448	2.56	2.97	5.00	4.52	4.87
Cevian Capital	339,228	0.13	152,218,174	4.93	4.56	2.73	2.73	2.72
BlackRock Institutional Trust Company, N.A.	0	0.00	137,197,058	4.45	4.10	2.41	2.42	2.41
Fidelity International	0	0.00	132,493,027	4.29	3.96	2.32	3.56	2.16
AFA Försäkring AB	11,555,100	4.41	1,626,884	0.05	0.39	2.05	2.09	2.14
Hotchkis and Wiley Capital Management, LLC	0	0.00	116,467,715	3.77	3.48	2.04	2.49	0.73
The Vanguard Group, Inc.	1,161,057	0.44	100,957,898	3.27	3.05	1.97	1.90	1.87
Swedbank Robur Fonder AB (EX Folksam)	7,877	0.00	93,457,085	3.03	2.79	1.64	1.88	1.75
Handelsbanken Kapitalförvaltning AB	20,307	0.01	66,229,076	2.15	1.98	1.16	1.12	1.06
Livförsäkringsbolaget Skandia, ömsesidigt	4,129,619	1.58	22,930,552	0.74	0.81	1.13	1.19	1.19
DNB Asset Management AS	13,157	0.01	60,046,808	1.95	1.79	1.06	1.86	0.58
Tredje AP Fonden	4,390,736	1.68	15,715,383	0.51	0.60	1.05	1.04	1.08
State Street Global Advisors (US)	2,583	0.00	53,101,226	1.72	1.59	0.93	0.94	0.95
Others	12,670,901	4.84	1,863,444,680	60.37	56.03	34.89	33.41	37.57
Total	**261,755,983**	**100**	**3,086,495,752**	**100**	**100**	**100**	**100**	**100**

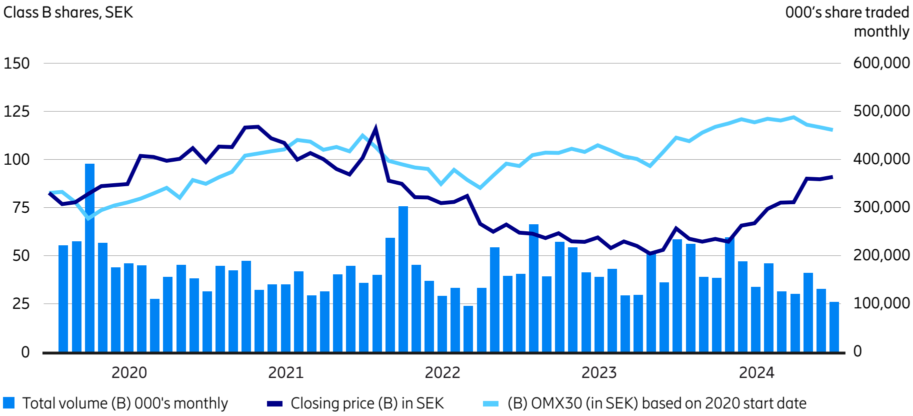
[1)] Source: Nasdaq.

Share trend

In 2024, Ericsson's total market capitalization increased by 42.6% to SEK 301 billion, from SEK 211 billion in 2023 (which represented an increase by 3.9% against 2022). In 2024, the index, OMX Stockholm 30, on Nasdaq Stockholm increased by 3.6%, the Nasdaq composite index increased by 28.6% and the S&P 500 Index increased by 23.3%.

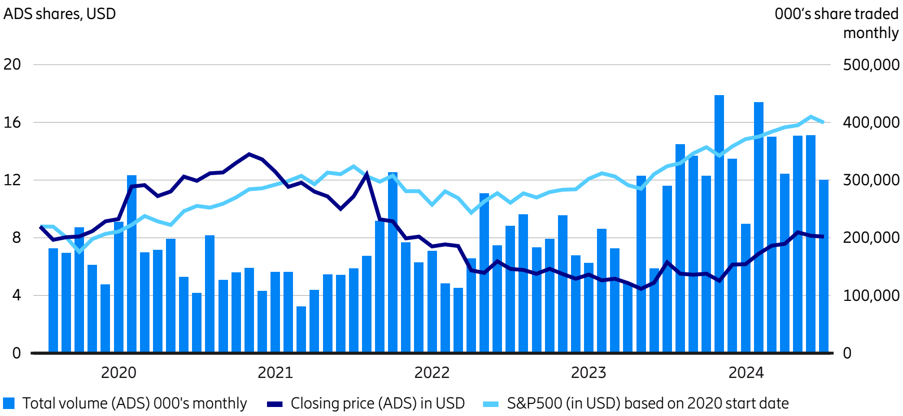
Share turnover and price trend, Nasdaq Stockholm



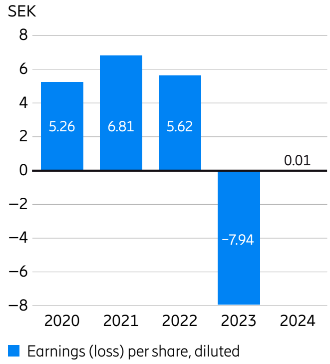


Volumes reflect trading on Nasdaq Stockholm only.

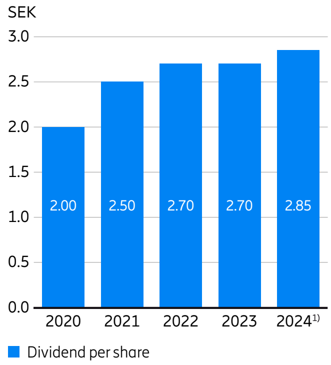
Share turnover and price trend, Nasdaq New York



Earnings (loss) per share, diluted



Dividend per share



1) For 2024 as proposed by the Board of Directors.

Shareholder information

Telefonaktiebolaget LM Ericsson's Annual General Meeting 2025 will be held on Tuesday, March 25, 2025 at 1 p.m. CET at Ericsson's premises: Open Box, Grönlandsgatan 8, Kista/Stockholm, Sweden.

Shareholders are also able to exercise their voting rights by post before the meeting.

Information on registration and notice of participation, on how shareholders will be able to exercise their voting rights, and on proxies and assistants is found in the notice of the Annual General Meeting. Information is also available on the Company's website www.ericsson.com.

Dividend proposal

The Board of Directors proposes to the Annual General Meeting a dividend to the shareholders of SEK 2.85 (2.70) per share for the financial year 2024, representing a total dividend of approximately SEK 9.5 (9.0) b. The dividend is proposed to be paid in two installments, SEK 1.43 per share with the record date March 27, 2025, and SEK 1.42 per share with the record date September 29, 2025. Should the Annual General Meeting decide in favor of the proposal, payment of the dividend is expected to be made on April 1, 2025, and on October 2, 2025.

Financial information from Ericsson

2024 Form 20-F for the US market:
March, 2025

Interim Reports 2025:
Q1, April 15, 2025
Q2, July 15, 2025
Q3, October 14, 2025
Q4, January 23, 2026

Annual Report 2025:
February, 2025

Financial terminology[1)]

Adjusted
Adjusted metrics are adjusted to exclude restructuring charges.

Adjusted working capital
Current assets less current non-interest-bearing provisions and liabilities (which include current provisions, contract liabilities, trade payables, current tax liabilities and other current liabilities).

CAPEX
Capital expenditures.

Capital employed
Total assets less non-interest-bearing provisions and liabilities (which includes non-current provisions, deferred tax liabilities, contract liabilities, other non-current liabilities, current provisions, trade payables, current tax liabilities and other current liabilities).

Capital turnover
Net sales divided by average capital employed (based on the amounts at January 1 and December 31).

CGU
Cash generated unit.

Compound annual growth rate (CAGR)
The year-over-year growth rate over a specified period of time.

Days sales outstanding (DSO)
Trade receivables balance at quarter end divided by net sales in the quarter and multiplied by 90 days. If the amount of trade receivables is larger than last quarter's sales, the excess amount is divided by net sales in the previous quarter and multiplied by 90 days, and total DSO are the 90 days of the most current quarter plus the additional days from the previous quarter.

Earnings (loss) per share (EPS basic)
Basic earnings (loss) per share: profit or loss attributable to stockholders of the Parent Company divided by the weighted average number of ordinary shares outstanding during the period.

Earnings (loss) per share diluted (EPS diluted)
Earnings (loss) per share, using the weighted average number of shares outstanding adjusted for the effects of dilutive potential ordinary shares.

EBIT
Earnings (loss) before financial items and income tax.

EBIT margin
EBIT as a percentage of net sales.

EBITA
Earnings (loss) before interest, income tax, amortizations and write-downs of acquired intangible assets.

EBITA margin
EBITA as a percentage of net sales.

Equity ratio
Equity expressed as a percentage of total assets.

Financial income and expenses, net
Financial income, financial expenses, and net foreign exchange gains/losses. Also named as financial net.

Free cash flow after M&A
Cash flow from operating activities less net capital expenditures, other investments and repayment of lease liabilities.

Free cash flow before M&A
Cash flow from operating activities less net capital expenditures, other investments and repayment of lease liabilities (excluding M&A).

Gross cash
Cash and cash equivalents plus interest-bearing securities (current and non-current).

Gross margin
Gross income as a percentage of net sales.

Inventory turnover days (ITO days)
365 divided by inventory turnover, calculated as total cost of sales divided by the average inventories for the year (net of advances from customers).

M&A
Mergers and Acquisitions.

Net cash
Cash and cash equivalents plus interest-bearing securities (current and non-current) less borrowings (current and non-current).

OCI
Other comprehensive income.

OPEX
Operating expenses.

P/E ratio
The P/E ratio is calculated as the price of a Class B share at last day of trading divided by earnings per basic share.

Payable days
The average balance of trade payables at the beginning and at the end of the year divided by cost of sales for the year and multiplied by 365 days.

Return on capital employed
EBIT (loss) as a percentage of average capital employed (based on the amounts at January 1 and December 31).

Return on equity
Net income (loss) attributable to owners of the Parent Company as a percentage of average stockholders' equity (based on the amounts at January 1 and December 31).

Sales growth adjusted for comparable units and currency
Sales growth adjusted for the impact of acquisitions and divestments as well as the effects of foreign currency fluctuations. Also named as organic sales growth.

SG&A
Selling, General and Administrative operating expenses.

Total shareholder return (TSR)
The increase or decrease in Class B share price during the period, including dividend, expressed as a percentage of the share price at the start of the period.

Value at Risk (VaR)
A statistical method for calculating the maximum potential loss that may occur with a given confidence level over a given time period.

Exchange rates

Exchange rates in consolidation

	January–December	
	2024	2023
SEK/EUR		
Average rate [1)]	11.42	11.47
Closing rate	11.49	11.09
SEK/USD		
Average rate [1)]	10.51	10.62
Closing rate	10.99	10.01

[1)] Average for the year for disclosure purpose only. Period income and expenses for each income statement are translated at period average exchange rates.

[1)] For further information of certain financial terms, see Alternative performance measures on pages 120–124.

Glossary

4G/LTE
Fourth generation mobile systems, also known as LTE.

5G
The fifth generation of mobile systems. An evolution of 4G/LTE.

AI
Artificial Intelligence. The ability of a machine to perform tasks commonly associated with intelligent beings.

API
Applications Programming Interface. An API is a set of protocols and routines for building software applications, enabling communication and access to services or data of other software programs.

BSS
Business Support Systems, the IT-systems that a communications service provider uses to run its business operations towards customers. Together with operations support systems (OSS), they are used to support various services for both business processes and the network end-to-end.

Cloud
When data and applications reside in accessible data centers.

Cloud native
Cloud native is the software approach of building, deploying, and managing modern applications in cloud computing environments.

CO_2e
The amount of a particular greenhouse gas, expressed as the amount of carbon dioxide that gives the same greenhouse effect.

Communications services provider
A communications services provider is a company or entity that offers various communication-related services, such as telecommunications, internet, and messaging services, to individuals, businesses, or other organizations.

Connectivity
The ability of mobile devices to establish and maintain a wireless link to a network, allowing for communication, data exchange, and access to internet services.

Core network
The mobile network's core part, which offers numerous services to the end users who are interconnected by the access network. Its key function is to direct voice calls and route data traffic.

CPaaS
Communications Platform as a Service. A cloud-based solution that provides businesses with tools and APIs for integrating real-time communication capabilities, such as voice, video, and messaging, into their applications.

FWA
Fixed Wireless Access is a high-speed internet technology using wireless communication instead of cables.

IoT
Internet of things, interconnection of computing things enabling them to send and receive data.

IPR
Intellectual Property Rights, or specifically patents.

Latency
Latency refers to the time delay between when a device sends a request and when it receives a response from the network.

Managed services
Management of operator networks and/or hosting of their services.

Massive MIMO
Massive MIMO (Massive Multiple Input Multiple Output) is a wireless technology that uses a large number of antennas in the radio base station to simultaneously serve multiple users, significantly improving spectral efficiency, capacity, and reliability in cellular networks.

Mission Critical
A mission-critical network is a highly reliable and secure communication infrastructure essential for uninterrupted core operations, where any failure can cause significant disruption or harm.

Mobile broadband
Wireless high-speed internet access using the HSPA, LTE, CDMA2000EV-DO and 5G technologies.

Neutral Host
A neutral host is an independent infrastructure provider that enables multiple network operators to share access to a common set of facilities, such as cell towers or small cells, to improve coverage and capacity efficiently.

OSS
Operations Support Systems, IT-systems used by communications service providers to manage their networks. They support management functions such as network inventory, service provisioning, network configuration and fault management. Together with Business Support Systems (BSS), they are used to support various services for both business processes and the network end-to-end.

Private Cellular Networks
A private cellular network is a dedicated wireless communication system that uses cellular technology to provide secure, customized connectivity for a specific organization or location, independent of public mobile networks.

Programmable network
A flexible and adaptable communication infrastructure that allows network behavior to be dynamically modified and controlled through software, enabling rapid deployment of new services, protocols, and configurations.

RAN
Radio Access Network, consists of a large number of radio base stations that handsets and devices can connect to.

SASE
Secure Access Service Edge. It is a network architecture that combines network security functions with WAN capabilities to support the dynamic, secure access needs of organizations, often delivered as a cloud-based service.

SIM
A SIM (Subscriber Identity Module) is a card in mobile devices that stores subscriber information for network authentication.

Standalone Access (SA)
Refers to a deployment model where the 5G network operates independently of existing 4G infrastructure, utilizing its own 5G core network to fully enable advanced features and capabilities.

WAN
Wide Area Network. A WAN connects remote networks for communication and resource sharing.

WWAN
WWAN (Wireless Wide Area Network) is a type of wireless network that provides internet connectivity over a broad geographical area, typically using cellular technologies like 3G, 4G, or 5G to connect mobile devices.

XR (VR, AR and MR)
Extended Reality. A technology that includes virtual reality (VR), augmented reality (AR), and mixed reality (MR), enabling users to experience and interact with computer-generated simulations.

Corporate Governance Report

Part of Ericsson Annual Report 2024

Annual Report 2024

Financial Report	Corporate Governance Report	Remuneration Report	Sustainability and Corporate Responsibility Report

ERICSSON

Corporate Governance Report 2024

This Corporate Governance Report is rendered as a separate report added to the Financial Report in accordance with the Annual Accounts Act ((SFS 1995:1554) Chapter 6, Sections 6 and 8) and the Swedish Corporate Governance Code.
The report has been reviewed by Ericsson's auditor in accordance with the Annual Accounts Act.
A report from the auditor is appended hereto.

Introduction and key 2024 governance updates

To be an industry leader, market and technology leadership needs to be combined with operational excellence, including in how Ericsson conducts its business. Ericsson believes that strong corporate governance leads to better decision-making, enhancing its competitiveness, improving its ability to effectively execute on its strategy and, ultimately, driving shareholder value.

Ericsson's Corporate Governance

Ericsson is committed to maintaining the highest standards of corporate governance and has established a corporate governance framework that:

- Empowers the business, enabling strategic execution and operational excellence.
- Promotes and facilitates effective oversight across the organization by the Board of Directors (the Board), the President and CEO, and the Executive Team throughout all levels of the organization.
- Facilitates high-quality decision-making with clear accountabilities at all levels.
- Instils a robust approach to risk management to effectively identify, manage and mitigate risks and capture opportunities.

Ericsson prioritizes an integrity-led culture and ethics and compliance in everything it does, driving integrity into and across the organization. Ericsson's governance framework guides its people while building on their strengths – fostering a culture of transparency, collaboration and open dialogue, sound and ethical business decisions, strong risk management, clear and consistent remediation of misconduct, and cross-functional coordination. Ericsson has implemented practices and procedures that establish clear rules of governance, ranging from matters requiring approval of the Company's shareholders and its Board, to conflicts of interest policies and director and management duties and obligations. All of these support Ericsson in managing its business in line with its values: professionalism, respect, perseverance and integrity.

Key corporate governance actions in 2024

Ericsson's intensive work on strengthening and simplifying its corporate governance practices continued throughout 2024 and was pursued in concert with further improvements to its Ethics and Compliance Program. In June 2024, Ericsson concluded its four-year compliance Monitorship. The role of the Monitor was to comprehensively review, assess, evaluate and test all aspects of Ericsson's global anti-bribery and corruption compliance program and internal controls. The Monitor's certification and the conclusion of the Monitor team's work and term was an important milestone, but the work is by no means complete. Due to the breadth of Ericsson's global organization and the industry in which it operates, ongoing vigilance is required as part of Ericsson's continuous journey of embedding and improving its Ethics and Compliance Program. During 2024, Ericsson also continued its progress towards simplification and digitalization of processes, cross-functional collaboration, shared accountability and strong support for the Speak Up culture. These actions included:

- Re-launching a refreshed and simplified Code of Business Ethics in early 2024.
- Introducing improved and clarified Group governance, decision-making, contracting and operational excellence principles.
- Continuing to leverage the successful implementation of the Material Group Risk Protocol and Business Risk Committee into the Group's governance and risk management frameworks to support effective risk identification, mitigation and monitoring.
- Continuing to embed various aspects of its compliance program into business operations, through a close partnership with the compliance function and stakeholders across the entire organization (as described further below in the Ethics and Compliance section).
- Continuing to strengthen performance-management at all levels of the organization, while also implementing clear and consistent remediation measures where misconduct has occurred.
- Continuing to update, streamline and clarify the Group's key policies and other guidance documents, including those on contracting, compliance, allegation assessments, investigations and remediation, and human rights. This work will be ongoing through 2025.

Throughout 2024, to foster strong and clear governance and continue embedding operational excellence across the organization, Ericsson introduced a set of core governance pillars for the Group to complement the Material Group Risk Protocol and Code of Business Ethics. These pillars set principles and requirements to guide decision-making, risk management, business ethics, handling of priority contracts and how employees work together as an organization. Together with a set of key Group policies, the pillars form the foundation of the Group's operations, and articulate the core rules, expectations and relevant standards (both internal and external) for Ericsson and its employees and facilitate high-quality decision-making, improved risk management and simplification across the Group.

Ericsson believes that driving integrity into day-to-day decision-making requires constant focus to ensure that compliance processes and related controls are fit for their intended purpose and that they are tested and refined as appropriate. Looking ahead, as the business evolves, Ericsson will continue to work to improve its anti-corruption controls and further embed them into its operations and managerial decisions. At the same time, Ericsson will also continue rigorous testing of the Ethics and Compliance Program's effectiveness, which includes clear expectations for management to understand and address testing results and process adherence within the areas of their responsibility, further strengthening the foundation for a well-embedded, self-sustaining Ethics and Compliance Program. As part of its prioritization of an integrity-led culture and embedding the Ethics and Compliance Program across the entire, extensive global organization, Ericsson reviews its geographic footprint, including in high-risk and/or developing jurisdictions, on an ongoing basis and has in the past and may in the future decide to exit certain jurisdictions where it is deemed to be in the best interest of the company.

Shareholder engagement on governance topics

As part of Ericsson's ongoing shareholder engagement, and in addition to the ordinary course communication between shareholders and Ericsson's Investor Relations and management team throughout the year, during the first and fourth financial quarters of 2024, the Chair of Ericsson's Board, Jan Carlson, and the Chair of the Audit and Compliance Committee, Eric Elzvik, had dialogues with shareholders and held Company-initiated substantive discussions with shareholders representing approximately 57% of shares outstanding. These are typically focused on a broad range of governance topics with the objective to understand and receive shareholder feedback and respond to questions. During 2024, the discussions centered on remuneration programs, board composition, and the thoughtful, multi-year transformation of the Company's governance, culture and Ethics and Compliance Program, as well as sustainability and other topics. Shareholders communicated support for Ericsson's overall executive remuneration philosophy, which includes an integrity-based component, the Audit and Compliance Committee's strong oversight of the compliance function, and the frequent and in-depth reporting on the effectiveness of the Ethics and Compliance Program to the Audit and Compliance Committee.

Feedback from these discussions has informed Board and Committee discussions and responsiveness, including in the following areas:

- Potential changes to long-term remuneration programs, including the proposed addition of three-year performance metrics to the 2025 Long Term Incentive

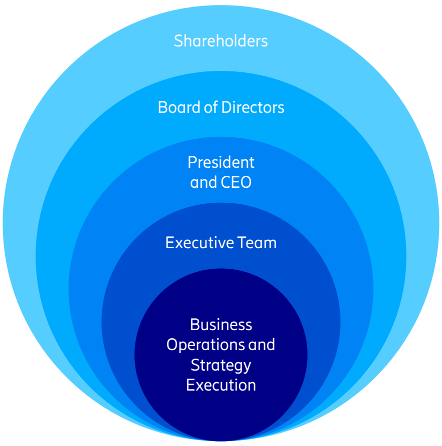
(LTV) plan to address shareholder feedback and facilitate further alignment of management incentives with long-term performance.
- Board composition, including refreshing and maintaining key areas of expertise and breadth of qualifications, experience and background to facilitate effective oversight and strategic direction.

Shareholders have also appreciated the information and proactive engagement on key topics, including:
- Significant improvements made to Ericsson's governance framework, which includes enhanced Board and management oversight and strong, proactive risk management.
- The effective integration of enhanced controls into Ericsson's operations and decision-making.
- Emphasis on driving continuous cultural change with a focus on embedding integrity into Ericsson's ways of working, fostering a culture of transparency, collaboration and open dialogue, and supporting sound and ethical business decisions.

Governance structure and core values

Governance structure

Ericsson's organizational governance structure is comprised of the following:



Under the Swedish Companies Act, Ericsson's shareholders retain certain decision-making rights, including any matters that do not expressly fall within the exclusive competence of another corporate body. Shareholder decision-making rights include, among other things, the power to elect the Board of Directors, and approval of any amendments to the articles of association and certain corporate restructurings.

The Board consists of members elected annually at the General Meeting, as well as employee representatives and their deputies (which the unions have the right to appoint under Swedish law). The Board is ultimately responsible for the organization of Ericsson and the management of Ericsson's operations and is thus ultimately responsible for overseeing the Company's strategy, organization and operations, and has established four Committees: (1) the Audit and Compliance Committee, (2) the Finance Committee, (3) the Remuneration Committee and (4) the Enterprise Business and Technology Committee.

The President and CEO is appointed by the Board and is responsible for the day-to-day management of the Group in accordance with the Swedish Companies Act, as well as in accordance with guidelines from the Board. The President and CEO updates the Board regularly on issues of importance to Ericsson, including matters of business development, results, financial position and liquidity.

The President and CEO is supported by the Executive Team. The Executive Team consists of the President and CEO, the Chief Legal Officer, the Chief Financial Officer (CFO), the Chief Operating Officer, the Chief People Officer, the Chief Technology Officer, the Chief Marketing and Communications Officer, the Head of Group Operations, and the Heads of business areas and market areas.

The members of the Executive Team, led by the President and CEO, are responsible for: (1) steering the Group and defining Group strategies and policies, driving the corporate strategy and establishing and maintaining the corporate culture, (2) Group-wide oversight and providing an effective framework for decision making and risk management (including through the implementation of effective governance, a strong compliance program and related internal controls), and (3) leading on operational excellence and performance management, optimizing competitiveness and realizing global synergies through efficient organization of the Group. The executive leaders set the tone for the entire organization by promoting high standards of performance and critical thinking, exemplifying collaboration and maintaining a holistic perspective for the entire organization.

Ericsson's organizational structure consists of central Group functions (including Finance, Legal Affairs and Compliance, Technology, People, Marketing and Corporate Relations, Support and Operations), together with five business areas and five geographical market areas. From March 15, 2025, there will be four geographical market areas.

The corporate center of the Group plays a critical role in: (1) defining Group strategy, governance and policies, (2) driving the corporate strategy and establishing and maintaining the corporate culture, including being responsible for Group-wide oversight and ensuring an effective and cohesive framework for decision-making and risk management, (3) managing and executing on central corporate matters (including corporate governance, corporate and risk management controls, capital structure, financing and other corporate transactions, listing compliance and disclosure obligations), (4) Group financial management and reporting (including determining targets for operational units, allocating resources and monitoring market area and business area performance), and (5) providing value-adding, subject-matter expertise to further execute on strategic priorities (including on legal, mergers and acquisitions, finance, compliance, technology, communications, security, sustainability, health and safety, and people matters).

Business areas are responsible for developing competitive, product-led business solutions, including both products and services and for investing in research and development for technology and cost leadership. Heads of business areas are also part of the Executive Team and are responsible for managing the business of their respective business area.

Market areas are responsible for selling and delivering customer solutions and engaging with customers to establish leading positions, with a focus on strategically important markets. Heads of market areas are also part of the Executive Team and responsible for managing the business of their respective market area.

Ownership structure

As of December 31, 2024, the Parent Company had 385,423 registered shareholders, of which 373,815 were resident or located in Sweden (according to the share register kept by Euroclear Sweden AB). Swedish institutions held approximately 58.79% of the votes. The largest shareholders, as of December 31, 2024, were Investor AB with approximately 24.52% of the votes (9.3% of the shares), AB Industrivärden with approximately 15.1% of the votes (2.6% of the shares) and AMF Tjänstepension and AMF Fonder with approximately 5% of the votes (2.97% of the shares).

A significant number of the shares held by foreign investors are nominee-registered, i.e., held of record by banks, brokers and/or nominees (acting on behalf of underlying shareholders). This means that the actual shareholder is not displayed in the share register kept by Euroclear Sweden AB or included in the shareholding statistics.

Further information on Ericsson's shareholders can be found in the chapter "The Ericsson Share" in the Financial Report.

Shares and voting rights

The share capital of the Parent Company consists of two classes of shares listed on Nasdaq Stockholm: A and B shares. Each Class A share carries one vote, and each Class B share carries one tenth of one vote. Class A and B shares entitle the holder to the same proportion of assets and earnings and carry equal rights to dividends.

The Parent Company may also issue Class C shares, which are converted into Class B shares to create treasury stock to finance and hedge long-term variable compensation programs resolved by the General Meeting of shareholders.

In the US, the Ericsson Class B shares are listed on Nasdaq New York in the form of American Depositary Shares evidenced by American Depositary Receipts. Each American Depositary Share represents one Class B share.

The members of the Board of Directors and the Executive Team have the same voting rights on shares as other shareholders holding the same class of shares.

Regulation

External rules

As a Swedish public limited liability company with securities traded on Nasdaq Stockholm as well as on Nasdaq New York, Ericsson is subject to a variety of rules that affect its governance. The primary external rules applicable to Ericsson's governance include:

- The Swedish Companies Act.
- Applicable EU regulations.
- The Swedish Corporate Governance Code.
- The Nasdaq Stock Market Rules, including the Nasdaq Nordic Main Market Rules for Issuers of Shares and applicable Nasdaq New York corporate governance requirements (subject to certain exemptions principally reflecting mandatory Swedish legal requirements).
- Applicable requirements of the US Securities and Exchange Commission.

Internal rules and policies

Ericsson's articles of association and the work procedure for the Board of Directors (and its respective Committees) establish the foundation for Ericsson's internal corporate governance, including its decision making.

In addition, to promote compliance with legal and regulatory requirements and the high standards that Ericsson has set, Ericsson has established core governance pillars for the Group and has adopted a range of policies and procedures that include, among others:

- The Code of Business Ethics.
- The Code of Conduct for Business Partners.
- Material Group Risk Protocol.
- A set of core Group policies necessary to operate the Group's business and satisfy its internal and relevant external standards. Each policy establishes the requirements and expectations for Ericsson and its employees.

Compliance with securities market regulations

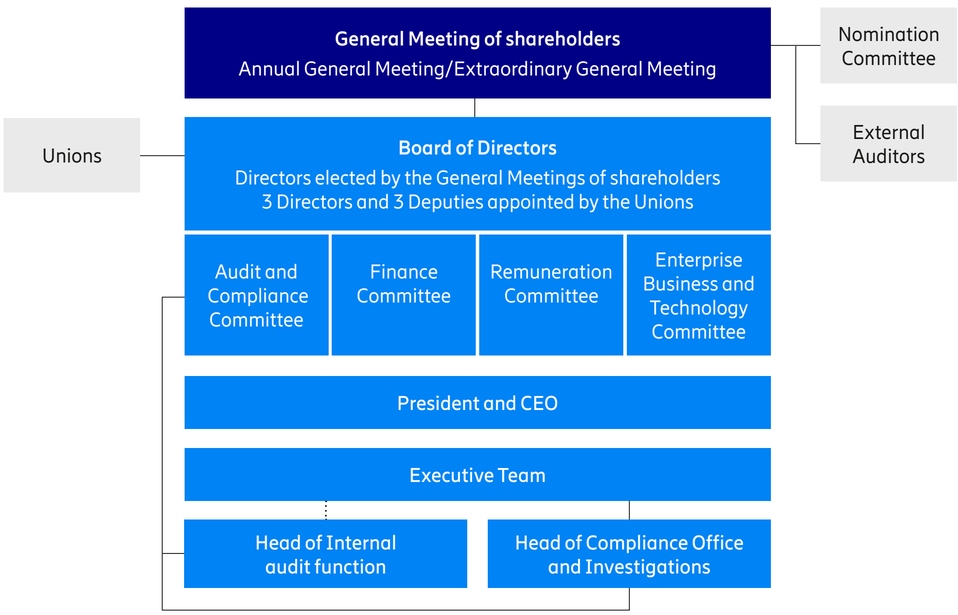
Compliance with the Swedish Corporate Governance Code

The Swedish Corporate Governance Code is based on the principle of "comply or explain" and is published on the website of the Swedish Corporate Governance Board, which administers the Swedish Corporate Governance Code: https://bolagsstyrning.se/. Ericsson is committed to complying with best-practice corporate governance standards on a global level. Ericsson does not report any deviations from the rules of the Swedish Corporate Governance Code in 2024.

Compliance with applicable stock exchange rules

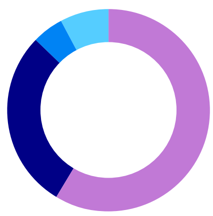
There has been no infringement by Ericsson of applicable stock exchange rules and no breach of good practice on the securities market reported by the disciplinary committee of Nasdaq Stockholm or the Swedish Securities Council in 2024.

Governance structure



Shareholders

Ownership percentage (voting rights)



- Swedish institutions, 58.79% of which:
  - Investor AB, 24.52%
  - AB Industrivärden, 15.10%
  - AMF Tjänsepension and AMF Fonder, 5.00%
- Foreign institutions, 28.61%
- Swedish retail investors, 5.11%
- Others, 7.50%

Source: Nasdaq

Contact the Board of Directors

Telefonaktiebolaget LM Ericsson
The Board of Directors Secretariat
SE-164 83 Stockholm, Sweden

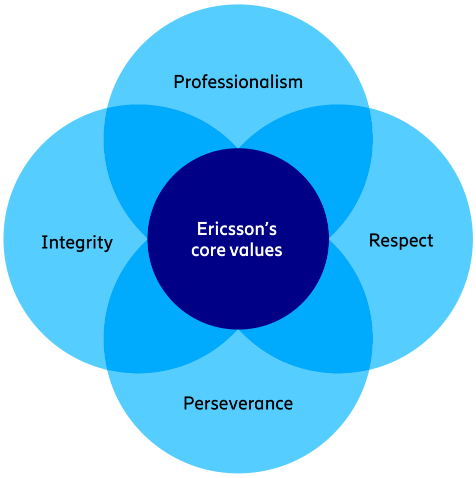
boardsecretariat@ericsson.com

Annual General Meeting 2025

Ericsson's Annual General Meeting 2025 is expected to be held on March 25, 2025.

Further information is available on Ericsson's website.

Ethics and compliance



Ericsson's core values

The Company's core values are the touchstones of its culture. They guide employees' daily work, in how they relate to each other and the world around them and in the way the Company does business. As Ericsson executes its strategy, people are the foundation, embracing and carrying forward Ericsson's core values of professionalism, perseverance, respect and integrity. At Ericsson, the satisfaction and well-being of employees is both consistent with its core values and a key element of its ability to compete and succeed in the future.

Ethics and Compliance Program

Ericsson continues to invest significant resources and efforts to strengthen its Ethics and Compliance Program, implementing and maintaining strong systems, controls and policies to effectively prevent and detect wrongdoing, including in the areas of ethics, anti-bribery and corruption, conflicts of interests, anti-money laundering and competition law. Importantly, as discussed above, this effort has been underpinned by work across the organization to transform the Company's culture and enhanced governance frameworks and processes to strengthen Ericsson's operations. In addition to protecting Ericsson's best interests, the enhanced Ethics and Compliance Program has provided opportunities for further operational efficiencies, such as digitalized procedures and streamlined processes, which can increase productivity and reduce future operational costs.

In early 2024, Ericsson adopted an enhanced and simplified Code of Business Ethics for the organization. The Code of Business Ethics sets out the Company's expectations, principles and requirements for employees as they conduct business. It provides the framework for ethical decision-making, and guides employees in making decisions and managing risk as they engage with colleagues, customers, partners, owners, and other stakeholders. It supports Ericsson's Speak Up culture and prohibits retaliation for raising compliance concerns in good faith. All employees are required to confirm their understanding of the Code of Business Ethics on a regular basis. The Code of Business Ethics sets the framework and standard for all employees to help ensure that the Company's decisions and actions are ethical and that Ericsson is acting as a positive global force.

Integrated and Effective Compliance Program

Since 2019, Ericsson has made significant investments to strengthen its Ethics and Compliance infrastructure, enhance its approach to governance and risk management and improve its corporate culture, overseen by the Board and the Executive Team. Ericsson's anti-corruption compliance program and internal controls include typical compliance program hallmarks such as written policies, risk assessments, third party management, and promotion of ethical conduct by leadership. During 2023, led by the President and CEO and Executive Team, the Company drove its Business Critical Transformation initiative, which deployed cross-functional teams led by the business owners and supported by compliance and internal controls functions to help ensure compliance was fully embedded in the business, accessible to everyone, and working effectively in practice. Incorporating extensive training, monitoring, testing and continuous feedback, the Business Critical Transformation strengthened underlying business and functional processes, improving the overall effectiveness and sustainability of Ericsson's Ethics and Compliance Program. Self-testing of the Ethics and Compliance Program's effectiveness was conducted in close coordination with the independent Monitor related to the US Department of Justice resolution. In 2024, the Business Critical Transformation initiative was further embedded in the Company's business operations and is now fully driven by the business owners, who continue to conduct self-testing using a risk-based approach. Continuous improvement is a cornerstone of the Ethics and Compliance Program and the Company's management and Board are committed to continuing to embed the Ethics and Compliance Program in business operations so that it remains both effective and sustainable, and fit for its intended purpose as the business evolves.

In June 2024, Ericsson concluded its four-year compliance Monitorship with an independent compliance Monitor who was appointed by the US Department of Justice in June of 2020 in connection with Ericsson's 2019 Deferred Prosecution Agreement to resolve historical violations of the Foreign Corrupt Practices Act. The role of the Monitor was to comprehensively review, assess, evaluate, and test all aspects of Ericsson's global anti-bribery and corruption compliance program and internal controls. The Monitor's certification and the conclusion of the Monitor team's work and term was an important milestone, but the work is by no means complete. Due to the breadth of Ericsson's global organization and the industry in which it operates, ongoing vigilance is required as part of Ericsson's continuous journey of embedding and improving its Ethics and Compliance Program. The work over the last several years has significantly strengthened Ericsson's ability to identify and address actual and alleged misconduct as incidents arise and help ensure they are effectively remediated in a clear and consistent manner.

To further reinforce accountability and compliance throughout the organization, all employees who are eligible for an STV payout may be denied all or part the entitlement if they act in breach of Ericsson's Code of Business Ethics. In addition, executives are subject to evaluation according to a set of pre-defined integrity criteria, which includes 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%.

The Company has also continued to invest in digital capabilities to (i) enable employees, line managers and compliance professionals to work more efficiently, by more easily accessing compliance-relevant data, and (ii) simplify the Ethics and Compliance Program processes, in each case helping employees make integrity-driven decisions. The digital landscape continues to evolve, with exploration of AI and use of data analytics to further enhance management of anti-bribery and corruption risks.

Compliance reporting and investigations

The Company promotes transparency through the Ericsson Compliance Line, a dedicated communication channel for employees and external stakeholders to report any compliance concerns. The Ericsson Compliance Line is operated by a third party and is available 24/7, 365 days per year, and enables reporting from multiple countries in many languages, anonymously if chosen when permitted by law. Employees are expected to report concerns related to a violation of the Code of Business Ethics, including violations relating to corruption, fraud, accounting, internal controls, human rights matters, breach of law, or matters that could harm the business or reputation of Ericsson, its employees and shareholders. Where applicable, Ericsson employees and external stakeholders have the option to report certain matters via local channels, which have been implemented in accordance with the European Union Directive on the protection of persons who report breaches of Union law.

Ericsson's Compliance Office and Investigations team is responsible for the overall compliance process, including assessing allegations of potential misconduct, appropriately investigating allegations of potential compliance violations, and ensuring appropriate remediation. The Head of Compliance Office and Investigations regularly reports on investigations to the Audit and Compliance Committee.

The Company frequently publishes its Speak Up Newsletter, featuring anonymized examples of actual misconduct and resulting remediation, including corrective and disciplinary actions. The Speak Up Newsletter also includes short stories highlighting situations in which employees facing difficult choices choose to do the right thing, as well as lessons from enforcement actions against other companies. Progress in the Speak Up culture in recent years can be seen in the increased raising of compliance questions and potential concerns by Ericsson's employees. The willingness by Ericsson's employees to speak up is an essential safeguard to help ensure that the Company conducts business with integrity.

Further information on reporting compliance concerns can be found in section G1 in the Sustainability and Corporate Responsibility Report.

Sustainability and corporate responsibilities

The Board oversees Ericsson's sustainability and corporate responsibility strategy, periodically receives reports on developments and performance of sustainability-related targets and approves the sustainability statements as part of the Annual Report. In addition to the principal oversight exercised by the Board, each of the Committees of the Board is involved in overseeing specific aspects of Ericsson's sustainability and corporate responsibility strategy. The Audit and Compliance Committee oversees Ericsson's Ethics and Compliance Program and whistleblower procedures, and it regularly receives updates on compliance-related matters from the Chief Legal Officer and the Head of Compliance Office and Investigations. The Audit and Compliance Committee also reviews the Group's handling of information and cybersecurity and data privacy, as well as overseeing its sustainability and environmental, social and governance (ESG) reporting practices. The Finance Committee oversees the consideration of environmental sustainability in external funding through the application of the Green Financing Framework. As part of its role to prepare and propose rewards and compensation policies that attract and motivate senior management and align with the Company's strategy, the Remuneration Committee considers the appropriate inclusion of environmental, social and business conduct criteria in variable compensation plans and monitors the performance of such criteria. Part of the Enterprise Business and Technology Committee's role of monitoring the Company's technology ecosystem, relationships and partnerships involves reviewing matters related to environmental sustainability, such as energy-related matters in Ericsson's product portfolio. The Executive Team, led by the President and CEO, is responsible for approving Group-wide sustainability-related targets and regularly receives reports on the implementation of strategies and progress made on targets and milestones. Its members are also part of dedicated steering boards and committees that provide more frequent strategic guidance and oversight of sustainability and corporate responsibility-related matters.

Risk management

Risk management is an important element of strategic decision-making and value creation. Ericsson strives to capture the opportunities and threats relating to the Company's strategic objectives. Ericsson's risk management activities operate in tandem with the development and deployment of Ericsson's business plans and operational strategies. The Company has made significant strides in recent years toward ensuring that strategic, external and internal risks are properly identified, assessed, internally reported, escalated, and effectively addressed. Establishing accountability for risk management at all levels of the organization is a key priority. Ericsson's management emphasizes the importance of identifying and addressing risks in its decision-making at all levels and has integrated this in Ericsson's relevant operational and functional processes. Ericsson strives to ensure that risk is appropriately assessed, transparently considered, and escalated within the organization as circumstances warrant.

Ericsson's Material Group Risk Protocol governs the analysis and escalation of material risk across the Group. The Business Risk Committee provides executive oversight and promotes accountability for potentially material risks. The Business Risk Committee is co-chaired by the Chief Legal Officer and the CFO and serves as a fully-embedded risk escalation and oversight forum that has strengthened management's decision-making and handling of risks. The Business Risk Committee process and Group-wide assessment of risk have enhanced Ericsson's holistic insights into enterprise risk and have increased alignment and the ability to effectively address risks that impact various parts of the organization. In particular, the Business Risk Committee reviews risk matters with potential material impact (including risks that arise in "high risk" jurisdictions) and provides a management forum for monitoring and reviewing risks identified in the Enterprise Risk Management system. The framework establishes an enterprise-level baseline for transparency and risk oversight. Group-level Enterprise Risk Management activities are overseen by the Business Risk Committee, which reports relevant matters to the Board, of which the Audit and Compliance Committee has oversight responsibility for the Company's risk management and its Enterprise Risk Management framework.

Financial risk management is overseen by the Finance function. For further information on financial risk management, please see Notes to the consolidated financial statements – note F1 "Financial risk management" in the Financial Report.

The Material Group Risk Protocol, the Business Risk Committee and Ericsson's Enterprise Risk Management framework operate in a complementary manner to provide the Board and management with a consolidated view of Group risk.

The Enterprise Risk Management framework is designed to promote a risk identification and management culture with bottom-up identification and management of risks that present uncertainty in Ericsson's ability to achieve its long- and short-term objectives.

Each manager across the Group is charged with addressing risks within their respective area of responsibility. The Group Risk Management function drives Enterprise Risk Management strategy execution and Enterprise Risk Management operations at the Group level. The head of each central Group function, market area and business area oversees risk management of the respective unit and establishes and maintains processes to identify, assess and escalate risks with one or more enterprise risk managers within the unit.

Ericsson's Enterprise Risk Management process provides a system for assessment and mitigation of risks across the Group and for all roles with responsibilities for risk management activities. This process seeks to ensure that Group functions, market areas and business areas consider risk in relation to strategic objectives and decision-making, while ensuring escalation of material Group risks to the Business Risk Committee. The Company continues to bolster its transactional controls and data analytics, including increased due diligence and monitoring of third-party relationships. Ericsson has also expanded anti-corruption risk assessments to address country-specific compliance risks, developed a State-Owned Entities Map to identify public officials and state-owned customers, expanded on-the-ground, in-country compliance officers and increased personnel levels in both compliance and other gate-keeper functions.

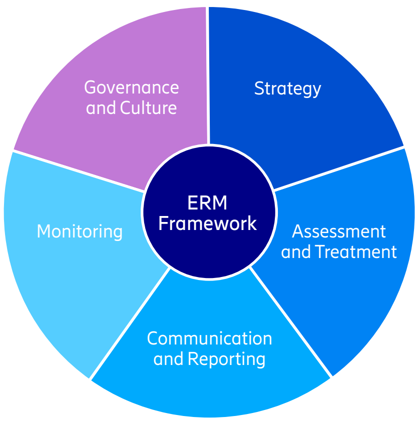
Risk assessment includes the maintenance of a global risk register with views for each unit, which has responsibility for escalating potentially material risks to the Business Risk Committee when appropriate. The Group Risk Management function maintains a consolidated risk register of enterprise-level risk.

Risks within the scope of accountability for the Group function, market area and business area are identified in a bottom-up risk identification process. The relevant business leadership team and other personnel in the unit, supported by the unit enterprise risk manager, identify and consider risks, including material Group-level risks. Material risks are then escalated to the Business Risk Committee in accordance with the Material Group Risk Protocol.

Ericsson takes a holistic approach to risk management that covers the spectrum of probability and impact. Risk analysis classifies the probability of an identified risk and the impact across four dimensions: (1) financial, (2) strategic, (3) occupational health and safety, and (4) reputational. Each unit's key risks are documented in the global risk register, based on risk ownership, alignment with managerial responsibility and functional responsibility.

For all material risks in each unit's risk register, management considers risk treatment options. These options may include risk responses or other actions, such as avoiding or accepting the risk, mitigating the probability or impact of the risk, transferring the risk management or potential impact to a third party, or increasing strategic business risk in order to pursue an opportunity. After implementation of the risk management plan, its effectiveness is assessed on an ongoing basis to facilitate corrective actions when appropriate.

The Group Risk Management function monitors the efficiency and effectiveness of the Enterprise Risk Management framework. This is done with the help of a risk management tool and through self-assessments, as well as by providing assessment requirements regarding risk management to the ISO 9001 internal assessment process and following up on the internal assessment results. The Group Risk Management function also reviews internal and external audit results to address identified weaknesses as part of the continuous improvements of the Enterprise Risk Management framework.



Effective communication is important to enable employees to share information, collaborate, and support each other in managing risks in the business. The Group Risk Management function works to create awareness and improve knowledge with respect to risk management issues across the Group. Ericsson has established a Group Risk Council to facilitate cross-group alignment and improvements of the Enterprise Risk Management framework, as well as of the management of actual risks, chaired by the Head of Group Risk Management, and in which enterprise risk managers from all market areas, business areas and Group function units participate.

The Head of Group Risk Management consolidates and summarizes the risks reported to the Business Risk Committee on a quarterly and annual basis.

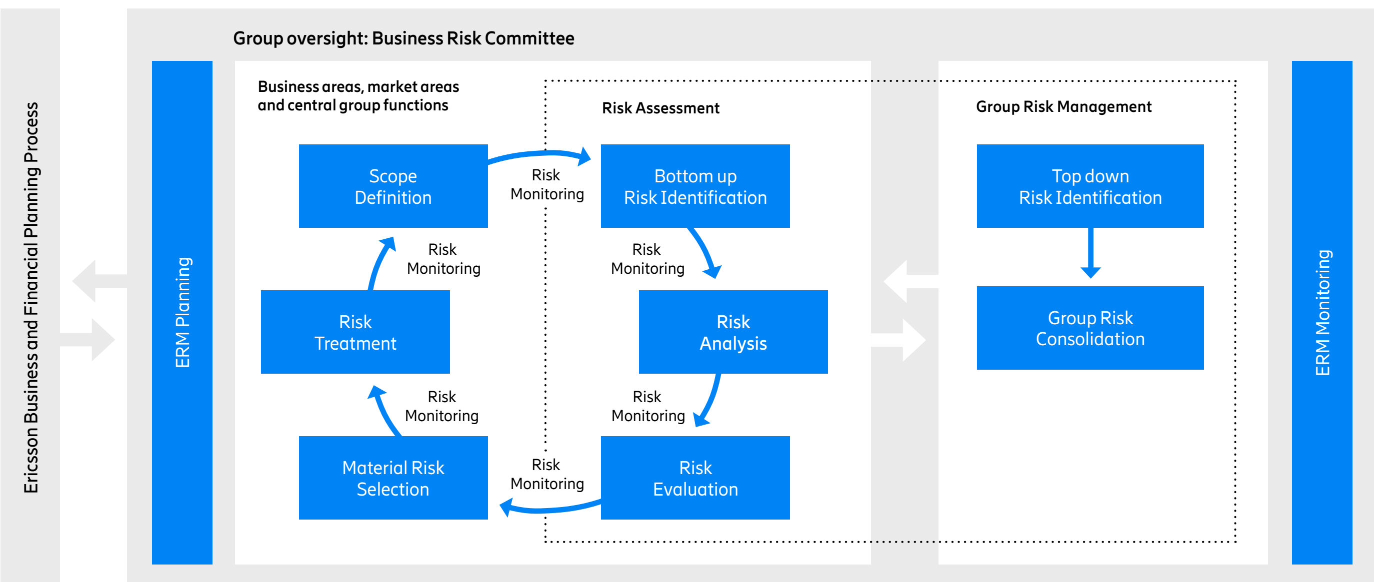
Cybersecurity

Cybersecurity risk management and strategy

Every year Ericsson identifies and manages numerous cyber-attack attempts, vulnerabilities, and cybersecurity incidents. In 2024, Ericsson detected and resolved cybersecurity incidents effectively, as none were considered to be material. Ericsson faces certain ongoing risks from advanced threat actors that, if realized and not timely detected and mitigated, are reasonably likely to materially affect the Company, including its operations, strategy, results of operations, or financial condition. The strategic and sensitive nature of the information and telecommunications industry also heightens exposure to cyberattacks aimed at disrupting, damaging or infiltrating another's critical infrastructure, network and systems and corporate espionage with respect to both technology and commercial matters, including in both cases from state-backed and criminal threat actors. See Risk Factor 4.1.

Ericsson has developed and implemented cybersecurity programs intended to protect

ERM Process map



the confidentiality, integrity, and availability of its critical systems and information as well as its products and services.

Ericsson is globally certified to ISO/ECN 27001:2022 for Information Security Management Systems, which is integrated into the Group Management System and encompasses Ericsson's security requirements, including for third parties, as well as practices to assess security posture and performance. Ericsson has a central threat intelligence team and multiple security risk managers responsible for assessing security threats and vulnerabilities and identifying cybersecurity risks, including third-party risks. Ericsson's Cyber Defense Center works to monitor, detect, respond, and limit any cybersecurity attacks from expanding in severity or scale. The incident management team function is designed and staffed for continuous availability and includes security and computer forensics specialists responsible for escalating and investigating incidents. If needed, business continuity plans are in place to help recover from the effects of a cybersecurity incident. Internal adherence to frameworks and processes is achieved through quantitative and qualitative measurements, including regular external and internal audits, and regularly recurring training, including on security awareness.

To secure Ericsson's products and services, Ericsson's Security Reliability Model mandates product and feature risk assessments, secure design, secure coding principles, use of analysis tools, and supply chain security requirements to avoid vulnerabilities. To mitigate security risks, Ericsson maintains a catalogue of externally developed components and code used in its products and thorough testing is performed to ensure high product quality. Training is provided to the workforce about the Security Reliability Model and its included tasks and activities. The Product Security Incident Response Team coordinates remediation for customers affected by vulnerabilities or security incidents in Ericsson products and actively monitors vulnerabilities in third-party software and alerts the relevant product development organization. Ericsson's product development and lifecycle processes have been successfully audited to the GSMA Network Equipment Security Assurance Scheme since 2020. Several products are also externally evaluated against 3GPP Security Assurance Specification.

Ericsson's cybersecurity programs do not imply that it always meets all technical specifications or requirements at all times, but that the aforementioned frameworks help to identify, assess, and manage cybersecurity risks relevant to its business.

Cybersecurity governance

The Board considers cybersecurity risks as part of its risk oversight function and has delegated the specific oversight of cybersecurity risks to the Audit and Compliance Committee, which receives regular briefings from the Chief Security Officer on cybersecurity matters.

Ericsson's President and CEO sets the overall direction for cybersecurity by approving Ericsson's Security Strategy and its Security Policy. In addition, the Executive Team regularly receives briefings on cybersecurity risks, posture, investments and strategy execution and has established the Group Enterprise Security and Privacy Board, which manages the oversight of enterprise security, including cybersecurity and privacy. The Chair of the Group Enterprise Security and the Privacy Board is the Chief Operating Officer, and the Group Enterprise Security and Privacy Board's agenda is driven by the Chief Security Officer, Maj. Gen. (Ret) Fredrik Robertsson.[1] The Group Enterprise Security and Privacy Board assembles executives and other senior business leaders a minimum of five times a year to review, recommend and endorse high-level security plans and monitor risks and security strategy execution.

Ericsson's cybersecurity program is under the direction of the Chief Security Officer, who is responsible for enterprise security and reports to the Chief Operating Officer. The Chief Technology Officer is responsible for Product Security and Privacy and has delegated the handling of security requirements, standards and architecture related to product development and product management to the Chief Product Security Officer, Mikko Karikytö.[2]

The respective Group function, market area and business area head are responsible for the implementation of security controls into Ericsson's business processes and operations, which is mandated by the Chief Security Officer, the Chief Technology Officer or the Chief Product Security Officer, or through local laws, regulations or customer requirements. The Chief Security Officer and the Chief Product Security Officer regularly receive briefings and reports from the business areas, market areas and relevant Group functions on identified cybersecurity risks, vulnerabilities, and posture.

General Meetings of shareholders

Decision-making at General Meetings

The decision-making rights of Ericsson's shareholders are exercised at General Meetings of shareholders. Most resolutions at General Meetings are passed by a simple majority. However, the Swedish Companies Act requires qualified majorities in certain cases, for example, in the case of a resolution on amendments to the articles of association or a resolution to transfer treasury stock to employees participating in long-term variable compensation programs.

The Annual General Meeting of shareholders

The Annual General Meeting of shareholders is held in Kista, Stockholm. The date and venue for the meeting are announced on the Ericsson website no later than the time of release of the third quarter interim financial report in the preceding year.

Shareholders who cannot participate in person may be represented by proxy. The Board of Directors may decide, in accordance with the articles of association, that the shareholders also shall be able to exercise their voting rights by post before the Annual General Meeting pursuant to the procedure stated in the Swedish Companies Act. Only shareholders registered in the share register have voting rights. Nominee-registered shareholders who wish to vote must request to be entered into the share register by the record date for the Annual General Meeting.

The Annual General Meeting is held in Swedish and is simultaneously translated into English. Documentation provided by the Company is available in both Swedish and English.

The Annual General Meeting gives attending shareholders the opportunity to raise questions relating to the operations of the Group. Normally, the majority of the members of the Board of Directors and the Executive Team are present to answer such questions.

The external auditor is present at the Annual General Meeting.

Ericsson's Annual General Meeting 2024

Including shareholders represented by proxy, 2,611 shareholders were represented at the Annual General Meeting held on April 3, 2024, representing approximately 74% of the votes.

The Annual General Meeting 2024 was held in Kista, Stockholm. The shareholders were also able to exercise their voting rights

[1] Maj. Gen. (Ret) Fredrik Robertsson serves as Ericsson's Chief Security Officer and Head of Group Security. His diverse experience includes former roles at the Swedish Armed Forces Headquarters, such as Director of Plans, Chief Information Officer, and CISO, which included directing and developing the Swedish Armed Forces' cyber capability and cyber defense. He holds a Master of Science degree in Political Science with a specialization in Security Studies. Additionally, Maj. Gen. (Ret) Robertsson has been an active member of the Swedish Contingencies Agency Cyber Security Council and serves as a board member for Sectra AB.

[2] Mikko Karikytö is Ericsson's Chief Product Security Officer and Head of Product Security and was previously Head of Network Security and Head of Product Security Incident Response Team. Additionally, Mr. Karikytö is engaged in industry collaboration through organizations like ETIS (a collaboration community for the European Telecom industry), Forum of Incident Response and Security Teams, and EU Commission work groups. He has provided subject matter expertise for committee hearings of the UK parliament and the German Bundestag in connection with 5G security.

by post before the meeting. In addition to the shareholders, the meeting was attended by members of the Board of Directors, members of the Executive Team, members of the Nomination Committee and the external auditor.

Decisions of the Annual General Meeting 2024 included:

- Discharge of liability for the members of the Board and for the Company's President and CEO for the financial year 2023.
- Payment of a dividend of SEK 2.70 per share to be paid in two installments.
- Re-election of Jan Carlson as Chair of the Board of Directors.
- Re-election of the following members of the Board of Directors: Jon Fredrik Baksaas, Jan Carlson, Carolina Dybeck Happe, Eric A. Elzvik, Börje Ekholm, Kristin S. Rinne, Jonas Synnergren, Jacob Wallenberg and Christy Wyatt.
- New election of Karl Åberg as member of the Board of Directors.
- Approval of Board of Directors' fees, in accordance with the Nomination Committee's proposal:
  - Chair: SEK 4,640,000 (previously SEK 4,500,000).
  - Other non-employee Board members: SEK 1,175,000 each (previously SEK 1,140,000).
  - Chair of the Audit and Compliance Committee: SEK 540,000 (previously SEK 495,000).
  - Other non-employee members of the Audit and Compliance Committee: SEK 310,000 each (previously SEK 285,000).
  - Chair of the Enterprise Business and Technology Committee: SEK 230,000 (previously SEK 210,000).
  - Other non-employee members of the Enterprise Business and Technology Committee: SEK 200,000 (previously SEK 185,000).
  - Chairs of the Finance Committee and the Remuneration Committee: SEK 220,000 each (previously SEK 210,000).
  - Other non-employee members of the Finance Committee and the Remuneration Committee: SEK 195,000 each (previously SEK 185,000).
- Approval for part of the Board members' fees to be paid in the form of synthetic shares.
- Re-appointment of Deloitte AB as auditor for the period up until the end of the Annual General Meeting 2025 and approval of the auditor fee.
- Implementation of the Long-Term Variable Compensation Program (LTV) 2024 for the Executive Team, including the President and CEO, and for Executives.
- Approval of the transfer of treasury stock to employees and on an exchange, directed share issue, and authorization for the Board of Directors to decide on an acquisition offer for the previously resolved LTV program I 2023. The authorization has been exercised.
- Approval of the transfer of treasury stock on an exchange for previously resolved LTV programs 2021, 2022 and II 2023.

The minutes and the detailed voting results of the resolutions from the Annual General Meeting 2024 are available on Ericsson's website at https://www.ericsson.com/sv/om-oss/corporate-governance/shareholder-meetings/annual-general-meeting-2024.

Nomination Committee

The Nomination Committee is appointed each year in accordance with the Instruction for the Nomination Committee adopted by the Annual General Meeting. The Instruction for the Nomination Committee includes the tasks of the Nomination Committee and the procedures for appointing its members and applies until the Annual General Meeting resolves otherwise.

Under the Instruction, the Nomination Committee shall consist of representatives of the four largest shareholders by voting power by the end of the month in which the Annual General Meeting was held, and the Chair of the Board of Directors.

The Nomination Committee may also include additional members following a request by a shareholder. The request must be justified by changes in the shareholder's ownership of shares and be received by the Nomination Committee no later than December 31 of each year. No fees are paid to the members of the Nomination Committee. However, the Company shall bear reasonable expenses related to the assignment of the Nomination Committee.

Contact the Nomination Committee

Telefonaktiebolaget LM Ericsson
The Nomination Committee
c/o The Board of Directors Secretariat
SE-164 83 Stockholm
Sweden
nomination.committee@ericsson.com

Proposals to the Nomination Committee

Shareholders may submit proposals to the Nomination Committee at any time, but should do so in due time before the Annual General Meeting to ensure that the proposals can be considered by the Nomination Committee. Further information is available on Ericsson's website.

Members of the Nomination Committee

The current Nomination Committee members are:

- Johan Forssell (appointed by Investor AB), Chair of the Nomination Committee.
- Helena Stjernholm (appointed by AB Industrivärden).
- Anders Oscarsson (appointed by AMF Tjänstepension and AMF Fonder).
- Christer Gardell (appointed by Cevian Capital).
- Jan Carlson (the Chair of the Board of Directors).

The tasks of the Nomination Committee

The principal task of the Nomination Committee is to propose Board members for election by the Annual General Meeting. As a member of the Nomination Committee, the Chair of the Board of Directors fulfills an important role in keeping the Nomination Committee informed of the Company's strategy and future challenges. Such insights are necessary for the Nomination Committee to be able to assess the competence and experience that is required by the Board. In addition, the Nomination Committee must consider independence rules applicable to the Board of Directors and its Committees.

The Nomination Committee also makes the following proposals for resolution by the Annual General Meeting:

- Remuneration to non-employee Board members elected by the Annual General Meeting and remuneration of the auditor.
- Appointment of auditor, who is proposed in consultation with the Audit and Compliance Committee of the Board.
- Election of Chair at the Annual General Meeting.
- Changes to the Instruction for the Nomination Committee (if any).

Work of the Nomination Committee for the Annual General Meeting 2025

The Nomination Committee started its work for the Annual General Meeting 2025 by reviewing the list of its duties under the Swedish Corporate Governance Code, including Swedish Corporate Governance Code, section 4.1 which sets out the required considerations for board composition, and the Instruction for the Nomination Committee and by setting a timeline for its work. Section 4.1 of the Swedish Corporate Governance Code requires that the board have a composition appropriate to the company's operations, phase of development and other relevant circumstances, and elected members collectively exhibit diversity and breadth of qualifications, experience and background.

To facilitate a thorough understanding of Ericsson's business and strategy, both the Chair of the Board and the President and CEO presented their views to the Nomination

Committee on the Company's strategy and challenges.

To ensure a board composition with appropriate breadth of qualifications, experience and background, consistent with the requirements of the Swedish Corporate Governance Code, the Nomination Committee analyzed the required competencies in the Board and has considered the results of the Board work evaluation led by the Chair of the Board. On this basis, the Nomination Committee sought to identify the most qualified candidates with the competence and experience required by Ericsson's Board members and with a diversity of experience and background. The Nomination Committee considers areas where the Board composition could be improved and aims to propose a composition of Board members with complementing experiences and competencies to make it possible for the Board to contribute to the positive development of Ericsson. The Nomination Committee searches for potential Board member candidates with both a long-term and a short-term perspective and focuses on involving diverse perspectives into the Board work and considerations. The Nomination Committee also considers the need for periodic change and carefully assesses whether the proposed Board members have the capability to devote necessary time and care to the Board's work.

In 2024, the Committee met with the Chair of the Audit and Compliance Committee to acquaint itself with the assessments made by the Company and the Audit and Compliance Committee regarding the quality and efficiency of external auditor work. The Audit and Compliance Committee also provided its recommendations on external auditor and audit fees.

As of February 20, 2025, the Nomination Committee has held five meetings.

The complete proposals of the Nomination Committee were presented in connection with the notice convening the Annual General Meeting 2025.

Board of Directors

The Board of Directors is ultimately responsible for the organization of Ericsson and the management of Ericsson's operations. The Board appoints the President and CEO, who is responsible for managing the day-to-day operations in accordance with guidelines from the Board. The President and CEO updates the Board regularly on issues of importance to Ericsson, including business development, results, financial position and liquidity.

Board members serve from the close of one Annual General Meeting to the close of the next but can serve any number of consecutive terms.

The President and CEO may be elected as a Director of the Board (and Börje Ekholm is currently a Director) but may not be elected Chair of the Board under the Swedish Companies Act.

Conflicts of interest

Ericsson maintains rules and procedures regarding conflicts of interest. Members of the Board are required to promptly disclose any situations that may constitute a conflict of interest and are asked periodically to certify that they have disclosed any relevant situations. Board members are disqualified from participating in any decision regarding agreements between themselves and Ericsson. The same applies to agreements between Ericsson and any third party or legal entity in which the Board member has an interest that may be contrary to the interests of Ericsson.

The Audit and Compliance Committee oversees the procedures for related-party transactions. The Audit and Compliance Committee has also implemented a pre-approval process for non-audit services carried out by the external auditor.

Composition of the Board of Directors

The current Board of Directors consists of nine Board members elected by the shareholders at the Annual General Meeting 2024 for the period until the close of the Annual General Meeting 2025. Carolina Dybeck Happe resigned from the Board on September 23, 2024 following her appointment to a new role. The Board of Directors also consists of three employee representatives and three deputies, appointed by the trade unions for the same period.

The Nomination Committee advised before the Annual General Meeting 2024 that it had applied the Swedish Corporate Governance Code, section 4.1, as a diversity policy. The current Board composition is the result of the work of the Nomination Committee prior to the Annual General Meeting 2024. The Board consists of Board members with appropriate qualifications, experiences from different cultural/geographic areas and competencies from different industry sectors. Following Carolina Dybeck Happe's resignation from the Board of Directors, 25% of the shareholder-elected Board members, excluding the President and CEO, are women. As the Nomination Committee considers periodic refreshment of the Board, diversity is an important consideration, among others, including complementary expertise, experience and the ability to devote necessary time and care to the Board's work in order to provide effective oversight.

Work procedure

In accordance with the Swedish Companies Act, the Board of Directors has adopted a work procedure for the Board and its Committees outlining rules for the distribution of tasks among the Board, its Committees and the President and CEO. This complements the rules in the Swedish Companies Act and in the articles of association of the Company. The work procedure is reviewed, evaluated and amended by the Board as required or appropriate, and is formally adopted by the Board at least once a year.

Independence

The Board of Directors and its Committees are subject to a variety of independence rules under applicable Swedish law, the Swedish Corporate Governance Code and applicable US securities laws, US Securities and Exchange Commission rules and the Nasdaq Stock Market Rules as a foreign private issuer. Ericsson can rely on exemptions from certain US and US Securities and Exchange Commission requirements and may decide to follow Swedish practices in lieu of some Nasdaq Stock Market independence rules.

The composition of the Board of Directors meets all applicable independence criteria. The Nomination Committee concluded before the Annual General Meeting 2024 that, for purposes of the Swedish Corporate Governance Code, at least seven of the nominated Board members were independent from Ericsson, its senior management and its major shareholders. These were Jon Fredrik Baksaas, Jan Carlson, Carolina Dybeck Happe, Eric A. Elzvik, Kristin S. Rinne, Jonas Synnergren and Christy Wyatt.

At Board meetings where the Board members meet in person, a session of only the non-executive Directors is normally held, which gives the non-executive Directors the opportunity to have discussions without Ericsson management present.

Structure of the work of the Board of Directors

The work of the Board follows an annual cycle. This enables the Board to appropriately address each of its duties and to keep strategy, risk assessment and value creation high on the agenda.

As the Board is responsible for financial oversight, financial information is presented and evaluated at Board meetings. Furthermore, the Chair of each Committee reports on Committee work at Board meetings, and minutes from the Committee meetings are made available to all Board members.

At Board meetings, the President and CEO reports on business and market developments as well as on the financial performance of the Group. Strategic issues and risks are also addressed at most Board meetings. The Board is regularly informed of developments in legal and regulatory matters of importance. Board and Committee meetings may, as appropriate, be held by way of telephone or video conference, and resolutions may be taken per capsulam.

The 2024 annual work cycle of the Board

In order to facilitate Group strategy development and its setting of fundamental priorities, the Board annually sets out and refreshes a framework agenda and priority areas of focus, oversight and engagement for the upcoming year to guide its work.

In addition to its oversight of Ericsson's strategy, financial and business performance, core focus areas of the Board in 2024 included: (i) maintaining and strengthening technology leadership; (ii) geopolitics; (iii) global competitive landscape; (iv) talent management and succession planning; (v) continuing cultural transformation and maintaining the highest standards of corporate governance (including a focus on transparency, accountability and operating ethically); and (vi) effectively managing risk and overseeing operational effectiveness.

Strategy, key customer transactions, ethics and compliance, geopolitics and regulatory matters, are among the matters that have been in focus with the Board during the year. Compliance, strategy and risk management are always high on the Board's agenda as well as sustainability and corporate responsibility, which are integrated into the strategy. The Board continuously monitors international developments and their possible impact on Ericsson.

The Board follows an annual work cycle to appropriately address its duties during the year as well as to facilitate alignment with the Company's global processes to allow appropriate Board involvement and oversight at key points in the business and financial year. Throughout 2024, the Board held regular Board meetings, including those listed below, as well as extraordinary Board meetings as needed.

- **Fourth-quarter and full-year financial results meeting**
  Following the end of the calendar year, the Board held a meeting that focused on the financial results of the entire year 2023 and handled the fourth-quarter financial report.
- **Financial targets meeting**
  A Board meeting was held for the Board to address financial targets for 2024.
- **First interim report meeting**
  At the first interim report meeting, the Board addressed the interim financial report for the first quarter of the year.
- **Statutory Board meeting**
  A Board meeting was held in connection with the Annual General Meeting 2024. Members of each of the Board Committees were appointed and the Board resolved on signatory powers.
- **Second interim report meeting**
  At the second interim report meeting, the Board addressed the interim financial report for the second quarter of the year and the financial outlook.
- **Strategy meeting**
  A Board meeting was held for a detailed review of short-term and long-term strategies of the Group, including for each business area, with particular focus on the macroeconomic and geopolitical environment.
- **Third interim report meeting**
  At the third interim report meeting, the Board addressed the interim financial report for the third quarter of the year and the financial outlook.

Training

New Board members receive training tailored to their individual needs. Introductory training typically includes meetings with heads of business areas and Group functions, as well as training required by Nasdaq Stockholm on listing issues and insider rules.

The Board's strategy discussions are usually combined with in depth sessions into issues of importance for the Group, including business area and market area deep-dive sessions. Board members' knowledge in these fields is crucial to allow well-founded Board resolutions, and to allow the Company to take due advantage of the different competencies of the Board members. In 2024, Ericsson also began a series of training sessions for the Board on key sustainability topics for the Group.

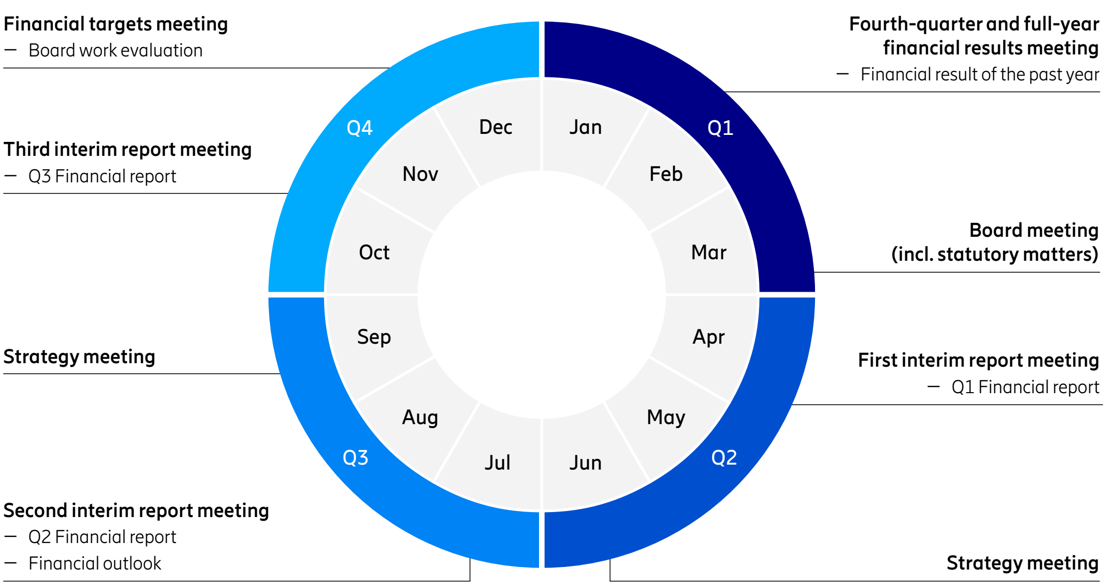
Auditor involvement

At the Annual General Meeting 2024, Deloitte AB was reappointed external auditor.

The Board meets with Ericsson's external auditor in closed sessions at least once a year to receive and consider the auditor's observations. The auditor provides reports to management on the accounting and financial reporting of the Group.

The Audit and Compliance Committee also meets regularly with the auditor to receive and consider observations on the interim reports and the Annual Report. The auditor reports on whether the accounts and the general financial position of the Group are presented fairly in all material respects.

The Board's annual work cycle 2024



In addition, the Board reviews and assesses the process for financial reporting, as described on page 25 under Internal control over financial reporting. Combined with other steps taken internally, the Board's and the auditor's review of the interim and annual reports are deemed to give reasonable assurance of the effectiveness of the internal controls over financial reporting.

Work of the Board of Directors in 2024
In 2024, the Board held 13 meetings. For attendance at Board meetings, see the table on page 14. In addition to the Board meetings held as a part of the annual work cycle of the Board, the Board receives information updates in writing or in telephone or video conference meetings, as deemed appropriate.

Board work evaluation
A key objective of the Board work evaluation is to ensure that the Board is functioning effectively. This includes gaining an understanding of the issues that the Board thinks warrant greater focus, as well as determining areas where additional competence is needed within the Board and whether the Board composition is appropriate. The evaluation also serves as guidance for the work of the Nomination Committee.

Each year, the Chair of the Board initiates and leads the evaluation of the Board and Committee work and procedures. Evaluation tools include detailed questionnaires and discussions. The services of an external corporate advisory firm have been retained by the Company to assist in developing questionnaires, carrying out surveys and summarizing responses.

In 2024, Board members responded to a written questionnaire covering the Board's work in general, as well as the work of the Chair of the Board, the Audit and Compliance Committee, the Finance Committee, the Remuneration Committee and the Enterprise Business and Technology Committee. In addition, each Director responded to a questionnaire on the Director's individual performance. As part of the evaluation process, the Chair of the Board also had individual discussions with each of the Board members. The results from the evaluations were presented to the Board and were thoroughly discussed. The Nomination Committee was informed of the results of the Board work evaluation.

Committees of the Board of Directors

The Board of Directors currently has four established Committees: the Audit and Compliance Committee, the Finance Committee, the Remuneration Committee and the Enterprise Business and Technology Committee. Members of each Committee are appointed following the Annual General Meeting for one-year terms.

The Committees provide focused oversight on their relevant subject matter areas, as authorized by the Board, and review specific matters as appropriate prior to any resolutions made by the Board. Additionally, the Board may also, on occasion, resolve on an extended authorization for one or several Committee(s) to resolve on additional specific matters outside of the ordinary authorization. If deemed appropriate, the Board of Directors and each Committee may engage independent external expertise, either in general or with respect to specific matters.

The minutes from the Committee meetings are made available to all Board members and the Chair of each Committee reports on the work of their Committee at Board meetings.

Audit and Compliance Committee
On behalf of the Board, the Audit and Compliance Committee monitors:
- The scope and correctness of the financial statements.
- Compliance with legal and regulatory requirements.
- Internal control over financial reporting.
- Risk management.
- The effectiveness, appropriateness and implementation of the Group's compliance programs, including the Ethics and Compliance Program.
- ESG reporting and performance.
- Information security and data privacy matters.

The Audit and Compliance Committee also reviews the annual and interim financial reports and oversees the external audit process. In order to ensure the auditor's independence, there are pre-approval policies and procedures in place for audit and non-audit related services to be performed by the external auditor. Pre-approval authority may not be delegated to management.

Ericsson's external auditor is appointed by the shareholders at the Annual General Meeting. The Audit and Compliance Committee is involved in the preparatory work for the Nomination Committee to propose external auditor and auditor fees for resolution by the Annual General Meeting. It also monitors the ongoing performance and independence of the auditor with the aim to avoid conflicts of interest.

The role of the Audit and Compliance Committee is to provide oversight. The Head of Ericsson's internal audit function reports directly to the Audit and Compliance Committee. The Head of Ericsson´s internal audit function has in camera sessions with the Audit and Compliance Committee without the presence of any other members of management at least quarterly and has unrestricted access to the Audit and Compliance Committee in her discretion.

The Audit and Compliance Committee oversees matters relating to compliance risk and regularly receives reporting on compliance-related matters from the Chief Legal Officer and the Head of Compliance Office and Investigations. The Chief Legal Officer has a

Organization of the Committee Work
Number of Committee members as of December 31, 2024

Board of Directors 12 Board members			
Audit and Compliance Committee (4 Board members)	**Finance Committee** (4 Board members)	**Remuneration Committee** (4 Board members)	**Enterprise Business and Technology Committee** (4 Board members)
Oversight of financial reporting Oversight of internal controls Oversight of internal audit Oversight of the Group's Ethics and Compliance program Oversight of risk management Oversight of ESG reporting and performance Oversight of information security and data privacy matters	Finance strategy Funding plan	Guidelines for remuneration to Group management Long-Term Variable Remuneration Executive remuneration	Enterprise business and technology strategy and planning Technology ecosystem and partnerships Science direction

direct reporting line to the Audit and Compliance Committee on compliance matters that fall outside the scope of the Ethics and Compliance Program, and on the holistic management of legal, compliance, ethical and associated reputational risks arising in the Company's operations. In addition to reporting to the Chief Legal Officer, the Head of Compliance Office and Investigations has a further independent reporting line to the Audit and Compliance Committee on the areas of the Ethics and Compliance Program. The Head of Compliance Office and Investigations regularly reports to the Audit and Compliance Committee on the effective operation of the Ethics and Compliance Program, including on actual or suspected serious Code of Business Ethics violations, insights from investigations outcomes and remediation activities, the identification of patterns of failures, and emerging risks and challenges in the legal and regulatory environment. Such reports enable proper oversight over the identification of emerging risks or risk patterns and the adequacy of corresponding activities to prevent, detect and remediate such risks in an appropriately calibrated manner. In addition to the above, the Head of Compliance Office and Investigations has in camera sessions with the Audit and Compliance Committee, without the presence of any other members of management at least quarterly, and has unrestricted access to the President and CEO as well as to the Audit and Compliance Committee in her discretion, which can be used as an extraordinary reporting line to the Audit and Compliance Committee in the event she is impeded or obstructed in fulfilling her duties.

The Audit and Compliance Committee also oversees Ericsson's process for reviewing transactions with related parties and Ericsson's whistleblower procedures. Further, the Audit and Compliance Committee reviews the Group's handling of information and cybersecurity as well as data privacy, and the Group's ESG reporting and performance.

On an annual basis, the Audit and Compliance Committee receives training on topics of special relevance to the Audit and Compliance Committee, within areas such as finance, legal, compliance and security. During 2024, the Audit and Compliance Committee received training on several topics, including accounting principles and upcoming changes to relevant accounting standards, tax, governance, ESG reporting and compliance with sustainability-related regulation and matters relating to the Company's assurance functions.

Members of the Audit and Compliance Committee

The Audit and Compliance Committee consists of four Board members appointed by the Board in connection with the Annual General Meeting 2024: Eric A. Elzvik (Chair), Jon Fredrik Baksaas, Annika Salomonsson (employee representative) and Jonas Synnergren.

The Board has appointed shareholder elected Board members with CFO or President and CEO experience to the Committee.

The composition of the Audit and Compliance Committee meets all applicable independence requirements, including the conditions for reliance on an exemption for employee representatives. The Board of Directors has determined that Eric A. Elzvik is an "audit committee financial expert," as defined under the US Securities and Exchange Commission rules and regulations, and that he qualifies as financially sophisticated under the applicable Nasdaq listing rules and is familiar with the accounting practices of an international company, such as Ericsson.

Work of the Audit and Compliance Committee in 2024

The Audit and Compliance Committee held 11 meetings in 2024. Board members' attendance is reflected in the table on page 14. During the year, the Audit and Compliance Committee reviewed the scope and results of external financial audits and the independence of the external auditor. Prior to publishing, the Audit and Compliance Committee also reviewed and discussed each interim report and the Annual Report with the external auditor. The Audit and Compliance Committee also monitored the external audit fees and approved non-audit services performed by the external auditor in accordance with such policies and procedures.

The Audit and Compliance Committee approved the audit plan for the internal audit function, based on, among other things, the annual risk assessment and reviewed the reports of the internal audit function. The Audit and Compliance Committee also received and reviewed updates and reports to the Ericsson Compliance Line and from other internal reporting channels, including updates regarding on-going investigations within the Group, as well as regular briefings from the Chief Security Officer on cybersecurity matters.

The Audit and Compliance Committee monitored the continued compliance with the Sarbanes-Oxley Act as well as the internal control and risk management process and monitored and evaluated the effectiveness and appropriateness of Ericsson's Ethics and Compliance Program.

Finance Committee

The Finance Committee is responsible for preparing for resolution by the Board, matters related to the finance strategy, such as capital structure, capital targets, funding strategy and treasury operations.

Members of the Finance Committee

The Finance Committee consists of four Board members appointed by the Board in connection with the Annual General Meeting 2024: Jan Carlson (Chair), Karl Åberg,

Members of the Committees as of December 31, 2024

Members of the Committees of the Board of Directors			
Audit and Compliance Committee	**Finance Committee**	**Remuneration Committee**	**Enterprise Business and Technology Committee**
Eric A. Elzvik (Chair)	Jan Carlson (Chair)	Jan Carlson (Chair)	Jon Fredrik Baksaas (Chair)
Jon Fredrik Baksaas	Karl Åberg	Kristin S. Rinne	Kristin S. Rinne
Annika Salomonsson	Ulf Rosberg	Kjell-Åke Soting	Ulf Rosberg
Jonas Synnergren	Jacob Wallenberg	Jonas Synnergren	Christy Wyatt

Ulf Rosenberg (employee representative) and Jacob Wallenberg. The Board has appointed shareholder elected Board members with extensive industrial and financial experience to the Committee.

Work of the Finance Committee in 2024
The Finance Committee held four meetings in 2024. Board members' attendance is reflected in the table on page 14. During 2024, the Finance Committee assessed the Company's financial strength and balance-sheet and reviewed the finance strategy including capital structure, capital targets, rating strategy and treasury operations.

Remuneration Committee
The Remuneration Committee's responsibilities include:
- Preparing proposals for resolution by the Board on salary and other remuneration, including retirement compensation, for the President and CEO.
- Preparing proposals for the Annual General Meeting on the guidelines for remuneration to the Executive Team.
- Preparing proposals for the Annual General Meeting on the Long-Term Variable Compensation Program (LTV) and similar equity arrangements for consideration at the Annual General Meeting.
- Approving proposals on salary and other remuneration, including retirement compensation, for the members of the Executive Team (other than the President and CEO).
- Approving proposals on target levels for the short-term variable compensation (STV) for the members of the Executive Team (other than the President and CEO).
- Approving pay-out of the STV for the members of the Executive Team (other than the President and CEO), based on achievements and performance.

In its work, the Remuneration Committee considers trends in remuneration, legislative changes, disclosure rules and the general global executive remuneration environment. It reviews salary survey data before preparing salary adjustment recommendations for the President and CEO for resolution by the Board and before approving any salary adjustments for the other members of the Executive Team.

Members of the Remuneration Committee
The Remuneration Committee appointed by the Board in connection with the Annual General Meeting 2024 consists of four Board members: Jan Carlson (Chair), Kristin S. Rinne, Kjell-Åke Soting (employee representative) and Jonas Synnergren. The Board has appointed shareholder elected Board members to the Committee with experiences from different markets of competence and experience relevant to the Group.

During the year 2024, Peter Boreham from Mercer advised and assisted the Remuneration Committee as an independent advisor.

Work of the Remuneration Committee in 2024
The Remuneration Committee held 5 meetings in 2024. Director's attendance is reflected in the table on page 14.

The Remuneration Committee reviewed and prepared a proposal for LTV 2024 for the Executive Team, for resolution by the Board and further approval by the Annual General Meeting 2024. It further approved salaries and STV 2024 for the members of the Executive Team (other than the President and CEO), reviewed the vesting results for LTV 2021 and the result of the 2023 EBITA (Group operating income) performance condition for LTV 2023, and prepared proposals regarding remuneration to the President and CEO for resolution by the Board.

It reviewed the alignment of Guidelines for remuneration to Group management in 2023 and resolved not to propose any changes. It also proposed the Remuneration Report 2023 to be approved by the Board and subsequently referred to the Annual General Meeting 2024 for adoption.

For further information on fixed and variable remuneration, please see Notes to the consolidated financial statements – note G2 "Information regarding members of the Board of Directors and Group management" and note G3 "Share-based compensation" in the Financial Report and the Remuneration Report.

The Enterprise Business and Technology Committee
The responsibilities of the Enterprise Business and Technology Committee include:
- Reviewing and preparing for consideration and/or resolution by the Board proposals on the enterprise business and technology matters of key importance to the Board of Directors.
- Reviewing and preparing for consideration and/or resolution by the Board proposals for overall direction of the technology and industry strategy for the Group to ensure technology leadership and world class research and development.
- Reviewing and preparing for consideration and/or resolution by the Board, matters related to science direction and influence on a geopolitical level.

Members of the Enterprise Business and Technology Committee
The Enterprise Business and Technology Committee consists of four Board members appointed by the Board in connection with the Annual General Meeting 2024: Jon Fredrik Baksaas (Chair), Kristin S. Rinne, Christy Wyatt and Ulf Rosberg (employee representative). The Board has appointed Board members to the Committee with extensive experience within technology.

Work of the Enterprise Business and Technology Committee in 2024
The Enterprise Business and Technology Committee held 4 meetings in 2024. Board members' attendance is reflected in the table on page 14. The Enterprise Business and Technology Committee has, during the year, reviewed selected focus areas from technology,
business and market perspectives:
- Artificial Intelligence.
- Product Security.
- Ericsson Research and Development status and direction.
- Cloud-based and Programmable networks.
- Enterprise networking and security solutions.
- Application programming interfaces (API) and network platforms.

Remuneration to Board Members

Remuneration to non-employee Board members is proposed by the Nomination Committee for resolution by the Annual General Meeting.

The Annual General Meeting 2024 approved the Nomination Committee's proposal for fees to non-employee Board members for Board and Committee work. For further information on Board of Directors' fees 2024, please refer to Notes to the consolidated financial statements – note G2 "Information regarding members of the Board of Directors and Group management" in the Financial Report.

The shareholders at the Annual General Meeting 2024 also approved the Nomination Committee's proposal that Board members may be paid part of their Board fee in the form of synthetic shares. A synthetic share gives the right to receive a future cash payment of an amount that corresponds to the market value of a Class B share in Ericsson at the time of payment. The Board members' right to receive payment with regard to allocated synthetic shares occurs, as a general rule, after the publication of the Company's year-end financial statement during the fifth year following the General Meeting that resolved on the allocation of the synthetic shares. The purpose of paying part of the Board fee in the form of synthetic shares is to further align the Board members' interests with shareholder interests. For further information on the terms and conditions of the synthetic shares, please refer to the notice convening the Annual General Meeting 2024 and to the minutes from the Annual General Meeting 2024, which are available at Ericsson's website.

Board members' attendance and fees 2024

Board member	Fees resolved by the Annual General Meeting 2024[1)]: Board fees, SEK[3)]	Committee fees, SEK	Number of Board/Committee meetings attended in 2024[2)]: Board[4)]	Audit and Compliance Committee[5)]	Finance Committee	Remuneration Committee[6)]	Enterprise Business and Technology Committee	Attendance, %[7)]
Jan Carlson	4,640,000	440,000	13		4	5		100
Jacob Wallenberg	1,175,000	195,000	13		4			100
Jon Fredrik Baksaas	1,175,000	540,000	13	11			4	100
Carolina Dybeck Happe	1,175,000[8)]	–	8					100
Börje Ekholm	–[9)]	–	13					100
Eric A. Elzvik	1,175,000	540,000	12	11				96
Kristin S. Rinne	1,175,000	395,000	12			5	4	95
Helena Stjernholm	–[10)]	–	2		1			100
Jonas Synnergren	1,175,000	505,000	13	11		5		100
Christy Wyatt	1,175,000	200,000	13				4	100
Karl Åberg	1,175,000[11)]	195,000	11		3			100
Ulf Rosberg	51,750[12)]	14,400	13		4		4	100
Kjell-Åke Soting	51,750[12)]	21,600	13			5		100
Annika Salomonsson	51,750[12)]	19,800	13	10				96
Loredana Roslund	51,750[12)]		13					–
Frans Frejdestedt	51,750[12)]		13					–
Stefan Wänstedt	51,750[12)]	1,800	13	1				100
Total number of meetings			**13**	**11**	**4**	**5**	**4**	**100**

1) For further information on fixed and variable remuneration, please see Notes to the consolidated financial statements – note G2 "Information regarding members of the Board of Directors and Group management" in the Financial Report.
2) This table reflects the attendance of Board members who are formal members of the Committee at the relevant Committee meetings. Board and Committee meetings may, as appropriate, be held by way of telephone or video conference, and resolutions may be taken per capsulam.
3) Non-employee Directors can choose to receive part of their Board fee (exclusive of Committee fees) in the form of synthetic shares.
4) Excluding 10 resolutions taken per capsulam.
5) Excluding 1 resolution taken per capsulam.
6) Excluding 7 resolutions taken per capsulam.
7) Board attendance in percentage based on the number of Board and Committee meetings the respective Director was eligible to attend.
8) Resigned from the Board of Directors on September 23, 2024.
9) Board member remuneration resolved by the Annual General Meeting is only for non-employee Directors elected by the shareholders.
10) Resigned from the Board of Directors in connection with the Annual General Meeting held on April 3, 2024.
11) Elected as member of the Board of Directors at the Annual General Meeting held on April 3, 2024.
12) Employee representative Board members and their deputies are not entitled to a Board fee but instead get paid compensation in the amount of SEK 2,250 per attended Board meeting and SEK 1,800 per attended Committee meeting. In 2024, the Employee representative Board members and their deputies were paid compensation for their respective attendance at Board and Committee meetings and at per capsulam resolutions.

Members of the Board of Directors

Board members elected by the Annual General Meeting 2024

Jan Carlson

Chair of the Board of Directors since 2023, Chair of the Finance Committee and of the Remuneration Committee

First elected
2017

Born
1960

Education
Master of Science degree in Engineering Physics and Electrical Engineering, Linköping University, Sweden.

Nationality
Sweden

Board Chair
Autoliv Inc.

Board Member
AB Volvo

Holdings in Ericsson
70,000 Class B shares[1], 87,969 synthetic shares[2] and 132,538 call options[3]

Principal work experience and other information
Chair and President and CEO of Veoneer Inc. (2018-2022). President and CEO of Autoliv Inc. (2007–2018) and Chair of Autoliv Inc. since 2014. Previous positions within the Autoliv Group since 1999, including President Autoliv Europe, Vice President Engineering of Autoliv and President Autoliv Electronics. Previous positions include President of Saab Combitech and of Swedish Gate Array. Honorary Doctor at the Technical faculty of Linköping University.

Jacob Wallenberg

Deputy Chair of the Board of Directors, Member of the Finance Committee

First elected
2011

Born
1956

Education
Bachelor of Science in Economics and Master of Business Administration, Wharton School, University of Pennsylvania, US. Officer of the Reserve, Swedish Navy.

Nationality
Sweden

Board Chair
Investor AB and the Confederation of Swedish Enterprise

Board Vice Chair
FAM, Patricia Industries and Wallenberg Investments AB

Board Member
The Knut and Alice Wallenberg Foundation

Holdings in Ericsson
427,703 Class B shares[1] and 41,653 synthetic shares[2]

Principal work experience and other information
Chair of the Board of Investor AB since 2005. President and CEO of SEB in 1997 and Chair of SEB's Board of Directors (1998–2005). Executive Vice President and CFO of Investor AB (1990–1993). Honorary Chair of IBLAC (Mayor of Shanghai's International Business Leaders Advisory Council) and member of the steering committee of the European Round Table of Industrialists, Deputy Chair of the Swedish-American Chamber of Commerce US, member of the International Advisory Board of the Atlantic Council, Washington DC, member of the International Business Council of the World Economic Forum, Trilateral Commission and the Advisory Board of Tsinghua University Management School.

Jon Fredrik Baksaas

Chair of the Enterprise Business and Technology Committee, Member of the Audit and Compliance Committee

First elected
2017

Born
1954

Education
Master of Science in Economics (Siviløkonom), NHH Norwegian School of Economics and Business Administration, Norway.

Nationality
Norway

Board Chair
DNV Group AS

Board Member
Svenska Handelsbanken AB and Scale Leap Capital I AS

Holdings in Ericsson
27,768 synthetic shares[2]

Principal work experience and other information
President and CEO of Telenor Group (2002–2015). Previous positions within the Telenor Group since 1989, including Deputy CEO, CFO and CEO of TBK AS. Positions before Telenor include CFO of Aker AS, finance director of Stolt Nielsen Seaway AS and controller at Det Norske Veritas, Norway and Japan. Member of the GSMA Board (2008–2016) and Chair of the GSMA Board (2014–2016).

The Board memberships and holdings in Ericsson reported above are as of December 31, 2024.

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

2) Since 2008, the Annual General Meeting has each year resolved that part of the Board fee may be received in the form of synthetic shares. A synthetic share is a right to receive in the future a payment corresponding to the value of the Class B share in Ericsson at the time of payment. For further information, see page 14.

3) Call options issued by Investor AB, each entitling the purchase of one Ericsson B share from Investor AB (further information is available in the Notes to the consolidated financial statements – note G3 "Share-based compensation" in the Financial Report).

Börje Ekholm

President, CEO and Member of the Board

First elected
2006

Born
1963

Education
Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Stockholm, Sweden. Master of Business Administration, INSEAD, France.

Nationality
Sweden and the US

Board Chair
Trimble Inc.

Board Member
–

Holdings in Ericsson
740,560 Class B shares[1] and 1,009,000 American Depositary Shares[1]

Principal work experience and other information
President and CEO of Telefonaktiebolaget LM Ericsson since 2017. CEO of Patricia Industries, a division within Investor AB (2015–2017). President and CEO of Investor AB (2005–2015). Formerly Head of Investor Growth Capital Inc. and New Investments. Previous positions at Novare Kapital AB and McKinsey & Co Inc. Holds honorary Doctorate at KTH Royal Institute of Technology, Sweden. Since 2017, member of the Steering Committee of the World Economic Forum Digital Communication Governors. Member of the Board of the Swedish-American Chamber of Commerce New York.

Eric A. Elzvik

Chair of the Audit and Compliance Committee

First elected
2017

Born
1960

Education
Master of Business Administration, Stockholm School of Economics, Sweden.

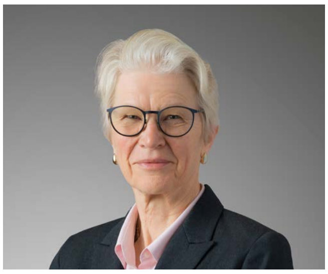
Nationality
Sweden and Switzerland

Board Chair
Global Connect Group and Deutsche Glasfaser Group

Board Member
Landis+Gyr Group AG and AB Volvo

Holdings in Ericsson
10,000 Class B shares[1] and 13,883 synthetic shares[2]

Principal work experience and other information
CFO and member of the Group Executive Committee of ABB Ltd (2013–2017). Division CFO ABB Discrete Automation & Motion (2010–2012) and division CFO Automation Products Division (2006–2010). Previous positions within the ABB Group since 1984, including senior management positions within finance, M&A and new ventures. Currently, senior industrial advisor to EQT.



Kristin S. Rinne

Member of the Remuneration Committee and of the Enterprise Business and Technology Committee

First elected
2016

Born
1954

Education
Bachelor of Arts, Washburn University, US.

Nationality
US

Board Chair
–

Board Member
Synchronoss

Holdings in Ericsson
19,451 synthetic shares[2]

Principal work experience and other information
Previously Senior Vice President, Network Technology, Network Architecture and Planning, at AT&T (2007–2014). Chief Technology Officer of Cingular Wireless (2005–2007) and VP Technology and New Product Development of Cingular Wireless (2000–2005). Previous positions within Southwestern Bell and SBC (1976–2000). Trustee of Washburn University Foundation. Member of the Advisory Board of Link Labs. Honorary Doctorate of Science, Washburn University.

Jonas Synnergren

Member of the Audit and Compliance Committee and of the Remuneration Committee

First elected
2023

Born
1977

Education
Master of Science in Business and Economics, Stockholm School of Economics, Sweden.

Nationality
Sweden

Board Chair
–

Board Member
Nordea Oyj

Holdings in Ericsson
15,705 synthetic shares[2]

Principal work experience and other information
Senior Partner at Cevian Capital AB since 2020. Various positions within Cevian Capital AB since 2007, including Head of Cevian's Swedish office since 2012. Various positions at The Boston Consulting Group AB (2000–2006).

The Board memberships and holdings in Ericsson reported above are as of December 31, 2024.

1) The number of shares reflects ownership as of December 31, 2024, and includes holdings by spouses, children who are minors and private company holdings, if applicable.

2) Since 2008, the Annual General Meeting has each year resolved that part of the Board fee may be received in the form of synthetic shares. A synthetic share is a right to receive in the future a payment corresponding to the value of the Class B share in Ericsson at the time of payment. Please see page 14 for further information.

Board members elected by the Annual General Meeting 2024, cont'd.

Christy Wyatt

Member of the Enterprise Business and Technology Committee

First elected
2023

Born
1972

Education
Diploma, Scientific Computer Programming Technology, College of Geographic Sciences, Canada.

Nationality
Canada and the US

Board Chair
–

Board Member
Silicon Laboratories Inc. and Absolute Security

Holdings in Ericsson
15,705 synthetic shares[1)]

Principal work experience and other information
President and CEO of privately held company, Absolute Security (formerly Absolute Software) since 2018. President and CEO of DTEX Systems (2016–2018). President and CEO (2013–2015) as well as Chair (2014–2015) of Good Technology (now BB). Global Head, Consumer eBusiness and Mobile Technology at Citigroup (2012). Various positions at Motorola (2005–2011), including SVP, Ecosystem and GM, Enterprise Business. Director, Developer Relations at Apple (2003–2005). Various positions at Palm (1999–2003), at Sun Microsystems JavaSoft (1995–1999) and at Esri (1994–1995). Member of the Board in Quotient (2018–2022).

Karl Åberg

Member of the Finance Committee

First elected
2024

Born
1979

Education
Master of Science in Economics and Business Administration from Stockholm School of Economics, Sweden.

Nationality
Sweden

Board Chair
–

Board Member
Alleima and Essity

Holdings in Ericsson
–

Principal work experience and other information
Deputy Chief Executive Officer, Head of the Investment Organization and the Finance Function at AB Industrivärden since 2023. Head of Investments and Analysis at AB Industrivärden since 2017. Partner and Co-founder at Zeres Capital Partners AB (2012–2017). Partner at CapMan Public Market Fund (2012-2015). Investment Director at CapMan Public Market Fund (2009–2012). Various positions within Handelsbanken Capital Markets (2002–2008).

Helena Stjernholm resigned from the Board of Directors in connection with the Annual General Meeting 2024 on April 3, 2024.

Carolina Dybeck Happe resigned from the Board of Directors on September 23, 2024.

Börje Ekholm was the only Director who held an operational management position at Ericsson in 2024.

The Board memberships and holdings in Ericsson reported above are as of December 31, 2024.

1) Since 2008, the Annual General Meeting has each year resolved that part of the Board fee may be received in the form of synthetic shares. A synthetic share is a right to receive in the future a payment corresponding to the value of the Class B share in Ericsson at the time of payment. For further information, see page 14.

Board members and deputies appointed by the trade unions

Ulf Rosberg

Employee representative, Member of the Finance Committee and of the Enterprise Business and Technology Committee

First appointed
2021

Born
1964

Appointed by
PTK

Nationality
Sweden

Holdings in Ericsson
110 Class B shares [1)]

Employed since
1985
Working as System Developer within research and development, Business Area Networks.

Kjell-Åke Soting

Employee representative, Member of the Remuneration Committee

First appointed
2016

Born
1963

Appointed by
PTK

Nationality
Sweden

Holdings in Ericsson
10,291 Class B shares [1)]

Employed since
1996
Working as Global SQA Manager within Business Area Networks.

Annika Salomonsson

Employee representative, Member of the Audit and Compliance Committee

First appointed
2022

Born
1972

Appointed by
LO

Nationality
Sweden

Holdings in Ericsson
2,080 Class B shares [1)]

Employed since
1997–2003 and since 2005.
Working as Verification Engineer.

Loredana Roslund

Employee representative – Deputy

First appointed
2017

Born
1967

Appointed by
PTK

Nationality
Sweden

Holdings in Ericsson
2,421 Class B shares [1)]

Employed since
1994
Working as Project Manager within research and development, Business Area Networks.

Frans Frejdestedt

Employee representative – Deputy

First appointed
2023

Born
1979

Appointed by
PTK

Nationality
Sweden

Holdings in Ericsson
–

Employed since
2008
Working as research and development manager within Business Area Cloud Software and Services.

Stefan Wänstedt

Employee representative – Deputy

First appointed
2023

Born
1964

Appointed by
LO

Nationality
Sweden

Holdings in Ericsson
3,427 Class B shares [1)]

Employed since
1999
Working as a Senior Researcher.

1) The number of shares reflects ownership as of December 31, 2024, and includes holdings by spouses, children who are minors and private company holdings, if applicable.

The Ericsson Group Management System

To ensure transparency and consistency across the organization regarding operational expectations and requirements relating to governance, decision-making and risk management, among other things, Ericsson maintains the Ericsson Group Management System. Ericsson Group Management System ensures that selected International Organization for Standardization (ISO) standards and certifications are effectively maintained and that the Company's operations are continually evaluated and improved.

Ericsson Group Management System is founded on ISO 9001 (international standard for quality management systems) and is designed as a dynamic system to enable Ericsson to adapt to evolving demands and expectations, including new and changing regulation and legislation as well as customers' and other stakeholders' requirements.

Ericsson business processes are a set of defined Group-wide processes integrated in Ericsson Group Management System. They describe how Ericsson delivers value to customers, proactively and on-demand. Ericsson business processes offer capabilities to translate customer requirements into defined hardware, software, solutions, and services offered by Ericsson.

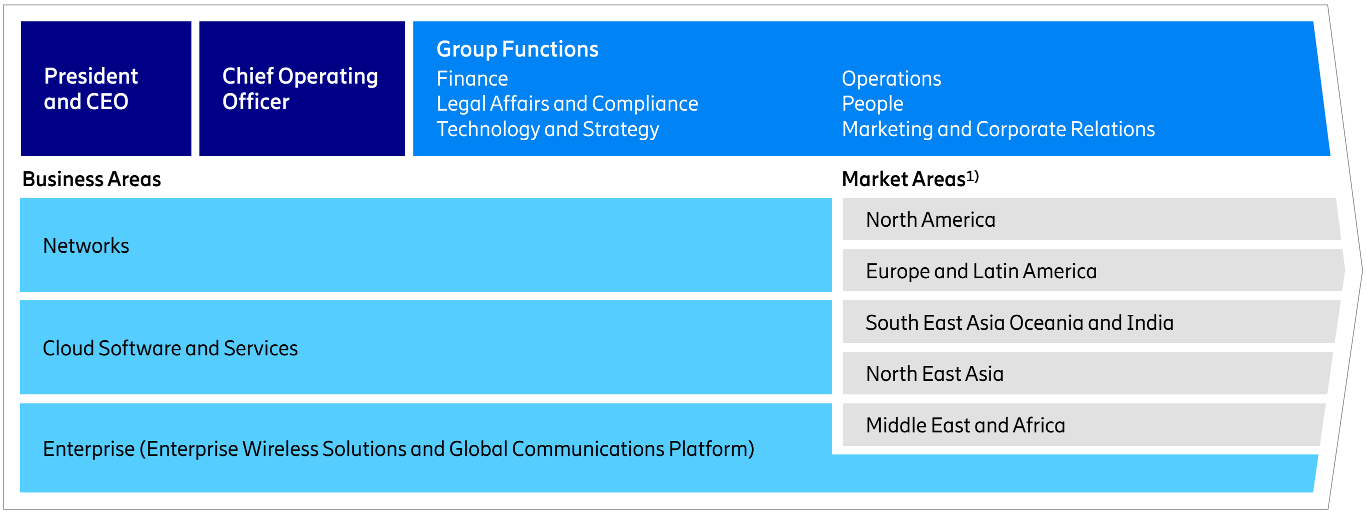
Management

The President and CEO and the Executive Team

The Executive Team members as of December 31, 2024 are presented on pages 20–24.

Guidelines for remuneration to Group management were approved by the Annual General Meeting 2023 and are expected to remain in place until the Annual General Meeting 2027. For further information on fixed and variable remuneration, see the Remuneration Report and note G2, "Information regarding members of the Board of Directors and Group management" in the Financial report.

Organizational Structure



1) Effective March 15, 2025, two new Market Areas will be created, Market Area Americas and Market Area Europe, Middle East & Africa, replacing Market Area North America, Market Area Europe and Latin America and Market Area Middle East and Africa.

Members of the Executive Team

Börje Ekholm
President and Chief Executive Officer (CEO) (since 2017)

Functions
President and CEO and Head of Segment Enterprise

Born
1963

Education
Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Sweden. Master of Business Administration, INSEAD, France.

Nationality
Sweden and the US

Board Member
Telefonaktiebolaget LM Ericsson and Trimble Inc. (Chair)

Holdings in Ericsson[1)]
740,560 Class B shares and 1,009,000 American Depositary Shares

Background
CEO of Patricia Industries, a division within Investor AB (2015–2017). President and CEO of Investor AB (2005–2015). Formerly Head of Investor Growth Capital Inc. and New Investments. Previous positions at Novare Kapital AB and McKinsey & Co Inc. Since 2017, member of the Steering Committee of the World Economic Forum Digital Communication Governors. Member of the Board of the Swedish-American Chamber of Commerce New York.

Fredrik Jejdling
Executive Vice President, Business Area Networks (since 2017)

Functions
Head of Business Area Networks and Head of Segment Networks

Born
1969

Education
Master of Science in Economics and Business Administration, Stockholm School of Economics, Sweden.

Nationality
Sweden

Board Member
Teknikföretagen and the Confederation of Swedish Enterprise

Holdings in Ericsson[1)]
129,869 Class B shares

Background
Senior Vice President and Head of Business Unit Network Services (2016–2017). Has held a variety of positions in commercial operations and financials, including Head of Region Sub-Saharan Africa, Head of Region India, and Head of Sales and Finance for Business Unit Global Services. Previous positions include senior positions with LUX Asia Pacific and Tele2 Group.

MajBritt Arfert
Senior Vice President, Chief People Officer (since 2017)

Functions
Head of Group Function People

Born
1963

Education
Bachelor of Human Resources, University of Gothenburg, Sweden.

Nationality
Sweden

Board Member
–

Holdings in Ericsson[1)]
74,478 Class B shares

Background
Acting Head of Group Function Human Resources (2016–2017). Previously Head of Human Resources Ericsson Sweden (2015–2016) and Vice President and Head of Human Resources Business Unit Support Solutions (2007–2015). Has held various senior global positions in Ericsson including Head of Human Resources Business Unit Broadband Networks, Head of Human Resources Microwave Systems as well as a position as Head of Human Resources and Internal Communications at Sony Ericsson Germany.

Yossi Cohen
Senior Vice President Market Area North America (since February 2024)

Functions
Head of Market Area North America

Born
1971

Education
Bachelor of Business Administration, University of West London. Diploma in Electronic Technical Engineering from Mosenson Elite academy, Israel.

Nationality
Israel and the US

Board Member
Cellular Telecommunications and Internet Association (CTIA)

Holdings in Ericsson[1)]
–

Background
Head of Strategy, Technology, Marketing and Business Development of Ericsson North America. Previous management positions within Ericsson Business Area and Market Area organizations include Head of Customer Unit Verizon in the US, Global Head of Radio Sales and Business Management in Sweden, Head of Global Customer Unit Softbank based in Japan, Key Account Manager Bezeq Group and Chief Technology Officer for Ericsson Israel. Previous positions outside Ericsson include roles in telecommunication technology-centric startup, a mobile operator as well as a board position in MediaKind.

1) The number of shares reflects ownership as of December 31, 2024, and includes holdings by spouses, children who are minors and private company holdings, if applicable.

Members of the Executive Team, cont'd.

Scott Dresser

Senior Vice President, Chief Legal Officer, and secretary of the Board of Directors of Telefonaktiebolaget LM Ericsson (since 2022)

Functions
Head of Group Function Legal Affairs and Compliance

Born
1967

Education
Juris Doctorate, Vanderbilt University Law School, Bachelor of Science Business Administration and Finance, University of New Hampshire, US.

Nationality
US

Board Member
BirdLife International, Cambridge UK: member of Advisory Board

Holdings in Ericsson[1]
–

Background
Previously Group General Counsel at VEON and General Counsel of Virgin Media. Has held senior leadership positions with BirdLife International, White Mountains Re and Conservation International. Started professional career in New York in private practice with law firms Lord Day & Lord and Morgan Lewis, and specialized in corporate law, governance, and M&A.

Erik Ekudden

Senior Vice President, Chief Technology Officer (since 2018)

Functions
Head of Group Function Technology

Born
1968

Education
Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Sweden.

Nationality
Sweden

Board Member
ASSA ABLOY AB

Holdings in Ericsson[1]
53,320 Class B shares and 10,206 American Depositary Shares

Background
Group Chief Technology Officer and Head of Technology and Architecture within Group Function Technology and Emerging Business (2017–2018). Joined Ericsson in 1993 and has held various management positions in the Company, including Head of Technology Strategy, Chief Technology Officer Americas in Santa Clara US, and Head of Standardization and Industry. Member and vice chair of the Royal Swedish Academy of Engineering Sciences (IVA). Since 2020, member of the Broadband Commission for Sustainable Development. Member of TM Forum board since 2024.

Moti Gyamlani

Senior Vice President, Group Function Global Operations (since 2022)

Functions
Head of Group Function Global Operations

Born
1973

Education
Master of Business Administration, Arizona State University, US, and Bachelor of Mechanical engineering, MIT, India.

Nationality
US

Board Member
–

Holdings in Ericsson[1]
180 Class B Shares

Background
Head of Group Sourcing (2019–2022). Previous position as Chief Procurement and Supply Chain Officer and Chief Cost Transformation Officer of Airtel (2012–2019). Leadership positions include Group Vice President Global Supply Chain and Sourcing at General Electric Power Conversion, Vice President Global Sourcing at Honeywell, and Executive Director at General Motors. Lived and worked in multiple countries and markets, including the US, France, Mexico, and India. Board advisor to Smart eMobility.

Niklas Heuveldop

Senior Vice President, Business Area Global Communications Platform and CEO of Vonage (since February 2024). Member of the Executive Team since 2016.

Functions
Head of Business Area Global Communications Platform and CEO of Vonage

Born
1968

Education
Master of Science in Industrial Engineering and Management, Linköping Institute of Technology, Sweden.

Nationality
Sweden

Board Member
The Swedish American Chamber of Commerce New York

Holdings in Ericsson[1]
162,351 Class B shares and 15,131 American Depositary Shares

Background
Head of Market Area North America (May 2017 until January 31, 2024), Chief Strategy Officer and Head of Group Function Technology and Emerging Business (2017–2018). Previous positions include Chief Customer Officer and Head of Group Function Sales (2016–2017) and senior leadership positions across Europe and the Americas, including Head of Global Customer Unit AT&T and Head of Market Unit Central America and Caribbean. Previous positions outside Ericsson include CEO of ServiceFactory and Chief Operating Officer of WaterCove Networks.

1) The number of shares reflects ownership as of December 31, 2024, and includes holdings by spouses, children who are minors and private company holdings, if applicable.

Members of the Executive Team, cont'd.

Chris Houghton

Senior Vice President, Chief Operating Officer, Business Area Technology and New Businesses (since 2023: member of the Executive Team since 2015)

Functions
Head of Business Area Technology and New Businesses and Chief Operating Officer

Born
1966

Education
Bachelor of Law, Huddersfield Polytechnic, United Kingdom.

Nationality
United Kingdom and Sweden

Board Member
–

Holdings in Ericsson[1)]
190,994 Class B shares

Background
Head of Market Area North East Asia (2017–2024). Head of Region North East Asia (2015–2017). Has also previously held management positions within Ericsson, including Head of Region India, Head of Customer Unit UK and Ireland and various management positions within Ericsson in China, Hungary, India, Ireland, Japan, Sweden and the UK.

Jenny Lindqvist

Senior Vice President, Market Area Europe and Latin America (since 2023)

Functions
Head of Market Area Europe and Latin America

Born
1982

Education
Master of Science in Business and Economics, Stockholm School of Economics, Sweden.

Nationality
Sweden

Board Member
TechSverige

Holdings in Ericsson[1)]
858 Class B shares

Background
Head of Northern and Central Europe within Market Area Europe and Latin America. Previous management positions within Ericsson Business Area and Market Area organizations include Head of Global Customer Unit Telia Company, Head of Solution Line Intelligent Transport Systems, Key Account Manager Telenor, Managed Services Engagement Lead and Business Manager Multimedia. Previous positions outside Ericsson include roles in management consulting in France and Sweden, as well as in Pharmaceuticals in the Philippines.

Stella Medlicott

Senior Vice President, Chief Marketing and Communications Officer (since 2019)

Functions
Head of Group Function Marketing and Corporate Relations

Born
1969

Education
Bachelor of Arts (Hons) degree in Social Science, University of Lincoln (known at that time as University of Humberside), United Kingdom and Postgraduate Diploma in Marketing, Chartered Institute of Marketing, United Kingdom.

Nationality
United Kingdom

Board Member
–

Holdings in Ericsson[1)]
21,094 Class B shares

Background
Vice President of Marketing, Communications and Government Relations for Ericsson Market Area Europe and Latin America (2017–2019). Prior to joining Ericsson, Chief Marketing Officer at Red Bee Media, which was acquired by Ericsson in May 2014. Has over 25 years of marketing experience in major IT, telecoms and media companies including two years at Technicolor as VP Marketing and 10 years at Siemens Communications as Global VP Marketing.

Lars Sandström

Senior Vice President, Chief Financial Officer (since April 2024)

Functions
Head of Group Function Finance

Born
1972

Education
Master of Science in Business Administration, Halmstad University. Sweden.

Nationality
Sweden

Board Member
–

Holdings in Ericsson[1)]
41,900 Class B shares

Background
Chief Financial Officer at Getinge (2017 –2024) and Senior Vice President Group reporting, Tax & Control at AB Volvo (2015–2017). Has held several senior positions within Scania such as Vice President Financial Services, Head of Group Financial reporting and Head of Group Reporting and Control. Chief Financial Officer Swedish Orphan Biovitrum AB (2010 –2012).

1) The number of shares reflects ownership as of December 31, 2024, and includes holdings by spouses, children who are minors and private company holdings, if applicable.

Members of the Executive Team, cont'd.

Andres Vicente

Senior Vice President, Market Area South East Asia, Oceania and India (since May 2024)

Functions
Head of Market Area South East Asia, Oceania and India

Born
1970

Education
A degree in Law, a Master of Business Administration from EOI Business School, Spain, and Manchester Business School, United Kingdom and completed the Commercial Excellence program at IMD Business School.

Nationality
Spain

Board Member
–

Holdings in Ericsson[1)]
1,847 Class B shares

Background
President of Ericsson Iberia (Spain and Portugal) and Global Head of the Telefónica account, where he strengthened partnerships with service providers and industry stakeholders and led business growth across Ericsson's mobile and enterprise business.

Per Narvinger

Senior Vice President, Business Area Cloud Software and Services (since 2022)

Functions
Head of Business Area Cloud Software and Services and Head of Segment Cloud Software and Services

Born
1974

Education
Master of Science in Electrical Engineering, KTH Royal Institute of Technology, Sweden.

Nationality
Sweden

Board Member
–

Holdings in Ericsson[1)]
9,443 Class B shares

Background
Head of Product Area Networks, Business Unit Networks (2018– 2022). Head of Customer Unit Northern and Central Europe, Market Area Europe and Latin America (2017–2018). Has held a variety of senior management positions in Ericsson since 1997, spanning research and development line management, Head of Customer Solutions (Australia and Spain) and Product Management.

Patrick Johansson

Senior Vice President, Market Area Middle East and Africa (since August 2024)

Functions
Head of Market Area Middle East and Africa

Born
1971

Education
Master of Business Administration/ Managerial Economics degree from the Gothenburg School of Business, Economics and Law at University of Gothenburg, Sweden

Nationality
Sweden

Board Member
–

Holdings in Ericsson[1)]
2,144 Class B shares

Background
Vice President and Head of Business Control and Operations at Ericsson's Business Area Cloud Software and Services. Global Head of Sales and Commercial Management for Business Area Networks, Head of Customer Unit Korea, as well as several executive Finance and Business roles.

Chafic Nassif

Senior Vice President, Market Area North East Asia (since February 2024)

Functions
Head of Market Area North East Asia

Born
1981

Education
Master of Science in ICT Entrepreneurship and Master of Science Wireless Systems, KTH Royal Institute of Technology, Sweden.

Nationality
Sweden

Board Member
–

Holdings in Ericsson[1)]
6,232 Class B shares

Background
Previously Head of Customer Unit North Latin America and Caribbean within Market Area Europe and Latin America with responsibility across 41 countries. Has held various senior positions in Ericsson spanning over four continents, including President and Board Member of Ericsson Taiwan, Key Account Manager in Germany, VP Business Development and Head of TV & Enterprise Segments for Global Customer Unit Vodafone based out of the UK, and Head of TV & Media Sales for EMEA. Prior to Ericsson, he held roles in consulting and business development in the technology industry in Sweden and the Nordics.

[1)] The number of shares reflects ownership as of December 31, 2024, and includes holdings by spouses, children who are minors and private company holdings, if applicable.

Members of the Executive Team, cont'd.

Åsa Tamsons

Senior Vice President, Business Area Enterprise Wireless Solutions and CEO of Cradlepoint (since 2023). Member of the Executive Team since 2018.

Functions
Head of Business Area Enterprise Wireless Solutions and CEO of Cradlepoint

Born
1981

Education
Master of Business Administration, Stockholm School of Economics, Sweden.

Nationality
Sweden

Board Member
CNH Industrial

Holdings in Ericsson[1)]
78,601 Class B shares

Background
Head of Business Area Technology and New Businesses (2018 until November 2023). IPR and Licensing (2018–2023), Group Strategy and M&A (2018 – 2020). Previously Partner at McKinsey & Company, serving high-tech and telecommunications companies worldwide on growth strategies, digital and commercial transformations. Before joining Ericsson lived and worked in the US, Brazil, France, Sweden and Singapore.

Changes in the Executive Team during 2024 and 2025

Effective April 1, 2024, Lars Sandström was appointed as Senior Vice President and Chief Financial Officer, replacing Carl Mellander, whose decision to leave Ericsson was announced in April 2023.

Effective May 1, 2024, Andres Vicente was appointed Head of Market Area South East Asia, Oceania and India and Senior Vice President, replacing Nunzio Mirtillo, whose decision to leave Ericsson was announced in October 2023.

Effective August 1, 2024, Patrick Johansson was appointed Head of Market Area Middle East and Africa and Senior Vice President, replacing Fadi Pharaon, whose decision to leave Ericsson was announced in May 2024.

Effective February 1, 2024, Niklas Heuveldop was appointed Head of Business Area Global Communications Platform and CEO of Vonage, replacing Rory Read, whose decision to leave Ericsson was announced in January 2024.

Effective February 1, 2024, Yossi Cohen was appointed Senior Vice President and Head of Market Area North America, replacing Niklas Heuveldop.

Effective February 26, 2024, Chafic Nassif was appointed Senior Vice President and Head of Market Area North East Asia, replacing Chris Houghton, who was appointed to Chief Operating Officer in November 2023.

Effective February 10, 2025, Charlotte Levert was appointed Senior Vice President and Chief People Officer, replacing MajBritt Arfert, whose decision to leave Ericsson was announced in October 2024.

Effective March 15, 2025, Per Narvinger will be appointed Executive Vice President and Head of Business Area Networks.

Effective March 15, 2025, Jenny Lindqvist will be appointed Senior Vice President and Head of Business Area Cloud Software and Services.

Effective March 15, 2025, Fredrik Jejdling will step down as Head of Business Area Networks and remain an executive advisor to the business until June 30, 2025.

Effective March 15, 2025, two new Market Areas will be created replacing Market Area North America, Market Area Europe and Latin America and Market Area Middle East and Africa. Market Area Americas will be headed by Yossi Cohen and Market Area Europe, Middle East & Africa will be headed by Patrick Johansson.

1) The number of shares reflects ownership as of December 31, 2024, and includes holdings by spouses, children who are minors and private company holdings, if applicable.

Audits, assessments, and certification

The purpose of assurance activities, such as audits and assessments, is to determine the level of compliance and to provide valuable information for understanding, analyzing, and continually improving performance, to ensure that the Ericsson Group Management System is adequate and effective in managing Ericsson´s operations. Management monitors compliance with policies, directives, instructions, and processes through internal self-assessment activities within the respective units. This is complemented by internal and external audits and assessments.

To ensure fulfilment of demands and requirements from customers and other stakeholders, Ericsson takes conscious decisions on certification. Certification means that Ericsson's interpretation of standards or requirements is confirmed by a third party via an assessment activity.

ISO certificates are issued by a third-party certification body proving that the system is efficient throughout the operations as well as compliant to the ISO standards in scope. Ericsson's operations are currently certified to ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Health and Safety) and ISO 27001: :2022 (Information Security Management Systems)). Selected Ericsson units are also certified to TL 9000 (telecom-specific standard). Ericsson Group Management System is also assessed within the scope of the audit plan of Ericsson's internal audit function (Corporate Audit).

ISO and management system assessments were performed by DNV (Det Norske Veritas) in 2024. Internal audits are performed by the Company's internal audit function, which reports to the Audit and Compliance Committee.

With a risk-based approach, Ericsson conducts audits of suppliers to secure compliance with Ericsson's Code of Conduct for Business Partners, including rules with which suppliers to the Group must comply. Ericsson's external financial audits are performed by Deloitte AB.

Different types of assurance as described above have differing scope and rationale. All assurance providers have defined and established accountabilities and responsibilities.

Auditor

According to the articles of association, the Parent Company shall have no less than one and no more than three registered public accounting firms as external independent auditor. Ericsson's auditor is currently appointed each year at the Annual General Meeting for a one-year mandate period. The auditor reports to the shareholders at General Meetings.

The duties of the auditor include:

– Updating the Board of Directors regarding the planning, scope and content of the annual audit work.
– Reviewing the interim reports to assess that the financial statements are presented fairly in all material respects and providing review opinions over the interim reports for the third and fourth quarters and the year-end financial statements.
– Providing an audit opinion over the Annual Report.
– Advising the Board of Directors of non-audit services performed, the consideration paid and other issues that determine the auditor's independence.

Auditing work is carried out by the auditor continuously throughout the year. For further information on the contacts between the Board and the auditor, please see "Work of the Board of Directors" earlier in this Corporate Governance Report.

Current auditor

Deloitte AB was reappointed auditor at the Annual General Meeting 2024 for a period of one year, i.e., until the close of the Annual General Meeting 2025. Deloitte AB has appointed Thomas Strömberg, Authorized Public Accountant, to serve as auditor in charge.

Fees to the auditor

Ericsson paid the fees (including expenses) for audit-related and other services listed in the table in note H5, "Fees to auditors" in the Financial Report.

Internal Control Over Financial Reporting

This section has been prepared in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code and is limited to internal control over financial reporting.

Since Ericsson is listed in the US, the requirements outlined in the Sarbanes-Oxley Act apply, subject to certain exceptions. These regulate the establishment and maintenance of internal control over financial reporting as well as management's assessment of the effectiveness of the controls.

In order to support high-quality reporting and to meet the requirements of the Sarbanes-Oxley Act, the Company has implemented detailed documented controls and testing, and reporting procedures based on the internationally established 2013 Committee of Sponsoring Organizations of the Treadway Commission framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's internal control report, according to the Sarbanes-Oxley Act, will be included in Ericsson's Annual Report on Form 20-F and filed with the US Securities and Exchange Commission.

Ericsson has integrated risk management and internal control over financial reporting into its business processes. As defined in the Committee of Sponsoring Organizations of the Treadway Commission framework, internal control is an aggregation of components such as a control environment, risk assessment, control activities, information and communication and monitoring.

The control framework is updated regularly to reflect items such as relevant changes in processes, tools usage, outcome of risk assessments and changes in legislation. Continuous enhancements strengthen and risk-adapt the design of the controls and the efficiency of the internal control over financial reporting. The scope of the enhancements covers both business process controls and IT controls.

Control environment

The Company's internal control structure is based on the division of tasks between the Board of Directors, its Committees and the President and CEO. The Company has implemented a management system that is based on:

– Steering documents, such as policies and directives, and the Code of Business Ethics.
– A strong corporate culture.
– The Company's organization and mode of operations, with well-defined roles and responsibilities and delegations of authority.
– Several well-defined Group-wide processes for planning, operations and support.

The most essential parts of the control environment relative to financial reporting are included in steering documents and processes for accounting and financial reporting. These steering documents are updated regularly to include, among other things, changes to laws and regulations, including financial reporting standards and listing IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and the Sarbanes-Oxley Act.

Relevant business processes include specific controls to be performed to ensure high-quality financial reports. The management of each reporting legal entity, market area and business area is supported by finance functions in the execution of controls related to transactions and reporting. The finance functions are organized in Financial Control units and a Global Finance Services unit and/or a Shared Services unit, each supporting a number of legal entities within a geographical area or business processes. A financial controller function is also established at the Group level, reporting to the CFO. For larger acquisitions, the main finance functions and the control execution of the acquired entity remain at the entity and enter into close collaboration with the Group finance functions.

Risk assessment
Risks of material misstatements in the financial reporting may exist in relation to recognition and measurement of assets, liabilities, revenue and cost or insufficient disclosure. Other risks related to financial reporting include fraud, loss or embezzlement of assets and undue favorable treatment of counterparties at the expense of the Company.

Policies and directives regarding accounting and financial reporting cover areas of particular significance to support correct, complete and timely accounting, reporting and disclosure.

Identified types of risks are mitigated through well-defined business processes with integrated risk management activities, segregation of duties and appropriate delegation of authority. This requires specific approval of material transactions and ensures adequate asset management.

Control activities
The Company's business processes include financial controls regarding the approval and accounting of business transactions. In the financial closing and reporting process there are controls regarding recognition, measurement, and disclosure. These include the application of critical accounting policies and estimates, in individual subsidiaries as well as in the consolidated accounts.

Regular analyses of the financial results for each subsidiary, market area and business area cover the significant elements of assets, liabilities, revenues, costs and cash flow. Together with further analysis of the consolidated financial statements performed at Group level, these procedures are designed to ensure financial reports without material errors.

For external financial reporting purposes, the Disclosure Committee performs additional control procedures to review whether the disclosure requirements are fulfilled.

The Company has implemented controls to ensure that financial reports are prepared in accordance with its internal accounting and reporting policies and IFRS, as well as with the relevant listing regulations. It maintains detailed documentation on internal controls related to the accounting and financial reporting. It also keeps records on the monitoring of the execution and results of such controls. This allows the President and CEO and the CFO to assess the effectiveness of the controls in a way that is compliant with the Sarbanes-Oxley Act.

Entity-wide controls, focusing on the control environment and compliance with financial reporting policies and directives, are implemented at the Group level and in the subsidiaries or operational units. Detailed process controls and documentation of controls performed are also implemented in the significant subsidiaries or operational units covering these subsidiaries, covering the items with significant materiality and risk. In order to secure compliance, governance and risk management in the areas of legal entity accounting and taxation, as well as securing funding and equity levels, the Company operates through Financial Control and Global Finance Services units/Shared services units, covering subsidiaries in each geographical area.

Based on a common IT platform, a common chart of accounts and common master data, the Financial Control and Global Finance Services unit/Shared services unit perform accounting and financial reporting services for most subsidiaries.

Information and communication
The Company's information and communication channels support complete, correct and timely financial reporting by making all relevant internal process instructions and policies accessible to all the employees concerned. Regular updates and briefing documents regarding changes in accounting policies, reporting and disclosure requirements are also supplied.

Subsidiaries and operating units prepare regular financial and management reports for internal steering groups and Company management. These include analysis and comments on financial performance and risks. The Board of Directors receives financial reports monthly. Ericsson has established a whistleblower tool, the Ericsson Compliance Line, that can be used for the reporting of alleged violations that are conducted by Group or local management, and relate to corruption, questionable accounting, deficiencies in the internal control of accounting or auditing matters, or otherwise seriously affect vital interests of the Group or personal health, safety and other concerns.

Disclosure policies
Ericsson's financial reporting and disclosure policies follow IFRS and aim to ensure transparent, relevant and consistent communication with equity and debt investors on a timely, fair and equal basis. This will support a fair market value for Ericsson securities. Ericsson wants current and potential investors to have a good understanding of how the Company works, including operational performance, prospects and potential risks.

To achieve these objectives, financial reporting and disclosure must be:
- **Transparent** – enhancing understanding of the financial drivers and operational performance of the business, building trust and credibility.
- **Consistent** – comparable in scope and level of detail to facilitate comparison between reporting periods.
- **Simple** – to support the understanding of the business operations and performance, and to avoid misinterpretations.
- **Relevant** – with focus on what is relevant to Ericsson's stakeholders or required by regulation or listing agreements, to avoid information overload.
- **Timely** – with regularly scheduled disclosures as well as ad-hoc information, such as press releases on important events, performed in a timely manner.
- **Fair and equal** – where all material information is published via press releases to ensure that the whole investor community receives the information at the same time.
- **Complete** – free from material errors and a reflection of best practice – disclosures compliant with applicable financial reporting standards and listing requirements and in line with industry norms.

Ericsson's website includes information about the Group, including an archive of annual and interim financial reports and access to recent news.

Disclosure controls and procedures
Ericsson has controls and procedures in place to support timely disclosure in accordance with applicable laws and regulations, including the (EU) Market Abuse Regulation, the US Securities Exchange Act of 1934, as amended, and Nasdaq Stockholm and Nasdaq New York. These procedures also require that such information is provided to management, including the President and CEO and the CFO, so timely decisions can be made regarding the required disclosures.

The Disclosure Committee assists management in fulfilling their responsibility regarding disclosures made to the shareholders and the investment community. One of the main tasks of the committee is to monitor the integrity and effectiveness of the disclosure controls and procedures. The Disclosure Committee comprises members with various expertise including representation from the segments.

Ericsson also has an Insider Committee, which makes assessments relating to the disclosure of Inside Information. The Insider Committee comprises the Chief Legal Officer, the CFO and the Chief Marketing and Communications Officer.

Ericsson has investments in certain entities that the Company does not control or manage. With respect to such entities, disclosure controls and procedures are substantially more limited than those maintained with respect to subsidiaries.

Controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives. Ericsson's President and CEO and the CFO evaluated the Company's disclosure controls and procedures and concluded that they were effective at a reasonable assurance level as of December 31, 2024.

Monitoring
The Company's process for financial reporting is reviewed annually by management. This forms a basis for evaluating the internal management system and internal steering documents to ensure that they cover all significant areas and risks related to financial reporting. The management of the Financial Control unit and Global Finance Services unit/Shared services unit (and of the companies handled outside Financial Control and Global Finance Services unit/Shared services unit) continuously monitor accounting quality through a set of performance indicators. Compliance with policies and directives is monitored through annual self-assessments and representation letters from company heads and company controllers in subsidiaries as well as in business areas and market areas.

The Company's financial performance is also reviewed at Board meetings. The Committees of the Board fulfill important monitoring functions regarding remuneration, loans, investments, customer finance, cash management, financial reporting and internal control. The Audit and Compliance Committee and the Board of Directors review all interim and annual financial reports before they are released to the market. The Company's internal audit function reports directly to the Audit and Compliance Committee. The Audit and Compliance Committee also receives regular reports from the external auditor. The Audit and Compliance Committee follows up on any actions taken to improve or modify controls.

Board of Directors

Stockholm, February 26, 2025

Telefonaktiebolaget LM Ericsson (publ)
Org. no. 556016-0680

Auditor's Report on the Corporate Governance statement

To the general meeting of the shareholders in Telefonaktiebolaget LM Ericsson AB (publ) corporate identity number 556016-0680

Engagement and responsibility
It is the board of directors who is responsible for the corporate governance statement for the financial year January 1, 2024 – December 31, 2024 on pages 1-28 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, February 26, 2025

Deloitte AB

Thomas Strömberg
Authorized public accountant

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

The report has been prepared in accordance with Chapter 8, Sections 53a and 53b of the Swedish Companies Act (2005:551) and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes (January 1, 2021) administered by the Swedish Stock Market Self-Regulation Committee. Information required by Chapter 5, Sections 40–44 of the Annual Accounts Act (1995:1554) is included in note G1–G4 in the Financial Report. Information on the work of the Remuneration Committee in 2024 can be found in the Corporate Governance Report.

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[1)]) 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_2[1)] 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[1)]) target and group Environmental, Social and Governance (ESG) targets, reduction of CO_2 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_2 emissions reduction target (weight 5%). The CO_2 emissions reduction target is calculated as the average of three annual preset targets, which enables more accurate and rigorous target setting.

1) 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

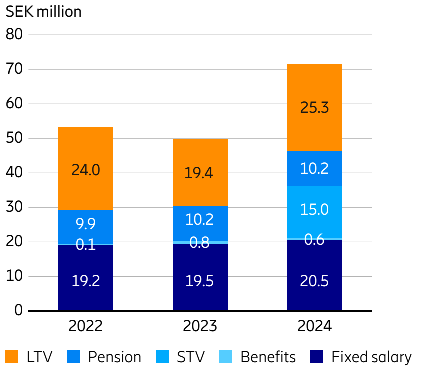
Annual short-term variable remuneration (STV) is paid through cash-based programs that are earned solely based on the Company's financial performance against preset targets. The information presented for 2024 covers the financial year 2024 and the information for 2023 and 2022 covers the financial years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

Long-term variable remuneration

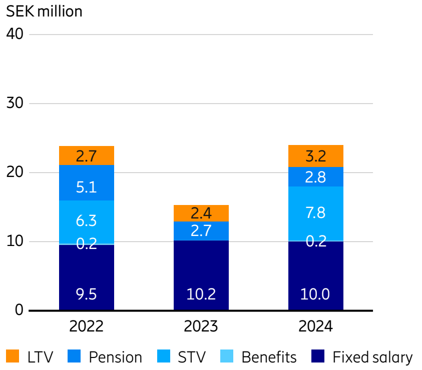
Annual long-term variable remuneration (LTV) is in the form of share-based programs that are earned based on the Company's financial performance targets, total shareholder returns targets and targets for social and environmental achievements over a three-year performance period against preset goals. 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

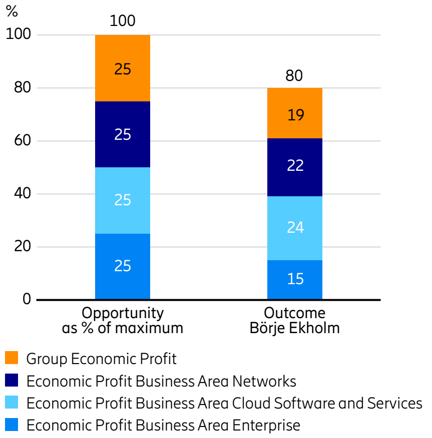


Fredrik Jejdling
Executive Vice President

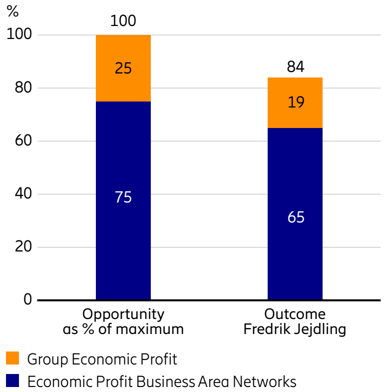


Performance outcome in 2024

STV 2024 outcome

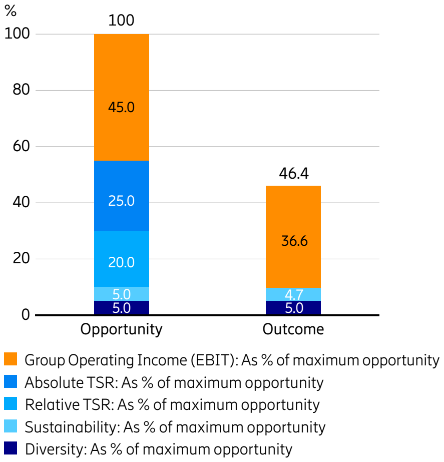


STV 2024 outcome

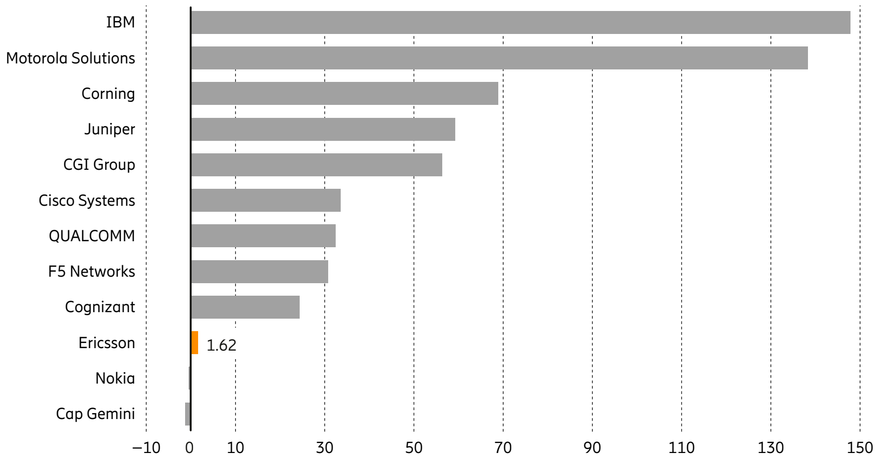


For definitions of performance metrics se section STV and LTV respectively.

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[9].

Financial year	Fixed remuneration			Variable remuneration					
	Fixed salary (including holiday pay)	Other benefits[1]	Pension[2]	One-year variable remuneration[3]	Multiannual variable remuneration[4]	Additional agreements[5]	Total remuneration[6]	Share of fixed remuneration[7]	Share of variable remuneration[8]
Börje Ekholm, President and CEO									
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%
Fredrik Jejdling, Executive Vice President									
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%

1) 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.
2) 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.
3) 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.
4) 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.
5) 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.
6) The amounts represent the sum of fixed remuneration, variable remuneration, additional agreements, and pension.
7) The ratios represent the sum of fixed remuneration and pension divided by total remuneration.
8) The ratios represent the sum of variable remuneration and additional agreements divided by total remuneration.
9) 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
Purpose and link to strategy	**Purpose and link to strategy**	**Purpose and link to strategy**
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.	Attract and retain the executive talent required to implement Ericsson's strategy. Deliver part of the annual compensation in a predictable format.	Provide long-term financial security and planning for retirement by offering competitive pension solutions that are in line with local market practice.
Arrangement in brief	**Arrangement in brief**	**Arrangement in brief**
Salaries are normally reviewed to be effective in January, taking into account: – Ericsson's overall business performance. – The business performance of the unit that the employee manages. – Employee performance over time. – External economic conditions. – The scope and complexity of the position. – External market salary data. – Pay and conditions of other employees in countries considered relevant to the role. – When determining fixed salaries, the impact on total remuneration must also be taken into account.	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.	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.
Implementation during the financial year ending December 31, 2024	**Implementation during the financial year ending December 31, 2024**	**Implementation during the financial year ending December 31, 2024**
President and CEO: Fixed annual salary of SEK 18,799,636 represents no change since 2023. **Executive Vice President:** Fixed annual salary of SEK 9,280,189 represents no change since 2023.	**President and CEO:** 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. **Executive Vice President:** Other benefits to the value of SEK 150,239.	**President and CEO:** 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. **Executive Vice President:** **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.

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 clawback 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 SEK outcome at threshold performance	Target level, BSEK SEK outcome at target performance	Maximum level, BSEK SEK outcome at maximum performance	Outcome, % of target 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
Total	**100%**	**0**	**9,399,818**	**18,799,636**	**15,036,644**

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 SEK outcome at threshold performance	Target level, BSEK SEK outcome at target performance	Maximum level, BSEK SEK outcome at maximum performance	Outcome, % of target 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
Total	**100%**	**0**	**4,640,095**	**9,280,189**	**7,774,514**

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

1) Represents the allocated amount in SEK.
2) The figures represent basic amounts as a percentage of annual basic salary at the date of award.
3) 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.
4) 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_2 emissions (weighted 5%) and (5) increased percentage of women leaders (weighted 5%) within the Company. Absolute TSR, Relative TSR, reduction of CO_2 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.
5) 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[2]	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%[1]
LTV 2022	Absolute TSR	Range 6%–14%	25%	Jan 1, 2022–Dec 31, 2024	0%–200%	0.54%	0%[2]
LTV 2022	Relative TSR	Ericsson's ranking 6–2	20%	Jan 1, 2022–Dec 31, 2024	0%–200%	10 out of 12	0%[2]
LTV 2022	Reduction of CO_2e	Range of CO_2 emissions (ktonne) 265–200	5%	Jan 1, 2022–Dec 31, 2024	0%–200%	201.3 ktonne CO_2	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%
Total			**100%**		**0%–200%**		**92.72%**

1) 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.
2) 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

	Main conditions for share-based plans							Information concerning the reported financial year				
Program	Target (weight)	Date of award[2]	Performance period[3]	End date of the performance period[4]	End date of vesting period[5]	Performance share awards granted[6] No. of shares (SEK)	Maximum number of performance shares that can be awarded[7] No. of shares (SEK)	Balance at beginning of the year[8] No. of shares (SEK)	Performance share awards earned during the year[9] No. of shares (SEK)	Performance share awards still subject to performance conditions[10] No. of shares (SEK)	Performance share awards paid in shares during the year[11] No. of shares (SEK)	Balance at year-end, performance shares earned but not paid[12] 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%)[1]	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%)[1]	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%)[1]	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%)[1]	3/5/2021	3 years	31/12/2023	3/5/2024	154,162 (16,834,490)	308,324 (33,668,981)					
LTV 2020[13]	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[13]	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)	
Total								**1,310,901 (82,363,910)**	**374,598 (33,357,952)**	**1,115,228 (99,311,053)**	**1,067,130 (59,752,586)**	**618,369 (55,065,759)**

1) TSR performance conditions include both absolute and relative performance conditions for each program.
2) The date of award represents the date on which the award was made.
3) Performance period represents the period over which the performance conditions are measured.
4) The end date of the performance period represents the date on which the performance period ends.
5) The Vesting Period End Date represents the date on which any Performance Shares will vest and entitle participants to receive shares.
6) The figures represent the original number of Performance Share Awards granted. Values in SEK represent the corresponding value on the date of award.
7) 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.
8) 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.
9) 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.
10) 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.
11) 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.
12) 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.
13) 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[2)]	Perfor-mance period[3)]	End date of the per-formance period[4)]	End date of vesting period[5)]	Performance share awards granted[6)] No. of shares (SEK)	Maximum number of performance shares that can be awarded[7)] No. of shares (SEK)	Balance at beginning of the year[8)] No. of shares (SEK)	Performance share awards earned during the year[9)] No. of shares (SEK)	Performance share awards still subject to performance conditions[10)] No. of shares (SEK)	Performance share awards paid in shares during the year[11)] No. of shares (SEK)	Balance at year-end, performance shares earned but not paid[12)] 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%)[1)]	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%)[1)]	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%)[1)]	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%)[1)]	3/5/2021	3 years	31/12/2023	3/5/2024	19,092 (2,084,846)	38,184 (4,169,693)					
LTV 2020[13)]	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[13)]	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)	
Total								**154,528** **(9,708,994)**	**68,303** **(6,082,382)**	**178,580** **(15,902,549)**	**123,950** **(6,942,503)**	**98,881** **(8,805,353)**

1) TSR performance conditions include both absolute and relative performance conditions for each program.
2) The date of award represents the date on which the award was made.
3) Performance period represents the period over which the performance conditions are measured.
4) The end date of the performance period represents the date on which the performance period ends.
5) The Vesting Period End Date represents the date on which any Performance Shares will vest and entitle participants to receive shares.
6) The figures represent the original number of Performance Share Awards granted. Values in SEK represent the corresponding value on the date of award.
7) 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.
8) 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.
9) 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.
10) 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.
11) 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.
12) 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.
13) 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 Heuveldop, 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[1]	American Depositary Shares[1]
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 Heuveldop	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	–

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

[1] Fixed remuneration includes fixed salary and other benefits.
[2] 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.
[3] 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

Sustainability and Corporate Responsibility Report

Part of Ericsson Annual Report 2024

Annual Report 2024

Financial Report	Corporate Governance Report	Remuneration Report	Sustainability and Corporate Responsibility Report

ERICSSON

Sustainability and Corporate Responsibility Report 2024

This Sustainability and Corporate Responsibility Report is rendered as a separate report added to the Financial Report in accordance with the previous version of the Annual Accounts Act (SFS 1995:1554, Chapter 6, Section 10 and 11) applied before 1 July 2024. An assurance report from the Company's auditor is appended hereto.

Forward-looking statements

This Sustainability and Corporate Responsibility Report includes forward-looking statements, including statements reflecting the Company's current views relating to the growth of the market, future market conditions, future events, financial condition, and expected operational and financial performance, including, in particular the following:

The words "believe," "expect," "foresee," "anticipate," "assume," "intend," "likely," "projects," "may," "could," "plan," "estimate," "forecast," "will," "should," "would," "predict," "aim," "ambition," "seek," "potential," "target," "might," "continue," or, in each case, their negative or variations, and similar words or expressions are used to identify forward-looking statements. Any statement that refers to the Company's strategy, future financial performance, expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Such statements are based on management's expectations as of the date of this report, unless an earlier date is specified, including expectations based on third-party information and projections that management believes to be reputable.

We caution investors that these statements are subject to risks and uncertainties many of which are difficult to predict and generally beyond our control that could cause actual results to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. Important factors that could affect whether and to what extent any of our forward-looking statements materialize include but are not limited to the factors described throughout this Sustainability and Corporate Responsibility Report. These forward-looking statements also represent our estimates, assumptions and expectations only as of the date that they were made, and to the extent they represent third-party data, we have not undertaken to independently verify such third-party data and do not intend to do so.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Readers are urged to carefully review and consider the various disclosures made in this Sustainability and Corporate Responsibility Report and in other documents we file from time to time with our regulators that disclose risks and uncertainties that may affect our business. Unless specifically indicated otherwise, the forward-looking statements in this Sustainability and Corporate Responsibility Report do not reflect the potential impact of any divestitures, mergers, acquisitions, or other business combinations that have not been completed as of the date of this report. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this Sustainability and Corporate Responsibility Report, to reflect events or changes in circumstances or changes in expectations or the occurrence of anticipated events, whether as a result of new information, future events or otherwise, except as required by applicable law or stock exchange regulation. This Sustainability and Corporate Responsibility Report includes websites or references to additional company reports. These are intended to provide inactive, textual references only.

The information on websites and contained in those reports is not part of this report and not incorporated by reference in this report. This Sustainability and Corporate Responsibility Report contains statements based on hypothetical scenarios and assumptions as well as estimates that are subject to a high level of uncertainty, and these statements should not necessarily be viewed as being representative of current or actual risk or performance, or forecasts of expected risk or performance. In addition, historical, current, and forward-looking environmental and social-related statements may be based on standards for measuring progress that are still developing and on internal controls and processes that continue to evolve. While certain matters discussed in this Sustainability and Corporate Responsibility Report may be significant, any significance should not be taken, or otherwise assumed, as necessarily rising to the level of materiality used for purposes of complying with Ericsson's public company reporting obligations pursuant to the US federal securities laws and regulations, even if the report uses the words "material" or "materiality."

Sustainability and integrity for long-term value creation

Ericsson was founded on the belief that communication is a basic human need, and for over 145 years, the Company has helped transform lives, industries and society for the better. Through our strategy, we aim to increase the value of mobile networks for our customers by building high-performing, programmable and energy-efficient networks, and through accelerating the digitalization of enterprises. By developing new use cases and monetization opportunities, we are also supporting people, business and society benefit from continued investments in mobile connectivity.

Sustainability through efficiency

At Ericsson, we believe that digitalization is a prerequisite for a low carbon future. While the Information and Communications Technology sector itself only represents a small share of the global carbon footprint[1], 5G – paired with technologies such as AI and the Internet of Things – is vital to increasing productivity and efficiency in other industries, which in turn enables them to reduce their emissions.

We are continuing our efforts to reduce the environmental impact of mobile networks and to have Net Zero emissions in our value chain by 2040. A critical part of this transition is to develop networks with increased capacity and reduced energy consumption, which leads to lower energy costs for our customers and lower emissions. We have made steady progress on our target and have reduced the energy consumption of typical radio base station sites by 37% compared to just three years ago. This increased efficiency is important not only for sustainability, but also because it means our mobile network products and solutions continue to deliver the best performance at the lowest total cost of ownership to our customers. This, in turn, enables our customers to continue to invest in their networks, which benefits our business.

Integrity and sound risk management

Integrity is one of our core company values and a cornerstone of how we manage risk and conduct business, supporting sound and ethical decision-making. As a global company, we are present in markets that can be challenging in terms of business culture, geopolitical stability and maturity of institutions. In response, we have set high standards for ethics, integrity and respect for human rights for ourselves and for our business partners.

We have put considerable efforts into strengthening our corporate governance, Ethics and Compliance Program, and have implemented an integrated approach to risk management in which we aim to capture business opportunities and effectively identify, assess and manage environmental, social and business conduct related risks. By continuing to embed ethical decision-making throughout our operations, we have further strengthened the foundation for responsible business practices and sound risk management, which we believe creates business resilience in a fast-changing geopolitical environment.

Growth through digital solutions

Despite the rapid expansion of mobile broadband, a third of the global population still does not have a fast and reliable connection due to lack of affordability and accessibility[2]. To address this, we are supporting digital inclusion through several solutions, including Fixed Wireless Access, which can be deployed rapidly and can deliver cost effective and high-speed broadband to underserved areas, and a mobile wallet platform that supports about 85 million active users with mobile financial services.

By enabling previously unconnected people to participate in the digital economy, Ericsson and our customers are contributing to economic growth which enables investments in new businesses, infrastructure and societal services. We also work with customers, governments and educational institutions to support essential societal needs, such as access to education and employment opportunities in the digital economy.

As an open innovation platform, 5G acts as an engine for economic growth and sustainable development, with a direct impact on a range of societal infrastructure and industry sectors including transport, manufacturing, energy utilities and public safety. It supports the ongoing digital transformation of industry and society, which is a precondition for the future competitiveness of businesses and countries. We remain steadfast in our strategy of leadership in mobile networks and focused expansion into enterprise, and we are excited to be a part of the next wave of digitalization, underpinned by a strategic commitment to sustainability and a company culture based on integrity and responsibility.

[1] Malmodin et al. (2023). ICT sector electricity consumption and greenhouse gas emissions – 2020 outcome, *SSRN Electronic Journal*
[2] ITU. (2023). Measuring digital development - Facts and Figures 2023, *ITU Publications*

Targets and impacts

Performance on goals and targets

Below is a summary of the performance and current status of Ericsson's Sustainability and Corporate Responsibility goals and targets. Commentary on performance highlights is presented on pages 3–8, and target specifics and detailed performance data can be found on pages 19–53 of this report.

Goals and performance targets

Environment				Social		Governance
13 Climate Action				8 Decent Work and Economic Growth	5 Gender Equality	16 Peace, Justice and Strong Institutions
Emissions reductions – Near-term	**Emission reductions – Long-term**	**Portfolio energy performance**	**Supply chain engagement**	**Health and safety**	**Equal treatment and opportunities**	**Ethics and Compliance**
Reduce total GHG emissions in the value chain by 50%, and scope 1 and 2[2] by 90%. (SBTi[3] validated).	Net Zero GHG emissions across the value chain, covering scope 1, 2 and 3[2] (SBTi[3] validated).	Reduce the energy consumption of typical new radio base station sites by 40%.	Have 350 high-emitting and strategic suppliers set their own 1.5 C aligned emissions reduction targets.	Zero fatalities and lost workday incidents among employees and suppliers of field services.	30% share of women among all employees, line managers and top management.	Strengthen and enhance the Ethics and Compliance Program to help ensure an effective and sustainable anti-bribery and corruption program.
Base year[1]				Base year[1]		Base year[1]
2020	2020	2021	2020	2020	2021	2019
Target year				Target year		Target year
2030	2040	2025	2025	2025	2030	2024
2024 performance				2024 performance		2024 performance
Total value chain emissions: –37%[4] Scope 1 and 2 emissions: –55%[4]		37% reduction[4]	323 suppliers with accepted targets	Fatalities: 2 Lost workday incidents: 72	All employees: 26.5% Line managers: 24.0% Top management: 32.0%	Compliance monitorship concluded. Continued focus on the program's sustainability and accountability for leaders.

[1] For targets tracked using a relative performance metric compared to a set baseline the base year is shown. For targets not tracked through a relative metric, the year the target was set (start year) is shown.
[2] Explanations of the boundaries for Scope 1, 2 and 3 emissions are included in the glossary on page 62. Detailed GHG accounting principles can be found in section E1.
[3] Science Based Targets initiative.
[4] Compared to the target base year.

Positive impacts on people, the economy and the planet

Beyond its own operations, Ericsson, its solutions and the ICT industry as a whole can positively impact people, the economy and the environment which helps advance progress on the United Nation's Sustainable Development Goals.

4 Quality Education — 567,000 children and youth reached through Ericsson's Connect to Learn program.

8 Decent Work and Economic Growth — 85 million consumers accessing financial services through the Ericsson Mobile Wallet Platform every month.

9 Industry, Innovation and Infrastructure — At least 0.8% growth in GDP for every 10% increase in mobile broadband adoption[1].

13 Climate Action — Potential for 15% reduction of global GHG emissions enabled by ICT solutions[2].

[1] Edquist et al. (2018). How important are mobile broadband networks for the global economic development?, *Information Economics and Policy*
[2] Malmodin & Bergmark (2015) Exploring the effect of ICT solutions on GHG emissions in 2030, *Atlantis Press*

2024 highlights

Environment

Net Zero by 2040
Ericsson's long-term target is Net Zero greenhouse gas (GHG) emissions across its value chain by 2040, with a near-term target to halve total value chain emissions and reduce Scope 1 and 2 emissions by 90% by 2030 compared to a 2020 baseline. The targets have been validated as 1.5 C aligned by the SBTi[1]. During 2024, Ericsson developed a transition plan to reach these targets. The plan details the decarbonization levers critical for the Company to reach Net Zero, with a focus on activities with a larger impact such as product design and radio site energy consumption.

The largest potential for emission reductions in Ericsson's value chain comes from continued improvements in the energy performance of the portfolio and through increased use of renewable energy by customers. This is followed by reductions of upstream emissions through supplier engagement, product design and material choices. In 2024, total value chain GHG emissions were about 19 (32) million metric tons. 92% (93%) of the footprint occurred downstream[2] in the value chain, primarily derived from the energy use of sold network equipment. 8% (7%) occurred upstream[2] in the value chain, and primarily came from emissions embodied in purchased goods and services. Emissions from Ericsson's own operations (Scope 1 and 2) accounted for less than 1% (<1%) of total emissions.

Compared to 2023, total value chain emissions decreased by 41% and compared to the 2020 baseline the decrease was 37%. This was primarily caused by downstream emission reductions in the use phase of sold products, including improvements in energy performance of delivered network equipment and increased customer purchases of renewable electricity. Ericsson has continued to improve the energy performance of its portfolio, delivering increasing mobile broadband capacity in relation to the energy consumption of its solutions. Higher energy efficiency also creates financial value for customers by helping to reduce energy-related operational expenditures and therefore total cost of ownership.

2024 also saw a geographical shift in sales to markets that have comparatively larger shares of electricity from renewable sources in their national grids which contributed to lower emissions. These kinds of shifts can result in significant variances in downstream emissions year-over-year. The variances are so large because reported downstream emissions from the use of sold products in a given year includes the sum of the estimated total lifetime emissions from that network equipment: the emissions are not accrued over the products' estimated lifetime.

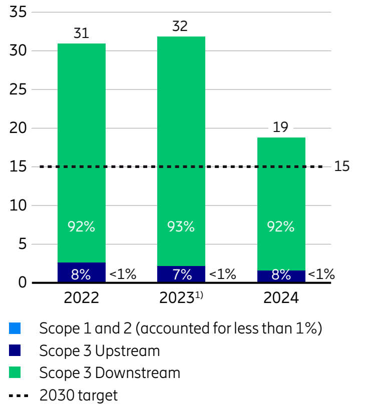
Portfolio energy performance
The lifetime emissions from the use-phase of products sold in 2024 represented 92% (93%) of total value chain emissions. Ericsson estimates that improved energy performance has the potential to reduce product use-phase emissions by about 30% by 2030 compared to the 2020 baseline.

Through the introduction of 5G Advanced, Ericsson has continued to implement capabilities that enable high-performing, programmable and energy-efficient networks that can be optimized for different use-cases. This allows communications service providers to operate their networks more intelligently to meet traffic demand and deliver the best user experience with lower energy use. The Company has continued to work towards its target to reduce the average energy consumption of typical new radio base station sites by 40% by 2025 compared to a 2021 baseline. By year-end, the Company had achieved a reduction of 37% (30%) and is on track to achieve this target. Investments in portfolio energy efficiency is one eligible use of proceeds in Ericsson's Green Financing Framework, under which the Company emits green bonds and other green financing instruments.

Supply chain climate action
Supply chain emissions represented 8% (7%) of the total value chain carbon footprint, and Ericsson is working to reduce these emissions through supplier engagement, design improvements and transport efficiency. As supply chain emissions are a key priority for its customers, working to decarbonize the supply chain strengthens Ericssons' competitiveness. The Company has continued to explore and implement ways to reduce the weight and size of products and has conducted studies on how to reduce emissions from carbon intense materials and processes such as aluminum. Climate-related criteria are included in scorecards for those suppliers that have been assessed to have a higher environmental impact. Ericsson has a

Value chain carbon footprint

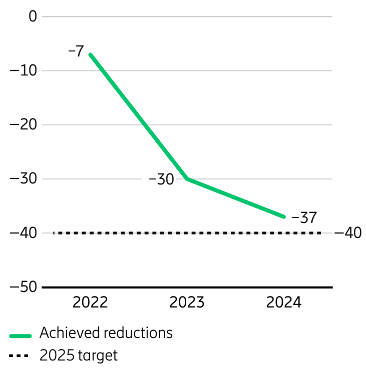
Million metric tons of CO_2e/%



[1] Data for 2023 has been restated. For further information, see page 10.

Radio base station energy consumption

%



[1] Science Based Targets initiative.
[2] Explanations of what constitutes the upstream and downstream parts of a company's value chain are included in the glossary on page 62.

2025 target for 350 high-emitting and strategic direct suppliers to set their own emission reduction targets aligned with the 1.5 C ambition, including a halving of emissions by 2030. Direct emissions from these suppliers, together with the emissions across their supply chains, represent a majority of Ericsson's upstream carbon footprint. By year-end, 323 (237) suppliers had set accepted targets. However, to achieve targeted supply chain emissions reductions, high-emitting suppliers will need to use more renewable energy in their processes. During the year, Ericsson began collecting verified data on the share of renewables used by a selection of suppliers to assess how such measures can be scaled.

Climate action in own activities

Scope 1 emissions decreased to 17,340 (27,029) metric tons, primarily as a result of a reduction in the number of field service vehicles. Scope 2 emissions decreased to 34,007 (42,251) metric tons, primarily driven by lower electricity consumption and targeted purchases of renewable energy instruments in markets with comparatively more emissions-intense national grids. The share of purchased renewable electricity was 84% (84%), which represented 65% (70%) of total facility energy consumption. Since the 2020 target baseline, yearly Scope 1 and 2 emissions have decreased by about 62,000 metric tons. While emissions from business travel increased to 54,215 (52,599) metric tons in 2024, they remain lower compared to pre-pandemic levels. Ericsson has set a cap on business travel to limit business travel emissions to no more than 50% of pre-pandemic 2019 levels. Emissions from employee commuting increased to 51,700 (49,000) metric tons, as a result of increased work on-site compared to the previous year. Focus areas for 2025 will remain to be automation of data management and the exploration of new ways to increase the share of renewable energy used in facilities.

Transition to circular economy

The Company made additional efforts to increase product take-back volumes and the sale of refurbished equipment continued during 2024. A prerequisite for a more circular approach is accurate information on the material composition of products. Ericsson has begun collecting information from suppliers about the recycled material content in purchased products and components through a new section in the standard form for declaring the material composition of products. Ericsson will implement this new section in a stepwise approach, starting with prioritized products to build up knowledge on the use of secondary raw materials.

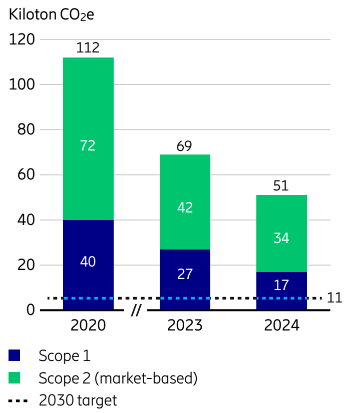
After assessing the criteria for alignment with the EU Taxonomy for Sustainable Activities, Ericsson has concluded that none of its eligible turnover, which primarily derives from manufacturing of electric equipment, meets all the criteria for alignment with the taxonomy. The taxonomy's criteria are challenging to apply to Ericsson's products, partly because they are based on consumer electronics and not industrial goods, such as network equipment. More details about this assessment can be found in section E6 of this report.

Enabling effect of ICT

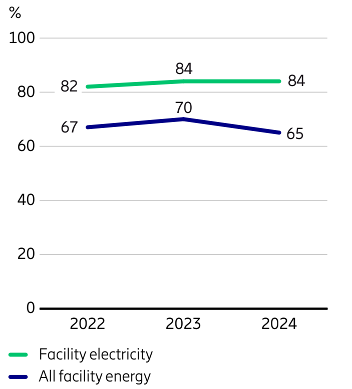
According to research[1)], the ICT sector represents a small and decreasing contribution to global GHG emissions. However, Ericson's research shows that the potential for ICT solutions to support other industries to decarbonize is substantial and much more significant than the sector's own carbon footprint[2)]. For example, key transformations in society and industry, such as electrification and increased use of renewables, depend on connectivity and communication network infrastructure to reach their full potential. Another study by Ericsson[3)] found that there is additional potential for emissions reductions if enterprise applications enabled by 5G are adopted in other high-emitting sectors of the economy. Throughout 2024, Ericsson has continued to explore this topic through the publication of two policy recommendations on digitalization for sustainability and achieving a competitive and green Europe. These recommendations showcase the importance of connectivity and digitalization in decarbonizing industries and for reaching global Net Zero emissions[4)].

Supplier climate engagement

Scope 1 and 2 emissions



Share of renewable electricity and energy at facilities



[1)] Malmodin et al. (2023). ICT sector electricity consumption and greenhouse gas emissions – 2020 outcome, SSRN Electronic Journal
[2)] Ericsson Mobility Report (2024).
[3)] Ericsson. (2021). Connectivity and climate change, *Ericsson*
[4)] Policy paper – Achieving a competitive and green Europe – CEO Alliance and Policy paper – Digitalisation for Sustainability - CEO Alliance.

Social

Health, safety and well-being

Target Zero is Ericsson's goal of zero fatalities and lost workday incidents. The Company has continued embedding safety in its company culture and strengthening processes and governance including supplier management. As part of these efforts, maturity assessments for site service suppliers continued during 2024 and covered 98% of current and new suppliers by the end of the year. The main areas identified for improvement were controlling high-risk activities, managing subcontractors and strengthening project hazard and risk assessments. When a nonconformity with Ericsson's safety criteria is identified, or when an incident or fatality occurs, warnings are issued to the supplier paired with other consequences such as monetary fines or contract termination.

Throughout the year, the number of reported fatalities decreased to 2 (10) and involved site service suppliers. The causes were a driving accident and a fall during work at a base station site. No fatalities involved Ericsson employees. Root cause analyses of the fatal incidents show that poor supervision, inadequate risk assessment and unsafe behaviors were major contributors. Lost workday accidents for both suppliers and employees also decreased to 72 (96) and primarily occurred during site assembly, installation and maintenance work.

In 2024, Ericsson launched a new mandatory safe driving training for both employees and suppliers in addition to its existing safety trainings. Ericsson also fully implemented the Stop Work Authority standard that requires and empowers people to immediately stop work when unsafe working conditions are identified. In addition, the Company believes that recognizing positive efforts helps to improve suppliers' safety performance and introduced a global supplier safety recognition program to award safe behaviors and promote best practices among field service suppliers. The ongoing work to reduce the weight and size of products as a way to reduce embodied greenhouse gas emissions also has health and safety benefits as it makes transportation and installation work easier.

Equal treatment and opportunities

As an ICT company with a strategic goal of sustaining technology leadership in its industry, Ericsson relies on a highly skilled workforce, especially in the fields of science, technology, engineering and mathematics. To ensure that Ericsson retains access to an innovative and impactful workforce it uses a merit-based hiring approach that values employees with a diversity of experiences, perspectives and skillsets. Ericsson believes that this enables well-rounded and informed decisions and, therefore, better outcomes. Leaders at Ericsson undergo training on inclusive leadership to help them make better and fairer merit-based decisions, which do not discriminate against any group. Ericsson also continues to support a network of Employee Resource Groups that are open to all employees and cover a wide range of topics, including groups dedicated to neurodiversity and people with disabilities. In addition, Ericsson has focused on access and opportunities for women at all levels within the Company through merit-based selection processes in compliance with anti-discrimination laws.

Work towards improving pay equity has continued, and the Company has made additional efforts to ensure that pay is appropriately merit based. Targeted work has been done to address confirmed gaps, and as part of these efforts, internal education continues to help ensure that pay decisions are made fairly.

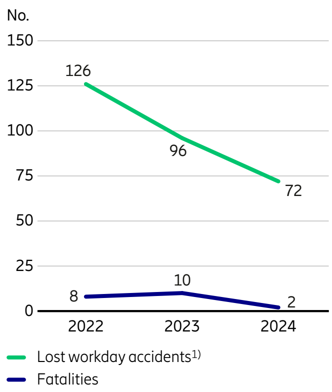
Talent attraction, retention and development

Ericsson's talent acquisition strategy is built on three key focus areas: identifying key talent markets, demand planning and capacity, and attracting and retaining talent with critical skills. During 2024, Ericsson has continued to enhance its sourcing capacity, improved recruiter capabilities and invested in new technology to provide a better hiring experience.

The Company also continues to prioritize the development of critical skills connected to its strategy. By year-end, more than 75,000 people had built critical skills across areas such as Cloud Native, Power Skills and Artificial Intelligence, including Generative AI. Employees are encouraged to align learning goals to their career ambitions and to put their skills to work through internal job mobility and short-term development projects. This is supported by an open talent market and targeted succession planning. In 2024, a new approach to performance management was launched in which annual performance reviews factor in both accomplished results in comparison to agreed goals as well as how the person demonstrated the Company's values and fulfilled expectations of ethical behavior in their work.

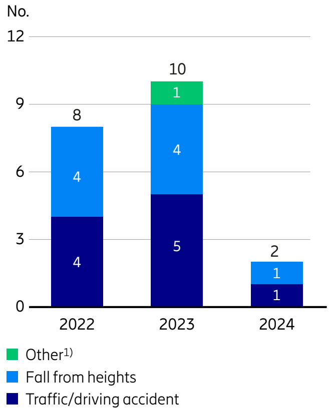
Since 2021, Ericsson has an employee share purchase plan to promote retention through subsidizing the purchase of Company stock by employees. At the end of 2024, the plan was available to about 76,000 (77,700) employees, with a participation rate of 17.3% (18.0%).

Lost workday accidents and fatalities



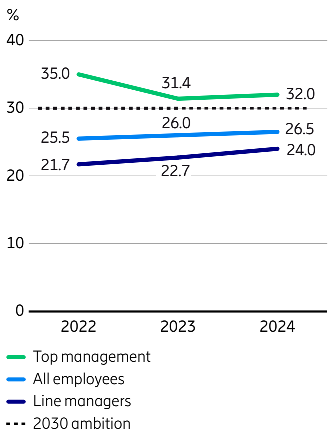
[1] As of 2024 lost workday accidents occurring among third parties are excluded from the statistics as Ericsson has limited possibility to verify the number of actual days lost. Third parties are still included in the statistics for fatalities and recordable workplace accidents shown here and in section S1.

Breakdown of fatalities by cause



[1] Detailed information in section S1.

Share of women per employee category



Due to a challenging market in 2024, Ericsson made headcount reductions in several countries. Still, employee satisfaction scores remained high at 79 (80) points on a scale of 0 to 100 and continue to be above the benchmark value for comparable companies in the industry, which was 74 (74).

Human rights

Ericsson continues to integrate human rights due diligence across its business, such as in its sourcing and sales processes and undertakes heightened due diligence activities when the Company determines they are needed. During the year, Ericsson conducted key activities related to human rights. Among others, the Company's human rights specialists visited India, where Ericsson has a significant part of its workforce. Focus during the visit was on capacity-building of key employees and heightened due diligence related to risks and impacts across Ericsson's value chain. To improve both local and group level due diligence priorities, the team engaged with employees and civil society organizations on salient human rights issues that Ericsson has identified across its value chain, such as working conditions, right to privacy and freedom of expression. Key findings included a need to further strengthen oversight of working conditions for non-employees in Ericsson's workforce and improving internal awareness of these human rights issues.

The Company's approach to assessing the risks of working with customers in the defense and public safety sector, including governmental institutions and agencies, was strengthened by establishing clear criteria for evaluating human rights risks in such engagements. These criteria include the intended use of Ericsson solutions as well as customer and country-specific risks, such as the strength of the rule of law and prevalence of armed or violent conflicts. Evaluation of these criteria can trigger heightened due diligence measures.

As part of its membership with the Global Network Initiative (GNI), Ericsson participated in an exercise in which the Company presented how it had handled a business engagement involving privacy-related concerns in a country with a high-risk regulatory environment. The participating stakeholders, which included academic experts, other companies and civil society organizations, assessed how well Ericsson's actions were aligned with GNI's principles. The conclusion was that Ericsson's actions were well-aligned to these principles, but that there is opportunity for the Company to work for collective action between industry and civil society to influence policies of high-risk countries, when possible.

Impact on communities

Ericsson continued to invest in connected reforestation projects in multiple countries and planted over 400,000 saplings through three projects in India. In support of the United Nations-recognized World Cleanup Day, more than 1,400 volunteers in over 40 locations collected two metric tons of waste in Ericsson's largest employee volunteering engagement to date.

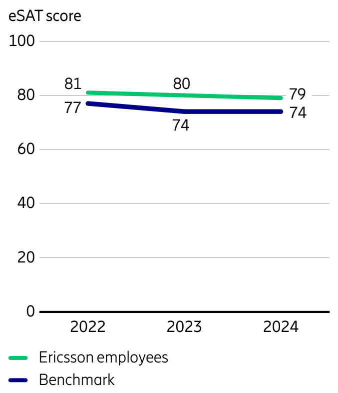
In Ethiopia, Ericsson Response and the Emergency Telecommunications Sector provided connectivity to RETS[1] partner offices supporting 91,000 refugees in the Mirqaan, Bokh district. Ericsson Response also supported the WFP-led ETC[2] efforts in Jamaica and Union Island after the devastating hurricane Beryl. Furthermore, Ericsson Response continued to support WFP's preparedness and resilience-building project in the Philippines.

Digital inclusion

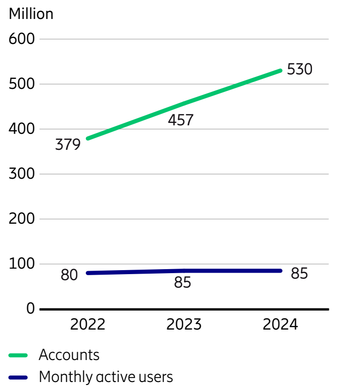
The Ericsson Mobile Wallet Platform supported 530 (457) million registered mobile wallet accounts in 2024. About 85 (85) million active consumers – many of whom were previously unbanked – use mobile financial services powered by the platform every month. The platform has enabled many businesses and organizations to accept digital payments, which helps to accelerate the growth of cash-light digital economies.

As UNICEF's first private sector partner to make a multimillion-dollar commitment to the Giga initiative, Ericsson has contributed to efforts to improve access to connectivity at more than 14,500 schools, benefiting 7.8 million students during the past four years[3]. Through its Connect to Learn initiative, Ericsson has to date positively impacted 567,000 (485,000) children and young adults in 45 (43) countries by providing access to digital learning and skills development programs.

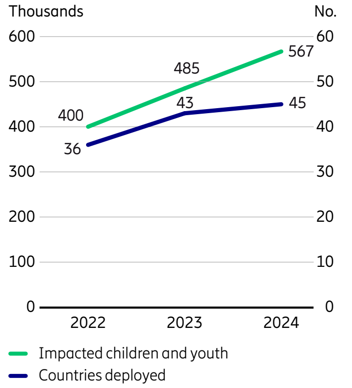
Employee satisfaction



Ericsson Mobile Wallet accounts and active users



Digital education – Connect to Learn



[1] Refugee Emergency Telecommunications Sector, led by the United Nations High Commissioner for Refugees (UNHCR).
[2] World Food Programme – Emergency Telecommunications Cluster.
[3] UNICEF.

Governance

Strengthening corporate governance
Ericsson is committed to maintaining the highest standards of corporate governance and has established a governance framework that strengthens the business, enabling strategic execution and operational excellence, and promotes and facilitates effective oversight across the organization. The aim is to enable high-quality decision-making with clear accountability and to instill a robust approach to risk management to effectively identify, manage and mitigate risks and capture opportunities. Ericsson's governance framework guides its people while building on their strengths – fostering a culture of transparency, collaboration and open dialogue. It is one of the foundations for sound and ethical business decisions, strong risk management and cross-functional coordination. Ericsson has also implemented clear rules of governance across the organization. These range from matters requiring approval of the Company's shareholders and members of its Board, to conflicts of interest policies and director and management duties and obligations. All of these aspects are cornerstones for Ericsson to manage its business in line with its values: professionalism, respect, perseverance and integrity.

Ericsson's intensive work on strengthening and simplifying its corporate governance practices continued throughout 2024 and was pursued in parallel with further improvements to its Ethics and Compliance Program. In June 2024, Ericsson concluded its four-year compliance Monitorship. The role of the Monitor was to comprehensively review, assess, evaluate and test all aspects of Ericsson's global Anti-Bribery and Corruption (ABC) Compliance Program and internal controls. The Monitor's certification and the conclusion of the Monitor team's work and term was an important milestone, but the work is by no means complete. As part of Ericsson's continuous journey of integrating and improving its Ethics and Compliance Program, the Company remains conscious of the fact that the breadth of its global organization and the industry in which it operates requires ongoing vigilance.

Ethics and compliance
Over the past several years, Ericsson has invested significant resources to strengthen its Ethics and Compliance Program by implementing and maintaining strong systems, controls and policies, including in the areas of ethics, ABC, conflicts of interest, anti-money laundering and competition law. Ericsson believes that integrating integrity into day-to-day decision-making requires constant focus to ensure that its compliance processes and related controls are fit for their intended purpose. Looking ahead, as the business evolves, Ericsson will continue the work to improve on its anti-corruption controls and further integrate them into its operations and managerial decisions. At the same time, Ericsson will also continue rigorous testing of its Ethics and Compliance Program's effectiveness, which includes clear expectations for management to understand and address testing results and process adherence within the areas of their responsibility. This will further strengthen the foundation for a well-integrated, self-sustaining Ethics and Compliance Program.

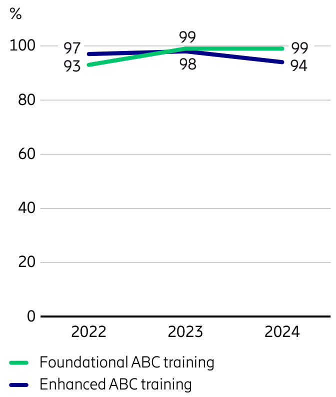
To reinforce accountability throughout the organization, all employees who are eligible for a short-term variable compensation payout may be denied all or part of the entitlement if they act in breach of Ericsson's Code of Business Ethics. In addition, senior executives are subject to evaluation according to a set of pre-defined integrity criteria, which includes compliance training, third party management, allegation management and other matters tied to the Company's Ethics and Compliance Program. Underperformance against these criteria can reduce short-term variable compensation payout by up to 100%.

Corporate contributions are an important part of corporate responsibility and help demonstrate Ericsson's support for various communities and causes. The Company has systems in place to review donations, sponsorships and other contributions to ensure that they are consistent with the Company's values, free from conflicts of interest and comply with laws.

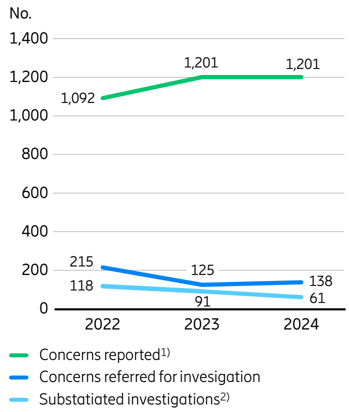
Ericsson continues to provide mandatory training on topics critical for creating behavioral change and promoting integrity within the Company such as ABC, health and safety and security awareness. At year-end, mandatory foundational ABC training had been completed by 99% (99%) of the full workforce and enhanced ABC training for people in high-risk roles had a 94% (98%) completion rate.

In 2024, the number of reported compliance concerns was 1,201 (1,201), of which a majority were related to human resource matters. The Company views the consistent number of reports as an indicator of continued trust and confidence by employees and third parties in Ericsson's allegation management, investigation capabilities and the seriousness with which the Company treats potential misconduct. Out of the reported concerns, 138 (125) cases were referred for further investigation. 1,063 (1,076) cases were not referred for investigation as they were either inquiries of a general nature, not deemed to be related to misconduct or

Completion rates for ethics and compliance trainings

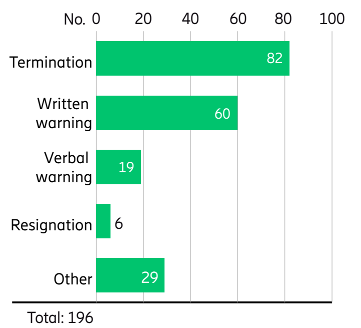


Compliance concerns reported, referred for investigation and substantiated investigations



1) All reported cases received in in the reporting year, of which a majority were related to human resource matters.
2) All cases concluded and deemed as substantiated during the reporting year, some of which were received in previous years.

Corrective and disciplinary actions taken[1)]



1) Actions taken as a result of substantiated breaches of Ericsson's Code of Business Ethics. Each corrective action represents a unique individual meaning the total of actions shown here cannot be directly compared to the number of substantiated cases shown above, as each case may involve several individuals. An individual can be subject to several corrective actions but is only counted once in these statistics, with the most severe consequent determining classification in the above presentation.

breaches of the Code of Business Ethics, or suitable for handling without an investigation. 633 (582) of the reported concerns not referred for investigation were referred to other functions, such as the human resource and sourcing departments, to be addressed in accordance with their processes. During the year, 61 (91) cases were concluded and found to be substantiated. At year-end, 49 (78) cases were still under investigation. This figure includes cases reported both in 2024 and in 2023. More details are available in section G1 of this report, including reported cases broken down by category. During the year, 196 (201) corrective and disciplinary actions were taken in connection with investigations by Corporate and Government Investigations. 82 (112) of these actions resulted in terminations and 60 (58) in written warnings.

For further information on compliance-related matters, see page 20 of the Financial Report, pages 4–5 of the Corporate Governance Report and section G1 of this report.

Third-party management and supplier audits

Ericsson has continued to improve its third-party vetting and oversight with the aim to ensure that it only works with parties that meet its expectation of zero tolerance for bribery and corruption. Through the global Third-Party Management Program, Ericsson identifies and mitigates corruption and integrity-related risks in its third-party relationships. Business Partner Review Boards, comprised of senior business leaders guided by compliance professionals, evaluate third parties with higher risk, approve or reject interactions and monitor the risk landscape in the geographies where Ericsson conducts business. The Third-Party Management Program works with the business to obtain transactional assurance and helps to ensure compliant payments.

Ericsson has a range of approaches to assess and manage risks of third parties, including audits of suppliers. 79 (123) audits based on the criteria in Ericsson's Code of Conduct for Business Partners were conducted in 2024. Ericsson uses a risk-based approach to make the yearly audit selection. The inherent risk is based on factors such as country, type of product and service supplied, time since the last audit and purchase volume. A third-party service firm conducts the audits. Critical nonconformities were identified at 3% (1%) of the audited suppliers, with all concerning health and safety standards and management. Ericsson also conducted 14 (19) Contract Compliance audits, performed by internal certified auditors. No critical nonconformities were identified at these audits. Each audit is seen as an opportunity for improvement and corrective action plans are established together with suppliers to address nonconformities. Out of the nonconformities identified at the Code of Conduct audits, 84% (79%) had been addressed by corrective actions within predetermined timeframes. The corresponding figure for Contract Compliance audits was 76% (65%). In addition to these audits, Ericsson may also, through a third-party with forensic expertise, perform targeted audits of a supplier's financial records to address ABC-related risks. During 2024, such audits were performed on 13 suppliers.

Interactions with governmental authorities

Ericsson is and has been involved in legal proceedings involving governmental authorities in different jurisdictions. Further information about current proceedings is included in the Financial Report on page 22–23.

Data privacy and cybersecurity

Ericsson has continued to execute its security and data privacy strategies with the goal to strengthen its operational and portfolio resilience. For further information on these topics, see pages 6–7 of the Corporate Governance Report.

Political engagement and advocacy

Ericsson has continued to advocate for policies that encourage and incentivize the digital ecosystem to deploy and use advanced connectivity to support the digitalization of industry and society. Ericsson acts as a trusted partner for policy makers, sharing its expertise and knowledge to address policy dilemmas and opportunities. All material policy-influencing interactions with public officials are documented for internal audit purposes and declared according to local regulations and practices.

The Company is an active member of industry organizations and partnerships that develop policies and thought leadership. Examples include the European Round Table, where Ericsson promotes advanced connectivity to enable digitization, productivity and competitiveness, and Digital Europe, where it drives climate and environmental topics. Ericsson also contributed to an international training program, ICT Regulation – Policy and Practice, commissioned by the Swedish International Development Cooperation Agency.

Board of Directors

Stockholm, February 26, 2025

Telefonaktiebolaget LM Ericsson (publ)
Org. no. 556016-0280

Sustainability statements

General disclosures

S Social

Appendix

E Environment

G Governance

General disclosures

General basis for the preparation of the sustainability statements

This Sustainability and Corporate Responsibility Report ("the report", "this report"), published on February 27, 2025, constitutes Ericsson's annual statutory sustainability statements and contains information about material environmental, social and governance (ESG) related impacts, risks and opportunities, as well as governance and policies, management approaches, metrics and targets relevant to these matters. Unless otherwise stated, the information and data provided pertain to Ericsson's fiscal year, which is January 1 to December 31.

Reporting scope and boundaries
The report has been prepared as a consolidated report for the Group, which is made up of the parent company Telefonaktiebolaget LM Ericsson and its subsidiaries as presented in note P8 to the parent company's financial statements. The report does not include environmental and social data related to associated companies or joint ventures over which Ericsson does not exercise operational control.

The report also contains disclosures related to Ericsson's upstream and downstream value chain including suppliers, vendors, customers and other business partners. There are inherent uncertainties to the completeness, accuracy and verifiability of this information, as it relates to performance and activities that are beyond the Company's direct influence and control.

Reporting principles and frameworks
The report has been prepared in accordance with the Global Reporting Initiative (GRI) standards. Ericsson has, in preparing the report, applied the reporting principles prescribed in the standard GRI 1: Foundation (2021). The report also includes climate-related disclosures included in the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD) as well as relevant disclosures in applicable Sustainability Accounting Standards Board (SASB) standards. Ericsson has begun aligning its sustainability-related disclosures to coming regulatory requirements in the European Union. A list of material data points derived from other EU legislations is included in Appendix II.

As a supplement to the report, an ESG reporting reference index is published on the ESG section of the Investor Relations pages on Ericsson's website. This index includes the GRI content index.

Disclosures in relation to specific circumstances

Time horizons
For the purpose of this report, Ericsson defined short-, medium-, and long-term time horizons as up to 2025 (1 year), 2025-2030 (5 years) and beyond 2030 (more than 5 years), respectively. This applies primarily to the analysis of climate scenarios as presented in section E1.

Sources of estimation and outcome uncertainties, including value chain information
The report contains quantitative information subject to high levels of measurement uncertainty and/or reliance on value chain information derived from indirect sources. Where a data point disclosed in this report contains significant measurement uncertainty, or is derived from proxy data, this is explained in a footnote to that data point. Ericsson is continuously working to refine its measurement and data collection methodologies to improve the accuracy of its ESG disclosures.

The report also contains forward-looking information about potential sustainability-related impacts, risks and opportunities. This information is also subject to high levels of uncertainty.

Changes in the preparation of information and reporting errors in previous periods
During 2024, Ericsson revised several of its sustainability reporting steering documents to align them with emerging statutory reporting requirements. As part of this process, measurement methodologies related to energy consumption and waste generation in own operations have been revised.

Ericsson has agreements with local utility companies to provide excess heat from data centers in exchange for district cooling. In previous years, these arrangements were not reflected in the information about energy consumption in own operations as presented in section E1. As of 2024, Ericsson includes the gross district cooling received in such arrangements in reported energy figures, but has not restated past year's information due to limitations in data availability. These changes in methodology have increased total district cooling consumption reported by about 100%. Since no restatements of previous year's figures have been made, there are limitations in the comparability between values for 2024 and the previous year's.

End-of-life electrical and electronic equipment from Ericsson's own operations is sometimes handled through Ericsson's own Product Take-Back scheme. As of 2024, the end-of-life equipment that is collected from Ericsson's facilities is reported as waste from Ericsson's own operations in section E5. This change in methodology has increased the total weight of waste reported by about 70%. Since no restatements of previous year's figures have been made, there are limitations in the comparability between values for 2024 and the previous year's.

When reviewing its reporting principles for estimating downstream Scope 3 greenhouse gas (GHG) emissions from sold products, Ericsson identified that energy consumption from certain products sold in 2023, and used to estimate these emissions, had been overestimated. The value for emissions in this category for the year 2023 has therefore been restated.

Restated metrics		After restatements	Prior to restatements
(metric tons of CO_2e)	Section in this report	2023	2023
Scope 3 GHG emissions from sold products	E1	29,658,200	35,057,200

Incorporation by reference
Information about policies and actions relevant to information and cybersecurity, which is a matter associated with material impacts, risks and opportunities, is included in the Corporate Governance Report and is incorporated by reference in this report.

General disclosures, cont'd.

Business model, strategy and value chain

Business model

Ericsson is a multinational company headquartered in Stockholm, Sweden, and serves customers in more than 175 countries. Ericsson sells hardware, software and services for information and communications technology (ICT) communication infrastructure. The business consists of three primary segments, also referred to as business areas, as well as an additional fourth segment, which is primarily engaged in outsourced broadcasting services.

Ericsson has about 94 (100) thousand employees in about 110 countries, of which 38 (39) thousand are in Europe and Central Asia, 23 (23) thousand in South Asia, 14 (16) thousand in East Asia and the Pacific, 10 (11) thousand in North America, 6 (7) thousand in Latin America and Caribbean, 2 (3) thousand in Middle East and North Africa and 1 (1) thousand in Sub-Saharan Africa.

Business segments

Segment Networks develops and deploys mobile network infrastructure to communications service providers, who use the networks to provide telecommunication services to consumers and businesses. Segment Networks' offering includes network hardware, such as radios, basebands and antennas, software to operate the hardware equipment and related services such as network deployment and maintenance. In 2024, Segment Networks made up 64% (65%) of the Group's total net sales.

Segment Cloud Software and Services provides digital solutions to communications service providers to operate and optimize the performance of their networks, with a focus on helping customers transition to cloud operations and automated networks. The segment also manages networks on behalf of communications service provider customers. In 2024, Segment Cloud Software and Services made up 25% (24%) of the Group's total net sales.

Segment Enterprise consists of two business areas: Global Communications Platform and Enterprise Wireless Solutions. The former includes the Vonage business acquired in 2021 and primarily provides cloud-based communication solutions to enterprises, which enables businesses to optimize processes, drive innovation and accelerate digitalization. It also has a large developer community. Enterprise Wireless Solutions develops and delivers network infrastructure for private networks and wireless wide area networks (WAN) to enterprises. Segment Enterprise's customers are private and public enterprises across various industries. In 2024, Segment Enterprise made up 10% (10%) of the Group's total net sales.

There is further information about the segments in note B1, and about the net sales mix broken down by hardware, software and services, in note B2 to the consolidated financial statements.

Ericsson does not generate revenue from the exploration, mining, extraction, production, processing, storage, refining or distribution – including transportation and trade – of fossil fuels, or from chemicals production, controversial weapons or the cultivation and production of tobacco.

Strategy and sustainability-related goals

As regards Ericsson's sustainability-related goals, one key objective is the transition to Net Zero GHG emissions across the Company's value chain. As the energy consumed by the network equipment deployed by customers is the cause of over 90% of Ericsson's total value chain carbon footprint, continuously improving the portfolio's energy performance is a key component in this transition. Addressing supply chain emissions embodied in the network hardware sold to customers – through, for example product design, substitution of carbon-intense materials and supplier engagement on emission reduction measures – is also an important decarbonization lever. However, to be able to reach Net Zero emissions across the value chain, Ericsson's customers and suppliers must transition to using emissions-free electricity to power the networks, a challenge that is largely beyond Ericsson's direct control.

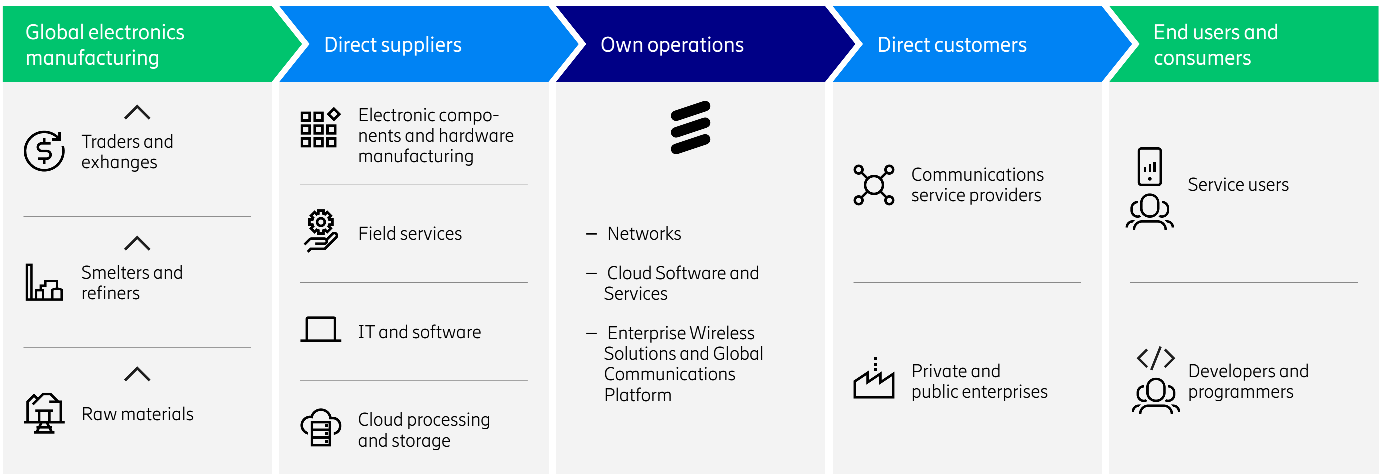
Another challenge relates to the health and safety of the people working on behalf of Ericsson. Most of the major accidents recorded in recent years have occurred within field service operations when Ericsson's employees and employees of field service suppliers perform network deployment and maintenance work. The fatalities occurring in recent years have almost exclusively involved employees of field services suppliers, with the most common causes being accidents during field work at base station sites and driving accidents. Ericsson has a target to have zero fatalities and lost workday incidents among its workforce and employees of field service suppliers.

As an ICT company with a strategic goal of sustaining technology leadership in its industry, Ericsson relies on a highly skilled workforce, especially in the fields of science, technology, engineering and mathematics. To ensure that Ericsson retains access to an innovative and impactful workforce it uses merit-based hiring approach that values employees with a diversity of experiences, perspectives and skillsets. Ericsson believes that this enables well-rounded and informed decisions and, therefore, better outcomes. A key goal relates to driving sustainable organizational health where Ericsson aims to remove barriers that appear to have prevented equal opportunities for all, as detailed in the following sections regarding Equal Treatment and Opportunities.

The work during the last several years to strengthen Ericsson's Ethics and Compliance Program has significantly improved Ericsson's ability to identify and address actual and alleged misconduct as incidents arise, and ensure they are effectively remediated in a clear and consistent manner. Looking ahead, as the business evolves, Ericsson will continue to work to improve on its anti-corruption and anti-bribery controls and embed them into its operations and managerial decisions. At the same time, Ericsson will also continue the comprehensive testing of the Ethics and Compliance Program's effectiveness, which includes clear expectations for management to understand and address testing results and process adherence within their areas of responsibility. These measures will further strengthen the foundation for a well-integrated and self-sustaining Ethics and Compliance Program.

Value chain

As with many other multinational companies, Ericsson's value chain is complex with several layers and interconnections, creating challenges for visibility and traceability beyond the first tier of suppliers and customers. In 2024, the Company had about 17,000 active direct suppliers, of which about 200 are providers of materials and components used in Ericsson's hardware. In contrast, Ericsson has a fairly concentrated customer base.



General disclosures, cont'd.

Out of a base of more than 500 customers, the 10 largest customers, mainly communications service providers, accounted for 44% (43%) of net sales.

The value chain illustration on the previous page is intended to give an overview of Ericsson's extended value chain but does not aim to capture all its features. Key value chain actors relevant for understanding Ericsson's material sustainability-related impacts, risks and opportunities, especially those related to Ericsson's products and services, are included, but the illustration should not be interpreted as exhaustive. Business support services not unique to Ericsson's business model or value chain, such as facility providers and real estate services, logistic providers, consultancies and suppliers of external workforce are not included for the sake of simplicity.

Electronics manufacturing value chain

In simple terms, the global electronics manufacturing value chain begins with the extraction of natural resources used in electronic hardware, which are then sold and transported to smelters and refiners for processing. The refined materials are traded and exchanged and subsequently used in the manufacturing of parts and components, which are assembled into finished products.

Ericsson's regional hubs consolidate material from component suppliers and serve as focal points of supply to production sites. Manufacturing and assembly of Ericsson's communication equipment takes place both at the Company's own manufacturing sites and at third-party electronics manufacturing suppliers. In 2024, 78% (86%) of the electronic equipment produced was manufactured by contracted electronics manufacturing suppliers. Ericsson operates supply hubs, which are regional logistics and distribution centers serving customers with the collection of deliveries from production units and suppliers, warehousing, co-packing, order configuration and transport. The graphic below shows where Ericsson's own manufacturing sites, primary third-party electronic manufacturing suppliers, and component and supply hubs are located.

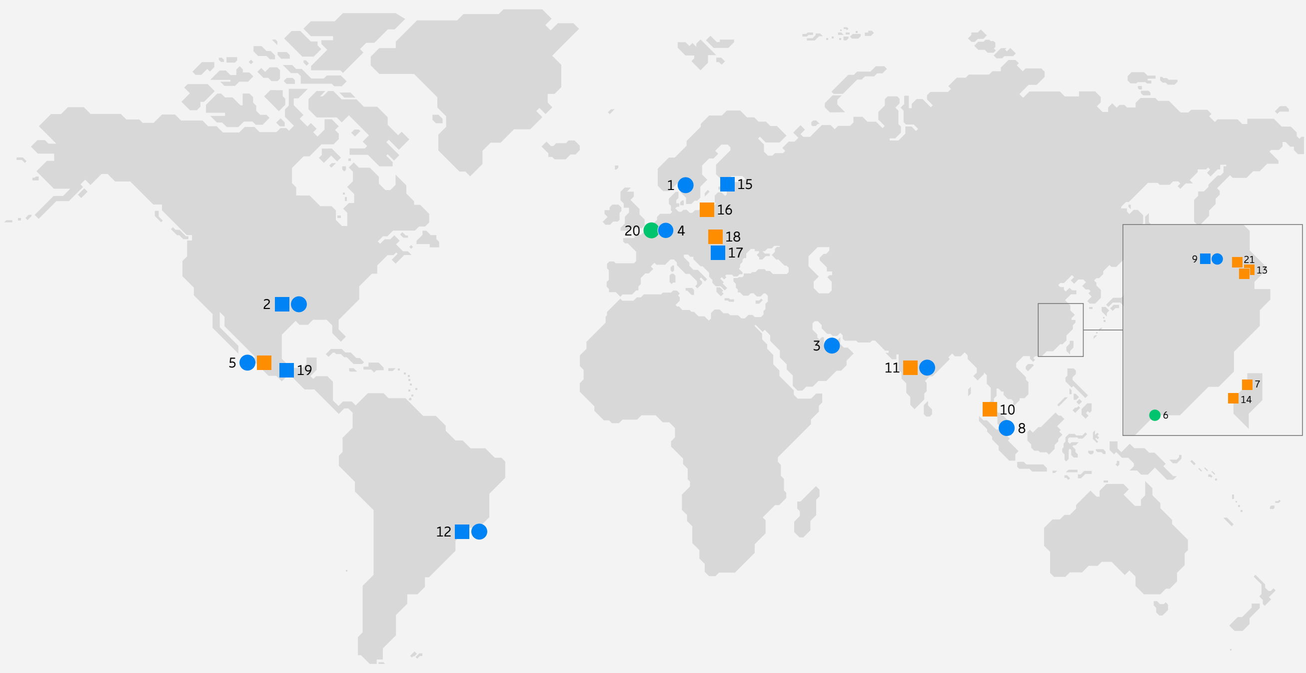
Other significant elements of the upstream value chain

Ericsson also purchases field services from suppliers, which deliver network deployment and maintenance services at customer sites. To a large extent, IT including software, as well as cloud processing and storage capacity, are sourced externally.

Downstream value chain

In terms of revenue, the communications service providers constitute Ericsson's most significant customer group. They, in turn, deliver connectivity services in the form of mobile broadband and voice calls to end users, such as consumers and businesses, using the network infrastructure Ericsson has sold to them. Segment Enterprise's customers consist of private and public enterprises in various industries, to whom the Company primarily provides private network solutions, and whose end users are either their employees or their consumer customers. Application developers and programmers are emerging as important actors in the mobile communication ecosystem, as the capabilities of programmable 5G networks are exposed to cater to the specific needs of end users and businesses, enabling new revenue streams for communications service providers.

Manufacturing sites and supply chain hubs



Manufacturing sites
- Ericsson manufacturing site
- Third-party manufacturing site

Hubs
- Supply
- Component

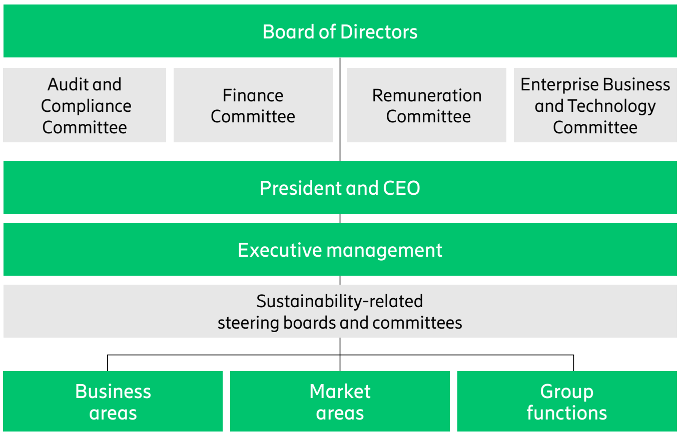
Locations

1. Borås
2. Dallas
3. Dubai
4. Duisburg
5. Guadalajara
6. Hong Kong
7. Hsinchu City
8. Kuala Lumpur
9. Nanjing
10. Penang
11. Pune
12. São José dos Campos
13. Suzhou (2)
14. Tainan City
15. Tallinn
16. Tczew
17. Timisoara
18. Tiszaújváros
19. Tlaxcala
20. Venlo
21. Wuxi

General disclosures, cont'd.

The role of the Board of Directors and executive management

Governance of material sustainability-related impacts, risks and opportunities follows Ericsson's overall governance structure. The Board of Directors, executive management team and management's respective roles and responsibilities regarding these matters are described below.



Board of Directors

The current Board of Directors (the "Board") consists of nine directors elected by the shareholders at the Annual General Meeting 2024 for the period until the close of the Annual General Meeting 2025, eight of whom are non-executive directors, and the President and CEO, who is an executive director. Carolina Dybeck Happe resigned from the Board on September 23, 2024, following her appointment to a new role. It also includes three employee representatives appointed by the unions in Sweden. The unions also appoint three deputy employee representatives. Information about each Board member's principal work experience is included on pages 15–18 in the Corporate Governance Report. The Board oversees Ericsson's strategy, periodically receives reports on developments and performance of sustainability-related targets and approves the sustainability statements as part of the Company's statutory Annual Report.

Composition of the Board of Directors

	Representation of Men and Women		Independence[3]	
%	Women	Men	Independent	Non-independent
Directors elected by the shareholders[1]	22	78	67	33
Employee representatives[2]	33	67	0	100
Total	**25**	**75**	**50**	**50**

1) Based on the number of directors as of December 31, 2024.
2) Not counting deputy employee representatives.
3) Based on the definition in the Swedish Corporate Governance Code.

Board committees

In addition to the principal oversight exercised by the Board, each of the committees of the Board is involved in overseeing specific aspects of Ericsson's strategy for sustainability and corporate responsibility.

The Audit and Compliance Committee oversees Ericsson's Ethics and Compliance Program and whistleblower procedures, and it regularly receives updates on compliance-related matters from the Chief Legal Officer and the Head of Compliance Office and Investigations. It also reviews the Group's handling of information and cybersecurity, and data privacy matters, as well as overseeing its sustainability and ESG reporting practices.

The Finance Committee oversees the consideration of environmental sustainability in external funding through the application of Ericsson's Green Financing Framework. As part of its role to prepare and propose rewards and compensation policies that attract and motivate senior management and align with the Company's strategy, the Remuneration Committee considers the appropriate inclusion of environmental, social and business conduct criteria in variable compensation plans, and monitors the performance of such criteria. Part of the Enterprise Business and Technology Committee's role of monitoring the Company's technology ecosystem, relationships and partnerships involves reviewing matters related to environmental sustainability, such as energy-related matters in Ericsson's product portfolio.

President and CEO and the executive management

Executive management ("the Executive Team") consists of the President and CEO, the Executive Vice President and 15 senior vice presidents, of whom four (24%) are women and 13 (76%) are men. It is responsible for Group-wide sustainability-related targets and regularly receives reports on the implementation of strategies and progress made on targets and milestones. Its members are also part of dedicated steering boards and committees that provide more frequent strategic guidance and oversight of sustainability and corporate responsibility-related matters.

Steering boards and committees	Chaired by
Business Risk Committee	Chief Financial Officer and Chief Legal Officer
Group Compliance Committee	Chief Legal Officer
Group Enterprise Security and Privacy Board	Chief Financial Officer
Product Security Board	Chief Technology Officer
Global People Leadership Team	Chief People Officer
Global Occupational Health and Safety Board	Chief Marketing and Communications Officer

Ericsson's President and CEO is a member of the European Round Table, where Ericsson promotes advanced connectivity to enable digitization, productivity and competitiveness. Ericsson's Chief Technology Officer is a commissioner on the ITU/UNESCO[1] Broadband Commission for Sustainable Development, which develops and advocates policy recommendations to advance broadband connectivity and digital inclusion.

Risk management

Ericsson has established a Group Business Risk Committee, which is co-chaired by the Chief Financial Officer and the Chief Legal Officer and serves as a risk escalation and oversight forum that strengthens management's ability to take decisions on how to manage material risks on a Group level. The Business Risk Committee applies a heightened scrutiny approach when evaluating and mitigating these types of risks, and the Company implements various actions to address these risks, ranging from enhanced contractual protections, changes to the scope or nature of operations or decisions to responsibly exit relevant jurisdictions or significant customer relationships.

Operational management

Operational responsibility for managing, developing and implementing strategies, policies, steering documents, targets and processes related to environmental sustainability, human rights, community impacts and occupational health and safety sits with specialized units reporting to the Chief Marketing and Communications Officer. Strategy related to Ericsson's own workforce is developed by the Group People Leadership Team, reporting to the Chief People Officer. Ericsson's Compliance Office, reporting to the Chief

1) International Telecommunication Union/United Nations Educational, Scientific and Cultural Organization.

Legal Officer, oversees global compliance matters and supports fostering a culture of integrity and ethical business practices. This office manages key compliance areas, including adherence to the Code of Business Ethics, anti-corruption, fraud and conflict of interest. Additionally, it offers support to local operations within each of the business areas and regional sales organizations, ensuring alignment with corporate values and compliance standards, and integrating compliance into daily business operations.

Integration of sustainability considerations in supply chain management is the responsibility of Ericsson's Group Sourcing department, which reports to the Senior Vice President for a Group-wide function responsible for global operations.

Responsibility for executing strategies and implementing processes lies with the Group functions, business areas and regional sales areas, often in cross-functional collaborations.

Management systems

Ericsson has a global management system, further described on page 19 of the Corporate Governance Report. The Company's environmental, health and safety and information security management systems are certified to ISO 14001, ISO 45001 and ISO 27001, respectively.

Identification and treatment of environmental, social and business-conduct-related risks is an integrated part of the Enterprise Risk Management (ERM) framework, which is a part of the Group's management system. There are also dedicated risk management frameworks aligned with the ERM framework that cover specific areas of risks such as anti-corruption, environment, health and safety and information security.

Collective knowledge and skills on sustainability matters

The Board and the Executive Team have access to internal subject matter experts on matters such as climate change, energy and resource circularity, social matters such as human rights, health and safety, equal treatment and opportunities, as well as business conduct matters such as anti-bribery and corruption.

In 2024, a targeted Board training program was started, focusing on, among other things, the evolving regulatory landscape concerning sustainability matters, including regulation of both disclosures and due diligence requirements.

Information provided to and sustainability matters addressed by the Board and executive management

Sustainability matters addressed by the Board

The Board considers cybersecurity risks as part of its risk oversight function and has delegated the specific oversight of cybersecurity risks to the Audit and Compliance Committee (ACC), which received regular briefings from the Chief Security Officer on cybersecurity matters. The ACC also received regular reporting on compliance-related matters from the Chief Legal Officer and the Head of Compliance Office and Investigations, including matters related to anti-bribery and corruption. The Head of Compliance Office and Investigations also regularly reported to the ACC on the effective operation of the Ethics and Compliance Program, including actual or suspected serious Code of Business Ethics violations, insights from investigations outcomes and remediation activities, the identification of patterns of failures and emerging risks and challenges in the legal and regulatory environment. The ACC was also briefed twice during the year about the developments of Ericsson's sustainability disclosure practices.

Sustainability matters addressed by executive management

In connection with previously approved Net Zero targets, a group of senior managers reviewed the proposal for a more detailed Net Zero transition plan, which was subsequently approved by the Executive Team. The Global Occupational Health and Safety Board chaired by the Chief Marketing and Communications Officer convened several times during the year to review fatalities and major incidents. The Chief People Officer received regular updates on the progress on the Company's goal to promote a diverse composition of employees and presented these results to the Executive Team. The Business Risk Committee met on a regular basis to address topics of material risk including matters related to sales opportunities with potential heightened human rights-related risks.

Executive management received updates on several occasions on ethics and compliance-related matters from the Chief Legal Officer and the Head of Compliance Office and Investigations, including matters related to anti-bribery and corruption and the Ethics and Compliance Program.

Group-wide policies relevant to sustainability matters

The policy documents below constitute the foundational steering documents for Ericsson's management of material sustainability-related impacts, risks and opportunities. The Code of Business Ethics is approved by the Board of Directors and the Code of Conduct for Business Partners and Group-wide policies are approved by the President and CEO.

Code of Business Ethics

Ericsson's Code of Business Ethics is a core governance pillar within the Company that sets out the Company's expectations, principles and requirements for employees as they conduct business. It provides the framework for ethical decision-making, and guides employees in making decisions and managing risk as they engage with colleagues, customers, partners and other stakeholders. It is available in over 40 languages on the Company's website and intranet. Specific provisions of the Code of Business Ethics relevant to material sustainability-related impacts, risks and opportunities are included in the subsections of the sustainability statements.

Code of Conduct for Business Partners

The Code of Conduct for Business Partners outlines expectations on Ericsson's business partners, including its suppliers, in areas such as business ethics and anti-corruption, labor and human rights, occupational health and safety, the environment and climate change. It is based on the Responsible Business Alliance Code of Conduct and the UN Global Compact's 10 principles but also includes Ericsson-specific requirements. The Code is part of standard supplier contracts and is a binding requirement for all business partners. It is available in several languages on the Company's website. Business partners are expected to ensure that their suppliers and subcontractors also comply with the Code, or other agreed equivalent standards. Since this Code is part of standard supplier contracts, suppliers failing to adhere to it may have their contracts terminated. Specific provisions of the Code of Conduct relevant to material sustainability-related impacts, risks and opportunities are included in the relevant subsections of the sustainability statements.

Sustainability Policy

The Sustainability Policy sets out the Company's foundational principles on environmental sustainability. The policy outlines Ericsson's aim to use life-cycle analysis methodology to determine the Company's significant environmental aspects as well as to assess the environmental impacts of information and communications technology, reduce the negative environmental impact of its own operations and take a precautionary approach to environmental challenges, applying design to ensure continuous environmental improvements with a life-cycle perspective on its portfolio. The policy also addresses considerations for adequate sustainability requirements in the supply chain and the Company's aim of increasing the knowledge and awareness of sustainability amongst its employees.

Business and human rights statement

The statement clarifies Ericsson's commitments to human rights, and how those commitments are expected to be implemented in practice. It states that Ericsson is committed to respecting internationally recognized human rights set out in the United Nations' International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. In furtherance of this, Ericsson aims to integrate the UN Guiding Principles on Business and Human Rights (UNGPs) throughout its operations. The statement articulates that Ericsson shall conduct human rights due diligence, which among other elements includes identifying and assessing salient human rights risks and impacts, taking action to avoid causing or contributing to adverse human rights impacts, establishing and maintaining effective grievance mechanisms, providing for access to remedy, as well as communicating and consulting with employees and other stakeholders, in order to identify and assess specific human rights risks and to further continuous improvement of Ericsson's efforts to respect human rights.

Integration of sustainability-related performance in incentive schemes

Sustainability-related performance criteria are included in the share-based long-term variable compensation to the Executive Team and their direct reports. The features of the long-term variable compensation program are described in detail in note G3 to the consolidated financial statements. Five percent of the performance criteria is based on the achieved annual GHG emissions reductions in Scope 1, Scope 2 and the Business travel emissions category within Scope 3, which is line with the Company's trajectory toward its 2030 emissions reduction target. An additional 5% of the weight of the performance criteria is based on the annual achievement level of increasing the share of women managers within Ericsson through merit-based selection processes in compliance with anti-discrimination laws, as discussed in the following sections regarding Equal Treatment and Opportunities.

Ericsson also has annual cash-based short-term variable compensation plans that incorporate business conduct-related criteria. Short-term variable compensation to the Executive Team and their direct reports contains criteria tied to compliance training, third-party management, allegation management and other components of the Company's Ethics and Compliance Program. Underperformance against these criteria can reduce short-term variable compensation by up to 100%. In addition, all employees who are eligible for a short-term variable compensation payout may be denied all or part of the entitlement if they act in breach of Ericsson's Code of Business Ethics.

The Remuneration Committee reviews and prepares, for resolution by the Board, proposals to the Annual General Meeting on the long-term variable compensation program and similar equity arrangements, and approves target levels of short-term variable compensation payouts for the Executive Team except the President and CEO.

There is further information about Ericsson's remuneration practices in the Remuneration Report.

Statement on due diligence

Appendix III contains references to where in the sustainability statements Ericsson describes how core elements of due diligence for people and the environment have been applied.

Risk management and internal control over sustainability reporting

During 2024, Ericsson initiated work to strengthen its risk management and internal control over sustainability reporting as part of the work to prepare for emerging statutory disclosure requirements in Europe. This work has been centered around three main workstreams:

1. Revision of the Company's sustainability-related reporting principles and steering documents.
2. Reviews of selected reporting processes by the internal control function to assess reporting risks and propose mitigating measures. The main risks identified stem from the complexity of several of the metrics included in the sustainability statements, combined with reliance on a multitude of data sets, some of which, in turn, rely on external sources over which Ericsson has limited ability to verify their accuracy and completeness.
3. Implementation of dedicated reporting software to reduce manual handling of complex datasets originating from several source systems.

Building on the progress made in 2024, focus going forward will be on utilizing IT for automatization of the reporting process and design of related controls, as well as introducing self-assessments and independent testing of controls for metrics with high complexity and risk, such as those dependent on value chain information.

General disclosures, cont'd.

Interests and views of stakeholders

Ericsson continuously engages with stakeholders that are or potentially could be affected by the Company's activities to understand their interests and views about sustainability matters, including impacts that are relevant to them. Ericsson also engages with other stakeholder groups in its ecosystem to understand their views and interest of Ericsson and its sustainability-related impacts, risks and opportunities. The tables below contain examples of stakeholder engagements taking place over the past year, and the primary topics covered. The views of stakeholders inform Ericsson's due diligence process and the materiality assessment, which is described in more detail on the following pages.

Affected stakeholders

Stakeholder group	Engagement channels	Matters in focus
Own workforce	Engagement takes place both directly and indirectly through: – Company-wide annual employee surveys. – Employee resource groups, open to all employees. – Dialogues with unions in countries where such exist. – Targeted country visits, in 2024 to Ericsson's operations in India.	– Employee satisfaction and perceptions about the working environment and company culture. – Health, safety and well-being of the workforce. – Equal treatment and opportunities. – Working conditions, remuneration and benefits.
Workers in the value chain	Engagement takes place both directly and indirectly through: – Supplier audits incorporating worker interviews. – Participation in organizations that can be regarded as proxies for value chain workers, especially regarding human and labor rights, such as the Responsible Business Alliance (RBA) and the Shift Business Learning Program.	– Working conditions and labor rights. – Health and safety of workers.
Affected communities, consumers and end users	Engagement takes place primarily through participation in organizations that can be regarded as proxies for these groups of stakeholders, such as: – Global Network Initiative. – UN B-Tech Project. – Business Network on Civic Freedoms and Human Rights Defenders.	– Freedom of expression and right to privacy in the ICT sector. – Application of the UNGPs in the ICT industry. – Protection of civic freedoms and human rights defenders. – Operating in conflict-affected and high-risk countries.

Other stakeholders

Stakeholder group	Examples of engagements	Matters in focus
Customers	– Individual customer meetings and dialogues. – Customer ESG assessments. – Joint research and development.	– Portfolio energy performance and circularity. – Product security and quality features. – Role of industry and digitalization in society. – Supplier management with a focus on working conditions, labor rights and health and safety.
Investors and analysts	– Individual investor dialogues. – Analyst inquiries and meetings. – ESG ratings and rankings.	– Business ethics and anti-corruption. – Corporate governance. – Portfolio energy performance and circularity. – Supplier management with a focus on labor rights and working conditions.
Suppliers	– Supplier assessments and audits. – Supplier training, seminars, and workshops. – Dialogues as part of Ericsson's supplier climate engagement target.	– Business ethics and anti-corruption. – Labor rights and working conditions, including occupational health and safety. – Conflict minerals, and materials and product traceability. – Ericsson's environmental and climate-related requirements.
Civil society, international institutions, and NGOs	– Partnerships with - UNICEF/UNHCR/UN World Food Programme. - UN B-tech Project. - World Health Organization. - ITU Broadband Commission for Sustainable Development. - Exponential Roadmap Initiative. - Global Child Forum.	– Use of information and communications technology (ICT) in mitigating climate change. – Environmental and human rights impacts in the ICT sector. – Digital inclusion, education, and connectivity. – Corporate donations, volunteering and humanitarian relief efforts. – Radio waves and health.
Academia and business	– Joint research and research funding. – Development of technology curriculum. – Participation in standardization bodies. – Membership of industry associations.	– Use of ICT technology in mitigating climate change. – Radio waves and health. – Environmental impacts of the ICT sector.

General disclosures, cont'd.

Processes to identify and assess material impacts, risks and opportunities

Ericsson undertook its most recent materiality assessment in 2023 to update its understanding of its material sustainability-related impacts, risks and opportunities.

The scope of the materiality assessment was the operations of the Group and its upstream and downstream value chain, with a focus on the electronics manufacturing supply chain when analyzing upstream impacts.

The geographical scope of the assessment was global, but with a focus on the countries and regions in which the Company has a considerable number of employees, suppliers and customers, also factoring in the Company's presence in geographies with known heightened risks of human rights violations and substandard working conditions.

The assessment was carried out in the following main phases:

1 Defining universe of sustainability matters	2 Initial assessment and hypotheses	3 Internal stakeholder validation	4 External stakeholder validation	5 Review and approval
– Desktop research and benchmarking – Existing due diligence processes – General stakeholder feedback		– Internal subject matter experts – Reference group of senior leaders	– External subject matter experts in human and labor rights	– Executive management team – Board Audit and Compliance Committee

1. The universe of environmental, social and governance (ESG) matters assessed was based on those included in widely used ESG reporting frameworks, supplemented by input from benchmarking of matters included in industry peers' and customers' external ESG disclosures, as well as matters covered in the assessment methodologies of a select number of ESG rating providers.

2. After scoping out matters with no apparent relation to Ericsson and its value chain, the remaining ones were analyzed in more detail to identify actual and potential negative and positive impacts, as well as actual and potential financially material risks and opportunities.

   Ericsson's current understanding of impacts, risks and opportunities, based on the Company's peer-reviewed research into the environmental impacts of its products and solutions, existing human rights due diligence processes and risk management framework, as well as ongoing stakeholder engagements, were incorporated in this phase of the assessment. Additional sources of information used included, but were not limited to, external scientific research, industry and non-governmental organization reports, third-party ESG risk intelligence tools, results of employee surveys, results from supplier audits, internal risk assessments and information about cases reported via the Ericsson Compliance Line.

   The analysis incorporated the results of previously conducted climate scenario analyses. The methodology and results of these are further detailed in Section E1.

   Negative impacts were assessed based on their severity (scale, scope and irremediable character) and positive impacts were assessed based on their scale and scope. For potential impacts, the likelihood of the impact occurring was also considered. When assessing impacts downstream in the value chain, in relation to customers and end users, impacts with a connection to Ericsson's portfolio were considered. Impacts occurring within customers' operations or value chains but with no or minimal connection to Ericsson's products, solutions or technology were not considered relevant for the assessment.

   While numerical scales were used to quantify scale, scope and irremediability in the initial stages of the assessment of all impacts, the thresholds applied for determining if a matter should be considered material or not were largely qualitative and involved varying degrees of subjective and professional judgement. Risks and opportunities were assessed based on their magnitude and likelihood of occurrence. Where relevant, existing conclusions and thresholds in Ericsson's Enterprise Risk Management process were factored into the assessment. However, these factors also entail significant discretion and judgment by the Company

3. The preliminary results were reviewed with internal subject matter experts and business representatives to validate the assessment of materiality and embed understanding of impacts, risks and opportunities across the Company. A group of senior managers representing various parts of the Group reviewed and preapproved the results.

4. Subsequently, a not-for-profit organization with expertise in human rights was consulted for a review of identified impacts related to human and labor rights. This review was intended to function as external subject matter expert input. While it is not an affected stakeholder, the organization had the opportunity to highlight impacts that affected stakeholders would expect to see analyzed and managed. This review did not result in any significant changes to the initial conclusions.

5. The consolidated results were reviewed and approved by the Executive Team and the Audit and Compliance Committee of the Board of Directors.

General disclosures, cont'd.

Material impacts, risks and opportunities and their interaction with the strategy and business model

The table below gives an overview of Ericsson's material sustainability-related impacts, risks and opportunities and where they occur, or may occur, in the value chain. While the assessment scope included risks and opportunities, these will need to be further analyzed and incorporated into other business processes to enable a more refined analysis of their potential financial implications, and to ensure consistent treatment with other risk factors, going forward. More detailed descriptions of identified impacts, risks and opportunities, and Ericsson's policies and actions to manage these can be found in the topic-specific sections of this report.

Material sustainability matters	Impact occurs: Upstream, extended supply chain	Impact occurs: Own operations	Impact occurs: Downstream, customers and end users	Potential risks and opportunities	Details in section
Ⓔ Environment					
Climate change and energy consumption	●	●	●	●	E1
Air pollution			●		E2
Substances of concern and very high concern	●		●	●	E2
Water resources	●				E3
Natural resources and circularity	●		●	●	E5
Ⓢ Social					
Talent development		●		●	S1
Work-life balance		●		●	S1
Health and safety	●	●	●	●	S1, S2
Equal treatment and opportunities	●	●		●	S1, S2
Workers' rights and working conditions	●	●			S1, S2
Forced and child labor	●			●	S2
Adequate housing	●				S2
Technology ethics			●		S3
Corporate citizenship and emergency response			●		S3
Socioeconomic impacts of ICT and digital education			●		S3
Freedom of expression and right to privacy			●		S4
Responsible marketing				●	S4
Ⓖ Governance					
Corruption and bribery	●	●	●	●	G1
Anticompetitive behavior				●	G1
Supplier relationships and payment terms	●				G1
Data privacy and cybersecurity		●	●	●	G1
Political engagement and advocacy			●	●	G1

The presentation above has been slightly revised to provide a clearer and more summarized overview of material impacts, risks and opportunities, but there have been no changes in the assessment results compared with the previous reporting period.

The impacts that are most unique to Ericsson and its value chain are socio-economic impacts of ICT and digital education, further described in section S3. Ericsson's impacts as relates to freedom of expression and right to privacy are also different from many other companies, as they primarily derive from how potential misuse of the Company's technology could adversely affect end users' rights, further described in section S4.

Section E – Environment

E1 Climate change

Material sustainability matters	Impact occurs: Upstream, extended supply chain	Own operations	Downstream, customers and end users	Potential risks and opportunities
Climate change and energy	●	●	●	●

Material impacts, risks and opportunities

Ericsson has identified material impacts, risks and opportunities related to climate change upstream and downstream in its value chain and in its own operations. The information and communications technology (ICT) sector represents a relatively small share of global greenhouse gas (GHG) emissions, with emissions primarily being derived from the sector's energy consumption. Currently, the vast majority of GHG emissions in Ericsson's value chain, approximately 90% in recent years, occur downstream, primarily from electricity consumption in the use phase of sold products, mainly mobile communication networks sold to customers. Upstream emissions, which include both resource extraction and processing, manufacturing activities and transportation represent around 10% of total value chain emissions, but this share is expected to increase in the medium to long term as more renewable energy is deployed and used in the downstream portion of the value chain, reducing emissions from the use phase of sold products. While emissions from Ericsson's direct operations (Scope 1 and 2) represent less than 1% of the total carbon footprint, they are still considered a material impact, as all sectors of the economy need to reduce emissions to reach global agreements on climate mitigation.

With the rollout of each new generation of mobile network standards (2G, 3G, 4G and 5G), new equipment has been added, which over time has increased total energy consumption of mobile networks. The increases have been stable across each mobile generation. Ericsson's own research[1)] shows that it is the installation of new equipment when deploying new generations of mobile networks that has driven the increased energy usage, reflected in increasing population coverage with multiple mobile generations. Data traffic impacts the capacity needed in mobile networks. However, the increase in energy use is less than the increase in data traffic.

While the ICT sector must address its own carbon footprint, it can also play an important role in enabling other sectors in their decarbonization efforts. Many of the solutions needed in other sectors to reduce emissions, such as management systems and smart meters in buildings, smart electrical grids, telematics, and storage and inventory management solutions in enterprises, are all dependent on ICT solutions and infrastructure to function. Ericsson's own peer-reviewed 2015 research[2)] suggests that ICT solutions have the potential to enable decarbonization of up to 15% in other sectors by 2030, and potentially even higher when including the enabling potential of 5G and the Internet of Things.

In 2021, Ericsson analyzed potential climate-related risks and opportunities using two different scenarios: Net Zero 2050 and Current Policies. The main conclusions from this analysis are presented below. A summary of the assessment methodology and assumptions under the two scenarios used is included at the end of this section. The results of the scenario analysis were incorporated into Ericsson's materiality analysis when identifying material climate-related risks and opportunities. During 2025, Ericsson plans to conduct further assessments of physical climate-related hazards to further deepen its understanding of its exposure to such risks.

Increased demand for energy-efficient networks (opportunity – products and services)
In the Net Zero 2050 scenario, both emission reduction targets and higher energy prices drive further efforts by communications service providers to increase energy performance in mobile networks. The combination of these two factors creates opportunities for Ericsson to expand its offering of network energy performance solutions in the short, medium and long term.

Enabling emission reductions in enterprise sectors (opportunity – markets)
As other more emission-intense sectors – such as power and utilities, transport and manufacturing – rapidly increase efforts to decarbonize in the Net Zero 2050 scenario, significant investments are made to achieve decarbonization goals. Many of these investments, such as the deployment of smart grids and private networks, depend on ICT solutions, which provides significant opportunity for Ericsson to expand its connectivity offering to these sectors in the medium to long term.

Increased demand for equipment with lower embodied emissions (opportunity – products and services)
In the Net Zero 2050 scenario, the price of carbon emissions increases substantially. At the same time, Ericsson's customers rapidly increase the share of renewable energy used to power the networks, meaning the relative share of their upstream emissions increases. To address these embodied, and increasingly costly, upstream emissions, demand for products made from less emission-intense materials and production processes, is expected to increase. This can mean new business opportunities for Ericsson in the medium to long term.

Increased costs due to carbon emissions pricing (transition risk – policy)
In the Net Zero 2050 scenario, the price of carbon emissions increases, leading to increased costs for high-emitting suppliers in Ericsson's value chain in the medium to long term. This could mean increased costs of goods for Ericsson, which could affect profitability, assuming that upstream emissions stay the same and that costs cannot be passed on to Ericsson's customers.

Disruptions caused by severe weather events (acute physical risk)
In the Current Policies scenario, the frequency and intensity of severe weather events, as well as coastal and riverine flooding, increases in the long term. This leads to heightened risks for business interruptions and damage to inventory and fixed assets in the supply chain at outsourced manufacturing sites and Ericsson's own sites, such as production facilities and IT centers.

Resilience of business model to effects of climate change
Ericsson's current strategy and business model is considered to be relatively resilient to the physical and transitional implications of climate change compared with other high-emitting industries, or those that are more directly exposed to risks caused by chronic changes in the climate. Emission reductions in Ericsson's own operations are believed to be achievable without significant changes to the underlying business model. Demand for mobile networks and connectivity solutions is not primarily driven by climate-related factors.

Policies related to climate change mitigation and adaptation

Code of Conduct for Business Partners
The Code of Conduct for Business Partners requires Ericsson's business partners, including suppliers, to develop and implement plans and targets to reduce their GHG emissions. Business partners must adopt, and publicly disclose, their targets for reducing emissions in alignment with

1) Ericsson Mobility Report 2021.
2) Malmodin & Bergmark (2015), Exploring the effect of ICT solutions on GHG emissions in 2030, *Atlantis Press*

Section E1, cont'd.

the science-based 1.5 C ambition and actively work toward achieving them, which includes public reporting on progress made on an annual basis. Ericsson has additional environmental requirements for suppliers of hardware components or products, construction work, supply services, field maintenance and network rollout operations, as well as those with high environmental risks, where their operations significantly impact the environment. These state that if energy consumption or GHG emissions are identified as significant environmental aspects, the supplier must calculate its carbon footprint, using the GHG protocol for its Scope 1, Scope 2 and, if applicable, for its Scope 3 emissions. For further information regarding policies, including information about Ericsson's Sustainability Policy applicable to its own operations, see the section General Disclosures.

Transition plan for climate change mitigation

Ericsson has a Science Based Targets initiative (SBTi) validated 1.5 C aligned emission reduction target to achieve Net Zero value chain emissions by 2040, with a near-term target to reduce total value chain emissions by 50% from a 2020 baseline by 2030. There is more detailed information about these targets below. The most significant actions that the Company plans to take to reach these targets are described below.

Scope 1 direct emissions

- Ericsson plans to replace its internal combustion engine service vehicles with a low-emission fleet and reduce the overall size of the fleet. Some markets are expected to transition faster than others due to differences in availability of low- or zero-tailpipe emissions vehicles and other market conditions. In addition, there are plans to increase the coverage and use of fleet management systems and telematics to optimize fleet utilization.
- Emission reductions from stationary combustion are based on plans to reallocate some operations to facilities with access to district heating, which would reduce emissions from local heating. Further reductions can also be achieved by replacing gas boilers with electric systems where feasible.
- By using refrigerants with lower global warming potential, or by using less refrigerants where possible, fugitive emissions are also planned to be reduced.

These levers and associated actions are expected to reduce annual Scope 1 GHG emissions by about 37,000 metric tons, or 93%, by 2030.

Scope 2 indirect emissions

- Ericsson aims to continue to source renewable electricity for its facilities and to continue to work together with its facility management companies to improve the energy efficiency of its facilities.
- Emissions from district cooling are modeled to be reduced by 5% compared with 2023 levels in own data centers and labs. District heating has been reduced since 2020, but is modeled to not be reduced further.

These levers and associated actions are expected to reduce annual Scope 2 GHG emissions by about 70,000 metric tons, or 95%, by 2030.

Scope 3 upstream, transportation and product end-of-life emissions

- Most emission reductions in the upstream value chain are planned to come from addressing the product portfolio's embodied carbon emissions. The main levers are designing more lightweight products and material choices, suppliers using more renewable energy and transport efficiency. Supplier engagements will focus on addressing those suppliers with high emissions, which are those diecasting aluminum, manufacturing printed circuit boards and integrated circuits.
- Business travel emissions are expected to increase compared with the baseline, as this coincided with the COVID-19 pandemic, although not by more than 50% of pre-pandemic levels.
- The acquisition of Cradlepoint and the increasing outsourcing of field service work both contribute to increases in upstream emissions compared with the 2020 baseline.

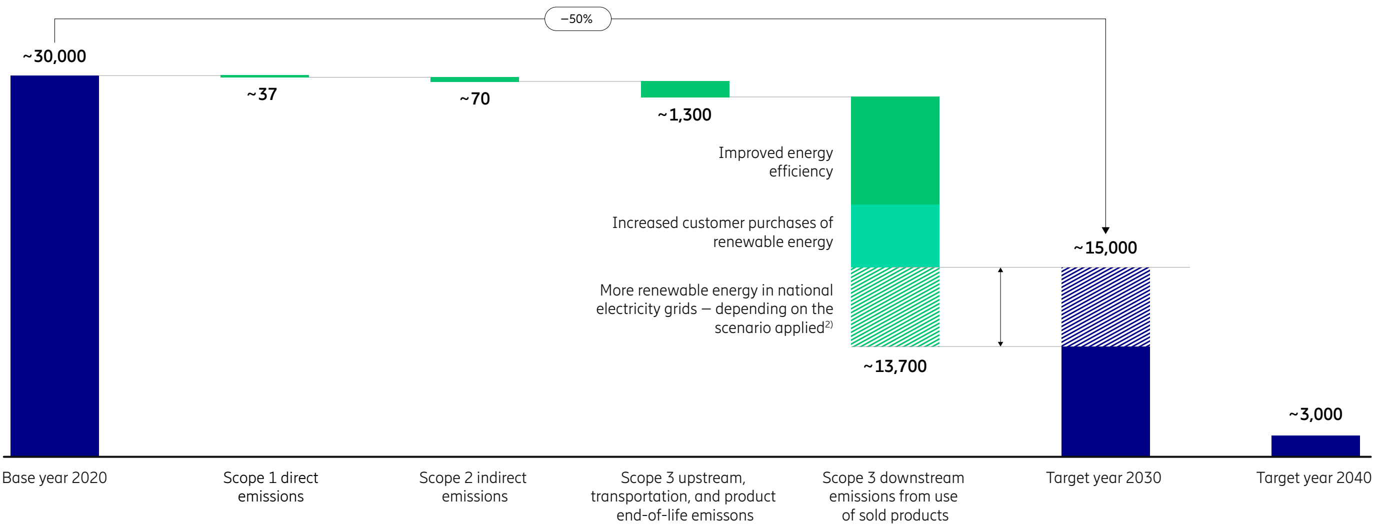
These levers and associated actions are expected to contribute to a net reduction of annual Scope 3 upstream, transportation and product end-of-life GHG emissions by about 1.3 million metric tons, or 50%, by 2030.

Scope 3 downstream emissions from the use of sold products

Ericsson relies on three levers for reducing the indirect downstream emissions from the use of its products and services. These levers have been assessed based on projected sales and forecasted energy consumption of hardware and software sold.

- The first is to improve the energy performance of hardware, software and service solutions. A key performance indicator is monitored through the target to reduce the average energy consumption of typical new radio base station sites. The Company also provides guidance to customers on how to plan, build and operate energy-optimized networks. This lever is expected to contribute to annual GHG emission reductions by about 8.6 million metric tons.

Net Zero transition plan[1] — Decarbonization levers (thousand metric tons CO_2e)



[1] The values in this graph are rounded for simplicity reasons and are therefore nominally different from the values presented in the table on page 23 showing target values as validated by the SBTi.
[2] The size of the emission reductions from the grid improvement ranges from zero to 6.3 million metric tons depending on the scenario applied.

Section E1, cont'd.

– The second is the share of renewable electricity used when customers operate the networks, which Ericsson has limited ability to influence. However, Ericsson is supporting its customers with the integration of on-site renewable energy generation such as solar and wind energy at base station sites. When developing the transition plan, it was assumed that the average share of renewable electricity used by Ericsson's customers would be about 50% in 2030[1]. In 2024, the share was about 28%. This lever is expected to contribute to annual GHG emission reductions by about 5.1 million metric tons.
– The third is the greening of national electricity grids. There are uncertainties as to how fast the global share of renewable energy will grow, as this depends on external factors such as national policies. The size of the emission reductions from this lever ranges from zero to 6.3 million metric tons depending on the scenario applied.

These levers are expected to contribute to a net reduction of annual Scope 3 downstream GHG emissions from the use of sold products by between 13.7 and 20.0 million metric tons, or 50% to 73%, by 2030.

Locked-in emissions
Cumulative locked-in GHG emissions from own operations are not considered material, as Ericsson does not operate any emission-intense assets. Locked-in GHG emissions from the use phase of sold products are dependent on the energy used to power the networks Ericsson has supplied, which in turn is dependent on the energy sourced by Ericsson's customers, as described above.

Transition plan alignment with Taxonomy and EU benchmarks
Economic activities undertaken by Ericsson are not covered to any significant extent by the delegated regulation on climate change mitigation and adaptation under the EU Taxonomy for sustainable activities. Hence, there are currently no material investments planned for alignment to the taxonomy's criteria as relates to these two environmental objectives.

Based on the stated exclusion criteria, Ericsson has assessed that it is not excluded from the EU Paris-aligned benchmarks.

Governance of the transition plan
In 2024, the transition plan was reviewed by a group of senior managers representing the business segments Networks and Cloud Software and Services and Group-wide functions including sourcing, finance, real estate and sustainability. The plan was subsequently adopted by the executive management team.

The transition plan will continue to be embedded in Ericsson's overall strategy and financial planning over the coming years and the Company will report on progress in its implementation.

Targets related to climate change mitigation and adaptation

Ericsson has a near-term and a long-term emissions reduction target. Both are Group-wide and have been validated as 1.5 C aligned by the SBTi.

Emission reductions – near term
Reduce total value chain emissions by half by 2030, including a 90% reduction in Scope 1 and 2, and a 50% reduction of the sum of Scope 3 emissions.

Emission reductions – long term
Net Zero value chain emissions by 2040. This implies at least a 90% reduction of emissions in Scope 1, 2 and relevant Scope 3 categories from a 2020 baseline, and the potential use of carbon removal and storage technology or other permanent removal methods for the residual (maximum 10%) of emissions.

Portfolio energy performance target
Reduce energy consumption at radio base station sites by 40%

Scope	Base year	Target year	Target energy reduction, %	Reporting year energy reduction, %	SBTi status
Network base station site	2021	2025	40	37	Not validated

This target supports the Net Zero target by addressing downstream GHG emissions through reducing the energy consumption of customers' mobile networks. The target entails reducing the energy consumption of radio base station type sites by 40% by 2025 compared with a 2021 baseline. The energy consumption is measured in kWh and target performance is expressed as the average of potential reductions for modeled type sites in rural, suburban and urban locations for a communications service provider operating in Europe. The target is intended to track the Company's capability to provide energy-efficient solutions to its customers. For this reason, it measures energy consumption reduction, compared with the base year, from the best performing solution of software and hardware available in the target and reporting year, respectively. These values should be understood as the maximum potential energy savings possible in each respective year based on the technology available at the time.

Supplier engagement
Have 350 suppliers set 1.5 C aligned emission reduction targets

Scope	Base year	Aligned in base year, no.	Target year	Targeted alignment, no.	Aligned in reporting year, no.	SBTi status
First-tier suppliers	2021	5	2030	350	323	Not validated

This target supports Ericsson's Net Zero target, addressing upstream greenhouse gas emissions by having 350 high-emitting and strategic direct suppliers set their own 1.5 C aligned emission reduction targets, which shall include a commitment to halve emissions in relevant scopes to 2030. Targets must be made public, and suppliers must commit to publicly report at least annually on the progress for the targets to be accepted as aligned.

The consistency between Ericsson's emission reduction targets and its baseline GHG inventory was assessed as part of the validation of the targets by the SBTi. Reallocations between certain Scope 3 categories were made in the process, but no material changes to total baseline and target year emissions were made.

The 2020 baseline year was influenced by the global COVID pandemic. Since then, the Company has also acquired businesses including Cradlepoint and Vonage. However, the effect on total Group-wide greenhouse gas emissions has not been considered significant enough to warrant a recalculation of the baseline.

To take a precautious and prudent approach, Ericsson has estimated global average grid emission factors for 2030 to be slightly higher than what is currently forecast by the International Energy Agency (IEA) when developing its climate transition plan.

Taking action on material impacts, risks and opportunities

Scope 1 direct emissions
Scope 1 emissions decreased by about 36% in 2024 compared to 2023, primarily due to a smaller fleet of service vehicles and overall better fuel economy in the fleet.

Scope 2 indirect emissions
Scope 2 emissions (market-based) decreased by about 20% in 2024 compared to 2023. Ericsson has continued to reduce energy consumption by working with its facility management partners to improve the energy efficiency of leased spaces.

Scope 3 upstream, transportation and product end-of-life emissions
In 2024, emissions from purchased goods and services, which are the main contributor to Scope 3 upstream emissions, decreased by about 27%

[1] IEA. Massive global growth of renewables to 2030 is set to match the entire power capacity of major economies today, moving the world closer to tripling its goal. (2024).

Section E1, cont'd.

compared with 2023. This was due to a combination of factors, including continuous product design improvements, such as reduced product weight and choice of materials, and through working with suppliers to increase their use of renewable energy. Ericsson also conducted studies on how to reduce emissions from emissions-intense materials and processes such as aluminum. By year-end, 323 suppliers out of the targeted 350 suppliers with either strategic importance or high emissions in scope of Ericsson's engagement target had climate targets aligned to the 1.5 C ambition. Lower weights together with continuous efforts to reduce air transport led to a decrease in emissions from product transport.

Scope 3 downstream emissions from use of sold products
Emissions from the use of sold products decreased by 42% compared with 2023. In 2024, there was a geographical shift in sales back to markets that have comparatively larger shares of electricity generated from renewable sources in the national grids, which contributed to lower downstream emissions. Part of the reductions can also be attributed to improvements in energy performance in delivered network equipment and to increased customer purchases of renewable electricity.

Product energy certifications
Most of the product portfolio, made up of communication network hardware such as radios and antennas, is currently not covered by any third-party-managed certification scheme for energy efficiency. Products eligible for certification, such as servers, constitute a smaller part of the product portfolio. These are currently not certified according to any such scheme.

Training and raising awareness
A framework has been developed to upskill employees on the topic of climate change based on the level of needs in their respective roles. Introductory and fundamental levels are currently available to all employees. Ericsson is committed to supporting climate action through its supplier engagement initiatives, and it provides training on climate change mitigation for suppliers within the scope of its supplier engagement target, offering a series of modules designed to help sourcing employees understand environmental requirements and guide suppliers in taking climate action.

Collaborations and partnerships
As a general principle, any climate-related commitment or collaboration that Ericsson partakes in must be based on a scientific approach for the Company to consider endorsement. Here, the most significant external collaborations related to climate change mitigation are listed.

Organization	Description
1.5 C Supply Chain Leaders	Members of the 1.5 C Supply Chain Leaders work together to drive climate action through global supply chains and support small and medium-sized enterprises (SMEs) through the SME Climate Hub. The partnership aims to support suppliers in halving emissions before 2030 and achieving Net Zero emissions before 2050.
CEO Alliance for Europe	The CEO Alliance for Europe is a cross-sector collaboration between eight companies, with over 1.5 million employees and EUR 500 billion in annual revenue working for a more sustainable and resilient Europe, with a focus on digitalization and decarbonization. Ericsson was chair of the Alliance in 2024 but has since left the Alliance.
European Green Digital Coalition	The European Green Digital Coalition is an initiative by a group of ICT companies, supported by the European Commission and the European Parliament, which aims to promote and harness the enabling emission-reducing potential that digital solutions can have in other sectors.
Exponential Roadmap Initiative	The Exponential Roadmap Initiative brings together innovative and transformative businesses taking action in line with limiting global warming to 1.5 C. The purpose is to accelerate exponential climate action and solutions, integrate climate in business strategies and influence climate action in society, with the mission to halve emissions before 2030. The initiative is an accredited partner to the UN Climate Change High-Level Champions' Race to Zero campaign.
World Economic Forum – Alliance of CEO Climate Leaders	The Alliance of CEO Climate Leaders is a global community of chief executive officers who work toward climate action across all sectors and engage with policymakers to help deliver the transition to a Net Zero economy.

Energy consumption and mix

Energy consumption in own operations[1)]

MWh	2024	2023	2022
Fossil sources			
Fuel consumption from coal and coal products	–	–	–
Fuel consumption from crude oil and petroleum products[2)]	34,321	63,525	103,692
Fuel consumption from natural gas	39,287	45,127	44,772
Fuel consumption from other fossil sources	–	–	–
Purchased or acquired electricity	76,174	76,047	92,201
Purchased or acquired heat	19,339	19,090	24,188
Purchased or acquired steam	–	–	–
Purchased or acquired cooling	103,692	51,534	51,453
A. Total fossil energy consumption	**272,811**	**255,323**	**316,306**
Share of fossil sources in total energy consumption, %	*36*	*34*	*40*
Share of fossil sources in total electricity consumption, %	*14*	*13*	*16*
Nuclear sources			
Fuel consumption from nuclear sources	–	–	–
Purchased or acquired electricity	13,410	13,906	10,788
B. Total nuclear energy consumption	**13,410**	**13,906**	**10,788**
Share of nuclear sources in total energy consumption, %	*2*	*2*	*1*
Share of nuclear sources in total electricity consumption, %	*2*	*2*	*2*
Renewable sources			
Fuel consumption from renewable sources	–	–	–
Purchased or acquired electricity	463,920	478,866	466,208
Purchased or acquired heat	–	–	–
Purchased or acquired steam	–	–	–
Purchased or acquired cooling	–	–	–
Consumption of self-generated non-fuel renewable energy	1,730	1,621	1,001
C. Total renewable energy consumption	**465,650**	**480,487**	**467,209**
Share of renewable sources in total energy consumption, %	*62*	*64*	*59*
Share of renew. sources in total electricity consumption, %	*84*	*84*	*82*
D. Total energy consumption (A+B+C)	**751,871**	**749,716**	**794,303**

1) This information is subject to measurement uncertainty as energy consumption at facilities is based on partly estimated values. About 12% (19%) of the total reported energy consumption at facilities is estimated by extrapolating values at facilities with measured consumption. See page 10 for information about changes in consolidation methodology that limits year-over-year comparisons.

2) This information is subject to measurement uncertainty as fuel consumption in the service vehicle fleet is estimated partially based on vehicle telematics data and partially on contracted yearly mileages for leased vehicles without telematics installed.

Types of renewable energy instruments purchased

MWh	2024	2023	2022
Unbundled energy attribute certificates, I-REC	73,000	80,122	80,000
Unbundled energy attribute certificates, US-REC	5,000	36,740	9,000
Unbundled energy attribute certificates, GoO	258,600	244,600	280,027
Project-specific with contract	127,320	117,404	97,182
Total	**463,920**	**478,866**	**466,209**

Energy intensity associated with activities in high impact climate sectors

MWh/net sales MSEK	2024	2023	2022
Activities in high impact climate sectors[1)]	1.02	0.98	n/a
Other activities	4.13	3.85	n/a
Total	**3.03**	**2.84**	**n/a**

1) Ericsson generates revenue from the manufacturing and subsequent sale of computer, electronic and optical products, in particular communications equipment, which is classified as activities in high climate impact sectors, according to Regulation (EU) No. 2022/1288. Therefore, Ericsson discloses its energy intensity associated with these activities. The denominator used to calculate this metric is the total turnover derived from the manufacturing of electrical and electronic equipment (CE 1.2), as presented in section E6. This amount is included in the line-item Hardware in note B2, Net Sales, to the consolidated financial statements. The nominator is the total energy consumption at Ericsson's manufacturing sites and warehouses. A large share of the electronic equipment sold is manufactured by third-party electronics manufacturing suppliers whose energy consumption is not captured by this metric.

Section E1, cont'd.

Gross Scopes 1, 2, 3 and total GHG emissions

Greenhouse gas emissions by scope and category

	Retrospective					Milestones and target years	
Metic tons of CO_2e	2024	% 2024 /2023	2023	2022	Base year 2020	2030	2040
Scope 1 GHG emissions[1]							
Fuel for service vehicle fleet	8,386	−48%	16,039	27,689	32,967	n/a	n/a
Stationary combustion and refrigerants	8,953	−19%	10,990	10,713	6,673	n/a	n/a
Total gross Scope 1 emissions	**17,340**	**−36%**	**27,029**	**38,402**	**39,640**	**10,000**	**10,000**
of which under regulated trading schemes, %	*0*	*0*	*0*	*0*	*0*	n/a	n/a
Scope 2 GHG emissions[1]							
Gross location-based	116,454	−15%	136,628	141,636	155,934	n/a	n/a
Gross market-based	34,007	−20%	42,251	45,258	73,700	1,500	1,500
Significant Scope 3 GHG emissions[2]							
Upstream							
Purchased goods and services	1,220,000	−30%	1,751,600	2,199,900	2,261,000	15,000,000	3,000,000
Capital goods	33,100	−12%	37,800	39,200	43,000		
Fuel-and energy-related activities	21,100	+7%	19,700	36,600	30,600		
Upstream transportation	144,200	−13%	164,800	206,200	199,800		
Waste generated in own operations	800	−20%	1,000	1,200	2,400		
Business travel	54,215	+3%	52,599	25,469	14,122		
Employee commuting	51,700	+6%	49,000	34,500	36,900		
Downstream							
Downstream transportation	23,710	+12%	21,158	7,090	7,194		
Use of sold products	17,142,500	−42%	29,658,200[3]	28,262,400	27,281,100		
End-of-life treatment of sold products	21,900	−20%	27,300	31,800	33,000		
Total gross Scope 3 emissions	**18,713,225**	**−41%**	**31,783,157**	**30,844,359**	**29,909,116**	**15,000,000**	**3,000,000**
Total gross GHG emissions, location-based	**18,847,019**	**−41%**	**31,946,814**	**31,024,397**	**30,104,690**	**n/a**	**n/a**
Total gross GHG emissions, market-based	**18,764,572**	**−41%**	**31,852,437**	**30,928,019**	**30,022,456**	**15,011,500**	**3,011,500**

(The Scope 3 milestone values 15,000,000 and 3,000,000 are printed once, spanning all Scope 3 category rows.)

1) As underlying energy consumption is partly estimated, Scope 1 and 2 GHG emissions are subject to measurement uncertainties.
2) Scope 3 emissions are subject to high levels of measurement uncertainty and have been derived using information obtained from value chain actors. A more detailed description of GHG accounting methodologies is included below.
3) Restated information. See page 10 for more information.

Share of GHG emissions by scope

%	2024	2023	2022
Scope 1	0.1	0.1	0.1
Scope 2 (market-based)	0.2	0.1	0.1
Scope 3 upstream	8.1	6.5	8.2
Scope 3 downstream	91.6	93.3	91.5

Emissions intensity by scope

Metric tons of CO_2e/net sales, MSEK	2024	2023	2022
Scope 1	0.07	0.10	0.14
Scope 2 (location-based)	0.47	0.52	0.52
Scope 2 (market-based)	0.14	0.16	0.17
Scope 3 upstream categories	6.15	7.88	9.37
Scope 3 downstream categories	69.34	112.80	104.22
All scopes (market-based)	**75.70**	**120.95**	**113.90**

GHG accounting methodology

Emissions are reported according to the GHG Protocol using the same consolidation approach as for the financial statements. Should Ericsson obtain operational control over a non-consolidated entity or asset, related Scope 1 and 2 emissions would be consolidated in accordance with the extent of Ericsson's operational control and not its equity share. No such arrangements existed in the reporting year and there have been no other significant changes in what constitutes Ericsson's operational boundaries compared to the previous reporting period. Measurement periods are aligned to the fiscal year and based on the latest available data at the cut-off date, supplemented with extrapolated estimates for periods where no measured data is available.

Emissions are reported in CO_2e and include the following gases and chemicals: carbon dioxide (CO_2), methane (CH4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs) and perfluorochemicals (PFCs). The most significant emission factors applied are listed in Appendix I.

From 2024, Ericsson includes emissions from purchased cloud storage and processing capacity in emissions Scope 3 category Purchased Goods and Services. In 2024, the emissions from purchased IT and cloud services were estimated to be about 6,400 metric tons. As this is not seen as materially affecting the comparability of previously reported values in this category, no restatements have been made.

Scope 1

Consumed volumes of fuels and refrigerants are multiplied by applicable emission factors to derive emissions. Fuel consumption in the service vehicle fleet is estimated partially based on vehicle telematics data and partially on a combination of contracted yearly mileages and internal estimates of driven distances for leased vehicles without telematics installed.

Scope 2

Purchased energy volumes are multiplied by country average emission factors for location-based emissions. For market-based emissions, the residual energy mix and purchased renewable energy instruments are the source of the emission factors used in the calculations. Part of the energy consumption at facilities is estimated. See the disclosure Energy Consumption and Mix for details.

Scope 3

Emission factors used to calculate emissions in the following categories: Capital Goods: Fuel- and Energy-Related Activities: Waste Generated in Operations: and End-of-Life Treatment of Sold Products are based on internal studies and Ericsson's Life-Cycle Assessment of the carbon footprint of its products and are multiplied with relevant activity metrics to estimate yearly emissions.

Section E1, cont'd.

Emissions in the category Purchased Goods and Services are the estimated embodied emissions from purchased electronic components and other hardware using an average-data approach, calculated on a product level by multiplying cradle-to-gate emission factors with activity metrics such as the amount or weight of sold hardware. This category also includes emissions from externally purchased cloud storage and processing capacity.

Emissions in the category Upstream Transportation are estimated using a combination of calculations based on spend-based data, and calculations based on measured weights and transported distances of outbound shipments paid for by Ericsson.

Most emissions in the category Business Travel are calculated based on information about routes, distances and ticket classes of flights taken by Ericsson employees as reported by travel agencies, with a smaller part including hotel nights being estimated based on travel spend. Emissions in the category Employee Commuting are estimated based on a survey of employees' commuting and teleworking habits.

Lifetime product emissions in the category Use of Sold Products and Services are estimated and reported in their entirety in the year products are sold and not accrued over their expected lifetime. To calculate these emissions, the average expected lifetime of products sold is assumed to be 10 years. Life-cycle grid emission factors relevant to the products' use phase have been estimated using the current energy mix in the grids of markets served, or the latest available customer-specific energy mix data where that is stated in the public domain. Future changes in grid factors or customer-specific energy mixes that may occur over the expected lifetime of sold products are not factored into the calculations.

Most emissions in the category Downstream Transportation are calculated using the weight and distances of transported products where the transport has been paid for by the customer.

Emissions in the remaining Scope 3 categories have been assessed as not material and are therefore not reported. Estimating Scope 3 emissions is associated with inherent uncertainties due to limitations in availability and accuracy of primary data, which is why the reported figures should not be regarded as exact measurements. The table below summarizes Ericsson's Scope 3 accounting methodologies and the estimated levels of uncertainty of reported figures by category.

Scope 3 GHG emissions accounting

Category	Accounting method/ Rationale for exclusion	Share of emissions calculated using primary data from value chain partners	Level of measurement uncertainty[1]
Purchased goods and services	Average data	48	Moderate
Capital goods	Average data	0	High
Fuel-and energy-related activities	Average data	0	High
Upstream transportation	Average data	50	Moderate
Waste generated in own operations	Average data	0	High
Business travel	Supplier-specific method	90	Low
Employee commuting	Average data	0	High
Upstream leased assets	Leased assets[2] are included in Scope 1 and 2 emissions	n/a	n/a
Downstream transportation	Hybrid method	100	Low
Processing of sold products	Ericsson's products do not require further processing	n/a	n/a
Use of sold products	Direct use-phase emissions through a hybrid method	18	Moderate
End-of-life treatment of sold products	Average data	0	High
Downstream leased assets	Ericsson does not lease out assets to a significant extent	n/a	n/a
Franchises	Ericsson does not operate a franchise business model	n/a	n/a
Investments	Ericsson does not make financial investments to any significant extent	n/a	n/a

[1] Definitions of measurement uncertainty levels: High: emissions are entirely or primarily modeled using proxy data. Moderate: emissions are partly modeled using proxy data and partly based on data directly supplied by value chain partners or internal primary data sets. Low: emissions are primarily based on data directly supplied by value chain partners or internal primary data sets.

[2] Primarily leased facilities and service vehicles.

GHG removals and mitigation projects financed through carbon credits

No carbon credits were purchased during 2024. Ericsson plans to use carbon removal technologies to neutralize the unavoidable part of value chain emissions to reach its 2040 Net Zero targets. When such technologies are employed, they will not represent more than 10% of the base year carbon emissions and will be assessed for the integrity of the technology in question to foster the effectiveness and trustworthiness of any Net Zero claims.

Internal carbon pricing

Ericsson has introduced the functionality to include a shadow price of USD 100 per metric ton of CO_2e from transports in its landed cost model of certain categories of network equipment. This price level was determined based on a 2021 price estimate of permanent carbon removal solutions, which was aligned with the carbon price the World Bank recommended at the time to keep global warming to below 2 C[1].

The intent of the price is to visualize the cost of carbon related to downstream transportation when calculating and deciding on transport routes for outgoing shipments sourced by Ericsson. The application of the shadow price is optional, does not result in internal transfers of funds and is not used when preparing the financial statements.

Methodology for climate scenario analysis

Overview of scenarios analyzed

Net Zero 2050
- Ambitious mitigating actions introduced imminently.
- Net Zero global GHG emissions by around 2050.
- 50% chance of limiting global warming to below 1.5 C by the end of the century.
- Relatively low physical risks but high transitional impacts.

Current Policies
- Mitigating actions limited to currently adopted or announced policies.
- Emissions grow until 2080.
- Global warming of around 3 C by the end of the century.
- High physical risks but lower transitional impacts.

Assessment methodology

Initially, more than 30 potential climate-related risks and opportunities were considered in the analysis. The items on this longlist were identified through consultations with internal subject matter experts covering several Company functions, and through external benchmarking. The probability and impact of all items were analyzed qualitatively through the usage of heatmaps. This was followed by a more granular analysis of a shortlist of risks and opportunities considered of highest relevance to Ericsson. Risks and opportunities upstream and downstream in the value chain, as well as in own operations, were considered. Physical risks were assessed using the assumptions under

[1] The World Bank. (2022). State and Trends of Carbon Pricing, *World Bank*

the Current Policies scenario, whereas transitional risks and opportunities were primarily analyzed in the context of the Net Zero 2050 scenario. Both scenarios are published by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

Regarding time horizons, the quantitative analysis of opportunities focused on the period up to 2025, and the quantitative analysis of risks on the period between 2025 and 2030. For this analysis, Ericsson defined short-, medium-, and long-term time horizons as up to 2025, 2025-30, and beyond 2030, respectively. The more long-term impacts of risks and opportunities, stretching beyond 2030, were assessed qualitatively. Under the Current Policies scenario, the impacts of physical risks are expected to become more severe after 2030.

E2 Pollution

Material sustainability matters	Impact occurs: Upstream, extended supply chain	Impact occurs: Own operations	Impact occurs: Downstream, customers and end users	Potential risks and opportunities
Air pollution			●	
Substances of concern and very high concern	●		●	●

Material impacts, risks and opportunities

Material impacts related to pollution of air have been identified in Ericsson's downstream value chain, but not in the Company's own operations. Material impacts and risks related to substances of concern and substances of very high concern have been identified both upstream and downstream in Ericsson's value chain, but not in its own operations.

Air pollution

Energy generation through combustion of fossil fuels is a significant source of air pollution worldwide. It is an indirect systematic environmental impact linked to the electricity consumption of network equipment sold by Ericsson, which is especially relevant in markets where fossil energy sources make up a significant share of the energy mix. Ericsson's work to increase the energy efficiency of its networks, further detailed in section E1, addresses this impact. No other policies, actions or action plans related to this impact are detailed in this report.

Substances of concern and very high concern

In Ericsson's upstream value chain, all manufacturing of electronic equipment today requires small volumes of substances of concern and sometimes substances of very high concern. Downstream in the value chain, potential negative impacts could occur if end-of-life products are not properly disposed of or recycled, leading to contamination of nature by hazardous substances. Ericsson's own manufacturing processes primarily involve assembling products and components manufactured by other actors upstream in the value chain. Hence, no significant amounts of such substances are used or added in Ericsson's own operations.

Increasing regulation on the use of certain substances may drive increased compliance costs as well as increased costs to research and develop alternative solutions and substances, exemplified with the recent proposal on restricting the use of PFAS[1] in the European Union. In addition, the availability of alternatives may be limited, meaning they could come at a higher price compared to the one for the substances currently used.

Policies related to pollution

Code of Conduct for Business Partners

Ericsson's Code of Conduct for Business Partners requires all suppliers, including those with operations that have a significant impact on the environment, such as those providing manufacturing services, shipping and logistics and network rollout, to adhere to additional environmental requirements. Among other things, this includes a requirement for suppliers to comply with the requirements in the Ericsson List of Banned and Restricted Substances covering substances that are restricted to use in products or in the production processes. The requirements are applicable when designing, purchasing and manufacturing components and products, including batteries and packaging. The structure and grouping of substances are in accordance with the Material Declaration for Products of and for the Electrotechnical Industry standard, IEC 62 474, but also contain additional substances. Banned and restricted substances shall not be intentionally added for use in the specified applications. Substitution of substances under observation is recommended as a precautionary approach. General information regarding the Code of Conduct for Business Partners is included in the section General Disclosures, which also includes information about Ericsson's Sustainability Policy.

Taking action on material impacts, risks and opportunities

Material declarations

To be able to assess the presence of substances included in purchased components and equipment, Ericsson collects material declarations from its suppliers. Upon request, suppliers are expected to declare the full material content of products delivered to Ericsson. This includes substances on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) candidate list, which is the regulation and system governing the manufacture and import of chemicals in the EU, and declarations of the use of certain critical raw materials (as defined in the EU Critical Raw Materials List). In addition, there is a SCIP (Substances of Concern In articles as such or in complex objects (Products)) reporting process in place to fulfill requirements in the EU Waste Framework Directive. Ericsson conducts dialogues with suppliers of hardware about proactive substitution of substances under observation, where that is deemed practically feasible.

Product Take-Back Program

To meet its extended producer responsibilities for sold electrical and electronic equipment, Ericsson offers collection of end-of-life products to its customers through a Product Take-Back Program. This is one measure to reduce the risk of end-of-life products containing hazardous substances being disposed of in a way that could cause pollution. There is further information about Ericsson's Product Take-Back Program in section E5.

Environmental Management System

The Company's Environmental Management System is certified to the ISO 14001:2015 standard, covering management, research, product management, development and supply, sales and installation and maintenance of hardware, software, services and solutions for ICT. The Environmental Management System, as an integrated part of the Ericsson Group Management System, builds on Group-wide processes such as audits and assessments and management reviews. Environmental regulation is periodically monitored and evaluated on a country level to help Ericsson meet environmental compliance obligations.

In addition, a specific Environmental Risk Management framework is in place, which is aligned to Ericsson's Enterprise Risk Management framework. The Company has an incident reporting system through which employees and suppliers are encouraged to report environmental incidents. Incident reporting is part of the environmental requirements for suppliers included in the Ericsson Code of Conduct for Business Partners.

1) Per- and Polyfluorinated Substances (PFAS) are a group of chemicals used to make fluoropolymer coatings and products that resist heat, oil, stains, grease and water, and can be found in a variety of products, including electric equipment and electronics.

Section E2, cont'd.

Targets related to pollution

Ericsson does not have any public targets related to pollution.

Emissions to air from own operations

While not related to any identified material impacts, risks or opportunities, Ericsson discloses emissions of air pollutants derived from its own operations in Appendix I to the sustainability statements, as this information is frequently asked for by external stakeholders. These emissions are primarily caused by the combustion of fossil fuels in Ericsson's service vehicle fleet and local heating installations at Ericsson's facilities. None of Ericsson's own manufacturing sites are in scope of regulation related to air pollutants, such as the European Union's Emissions Trading Scheme (EU ETS), Industrial Emissions Directive (IED) or the European Pollutant Release and Transfer Register (E-PRTR).

Substances of concern and substances of very high concern

Since information about the volumes of substances of concern and substances of very high concern contained in Ericsson's products is dependent on information from other value chain actors, primarily suppliers of components and equipment, Ericsson is currently unable to disclose consolidated figures. The Company plans to assess how to best collect and consolidate this information in the coming years.

Environmental incidents

In 2024, Ericsson recorded no (0) major[1)] environmental incidents.

E3 Water and marine resources

Material sustainability matters	Impact occurs: Upstream, extended supply chain	Impact occurs: Own operations	Impact occurs: Downstream, customers and end users	Potential risks and opportunities
Water resources	●			

Material impacts, risks and opportunities

Systemic negative material impacts related to water have been identified upstream in the value chain, primarily linked to the manufacturing of semiconductors and extraction of natural resources such as minerals used in electronic hardware. Semiconductor manufacturing typically requires ultrahigh water quality, which in turn leads to high water consumption, and produces wastewater that may contain pollutants if not adequately treated. This can impact the water availability and quality in adjacent communities if not managed properly. Mining of minerals can impact water in several stages of the mining process, which may impact both the availability of freshwater as well as the quality of the water.

Ericsson has not identified any material water-related impacts in its own operations or downstream in the value chain. Ericsson does not use water directly in its assembly processes, meaning water used in its own operations is primarily used for sanitary purposes. Water is sourced from municipal water supplies and not directly drawn from groundwater or surface water sources. Ericsson's products and services do not consume water in their use phase.

As water is a key input in certain parts of Ericsson's upstream value chain, water shortages affecting these parts of the value chain could lead to supply chain disruptions. Under the Current Policies scenario considered as part of Ericsson's climate scenario analysis described in section E1, several regions where Ericsson's suppliers are located, including manufacturers of semiconductors in Southeast Asia, are at risk of high-water stress in the future, which could cause shortages of manufacturing inputs.

During 2025, Ericsson will conduct a further assessment of the impact on water and exposure to potential water stress at certain sites to further increase its understanding of potential impacts and risks related to water resources.

Policies related to water and marine resources

Ericsson's Code of Conduct for Business Partners
Ericsson's Code of Conduct for Business Partners requires suppliers to reduce the use of natural resources, including water, where feasible. For suppliers of hardware components or products, construction work, supply services, field maintenance and network rollout operations, as well as those with high environmental risks where their operations significantly impact the environment, Ericsson has additional environmental requirements. Among others, these require the supplier to measure and control emissions to water and ensure proper treatment of all effluents of wastewater. These suppliers are also expected to control and measure their water usage. If water consumption is identified as a significant environmental aspect, the business partner is expected to develop a water management plan to minimize the overall water consumption, recycle used water or by any other means reduce its impact. General information regarding the Code of Conduct for Business Partners is included in the General Disclosures section, which also includes information about Ericsson's Sustainability Policy.

Taking action on material impacts, risks and opportunities

Supplier audits
Ericsson conducts audits of first-tier suppliers to assess their adherence to the Code of Conduct for Business Partners. These audits are further described in section S2. Currently, the focus of the audits as relates to water is on assessing suppliers' water and wastewater management practices. In 2024, no (0) major nonconformities related to water management were identified.

Targets related to water and marine resources

Ericsson does not have any public targets related to water resources.

Water withdrawals

While not related to any identified material impacts, risks or opportunities, Ericsson discloses water withdrawals and intensity ratio in its own operations in Appendix I to the sustainability statements, as this information is frequently asked for by external stakeholders.

1) Incidents meeting at least one of the following criteria: the incident results in an obligation to inform local authorities or a governmental agency about the incident and/or violation of environmental laws: inspection by an environmental agency results in a formal complaint: environmental Notice of Violation: a Consent Order or a Potential Responsible Party (PRP) notification: significant impact on an ecosystem: and costs or fines related to the incident exceed, or may exceed, SEK 100,000 or the equivalent amount in another currency.

E4 Biodiversity and ecosystems

As part of its materiality assessment, Ericsson assessed impacts on biodiversity and ecosystems. The main drivers of loss of biodiversity and degradation of ecosystems which Ericsson either directly or indirectly impacts are climate change, use of natural resources and pollution. These impacts, and Ericsson's approach to addressing them, are further described in other sections of the sustainability statements.

Other main drivers of biodiversity loss and degradation of ecosystems are changes in land and sea use, including land degradation and desertification, as well as the introduction of invasive species. Ericsson did not identify any material impacts related to these drivers in the ICT industry in general or in Ericsson's value chain through its materiality analysis. Ericsson's own facilities, including offices, data centers, test labs and production sites, are located in urban or semi-urban areas with limited impact on land use and surrounding ecosystems. Ericsson supports customers in the installation of telecommunication networks and network sites. When planning these installations, Ericsson's standard procedures are used, which include selecting where to locate the sites as part of minimizing the environmental impact from land use.

Consequently, Ericsson addresses its biodiversity-related impacts through its efforts to mitigate climate change, work to reduce pollution and its plans to transition to a more circular business model. Biodiversity, including ecosystems, is therefore currently not managed or reported on as a standalone matter. During 2025, Ericsson will conduct further assessment on certain sites' proximity to biodiversity-sensitive or protected areas to further increase its understanding of potential impacts and risks related to biodiversity and ecosystems.

E5 Resource use and circular economy

Material sustainability matters	Impact occurs: Upstream, extended supply chain	Impact occurs: Own operations	Impact occurs: Downstream, customers and end users	Potential risks and opportunities
Natural resources and circularity	●		●	●

Material impacts, risks and opportunities

Actual and current material impacts related to resource use and the transition to a circular economy have been identified upstream in the value chain, primarily linked to manufacturing of electronic equipment, as well as downstream in the value chain, related to the recovery and treatment of end-of-life electronic equipment. Electronic equipment deployed in networks is manufactured using finite natural resources such as steel, aluminum, copper and rare earth minerals, as well as plastics. Globally, metals are recycled to a high degree, in general, while rare earth metals and plastics have low recycling rates. Downstream in the value chain, Ericsson's recovery and recycling rates of network equipment vary across regions. Product take-back volumes in relation to sold volumes are low partially because of the second-hand value of products, and the fact that the ownership resides with Ericsson's customers. A large share of the network equipment sold to customers is assumed to be resold and reused through informal second-hand markets. A smaller share is assumed to be recycled through substandard processes.

In its own operations, Ericsson primarily assembles parts and components from suppliers, which generates comparatively little material waste. Ericsson can, however, through product design, steer what materials are used by suppliers to enable higher rates of recyclability, use of non-virgin materials and longer lifetimes of its products. One waste stream that could potentially be material, but where comprehensive data is not yet available, is unsold and scrapped inventory. Ericsson will assess the materiality of this type of waste in the coming year.

In the long term, redesigning products to meet customer or regulatory demands using alternative or non-virgin materials could lead to increased R&D costs. In addition, scarcity of certain raw materials, including both virgin and non-virgin minerals, paired with increased demand for the same materials in several other industries, could lead to higher costs of input materials and components used in electronic hardware. Increased requirements on product take-back collection rates may also lead to an increased cost of sales.

Policies related to resource use and circular economy

Sustainability Policy
The Sustainability Policy sets out the Company's foundational principles on environmental sustainability, which are described in the section General Disclosures. The policy also states that Ericsson shall provide product take-back services to Ericsson's customers as part of its extended producer responsibility, and to assist them in the end-of-life management of products and solutions.

Environmental requirements on business partners
The Code of Conduct for Business Partners outlines expectations on Ericsson's business partners, including its suppliers, regarding environmental sustainability. For suppliers of hardware components or products, construction work, supply services, field maintenance and network rollout operations, as well as those with high environmental risks or where their operations significantly impact the environment, Ericsson has additional environmental requirements. Among other things, these require the supplier to implement a systematic approach to identify, manage, reduce and responsibly dispose of or recycle non-hazardous solid waste. The supplier is further required to conserve the use of natural resources, including water, fossil fuels, minerals and virgin forest products, by practices such as modifying production, maintenance and facility processes, materials substitution, reuse, conservation and recycling, to the extent feasible. Suppliers are expected to be able to demonstrate design and supply chain activities that enable the reduction of the adverse environmental impact of supplied products and services during their entire life cycle, by considering factors such as energy consumption, materials use and end-of-life treatment. General information about the Code of Conduct for Business Partners is included in the section General Disclosures.

Taking action on material impacts, risks and opportunities

Product design principles
Ericsson utilizes the Design for the Environment principles and has generic product requirements in this area that apply to all product design processes. These include specific requirements on the ease of dismantling and disassembly of products to facilitate recycling. In addition, products are designed to be durable and have high longevity, which is part of the quality process. The list of banned and restricted substances and the material declarations (see further details in section E2) are also important tools to design products that have a high grade of recyclability. The recyclability of products taken back has historically been high, averaging above 90% in recent years. Ericsson works to reduce the weight and size of its products and is looking at more sustainable material choices. This is part of the Net Zero initiative but will also contribute to more efficient resource use and circularity.

Refurbish, reuse and repair services
The Support Services portfolio includes a structured approach to refurbish, reuse and recycle used equipment. Shared warehouses and spare parts reduce the need to produce and store spare parts. Automatic hardware fault analysis is conducted to avoid unnecessary hardware replacements. Ericsson offers repair services and as a complement to new sales also offers reuse of old equipment.

Section E5, cont'd.

Packaging
Traditionally, packaging designed by Ericsson mainly consists of fiber-based materials and inserts made from plastics. Ericsson has started to use alternative packaging with inserts that are fully recyclable and reduce the total plastic content of the packaging from 20% to less than 2%.

During 2024, several proof-of-concept projects were conducted, where a new methodology aimed at replacing plastic fitments in standardized packaging used for several products sold in high volumes. This new methodology will be applied in new packaging projects from 2025.

Product Take-Back Program
Ericsson offers a global Product Take-Back Program, through collaboration with third-party vendors, where end-of-life products can be collected from customers and subsequently dismantled and recycled in a way that minimizes the environmental impact. A limited number of Group companies participate in collective take-back schemes due to the nature of their products. As the equipment is the customer's property, take-back volumes depend on their use of the programs.

Ericsson initiated a project during 2024 to improve its take-back capabilities and its circularity offering. One result is an updated standard product take-back contract including a new clause on the right of first refusal, which allows Ericsson to buy back hardware that the Company has produced from customers. The revised contract clauses will be incorporated in new customer contracts from 2025. The project has updated the documentation and, as a result, shortened the lead times in the existing buyback process through which hardware is taken back and subsequently offered to customers as refurbished network equipment and/or spare parts. The retake project will continue during the coming years with an additional focus on improving e-waste management capabilities.

Waste from own operations
The waste generated from Ericsson's own operations consists of both office waste and unsold and subsequently scrapped inventory. Waste generated at production sites is managed according to local legislation by contracted waste management companies.

Targets related to resource use and circular economy

Ericsson does not have any public targets related to resource use and circular economy.

Resource inflows

Network hardware is manufactured using natural resources, and products primarily consist of metals such as aluminum, iron, copper and silicon. Hardware also contains small amounts of materials found on the EU list of Critical Raw Materials and polymers (including plastics) such as polycarbonates and additives. A typical radio contains about 70% aluminum, 10% iron/steel, 5% copper and 5% silicon. The remaining 10% is made up of smaller amounts of other compounds, including less than 1% of rare earth elements. Externally sourced packaging contains cardboard and plastics.

Ericsson is currently mapping out its most significant material flows to be able to comprehensively report on resource inflows and outflows. For now, Ericsson cannot disclose information about the total weight of materials, and consequently about the share of recycled or reused materials, used in the reporting year.

Ericsson does not source any biological material, such as cardboard for packaging, that is certified to any sustainability-related scheme.

Resource outflows

Products and materials
Primary physical resource outflows from Ericsson's production processes, including outsourced production, are network hardware in the form of radios, antennas, basebands, power modules, routers and modems, and site materials (such as cables and batteries) as well as packaging in the form of cardboard and some plastics. All products are designed according to generic product requirements and Design for the Environment principles as described above. Cradlepoint (now part of Segment Enterprise Wireless Solutions) has its own product requirements containing similar Design for the Environment principles.

There is no established industry average for the expected durability of network equipment wherefore a comparison between Ericsson's hardware and such a benchmark is not possible to make. Ericsson's network hardware is also not covered by any established reparability rating system, as such systems are, in general, aimed at consumer goods.

Waste
One material waste stream for Ericsson is electronic waste from manufacturing and scrapped inventory in own operations. Another material waste stream is end-of-life products, including batteries, collected from customers.

Waste generated from own operations[1)]

Metric tons	2024	2023	2022
Total weight generated (A+B)	**10,210**	**7,182**	**8,130**
Waste diverted from disposal			
Hazardous waste			
Preparation for reuse	0	–	3
Recycling	4,031	38	49
Other recovery operations	1	5	–
Non-hazardous waste			
Preparation for reuse	398	157	332
Recycling	3,138	3,435	3,831
Other recovery operations	214	344	–
A. Total weight diverted from disposal	**7,781**	**3,979**	**4,215**
Share diverted from disposal out of total weight generated, %	*76*	*55*	*52*
Waste directed to disposal			
Hazardous waste			
Incineration	146	43	29
Landfill	34	19	32
Other disposal methods	1	0	–
Non-hazardous waste			
Incineration	1,323	1,613	2,089
Landfill	925	1,528	1,762
Other disposal methods	–	–	3
B. Total weight directed to disposal	**2,429**	**3,203**	**3,915**
Share directed to disposal out of total weight generated, %	*24*	*45*	*48*
Weight of non-recycled waste	3,041	3,709	4,251
Share of non-recycled waste, %	*30*	*52*	*52*

1) Data is subject to uncertainties as information used to calculate manufacturing waste volumes is supplied by value chain actors such as waste management companies and recyclers. Furthermore, office waste is estimated in its entirety. The weight of scrapped inventory is not yet included in the data as Ericsson is currently assessing the scale and scope of this waste stream. See page 10 for information about changes in consolidation methodology that limits year-over-year comparisons.

Collected end-of-life product volumes by disposal method[1)]

Metric tons	2024	2023	2022
Reuse	49	36	25
Recycling	3,752	3,581	4,636
Energy recovery (incineration)	69	151	146
Landfill	3	101	18
Total	**3,872**	**3,869**	**4,825**

1) Data is subject to uncertainties as information used to calculate product take-back volumes is supplied by value chain actors such as recyclers.

E6 EU Taxonomy on sustainable activities

Accounting policies

According to Article 8 of the EU Taxonomy Regulation ("the taxonomy"), turnover, capital expenditures (Capex) and operational expenditures (Opex) are defined as described below. For Capex and Opex, these definitions are different compared with Ericsson's financial reporting. The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB,) and as endorsed by the EU. The basis of preparation of the financial statements is explained in note A1 to the consolidated financial statements.

Turnover
Total turnover corresponds to net sales in the consolidated income statement.

Capex
Total Capex corresponds to additions, including capitalized research and development costs, to balance sheet items property, plant and equipment, intangible assets, before any remeasurement, depreciation, amortization or impairment and excluding any changes in fair value but including the effect of business combinations, as specified in notes C1 and C2 to the consolidated balance sheet. These costs are supplemented by additions/changes in IFRS 16 classified right-of-use assets, as specified in note C3 to the consolidated balance sheet.

Opex
Total Opex corresponds to non-capitalized research and development costs, building renovation costs, short-term leases, maintenance, and repair costs, as well as other indirect costs for the day-to-day servicing of assets of property, plant and equipment.

Eligible turnover, Capex and Opex
Turnover, Capex and Opex in accordance with the above definition and which is associated with eligible activities (see below) constitutes the basis for calculating the share of eligible turnover, Capex and Opex. Amounts recorded on product codes related to eligible activities have been used as the basis to calculate amounts of eligible turnover, Capex and Opex. A reconciliation of amounts has been performed to avoid any double counting.

Changes in accounting policies or disclosures compared with the previous reporting period
There have been no significant changes in accounting policies regarding the taxonomy compared with the previous reporting period.

Eligible and aligned economic activities

Identifying economic activities relevant for Ericsson has required interpretations of the taxonomy as well as the Commission Delegated Regulations. Ericsson's interpretation is that for an economic activity to be considered taxonomy-eligible, it must meet all three criteria below:
- Be, or be aimed at, generating external turnover.
- Meet the description of an activity included in one of the annexes to the Climate or Environmental Delegated Regulation.
- Have practically applicable technical screening criteria associated with it.

Based on this interpretation, turnover, Capex and Opex derived from activities meeting these criteria have been included as taxonomy-eligible in the key performance indicators presented below. Moreover, individually eligible Capex and Opex (see below) can also be added to the share of eligible and aligned Capex and Opex. However, there remains some uncertainty around how the taxonomy should be applied, and interpretations, as well as reporting practices, are expected to evolve over time.

Climate Delegated Regulation
Activities in the telecommunication sector are not yet included in the Climate Delegated Regulation of the taxonomy. The European Commission states in the Delegated Regulation that it may consider adding such activities and developing additional technical screening criteria in the future. However, at present, most of Ericsson's commercial offering to its customers, including mobile networks, is not covered by activities included as eligible activities in the Climate Delegated Regulation.

Data-driven solutions for GHG emissions reductions (Climate change mitigation (CCM) 8.2)
Ericsson offers artificial-intelligence-powered and data-driven operations solutions, focusing on managing energy assets efficiently through intelligent site measurements and control, enabling customers to improve network energy efficiency, and consequently reducing energy-related greenhouse gas (GHG) emissions. This activity does not currently meet the associated technical screening criteria.

Computer programming and related activities (Climate change adaptation (CCA) 8.2)
Within all business areas, software development is part of Ericsson's commercial offering to its customers. Should expenditures associated with making this activity more resilient to the effects of climate change be incurred, these will be accounted for as either eligible Capex or Opex. Related turnover is not included in the share of eligible turnover since this activity is not classified as an enabling activity, as defined in the taxonomy. Ericsson has not incurred any expenditures of this nature during the reporting year.

Environmental Delegated Regulation
Manufacture of electrical and electronic equipment (Circular economy (CE) 1.2)
Ericsson sells electronic equipment in the form of network hardware such as radios, antennas, basebands, power modules, routers and modems, and site materials such as cables and batteries. The equipment is manufactured both at own manufacturing sites and by third-party electronics manufacturers. Equipment sold as part of a solution, but which Ericsson has not been involved in designing, such as laptops sold as part of a network (so-called third-party equipment), is excluded from eligible turnover, as Ericsson does not have any influence over the choice of input materials or over features such as durability, reusability or recyclability.

The technical screening criteria for determining if this activity meets the requirements for making a substantial contribution have been assessed. Ericsson's interpretation is that these criteria have been developed primarily with consumer electronics in mind and are therefore in many instances difficult to apply to Ericsson's products and services. In common with other manufacturers of industrial goods, Ericsson is not publicly disclosing detailed information about how its network equipment can be repaired and dismantled, as doing so could mean significant competitive disadvantages. In addition, Ericsson's products cannot fully comply with the substance requirements defined in the criteria. The criteria for extended producer responsibility for electronic and electrical equipment, and batteries have been assessed as being met.

Repair, refurbishment and remanufacturing (Circular economy (CE) 5.1)
Ericsson offers hardware support services to its customers, which includes repairing and refurbishing network equipment. Ericsson has assessed the technical screening criteria for making a substantial contribution and concluded that the activity meets these criteria.

Sale of spare parts (Circular economy (CE) 5.2)
Ericsson sells spare parts, including refurbished spare parts, for network equipment it has sold to customers. Ericsson has assessed the technical screening criteria for making a substantial contribution and concluded that the activity does not meet all criteria. In particular, Ericsson's packaging currently does not meet the thresholds for the minimum share of recycled content.

Individually eligible Capex and Opex
It is permitted to include expenditures for purchases of products and services related to other economic activities than those stated above as eligible and aligned Capex and Opex, if these are included in either the Climate or Environmental Delegated Regulation, and if the economic activity of the supplier of the product or service in question is taxonomy-eligible and aligned,

Section E6, cont'd.

as applicable. Ericsson includes expenditures for motor vehicles (CCM 6.5), vehicle charging infrastructure (CCM 7.4) and energy-efficiency measures in buildings (CCM 7.3) as eligible Capex and Opex. As the assessment of alignment of these activities requires detailed information about the suppliers' own taxonomy alignment, Ericsson is currently not able to assess to what extent identified individually eligible Capex and Opex can be considered to also be taxonomy-aligned.

Do No Significant Harm

As for the criteria for assessing if the activities above do not cause significant harm to other environmental objectives, Ericsson has initiated work to assess the impact of its primary facilities on water resources, nature and biodiversity, as well as location-specific, climate-related hazards. As this work is yet to be completed, Ericsson cannot at this time conclude whether it meets all the associated criteria. While Ericsson meets most of the Do No Significant Harm (DNSH) criteria as regards pollution prevention and control, it cannot currently fully meet the general DNSH criteria, as all of its products today contain lead. Ericsson's electronic hardware and repair services are assessed as meeting the DNSH criteria for climate change mitigation. Note, however, that the criteria related to the energy-efficiency rating only apply to consumer electronics and are therefore not applicable to Ericsson's products.

Minimum safeguards

With the conclusion of the independent compliance monitorship in 2024, minimum safeguards are considered to be in place. There is information about Ericsson's human rights commitments and due diligence practices in sections S1 to S4, and information about the Company's approach to anti-bribery and corruption, tax compliance and competition law in section G1.

Nuclear and fossil gas-related activities

Nuclear energy-related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas-related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Section E6, cont'd.

Key performance indicators

Turnover				Substantial contribution criteria						Do No Significant Harm (DNSH)									
Economic activities	Code[1]	Turn-over	Propor-tion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible (A2) turnover 2023	Category enabling activity	Category transitional activity
		SEK million	%	Yes/No/Not eligible						Yes/No							%		
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1 Environmentally sustainable activities (Taxonomy-aligned)																			
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Turnover of environmentally sustainable activities (A1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
of which enabling, % activities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
of which transitional, % activities		–	–	–						–	–	–	–	–	–	–	–		T
A2 Taxonomy-eligible but not env. sustainable activities (not Taxonomy-aligned activities)				**Objective(s) for which activity is eligible[2]**															
Data-driven solutions for GHG emission reductions	CCM 8.2	37	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Manufacturing of electrical and electronic equipment	CE 1.2	87,542	35	N/EL	N/EL	N/EL	N/EL	EL	N/EL								35		
Repair, refurbishment and remanufacturing	CE 5.1	6,022	2	N/EL	N/EL	N/EL	N/EL	EL	N/EL								2		
Sale of spare parts	CE 5.2	1,525	1	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0		
Turnover of Taxonomy-eligible but not env. sustainable activities (A2)		**95,126**	**38**														**38**		
Turnover of Taxonomy-eligible activities (A1+A2)		**95,126**	**38**														**38**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		152,755	62																
Total		**247,880**	**100**																

Proportion of total turnover aligned/eligible per objective

%	Aligned	Eligible
Climate change mitigation	0	0
Climate change adaptation	–	–
Water and marine resources	–	–
Pollution prevention and control	–	–
Circular economy	0	38
Biodiversity	–	–

1) Abbreviated activity codes:
CCM: Climate change mitigation
CCA: Climate change adaptation
CE: Circular economy
2) Eligible (EL) / Non-eligible (N/EL)

Section E6, cont'd.

Capex				Substantial contribution criteria						Do No Significant Harm (DNSH)									
Economic activities	Code[1]	Capex	Propor-tion of capex 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible (A2) capex 2023	Category enabling activity	Category transitional activity
		SEK million	%	Yes/No/Not eligible						Yes/No							%		
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1 Environmentally sustainable activities (Taxonomy-aligned)																			
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capex of environmentally sustainable activities (A1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
of which enabling, % activities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
of which transitional, % activities		–	–	–						–	–	–	–	–	–	–	–		T
A2 Taxonomy-eligible but not env. sustainable activities (not Taxonomy-aligned activities)				**Objective(s) for which activity is eligible[3]**															
Purchases and leases of vehicles[2]	CCM 6.5	265	5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5		
Data-driven solutions for GHG emission reductions	CCM 8.2	0	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Manufacturing of electrical and electronic equipment	CE 1.2	1,560	29	N/EL	N/EL	N/EL	N/EL	EL	N/EL								37		
Repair, refurbishment and remanufacturing	CE 5.1	1	0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1		
Sale of spare parts	CE 5.2	0	0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0		
Capex of Taxonomy-eligible but not env. sustainable activities (A2)		**1,825**	**34**														**43**		
Capex of Taxonomy-eligible activities (A1+A2)		**1,825**	**34**														**43**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy non-eligible activities		3,527	66																
Total		**5,352**	**100**																

Proportion of total Capex aligned/eligible per objective

%	Aligned	Eligible
Climate change mitigation	0	5
Climate change adaptation	–	–
Water and marine resources	–	–
Pollution prevention and control	–	–
Circular economy	0	29
Biodiversity	–	–

[1] Abbreviated activity codes:
CCM: Climate change mitigation
CCA: Climate change adaptation
CE: Circular economy
[2] Full name: Transport by motorbikes, passenger cars and commercial vehicles
[3] Eligible (EL) / Non-eligible (N/EL)

Section E6, cont'd.

Opex

Economic activities	Code[1]	Opex SEK million	Proportion of opex 2024 %	Substantial contribution criteria (Yes/No/Not eligible): Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Do No Significant Harm (DNSH) (Yes/No): Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A1) or eligible (A2) opex 2023 %	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1 Environmentally sustainable activities (Taxonomy-aligned)																			
–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Opex of environmentally sustainable activities (A1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
of which enabling, % activities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
of which transitional, % activities		–	–	–						–	–	–	–	–	–	–	–		T
A2 Taxonomy-eligible but not env. sustainable activities (not Taxonomy-aligned activities)				**Objective(s) for which activity is eligible[3]**															
Purchases and leases of vehicles[2]	CCM 6.5	87	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Data-driven solutions for GHG emission reductions	CCM 8.2	3	0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0		
Manufacturing of electrical and electronic equipment	CE 1.2	16,266	30	N/EL	N/EL	N/EL	N/EL	EL	N/EL								29		
Repair, refurbishment and remanufacturing	CE 5.1	23	0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0		
Sale of spare parts	CE 5.2	0	0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0		
Opex of Taxonomy-eligible but not env. sustainable activities (A2)		**16,379**	**30**														**29**		
Opex of Taxonomy-eligible activities (A1+A2)		**16,379**	**30**														**29**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy non-eligible activities		38,270	70																
Total		**54,650**	**100**																

Proportion of total Opex aligned/eligible per objective

%	Aligned	Eligible
Climate change mitigation	0	0
Climate change adaptation	–	–
Water and marine resources	–	–
Pollution prevention and control	–	–
Circular economy	0	30
Biodiversity	–	–

1) Abbreviated activity codes:
CCM: Climate change mitigation
CCA: Climate change adaptation
CE: Circular economy
2) Full name: Transport by motorbikes, passenger cars and commercial vehicles
3) Eligible (EL) / Non-eligible (N/EL)

Section S – Social

S1 Own workforce

	Impact occurs			
Material sustainability matters	Upstream, extended supply chain	Own operations	Downstream, customers and end users	Potential risks and opportunities
Talent development		●		●
Work-life balance		●		●
Health and safety	○	●	○	●
Equal treatment and opportunities	○	●		●
Workers' rights and working conditions	○	●		

Material impacts, risks and opportunities

Ericsson has a workforce of about 94,000 employees and 10,000 non-employees in more than 110 countries. Ericsson has identified several material impacts, risks and opportunities related to its own workforce, which can be divided into four categories: equal treatment and opportunities, talent development, occupational health, safety and well-being, and workers' rights and working conditions. Ericsson believes that actions planned to be taken as part of the Company's Net Zero transition will not lead to any direct material negative impacts on its own workforce.

Equal treatment and opportunities
While equal treatment and opportunities are focus areas for many responsible companies globally, several of the regions in which Ericsson is operating (including, but not limited to, Asia, the Middle East and Africa, and Latin America) have comparatively higher risks of discrimination at work and non-respect of women's and minority rights. The information and communications technology (ICT) sector globally has a below average share of women in the workforce as well as in leadership roles. Ericsson performs above the benchmark when employees are surveyed on whether they believe the Company provides a workplace where people are given the same opportunities regardless of their background and if they are treated with respect and dignity. To sustain this, the Company must continue to promote a culture based on respect, with equal treatment and opportunities for all. How well Ericsson manages these impacts may also impact the Company's ability to execute its strategy, including maintaining its technology leadership.

Talent development
How Ericsson manages its workforce, and how it is perceived as an employer by current and potential employees, can affect its abilities to attract and retain key talent. This can impact the Company's competitiveness as well as its ability to innovate and efficiently execute its strategy. Ericsson's ability to upskill and reskill its workforce in critical areas, such as AI and cloud computing, can also affect the Company's ability to secure technology leadership in the market. While building critical skills is highly relevant for people working in R&D and commercial areas, it is also important for other professionals in all types of roles. Continuously upskilling and reskilling the workforce supports people's continued development and employability, as well as the Company's ability to execute on its strategy.

Health, safety and well-being (including work-life balance)
Since Ericsson set Target Zero, zero fatalities and lost workday incidents, in 2021, there have been 34 fatalities recorded. 27 of these occurred among supplier employees, mainly within network rollout and field maintenance operations, and two among Ericsson's own employees. Primary causes of these fatalities were accidents occurring during field work and road traffic accidents. Traffic accidents involving people working for Ericsson have also caused five fatalities among members of the public. In the same period, the majority of lost workday incidents happened during assembly and disassembly work and maintenance and repair work in the field. These incidents involved both Ericsson's own employees and supplier employees.

For the workforce not involved in field activities, the main identified risks related to health and well-being are mental health problems caused by stress, anxiety and poor work-life balance and musculoskeletal illnesses caused by repetitive or static work patterns or lifting objects. When Ericsson surveys the workforce's perceptions about perceived work-life balance, the global average rating is above the benchmark. However, in several countries the rating is below the benchmark. This indicates that part of the workforce is not able to successfully balance work and personal life to a satisfactory level.

Work environment conditions such as health and safety are commonly included in customers' supplier evaluation processes, meaning Ericsson's performance in this area could affect how the Company is assessed in tenders and proposals. Ericsson's ability to attract and retain talent might also be affected if it is perceived as a company where employees cannot balance work and private life.

Workers' rights and working conditions
In several of the countries where Ericsson has a workforce present, there are heightened risks of violations of international conventions on labor rights and decent working conditions. Largely in the same countries there is weak enforcement of local labor laws on matters such as discrimination and harassment of women and underrepresented groups, working time, adequate wages and secure employment and the right to freedom of assembly and freedom of association.

Some of the countries in which Ericsson operates are high-risk areas due to armed conflicts, criminality, authoritarian rule or naturally caused crises, such as flooding, earthquakes, tsunamis or similar. Such situations may risk the lives or welfare of employees and other workers.

Given Ericsson's size and widespread geographical presence, the Company takes a precautionary approach to these matters, identifying them as potentially material until confirmed otherwise.

Policies related to own workforce

Code of Business Ethics and Statement on Business and Human Rights
The Code of Business Ethics states that all forms of discrimination are prohibited, even if local law permits it. It further articulates everyone's right to just, safe and favorable working conditions and to form and join trade unions and bargain collectively, as well as the Company's commitment to ensure a safe and healthy work environment for all. The Code of Business Ethics further states that at Ericsson, any form of slavery exploitation – including human trafficking and forced, coerced, bonded or compulsory labor – is strictly prohibited. General information regarding the Code of Business Ethics is included in the section General Disclosures, which also provides information about Ericsson's Statement on Business and Human Rights.

Group People Policy
This policy articulates that Ericsson is committed to equal opportunity in employment, development, compensation, benefits and all other personnel actions without discrimination. The principles set out in the policy include, but are not limited to, the idea that every individual's employment opportunity shall be based on openness and fairness, and that pay and recognition will reward impact and be based on the principles of competitiveness, fairness and transparency.

Section S1, cont'd.

Health, Safety and Well-being Policy
The policy states that the Company shall apply a risk-based approach to prevent, control and mitigate work-related hazards and risks, and continually improve its processes. Ericsson strives to comply with customer and other applicable health and safety requirements, also when these requirements exceed local legislation. Further, Ericsson works to design workplaces and work processes, and provide tools that promote and support the health, safety and well-being of workers. The Company takes steps to provide relevant training and engage and consult with employees and other stakeholders to get input for continuous improvement of the Health, Safety and Well-being Management System.

Processes for engaging with own workers and workers' representatives about impacts

Ericsson engages with its own workforce about impacts that affect them, or are likely to affect them, in several ways. Some of the more relevant channels are described below.

Company-wide employee surveys are carried out annually to understand how employees experience their work and work environment, as well as their perceptions of the Company, its leadership and strategies. The results can be broken down by type of respondents to gain more granular insights on the perspectives of specific groups of employees. Results are summarized on both Group and unit level for continuous monitoring to enable managers and leaders to act when and where appropriate.

Ericsson has established occupational health and safety (OHS) committees that include managers and employees, or employee representatives where such exist. The committees meet regularly, follow up on performance and discuss and decide on actions to improve the OHS Management System and its processes. Communication around health, safety and well-being targets, performance, programs and training is available for all employees through internal channels such as the intranet and newsletters. All employees are also surveyed annually about health, safety and well-being through a dedicated employee survey on these topics, which includes questions about their perceived work-life balance.

Ericsson has collective bargaining agreements with workers unions in several of the countries in which it operates. Sweden, Spain, Romania, Hungary, Italy and Brazil are some of the countries where Ericsson has a large employee headcount covered by collective bargaining agreements, and where unions are consulted on matters related to employees' working conditions. Ericsson has no global framework agreements with any global union federations.

Processes to remediate negative impacts and channels for own workers to raise concerns

Employees can report suspected violations of the Code of Business Ethics, including suspected cases of discrimination and harassment, and violations of human and labor rights, to their manager or the superior of a manager, or to the People or Legal and Compliance departments. In addition, concerns can be raised via the Ericsson Compliance Line, either through a secure website or by telephone at any time, and in multiple languages. Reporting can be done anonymously. As a matter of policy, Ericsson does not require persons that report compliance concerns to waive their rights to bring claims through a judicial process as a condition to participating in the grievance process, nor does the Company require the reporter to sign a non-disclosure agreement. The reporter is, however, asked not to share any communication relating to an ongoing matter, to protect the process's integrity. This mechanism, including information about how Ericsson investigates and follows up on reported concerns, and consequences taken as a result of substantiated concerns, is further described in section G1.

In addition, Ericsson maintains a central reporting channel for its workforce, as well as suppliers' employees, to report health and safety incidents, as well as near misses, which are then handled within a dedicated process as part of the Company's OHS Management System, see further information below.

When negative impacts are identified, Ericsson strives to engage with the impacted party to provide remedy. However, this may not always be possible, such as in the case of anonymous reporting.

Taking action on material impacts, risks and opportunities

Below are descriptions of the key actions and action plans that Ericsson has taken or plans to take related to material impacts on its own workforce. The measures described below are the most significant ones Ericsson has put in place to mitigate risks of causing or contributing to material negative impacts on its own workforce.

Equal treatment and opportunities
Ericsson is committed to creating a culture of belonging, as this is core to the Company's values and helps ensure that it attracts the best global talent, fosters innovation and brings greater value to customers. Ericsson aims to build trust and a positive corporate culture that embraces respect, fairness and transparency and to remove barriers that prevent equal opportunities for all. To achieve this, Ericsson works to create people processes that treat all people equally, so that, for example, job advertisements use neutral language with regard to applicants' characteristics and the Company trains leaders on fostering equal treatment and opportunities.

Ericsson supports employee resource groups (ERGs) throughout the organization, which are open to all employees and cover a variety of topics. In 2024, Ericsson increased support for the ERGs by launching a global ERG playbook and continued offering leadership training to these networks' leaders. Ericsson also launched global resource groups dedicated to neurodiversity and to people with disabilities.

At Ericsson, the guiding principles are that people should be paid in a fair way and be recognized and rewarded for their performance and contribution. Consequently, pay and benefits are market competitive and relevant to the individual with the aim being to provide a broad reward offering that attracts, retains and engages talent. All pay decisions are expected to be non-discriminatory, based on the Company's pay philosophy and using the same criteria. There is a defined and globally consistent job architecture as well as job levels in place, so that there is supporting infrastructure to help ensure that pay is competitive and fair, and to enable Ericsson to make meaningful comparisons on pay.

During 2024, Ericsson has further refined a methodology to evaluate internal pay equity. This was utilized to conduct two adjusted pay equity reviews. Going forward, Ericsson will continue to run periodic pay equity reviews and further increase internal education to continue the efforts to confirm fair merit-based pay throughout the organization.

Talent development
Ericsson enables its people to develop skills and experience through upskilling, reskilling and experiential learning, including opportunities for internal mobility. Every year, as part of the strategy process, Ericsson defines the most critical skills that the Company's employees need to develop. The global critical skills are those connected to Ericsson's growth strategy of extending its leadership in mobile networks and focused expansion into enterprise. These skill areas encompass technology, commercial and power skills. In addition to the training programs, the Teach for Ericsson Program helps to recognize those who educate others in the Company on key skills.

Learning and development plans connected to each of these critical skill areas are mapped along four levels of skill proficiency and are offered to upskill and reskill employees both for their current job roles and to prepare them for future challenges. Upskilling and reskilling are further supported by a digital learning platform, which gives employees easy access to material and courses, and provides Ericsson with a tool for tracking, measuring and analyzing progress in skills development. Besides training and development programs in the scope of the critical skills areas, employees have access to a broad range of upskilling assets such as online internal and external courses and articles through the digital learning platform.

Together with their managers, employees set individual annual and long-term career goals and identify skills to build as part of the development goal-setting process each year. Employees also receive annual individual performance evaluations. In 2024, a revised approach to performance management was launched, with the aim to create clarity and support people in their development. Leadership development programs at Ericsson were reviewed in 2024 and provide development for new and experienced leaders as they progress through their careers. Looking ahead, Ericsson plans to further embed the work around performance management and talent planning, in collaboration with leaders across the Company.

To further drive employee development and mobility, employees can now find and apply for project and rotation opportunities, in addition to job role vacancies, on the Company's intranet.

Health, safety and well-being

Incident reporting and investigation

Ericsson has a global tool for reporting hazards, near misses and incidents involving employees, suppliers and anyone else working on behalf of Ericsson. Concerns related to remote working can also be reported through this tool. Reported incidents are investigated by performing a root-cause analysis to remedy any damage and prevent recurrence.

Well-being and work-life balance

Ericsson's approach to well-being is made up of a combination of organizational components and individual focus areas. The organizational components are made up of a supportive workplace environment, where jobs are designed to consider physical, social and emotional well-being, as well as leaders who should act as role models for safe and healthy behaviors. Individual focus areas are physical, emotional, financial and social well-being to support employees in managing work-life balance. Ericsson offers confidential counselling and well-being support online or via telephone through an external employee assistance program provider. In 2024, Ericsson launched the Ericsson Care Line globally, which is an employee assistance program that offers a range of well-being services, such as personalized mindfulness programs, interactive counselling support and informative meditation materials. The Ericsson Care Line is available to most employees and people in their households.

Ericsson allows for hybrid and flexible working arrangements, which facilitates greater autonomy for employees regarding where and when they perform their work. The current global guideline is an office-first mentality, but with flexibility to work from elsewhere when tasks and responsibilities allow for it.

Training and awareness

All Ericsson employees and employees of site services suppliers are required to take mandatory health, safety and well-being training. Additional training is required based on a person's role and risk exposure to ensure adequate competence needs are met. In 2024, Ericsson launched mandatory safe driving training to both its employees and suppliers. Further, targeted web-based training that covers lifesaving rules and behaviors, such as traffic safety and use of protective equipment, is available to all employees and suppliers. Ericsson has a Safety Leadership Training Program for leaders within three levels of the President and CEO including Executive Team members and selected key roles that have a direct impact on operational safety. Ericsson's Walk the Talk guide also encourages all leaders to conduct regular safety and well-being walks by personally visiting a site and having a conversation exclusively about health, safety and well-being. There is also a mental health awareness and well-being training program in place.

Workers' rights and working conditions

Human rights due diligence

To operationalize its commitment to respecting human rights, the Company has integrated human rights due diligence into its business operations. Human rights risks are also included in Ericsson's Enterprise Risk Management Framework and overseen by the Business Risk Committee as needed. Group-level priorities for human rights due diligence are set by a central team of human rights experts that coordinates due diligence efforts and collaborates with business areas and regional sales organizations on human-rights-related initiatives as needed.

Ericsson's salient human rights issues mainly pertain to workers in its supply chain and to how its technology can be misused in its downstream value chain. How these impacts are integrated in the Company's due diligence process is described in sections S2 and S4. Described below are the due diligence measures relevant for Ericsson's own operations and its own workforce.

Besides the information below, additional details on Ericsson's human rights due diligence efforts and prioritized areas can be found in Ericsson's Business and Human Rights Statement, available on the Company's website.

Mergers, acquisitions and divestitures

Human rights issues are included in Ericsson's due diligence process for mergers, acquisitions and divestitures. The focus is on evaluating the main human rights risks of the target company or buyer and to what extent the target company has satisfactory due diligence frameworks in place to identify and address them. In case red flags or gaps are identified, a mitigation plan including appropriate remediations is required either as a precondition or as part of the integration post closure.

Enhanced measures

Ericsson takes enhanced human rights due diligence measures to identify and address human rights in relation to business activities where it has determined that risks may be elevated. As an example, in 2024 Ericsson conducted heightened due diligence in India through a country visit, during which the human rights team met with internal and external stakeholders to identify and assess human rights risks related to the operations in the country and to increase awareness of these risks. As part of this, Ericsson hosted roundtable discussions with human rights organizations and engaged in meetings with external stakeholders, including civil society organizations and a former trade union representative. The engagements were focused on potential human rights impacts related to both Ericsson's operations and its value chain, including the topics of working conditions and labor rights. Specific attention was given to the external workforce working for Ericsson, such as temporary workers. A report was issued after the visit, which prescribed key activities to address potential risks. Those include opportunities to further strengthen oversight of working conditions for the external workforce, to improve internal awareness of human rights issues relevant to the operations in India and recommendations on how targeted risk assessments could be performed.

Protection of workforce in high-risk areas

Ericsson has operations in areas where, for example, armed conflicts, criminality and authoritarian rule can lead to situations that expose the workforce to heightened risk to their personal security. Ericsson monitors geopolitical and security threats worldwide and maintains security risk ratings for areas hosting Ericsson operations. The Company's security strategy is operationalized through the deployment of a global framework for Security in High-Risk Areas. The objective is to enable business operations in high-risk areas, while safeguarding employees, suppliers and anyone else working on behalf of Ericsson through, for example:

- Procedures, training and precautionary actions to minimize the risk of becoming the target of criminal activity.
- Requirements on travel routes and transportation arrangement (e.g., timing, traveling in convoys, use of armed security escorts, security precautions at stops, tracking of movements).
- Use of satellite telephones in remote locations.
- Physical security requirements for accommodation and work locations.

In addition, in the event of an incident with severe or the potential of severe impact on Ericsson's business or workforce which cannot be handled with ordinary operational procedures, Ericsson can activate its crisis management organization.

Human rights training and awareness raising

Ericsson provides human rights training accessible to all employees. Targeted training and capacity building for key job roles and functions is also offered. As part of a long-term human rights training plan, key employees were targeted for human rights training in 2024. Employees were selected based on their job roles and their exposure to high-risk scenarios, such as sales employees and managers in identified high-risk countries.

Section S1, cont'd.

Collaboration and partnerships

Ericsson leverages its efforts through collaborations and partnerships with other organizations. Listed below are some of the most significant external collaborations, partnerships and commitments related to human rights.

Organization	Description
Business Network on Civic Freedoms and Human Rights Defenders	A group of companies committed to identifying ways that businesses and society can benefit from increased support from the private sector for the protection of civic freedoms and human rights defenders.
Global Network Initiative	An initiative addressing freedom of expression and right to privacy in the ICT sector. Participants are internet and telecommunications companies, human rights and press freedom groups, investors, and academics and academic institutions.
Shift Business Learning Program	The Business Learning Program supports companies working to integrate principles on business and human rights. Shift is a nonprofit, mission-driven organization working with businesses, financial institutions and standard-setters to drive business respect for human rights according to the UN Guiding Principles on Business and Human Rights (UNGPs).
UN B-Tech Project	A project led by the UN Human Rights Council to provide an authoritative and broadly accepted roadmap for applying the UNGPs in the ICT sector. The Tech Company Community of Practice, in which Ericsson participates, is an initiative of the UN Human Rights B-Tech Project to advance business respect for human rights in the technology industry.
UN Global Compact	The UN Global Compact is the world's largest corporate sustainability and corporate social responsibility initiative, with more than 25,000 corporate participants and other stakeholders in over 167 countries. Ericsson has been a member since 2000, when the UN Global Compact was founded.

Targets related to own workforce

Equal treatment and opportunities

To further the policy objectives of equal treatment and opportunities in compliance with applicable anti-discrimination laws and to promote sustainable organizational health, Ericsson continually works on removing obstacles to these objectives. For example, Ericsson focuses on the equal treatment and opportunities for women at all levels within the Company, with the aim to increase, through merit-based selection processes in compliance with anti-discrimination laws, the share of women among all employees, line managers and top management, to at least 30% globally by 2030. To support this goal, Ericsson seeks to expand the pool of candidates for consideration, ensuring equal opportunities for all. This goal does not allow or encourage making employment decisions (whether hiring or promotions or other) based on personal characteristics such as gender, as that would violate the Code of Business Ethics. All employment decisions are merit based and without discrimination. Progressing on this goal supports improving organizational health through merit based people management. Performance is measured based on headcount at the end of each reporting period.

Employee category	Base year (BY)	Target year (TY)	Share in BY, %	TY Goal, %	Share in 2024, %
All employees	2021	2030	25.2	≥ 30	26.5
Line managers			21.3		24.0
Top management			35.6		32.0

In 2024, as a result of actions described in this section, the share of women among the total of employees increased to 26.5% compared to 26.0% in 2023. The share of women among line managers increased to 24.0% (22.7%) and was 32.0% (31.4%) among top management.

Health and safety

Ericsson has a target of zero work-related fatalities and lost workday incidents caused by either work-related physical injuries or work-related illnesses by 2025. The target includes both Ericsson's own workforce and employees of field service suppliers. Target performance is measured by the number of fatalities and lost workday incidents recorded by Ericsson in each reporting period that were assessed and determined to be within the Company's control.

Category	Base year	Target year	No. in base year	Target No.	No. in 2024
Fatalities	2020	2025	7	0	2
Lost workday incidents			143		72

In 2024, there were two fatalities compared with 10 in 2023. These two fatalities involved supplier employees. There were 72 lost workday incidents compared with 84 in 2023. Ericsson believes that the reduction in fatalities and incidents is a result of the actions the Company has taken, as described above.

Characteristics of employees

Numerical information about characteristics of Ericsson's employees and non-employed workforce presented below is based on information from Ericsson's central human resources system and is based on the headcount of each worker category at the end of the reporting period. The total year-end headcount has been reconciled to the corresponding number in note G4 to the consolidated financial statements.

Employees by category

Headcount	2024	2023	2022
Executive management	17	16	17
Top management[1]	175	175	177
Line managers	7,367	7,499	7,602
STEM[2]	70,128	74,454	78,789
Non-STEM	16,549	17,808	18,944
Total	**94,236**	**99,952**	**105,529**

[1] Ericsson has defined top management as people reporting directly to a member of the executive management, meaning people two levels below the President and CEO, excluding executive assistants.

[2] Non-managerial employees in job roles within the fields of science, technology, engineering and mathematics (STEM).

Employees by country[1]

Headcount	2024	2023	2022
India	22,279	22,848	23,112
Sweden	13,420	13,977	14,481
China	8,136	9,950	10,971
Other countries	50,401	53,177	57,145
Total	**94,236**	**99,952**	**105,529**

[1] Country-level data is disclosed for countries representing at minimum 10% of the global headcount in at least one of the three previous years.

Employees by contract type

2024 Headcount	Male	Female	Other/Not reported	Total
Permanent employees	68,965	24,825	107	93,897
Temporary employees	221	118	–	339
Non-guaranteed hours employees	–	–	–	–
Total	**69,186**	**24,943**	**107**	**94,236**
Full-time employees	68,769	24,496	104	93,369
Part-time employees	417	447	3	867
Total	**69,186**	**24,943**	**107**	**94,236**

Section S1, cont'd.

Turnover

No/%	2024	2023	2022
Employees who have left the Company, No.	11,919	13,362	14,381
Turnover rate, %	12	13	14
Leavers by share of men and women, %			
Men	73	74	74
Women	27	26	26
Other/not reported	0	0	0
Leavers by age, %			
<30	21	23	30
30–50	57	56	60
>50	22	21	10

Hiring and internal mobility

No./%	2024	2023	2022
Employees who have joined the Company, No.	6,203	7,785	17,235
Hiring rate, %	6	8	17
New joiners by share of men and women, %			
Men	63	68	72
Women	35	31	27
Other/not reported	1	0	0
New joiners by age, %			
<30	47	49	45
30–50	46	47	50
>50	7	4	5
Positions filled by internal candidates, %[1]	44	49	37

[1] Derived by dividing the number of positions filled in a year by people already employed by Ericsson by the total number of positions filled in the same year.

Characteristics of non-employee workers in own workforce

Besides employees, Ericsson also has an external workforce that does not have a direct employment relationship with the Company. This workforce is mainly made up of consultants working in service delivery, product development and supply.

Headcount	2024	2023	2022
Non-employee workers	9,610	13,125	18,088

Collective bargaining coverage and social dialogue

Ericsson recognizes and respects the right of employees to form or join independent trade unions as well as the right to collective bargaining. In places where local laws restrict these rights, Ericsson seeks other ways of having a meaningful dialogue with employees. This includes alternative, independent and freely elected forms of employee representation such as employee committees or councils. As for the rights of employees of suppliers, Ericsson's requirements in this area are set out in its Code of Conduct for Business Partners. These requirements are on par with the rights of Ericsson's own employees. In 2024, Group-wide coverage of collective bargaining agreements was 31% (29%).

Collective bargaining agreements coverage per country and region[1]

%	Employees – EEA	Employees – Non-EEA
0–19		– South Asia – East Asia and Pacific – North America
20–39		
40–59		
60–79		
80–100	– Sweden	

[1] Only countries within the EEA and regions outside the EEA with more than 10% of the Group's total employee headcount are shown.

Diversity metrics

Breakdown of employees

Headcount	2024	2023	2022
Male	69,186	73,919	78,518
Female	24,943	25,954	26,901
Other/Not reported	107	79	110
Total	**94,236**	**99,952**	**105,529**

Share of women per employee category

%	2024	2023	2022
Executive management	24	25	18
Top management[1]	32	31	35
Line managers	24	23	22
STEM[2]	22	22	21
Non-STEM	46	46	46
All employees	**27**	**26**	**25**

[1] Ericsson has defined top management as people reporting directly to a member of the executive management, meaning people two levels below the President and CEO, excluding executive assistants.
[2] Non-managerial employees in job roles within the fields of science, technology, engineering and mathematics (STEM).

Share of employees by age group

%	2024	2023	2022
<30	12	13	15
30–50	65	66	65
>50	22	21	20

Adequate wages

Ericsson plans to conduct an analysis regarding adequate wages for its own workforce during 2025.

Training and skills development metrics

Share of employees receiving performance and career development reviews[1]

%	2024	2023	2022
Men	89	93	93
Women	88	92	91
Total	**88**	**93**	**93**

[1] Performance evaluations recorded as of January 31 the following year.

Average recorded training hours per employee

Hours	2024	2023	2022
Men	25.2	38.6	18.9
Women	24.6	36.8	17.8
All employees	**25.1**	**38.1**	**18.6**

Health and safety metrics

Fatalities, by party involved

No.	2024	2023	2022
Employees	–	1	–
Non-employees in own workforce	1	–	–
Other workers[1]	1	8	6
Third parties[2]	–	1	2
Total	**2**	**10**	**8**

[1] Primarily employees of site service suppliers and subcontractors.
[2] Third parties refer to any person not working for Ericsson either as an employee or working for a supplier or subcontractor, such as a member of the public, who is affected by an incident assessed to be within the Company's control.

Section S1, cont'd.

Fatalities by cause

No.	2024	2023	2022
Fall from heights	1	4	4
Driving/traffic accident	1	5	4
Electric accident	–	1	–
Total	**2**	**10**	**8**

Lost workday accidents (LWAs), by party involved[1)]

No.	2024	2023	2022
Employees	28	53	96
Non-employees in own workforce	–	–	–
Other workers[2)]	44	43	30
Total	**72**	**96**	**126**

1) As of 2024 lost workday accidents occurring among third parties are excluded from the statistics as Ericsson has limited possibility to verify the number of actual days lost. Third parties are still included in the statistics for fatalities and recordable workplace accidents.
2) Primarily employees of site service suppliers and subcontractors.

Recordable work-related accidents (RWAs), by party involved

No.	2024	2023	2022
Employees	58	–[3)]	–[3)]
Non-employees in own workforce	1	–[3)]	–[3)]
Other workers[1)]	55	–[3)]	–[3)]
Third parties[2)]	2	–[3)]	–[3)]
Total	**116**	**–[3)]**	**–[3)]**

1) Primarily employees of site service suppliers and subcontractors.
2) Third parties refer to any person not working for Ericsson either as an employee or as a supplier or subcontractor, such as a member of the public, who is affected by an incident assessed to be within the Company's control.
3) Ericsson is disclosing this metric for the first time wherefore comparative data for previous reporting periods is not available.

Employee fatality, LWA, and RWA rate[1)]

Per 500 FTEs	2024	2023	2022
Fatality rate	–	0.00	–
LWA rate	0.14	0.26	0.44
RWA rate	0.29	–[2)]	–[2)]

1) Indicates the rate of fatalities, lost workday accidents and recordable work-related accidents occurring in a year per 500 full-time equivalents (FTEs), using 1,000,000 hours as the standardized average number of hours worked by 500 FTEs in one year. Total hours worked is an estimated value based on standard annual working hours for active employees multiplied with each country's annual average FTE headcount, which sums to about 199 million hours (206 million and 220 million hours in 2023 and 2022, respectively). As such, the data contains high measurement uncertainty.
2) Ericsson is disclosing this metric for the first time wherefore comparative data for previous reporting periods is not available.

Non-employees in own workforce fatality, LWA, and RWA rate[1)]

Per 500 FTEs	2024	2023	2022
Fatality rate	0.04	–[2)]	–[2)]
LWA rate	–	–[2)]	–[2)]
RWA rate	0.04	–[2)]	–[2)]

1) Indicates the rate of fatalities, lost workday accidents and recordable work-related accidents occurring in a year per 500 full-time equivalents (FTEs), using 1,000,000 hours as the standardized average number of hours worked by 500 FTEs in one year. Total hours worked is an estimated value based on standard annual working hours for active non-employees in own workforce multiplied with each country's annual average FTE non-employee headcount, which sums to about 23 million hours. As such, the data contains high measurement uncertainty.
2) Ericsson is disclosing this metric for the first time wherefore comparative data for previous reporting periods is not available.

Lost workdays and near misses[1)]

No.	2024	2023	2022
Lost workdays	683	1,679	3,040
Near misses reported	11,765	11,004	9,716

1) Ericsson is currently only able to collect information with satisfactory accuracy on the number of lost workdays for its own employees.

Occupational Health and Safety Management System

Ericsson's Group-wide OHS Management System is a part of the Ericsson Group Management System and is designed to mitigate health, safety and well-being risks, as well as capture and implement opportunities for improvement in these areas across Ericsson's business and processes. It is certified to ISO 45001, the international standard for OHS management. This system covers 96% of Ericsson's employees and 99% of non-employees in Ericsson's own workforce. Not covered is primarily the workforce of the Cradlepoint, Vonage and RedBee businesses, which are not fully integrated into the Ericsson Group Management System.

Compensation metrics

Ratio of compensation of women to men[1)]

%	2024	2023	2022
Base salary	85	85	84
Total compensation	85	85	82

CEO to employee pay ratio[2)3)]

Ratio	2024	2023	2022
Base salary – Sweden	25	27	26
Base salary – Global	37	39	40
Total compensation – Sweden	73	76	75
Total compensation – Global	100	103	109

1) This metric does not take into consideration other factors affecting compensation levels, such as location, job role and responsibilities, experience, age, education level etc. Total compensation includes full-time annual base salary, short-term variable pay (STV) and sales incentive plans (SIP) target entitlement, and long-term variable (LTV) pay grants given in the current year. The figures for total compensation ratios exclude Field Service Organization employees in certain companies that follow local STV plans, making it difficult to make relevant comparisons (about 134 individuals in 2024). The total compensation ratio includes employees of Vonage (now part of Segment Global Communications Platform) from 2023, but not 2022.
2) Base salary in this context excludes holiday pay in Sweden (including for the President and CEO) and therefore differs from the data presented in the table Total Remuneration to the President and CEO and Executive Vice President on page 2–3 in the Remuneration Report, which includes holiday pay.
3) Total Compensation in this context is based on STV/SIP target-level entitlement and LTV granted for each respective year and therefore differs from the information presented in the table Total Remuneration to the President and CEO and Executive Vice President, on page 3 in the Remuneration Report, which shows actual earned STV and vested LTV. The total compensation ratio includes employees of Vonage (now part of Segment Global Communications Platform) from the year 2023 but not 2022.

Ericsson has also assessed its adjusted pay gap among men and women, also known as the equity gap, for a majority of its employees. Unlike the metrics disclosed above, this metric takes into consideration other factors when assessing differences in compensation between women and men, such as experience, performance, tenure and responsibilities. The adjusted equity gap is a more accurate measurement of a company's equal pay for equal work practices.

Incidents, complaints and severe human rights impacts

Compliance concerns related to discrimination and harassment[1)]

No.	2024	2023	2022
Total received	98	–[2)]	–[2)]
of which harassment concerns	*79*	–[2)]	–[2)]
of which discrimination concerns	*19*	–[2)]	–[2)]
Total confirmed	15	–[2)]	–[2)]
of which harassment concerns	*15*	–[2)]	–[2)]
of which discrimination concerns	–	–[2)]	–[2)]

1) Scope of disclosures are concerns received and handled through the Allegation Management Process.
2) Ericsson is disclosing this metric for the first time wherefore comparative data for previous reporting periods is not available.

In 2024, 79 concerns classified as harassment were reported to the Ericsson Compliance Line. Out of the reported concerns, 32 were referred for further investigation. 15 of these investigations were concluded and found to be substantiated. 9 cases were still under investigation at the end of the year. 20 concerns were referred to other functions, such as the People Function, to be addressed in accordance with their processes.

In 2024, 19 concerns classified as discrimination were reported to the Ericsson Compliance Line. Out of the reported concerns, 4 were referred for further investigation. None of these investigations was concluded and found to be substantiated. One case was still under investigation at the end of the year. 8 concerns were referred to other functions, such as the People Function, to be addressed in accordance with their processes.

Corrective and disciplinary actions have been taken against subjects in substantiated investigations, including termination of employment.

The total number of complaints reported to Ericsson's channels for reporting compliance concerns is disclosed in section G1.

During 2024, Ericsson has not, through its own reporting channels or through any OECD National Contact Points set up by governments that adhere to the OECD Guidelines for Multinational Enterprises, been made aware of any severe human rights incidents related to its own force in which the Company has been involved. Consequently, no remediation actions have been taken.

S2 Workers in the value chain

	Impact occurs			
Material sustainability matters	Upstream, extended supply chain	Own operations	Downstream, customers and end users	Potential risks and opportunities
Health and safety	●	○	●	●
Equal treatment and opportunities	●	○		●
Workers' rights and working conditions	●	○		
Forced and child labor	●			●
Adequate housing	●			

Material impacts, risks and opportunities

As described in the section General Disclosures, as a multinational company with about 17,000 active direct suppliers in 2024 and several times more indirect suppliers, Ericsson's value chain is complex. Several material impacts, risks and opportunities related to workers in the value chain have been identified. These can be divided into three categories: working conditions, health and safety, and other work-related rights, which are further detailed below.

Working conditions

Many of Ericsson's suppliers and subcontractors are found in countries and regions where there are heightened systemic risks of workers not being paid an adequate wage or having secure employment conditions, working excessive hours or their right to freedom of association not being respected. This includes Asia, the Middle East, Africa and Latin America. Similarly, in largely the same geographies, there are systemic and heightened risks of discrimination and harassment of women and other underrepresented groups or minorities in the workplace. Ericsson also works with suppliers and subcontractors in several countries with heightened risk to personal security caused by conflicts, civil unrest, criminality or authoritarian rule.

Health and safety

Material health and safety-related impacts for workers in the value chain correspond to the same impacts as those described for its own workforce in section S1. Ericsson's overall approach to managing these impacts is also described in section S1, with supplier-specific measures described below.

Other work-related rights

Beyond its first-tier suppliers, Ericsson has identified heightened systemic risks of forced labor, in particular for activities involving the extraction of natural resources used in Ericsson's hardware, as well as electronics manufacturing in certain parts of the world including, but not limited to China, India, Brazil and Malaysia. Systemic risks have also been identified for child labor in relation to the extraction of some natural resources used in Ericsson's hardware. Ericsson sources components and products containing minerals and metals that may originate from conflict-affected and high-risk areas but does not source minerals or metals directly. Although the potential impacts exist several tiers upstream in Ericsson's supply chain, Ericsson acknowledges that this is an important systemic matter to address in relation to both the rights of workers in the value chain and affected communities.

Poor housing conditions for workers in the electronics manufacturing value chain is also a known systemic issue in parts of the world, in particular in locations where employees, often migrant workers, might live in worker dormitories with substandard living and sanitary conditions. This potential impact is most likely to occur beyond Ericsson's first-tier suppliers.

Existing and emerging legal requirements on companies to ensure respect for human rights across their value chains, in particular mandatory due diligence provisions or similar requirements such as those included in the US anti-forced labor import laws and the European Union's Corporate Sustainability Due Diligence Directive and Forced Labor Regulation, require companies to strengthen their risk management practices, which can increase compliance-related costs. Failure to demonstrate compliance can have legal and financial consequences and affect Ericsson's access to certain markets through, for example, import bans. Human rights-related factors are also increasingly included in customers' supplier evaluation processes, meaning Ericsson's performance in this area could affect how the Company is assessed in tenders and proposals.

Policies related to value chain workers

Code of Business Ethics

The Code of Business Ethics states that at Ericsson, any form of slavery exploitation, including human trafficking and forced, coerced, bonded or compulsory labor, is strictly prohibited. The provisions in Ericsson's Code of Business Ethics that concern prohibition of discrimination are described in section S1 and apply also to workers in the value chain.

Code of Conduct for Business Partners

The Code of Conduct for Business Partners requires business partners such as suppliers to respect all internationally recognized human rights standards, including the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Summarized, the Code of Conduct for Business Partners articulates Ericsson's requirements on business partners to provide their employees with written and understandable employment agreements, that employees shall not be required to pay recruitment fees and that they must never be denied access to their identification or, in the case of migrant workers, immigration documents. No form of forced or bonded labor is permitted under the Code, and suppliers must not use child labor in any of their operations. Employees under the age of 18 must not perform work that could jeopardize their health or safety. Working hours must not exceed what is the maximum allowed by law, and a workweek must not be more than 60 hours, including overtime, striving for the ILO standard of 48 regular hours per week. Business partners must respect the right of their employees to earn a living wage. Wages paid to employees shall be compliant with applicable wage laws, and wages for a normal workweek must be sufficient for meeting the basic needs of employees and provide some discretionary income. Business partners shall further provide a workplace free of unlawful discrimination of any kind, harassment and harsh or inhumane treatment, including violence. Threats of the same are also not accepted. Business partners must respect the right of all employees to form and join trade unions and bargain collectively.

The Code requires that business partners take a risk-based approach to health and safety and that employees and contractors are adequately trained in their assigned tasks. The business partner must also have an appropriate incident and reporting procedure in place, and a process for taking corrective actions. Besides the Code, Ericsson also has general occupational health and safety (OHS) standards applicable to all suppliers, requiring them to have an OHS management system in place, incorporating the elements described above. For suppliers of construction, field maintenance and network rollout services, additional specific OHS standards, which provide more detailed requirements, are also mandatory. These specific standards also detail requirements on how suppliers shall manage OHS matters in relation to their subcontractors.

General information regarding the Code of Conduct for Business Partners is included in the section General Disclosures, which also provides information about Ericsson's Statement on Business and Human Rights.

Processes for engaging with value chain workers about impacts

Ericsson engages directly and indirectly with workers in its value chain about impacts that affect them, or are likely to affect them, in several ways. Some of the more relevant channels are described below.

The Supplier Code of Conduct Audit Program described below incorporates worker interviews, which is one way in which Ericsson engages with workers in the value chain. These interviews focus on human and labor rights topics included in the Code of Conduct for Business Partners.

Ericsson also engages on a regular basis with various organizations, which can be seen as proxies for the views and interests of value chain workers. Ericsson is a member of the Shift Business Learning Program to drive business respect for human rights according to the United Nations Guiding Principles for Business and Human Rights (UNGPs). The Company is also a member of the Business Network on Civic Freedoms and Human Rights Defenders and the Responsible Business Alliance (RBA).

In addition, Ericsson engages with value chain worker proxies when it conducts heightened due diligence activities. These may take the form of direct engagements with labor rights organizations active in a particular country, as well as roundtable meetings with civil society organizations and other stakeholders working with labor-rights-related topics.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Findings from supplier audits are addressed through corrective action plans. Those are therefore one of the most important mechanisms for providing remedy for negative impacts on value chain workers.

There are several channels for workers in the value chain to raise concerns. The Ericsson Compliance Line, available to internal as well as external stakeholders, including suppliers and their workers, can be used to report concerns about violations of the Code of Conduct for Business Partners, policies, laws or regulations. For information about the Ericsson Compliance Line, see section G1.

Ericsson also requires business partners to have a process for their employees to report violations of the Code of Conduct for Business Partners, which shall include an effective grievance mechanism. The business partner is required to ensure a safe environment for providing grievance without fear of reprisal or retaliation.

Taking action on material impacts, risks and opportunities

Ericsson strives to conduct business in a responsible manner and has several means in place to manage impacts on workers in the value chain. Described below are key actions and action plans related to the segmentation, screening and auditing of suppliers, heightened due diligence regarding human rights and conflict minerals, and supplier health and safety management.

Supplier segmentation and business continuity
Ericsson segments its supplier base to efficiently manage supplier relationships and risks. Suppliers are divided into one of four segmentation levels based on a combination of the following four aspects: spend, risk, dependency and value. Suppliers in the top two segmentation levels are considered business critical. Ericsson strives to have multiple supply sources to strengthen supply chain resilience wherever possible and invests in strategic buffers to further reduce the risk of disruptions. In addition, disruptive events are monitored in real time and individual suppliers can be visualized in the monitoring process. In case such an event occurs, Ericsson will be notified of which suppliers may be impacted. The risk exposure is subsequently assessed and appropriate mitigation activities for the specific event are enacted. The real-time monitoring can be extended to integrate a supplier's business continuity plans, enabling additional granularity in the analysis of the supplier's vulnerability.

Supplier screening and audits
Within Ericsson's sourcing organization, a dedicated unit is responsible for driving sustainability and corporate responsibility-related initiatives with a focus on supplier alignment with the Code of Conduct for Business Partners. The scope of the Responsible Sourcing Program mirrors the topics covered in this Code. Supplier adherence to standards and requirements is verified through two audit programs, one based on the Code of Conduct and the other on Contract Compliance.

Ericsson has been working on increasing the traceability of its products beyond first-tier suppliers. These efforts have followed a risk-based approach factoring in supplier category risk, country risk and risks related to the specific product, product component or raw material supplied. New and emerging regulations that contain supply chain traceability requirements have been considered in this process. Ericsson's general approach is to work collaboratively with suppliers toward continuous improvement. In cases where such collaboration has not been possible, Ericsson has, as a last resort, decided to make changes to its supply chain.

Ericsson offers free training through its website to its suppliers and business partners. Besides general training on the Code of Conduct for Business Partners, targeted content covering anti-corruption, human rights, conflict minerals and OHS is also available via the Company's website. Direct access to the United Nations Global Compact Academy is available to employees in the sourcing organization and to suppliers via Ericsson's website.

Supplier screening
Ericsson has a process for assessing its first-tier suppliers for risks of nonconformity with its Code of Conduct. During onboarding of a new supplier, an initial screening is performed using third-party databases to assess adverse media coverage in the areas of regulatory compliance, anticompetitive behavior, financial irregularities, environment, production, social and labor rights-related matters.

As a next step, a modular supplier sustainability risk assessment based on the supplier category's risk profile can be activated. The scope of each assessment is determined based on the type of products or services the supplier provides. When a supplier has been selected for assessment, one or several self-assessment questionnaires covering environmental, OHS and human rights management are sent to the supplier for completion.

After completion of the assessment, suppliers are rated as having high, medium or low risk, depending on how well they meet Ericsson's criteria in the areas covered. Based on this rating, a recommendation to either approve, not approve, or approve the supplier with certain conditions to address gaps (or the equivalent recommendations in the case of an active supplier) will be issued.

Once onboarded, suppliers continue to be screened for adverse media coverage at regular intervals as long as they provide products or services to Ericsson.

Supplier audits
Ericsson audits its first-tier suppliers, primarily those making up the top 90% of the total supplier spend, to verify that suppliers meet the requirements in Ericsson's Code of Conduct. The inherent risk related to these suppliers, based on factors such as country, type of service or product supplied, time since the last audit and purchase volume is assessed and forms the basis for audit selection.

The audits are performed by a third-party audit firm and are done primarily on-site, with remote audits being an option for high-risk countries, to not jeopardize the safety of the auditors, and for follow-up audits. The overall audit criteria are adherence to the Code of Conduct, with specific criteria including, but not being limited to, employment conditions such as working hours, wages and management dialogue, OHS matters such as accident and incident prevention, chemical handling as well as communication of requirements to sub-suppliers and contractors.

Section S2, cont'd.

Nonconformities are required to be addressed through time-specific corrective action plans. Ericsson does not conduct unannounced audits. However, semi-announced audits, where the supplier is informed that an audit will take place during a window of time without knowing exactly when, are conducted.

In 2024, 79 (123) such audits were performed identifying nonconformities at 89% (85%) of the audited suppliers and critical nonconformities at 3% (1%) of the audited suppliers. These were primarily related to OHS management. 84% (79%) of the total number of nonconformities and 50% (100%) of the critical ones had been addressed with corrective actions within the predetermined timeframes.

Ericsson also conducts audits to verify compliance with contractual agreements between suppliers and Ericsson. These are performed by Ericsson's internal auditors and follow the principles of ISO 9001 Guidelines for Auditing Management Systems. Besides the Code of Conduct criteria, other criteria such as trade compliance, business continuity management and security are in the scope of these audits. Nonconformities are required to be addressed through time-specific corrective action plans.

In 2024, 14 (19) such contractual audits identified nonconformities at 100% (100%) of the audited suppliers. These were primarily related to the Code of Conduct for Business Partners. No critical nonconformities were identified. 76% (65%) of the identified nonconformities had been addressed with corrective actions within the pre-determined timeframes.

Conflict minerals due diligence

Ericsson's Conflict Minerals Program, following the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, requires suppliers to exercise due diligence in the sourcing and extraction of conflict minerals and to verify with reasonable certainty the origin of conflict minerals contained in products sold to Ericsson. Minerals in scope of the program are tin, tantalum, tungsten and gold as well as cobalt and mica. More detailed information on this topic can be found in Ericsson's annual Conflict Minerals Report, available on the Company's website.

Heightened human rights due diligence

Ericsson has processes in place to conduct heightened human rights due diligence when operating in conflict-affected and high-risk areas or when human rights risks are otherwise considered elevated. Measures taken in such situations include in-depth desktop studies of matters such as the security situation and regulatory environment, obtaining input and analysis from third-party experts and engaging with external stakeholders, including potentially affected stakeholders or their intermediaries and representatives.

In conflict-affected or high-risk contexts, it may be difficult to reach out directly to impacted stakeholders. In such circumstances, Ericsson tries to leverage its engagement in forums such as the Global Network Initiative and the Business Network on Civic Freedoms and Human Rights Defenders, and other preexisting stakeholder relationships, to identify ways of engaging with external stakeholders that ensure their personal security and safety. This can involve sharing information about current and future business activities and practices, potential human rights risks and mitigating measures and how to establish meaningful communication channels with concerned stakeholders. Heightened human rights due diligence can also be triggered by factors such as re-entry into a market, reports about deteriorating human rights situations in a specific country, new product developments or identified actual adverse impacts. The methodology used for conducting heightened human rights due diligence is aligned with the UN Guiding Principles.

The human rights-focused country visit to India described in section S1 also covered matters related to workers in the value chain.

Supplier health and safety management

Ericsson has set up global mandatory programs for field service suppliers, which are part of its Code of Conduct for Business Partners. These are the Stop Work Authority, supplier maturity assessment, consequence management and mandatory training.

The Stop Work Authority standard both requires and empowers people to immediately stop work when unsafe working conditions are identified, and this is a key measure to mitigate risks of incidents.

The Company has put in place a supplier safety maturity assessment process to assess site service suppliers against a set of predefined OHS criteria. Based on assessment results, an improvement plan is developed and shared with the supplier. Completion of actions in the improvement plan is aimed at helping suppliers improve their safety performance and maturity, and each supplier is expected to complete assigned actions within set timelines. New suppliers are not onboarded unless they pass the assessment. Ericsson applies consequence management to suppliers who do not close their actions in time or refuse to complete or be part of the assessment. Site services suppliers failing to adhere to Ericsson's health and safety requirements are handled through a consequence management process. To mitigate risks of repeated failure to follow rules and procedures, Ericsson imposes consequences such as financial penalties, reduction of business volumes, more quality inspections and audits, and written warnings. In severe cases, supplier relationships can be terminated. OHS-related actions and action plans described in section S1 are also relevant for employees of site service suppliers.

Over 1,800 site services suppliers have been assessed since 2023 and about 12,000 critical and major observations were identified as part of the program. Several hundred site services suppliers have been phased out either due to low scoring or not completing assigned actions to address critical or major observations. Ericsson will continue its supplier maturity assessments in 2025, both through assessing new suppliers and by reassessing low scoring active suppliers.

In addition, suppliers are expected to complete certain mandatory courses required by Ericsson, as specified on Ericsson's website. These courses include mandatory OHS induction training, safe driving awareness and lifesaving rules. During 2025, Ericsson will continue these programs and its upskilling efforts by conducting supplier Target Zero workshops and training for supplier management and team leaders.

Targets related to workers in the value chain

Ericsson has a target for zero fatalities and lost-workday incidents, which covers employees of site service suppliers. There is further information about this target in section S1.

Section S2, cont'd.

Supplier audit findings and corrective actions

Code of Conduct for Business Partners audits

No.	2024	2023	2022
Conducted audits	79	123	114

Audit findings %	2024	2023	2022
Share of audited suppliers with nonconformities	89	85	97
Nonconformities per category			
Access and transparency[1]	*0*	*0*	–[4]
Employment conditions	*42*	*42*	–[4]
Environmental management	*3*	*4*	–[4]
Anti-corruption measures	*0*	*3*	–[4]
OHS management	*53*	*48*	–[4]
Sub-supplier communications[2]	*2*	*3*	–[4]
Share of audited suppliers with critical nonconformities	3	1	–[4]
Critical nonconformities per category			
Access and transparency[1]	–	–	–[4]
Employment conditions	–	–	–[4]
Environmental management	–	–	–[4]
Anti-corruption measures	–	–	–[4]
OHS management	*100*	*100*	–[4]
Sub-supplier communications[2]	–	–	–[4]
Corrective action rate[3]			
All nonconformities	84	79	73
Critical nonconformities	50	100	63

Contract Compliance audits

No.	2024	2023	2022
Conducted audits	14	19	15

Audit findings %	2024	2023	2022
Share of audited suppliers with nonconformities	100	100	100
Nonconformities per category			
Code of Conduct for Business Partners	*33*	*36*	–[4]
Quality Management Systems	*16*	*20*	–[4]
Security	*10*	*9*	–[4]
Sourcing	*7*	*9*	–[4]
Business Continuity Management	*10*	*7*	–[4]
Other	*25*	*19*	–[4]
Share of audited suppliers with critical nonconformities	–	–	–[4]
Critical nonconformities per category			
Code of Conduct for Business Partners	–	–	–[4]
Quality Management Systems	–	–	–[4]
Security	–	–	–[4]
Sourcing	–	–	–[4]
Business Continuity Management	–	–	–[4]
Other	–	–	–[4]
Corrective action rate[3]			
All nonconformities	76	65	69
Critical nonconformities	–	–	–

1) Access to facilities and documentation necessary to conduct the audit.
2) Communication of Ericsson's requirements, such as those in the Code of Conduct, to sub-suppliers where this is required.
3) The share of identified nonconformities and critical non-conformities addressed and closed within internally defined deadlines applicable to each respective category. The corrective action rates are calculated based on the rate at which findings identified in the reporting period have been addressed and closed during the same period. For this reason, findings identified late in the reporting period may not have been addressed and closed by the reporting year cut-off date, which is December 31.
4) Detailed breakdown of type of nonconformities is not available, as this metric was not disclosed in 2022.

S3 Affected communities

Material sustainability matters	Impact occurs: Upstream, extended supply chain	Own operations	Downstream, customers and end users	Potential risks and opportunities
Technology ethics			●	
Corporate citizenship and emergency response			●	
Socioeconomic impacts of ICT and digital education			●	

Material impacts, risks and opportunities

Ericsson has identified impacts on the communities in which it operates. These include technology ethics, corporate citizenship and emergency response, and the broader socioeconomic impacts of information and communications technology (ICT) on communities and digital education. Sourcing of minerals from conflict-affected and high-risk areas is also associated with potential negative impacts on communities and is addressed in section S2.

Technology ethics

Ericsson is involved in the development of new technology such as 6G and AI. The application and unintended effects on people and communities of such technologies are under increasing scrutiny, governmental regulation, litigation and the subject of public debate. Ericsson has therefore identified technology ethics as a matter with potential material impacts on affected communities.

Corporate citizenship and emergency response

Ericsson and its technology positively impact people and communities in several ways, from facilitating access to education for children and young people, making donations to selected charitable causes, to providing necessary communications infrastructure to support humanitarian response in crisis situations. In addition to the benefits to the receiving parties, meaningful community engagement also contributes to enhancing the employee experience for the people working for Ericsson.

Socioeconomic impacts of ICT and digital education

Research shows that, on average, a 10% increase in mobile broadband adoption can increase economic growth by up to 0.8%, with the effect being significantly larger in low-income countries[1]. Similarly, increases in school connectivity can have significant effects on economic growth, with potential double-digit additions to GDP if low-income countries achieve the same levels of connectivity as the most connected economies[2]. The number of internet users grew to 5.5 billion by the end of 2024. Still, some 2.6 billion people or roughly one-third of the world's population do not have a fast and reliable broadband connection and around 5% of the population is not covered by mobile broadband at all[3].

The connectivity gap is twofold and consists of both a gap in overall coverage, meaning access to any type of mobile broadband connection, and a gap in terms of lacking a mobile broadband connection that is good enough to allow full participation in the digital economy, such as access to at least 4G coverage. The challenge in bridging both these gaps is primarily a financial, rather than a technological, one with a need for new business models to evolve to enable meaningful connectivity at lower cost. Through solutions such as Fixed Wireless Access, Ericsson contributes to increased affordability, which is one enabler for connecting the unconnected and closing the digital divide.

Nearly one-quarter of the world's adult population lacks access to formal banking and financial services, according to the World Bank Findex. However, most of the unbanked population owns a mobile phone that can help them access formal financial services. Mobile financial services offer the possibility to bring millions of financially underserved people into the formal economy, improving individual livelihoods and transforming economies.

In addition, without sufficient digital literacy people cannot fully partake in the digital economy, which is why digital upskilling is another key enabler to achieve broad digital inclusion in society. Through its digital education program, Connect to Learn, Ericsson works to accelerate access to digital connectivity for schools and learning centers, and to provide the next generation with digital skills to enable them to participate in the digital economy.

Policies related to affected communities

Ericsson's Code of Business Ethics states that the Company supports local communities to drive positive impact. Contributions, memberships, co-marketing/joint activities, sponsorships, donations and collaborations with academia are required to be carefully assessed to confirm that they are consistent with Ericsson's strategy of supporting worthy initiatives that can have the most significant impact. The Company also endeavours to perform due diligence to ensure contributions are free from any actual or potential conflicts of interest or have any association with improper payments. General information regarding the Code of Business Ethics is included in the section General Disclosures, which also provides information about Ericsson's Statement on Business and Human Rights.

To advance positive impacts on communities, Ericsson's corporate citizenship activities are aligned to four cause categories: humanitarian response, education and digital skills, climate and environment, and equal treatment and opportunities underpinning all of these. Ericsson does not make donations to political or religious causes and complies with applicable anti-discrimination laws. Certain subsidiaries have their own guiding principles for their work with corporate citizenship that may deviate from the Group's.

During the year, Ericsson has been developing a Group policy on the development, innovation and use of technology. Ericsson has a long history of technology leadership and innovation and as a founding principle, the Company considers access to communications to be a basic human need and, as such, is committed to continuing the advancement of technology and to supporting communications for all globally. This policy will be detailed in coming sustainability reports.

Ericsson already adheres to the EU's Ethics Guidelines for Trustworthy AI and has incorporated the guidelines in development and governance processes, including AI development guidelines and design rules. The principles cover topics such as explainability, non-bias, non-discrimination and possibility of human oversight. Apart from the implementation of trustworthy AI by design, Ericsson is also committed to ensuring that the Company itself uses trustworthy AI.

[1] Edquist et al. (2018). How important are mobile broadband networks for the global economic development? *Information Economics and Policy*
[2] Birdwell et al. (2021). Connecting learners: Narrowing the educational divide, *The Economist Intelligence Unit*
[3] The State of Broadband. (2024). Leveraging AI for Universal Connectivity, *Broadband Commission for Sustainable Development*

Section S3, cont'd.

Processes for engaging with affected communities about impacts

While local engagement directly with people in affected communities occurs from time to time, Ericsson primarily engages with them via organizations and partnerships. Key memberships and partnerships are briefly described below. Besides these, Ericsson's membership of the Global Network Initiative is primarily aimed at engaging on matters related to technology ethics, as described in section S4.

Organization	Description
1t.org	Ericsson contributes to 1t.org, part of the World Economic Forum's work to accelerate nature-based solutions through its pledge on Connected Mangroves, which is a reforestation project that started in Malaysia and further developed in the Philippines and India. It builds on connected technologies such as solar-powered sensors and real-time camera footage to collect and analyze critical data on mangrove wetlands. It also offers the local communities a platform to check on water, soil and humidity conditions, and remotely monitor any intrusion on the sites.
International Red Cross and Red Crescent Movement	The organized International Red Cross and Red Crescent Movement is a humanitarian movement with staff and volunteers worldwide. It was founded to protect human life and health, to ensure respect for all human beings and to prevent and alleviate human suffering. Ericsson contributes with donations during emergencies to the humanitarian work of the Red Cross/Red Crescent.
ITU (International Telecommunication Union)/UNESCO Broadband Commission for Sustainable Development	Ericsson's CTO is a Commissioner on the Broadband Commission for Sustainable Development, a multi-stakeholder, high-level platform for developing policy recommendations and thought leadership on universal meaningful connectivity and the importance of broadband to the global sustainable development agenda. The commission envisions and works toward realizing a fully connected world that harnesses the power of broadband to achieve the UN's Sustainable Development Goals (SDGs) by 2030.
ITU-Telecommunication Development Sector (ITU-D)	Ericsson is partnering with the ITU-D to advance the digital inclusion agenda focusing on addressing the challenges of universal school connectivity and the digital transformation of societies and economies. The collaboration aims to enhance tools and training to help policymakers improve sustainable connectivity in underserved areas and communities.
Technovation	Ericsson is partnering with education nonprofit Technovation in a global mentorship program with the objective to inspire girls to be leaders and tech entrepreneurs. With the support of volunteer mentors and parents, girls work in teams to code AI-based and mobile apps that address real world problems. Ericsson employees support as mentors to enrolled participants.
The Digital Transformation Collaborative	The Digital Transformation Collaborative is a tech-focused public-private partnership led by UNESCO that aims to mobilize resources at national scale in collaboration with governments to advance their visions for leveraging sustainable digital transformation in education to achieve SDG 4. Ericsson is a member of the Digital Transformation Collaborative steering group.
The World Economic Forum/EDISON Alliance	The World Economic Forum's EDISON Alliance mobilizes global commitments from governments, companies and organizations to advance digital inclusion as part of its 1 Billion Lives Challenge. Members, including Ericsson, are championing digital inclusion as essential to achieving the UN's SDGs, empowering everyone to thrive in the digital economy and society.
United Nations High Commissioner for Refugees (UNHCR)	UNHCR, the UN Refugee Agency, is a global organization dedicated to saving lives, protecting rights and building a better future for refugees, forcibly displaced communities and stateless people. Ericsson Response provides critical equipment and surge capacity to enable the delivery of vital communication services in refugee emergencies through UNHCR's Refugee Emergency Telecommunications Sector.
United Nations International Children's Emergency Fund (UNICEF)	UNICEF works in over 190 countries and territories to protect the rights of children. Ericsson supports UNICEF-led efforts through donations and humanitarian response action in disaster-stricken areas.
Whitaker Peace & Development Initiative	Ericsson is a long-standing partner to the Whitaker Peace & Development Initiative aimed at supporting youth and women from underprivileged backgrounds to develop skills as leaders, peacemakers, entrepreneurs and community builders. The partners recognize the important role of ICT in education and pursue joint efforts to develop peacebuilding and livelihood programs using ICT as a tool to foster resilience, peace and sustainability in communities affected by conflict, violence and poverty.
World Food Programme (WFP)	The WFP is the leading humanitarian organization saving and changing lives, delivering food assistance in emergencies, and working with communities to improve nutrition and build resilience. Ericsson contributes mainly through its Ericsson Response standby partnership. In India, the partnership aims at strengthening food security as well as addressing climate issues.

Processes to remediate negative impacts and channels for affected communities to raise concerns

The Ericsson Compliance Line, available to internal and external stakeholders, can be used to report concerns about violations of the Code of Business Ethics, policies, laws or regulations. For information about the Ericsson Compliance Line, see section G1.

During 2024, Ericsson has not, through its reporting channels, been made aware of any severe adverse human rights impacts related to affected communities in which the Company has been involved. Consequently, no remediation actions have been taken.

Taking action on material impacts, risks and opportunities

Ericsson leverages its core competencies in connectivity technology to support, develop and create a positive impact for stakeholders in the communities in which it operates. Described in this section are Group-wide programs and initiatives through which Ericsson engages with local communities and stakeholders on a non-commercial basis. In addition to these Group-wide initiatives, there are local initiatives driven by the regional sales organizations not described here.

Donations, profit distribution and sponsorships

Ericsson makes donations, both in the form of Company-matched employee donations and direct donations, to selected causes and organizations. Donations can be monetary or in-kind payments and can be made directly to a beneficiary or via a third party. In certain markets, most notably in India and South Africa, Ericsson is subject to mandatory profit distribution rules, where a portion of the local entity's profits are to be spent on community investments. Ericsson engages in monetary and in-kind sponsorship of activities that are aligned with Ericsson's values and brand strategy.

Systematic evaluations of partners for sponsorship and donations are carried out to help verify that Ericsson partners with organizations that share similar values and ethical standards. The compliance function is responsible for assessing sponsorships and donations for potential misuses, ensuring appropriate due diligence of receiving parties and recommending necessary mitigation measures to be adhered to when necessary. Execution of all donations and sponsorships is subject to predefined procedures using a dedicated application with a built-in approval flow. All required documentation is subsequently stored in the same application for traceability and verifiability.

Section S3, cont'd.

Corporate citizenship
Ericsson Volunteers is one way through which the Company delivers a meaningful employee experience and contributes to positive impacts on communities and broader society. Every employee is given one paid day per year when they can apply their skills and time to volunteering.

Ericsson continued to invest in connected reforestation projects and planted over 400,000 saplings through three projects in India in 2024. In support of UN World Clean Up Day, more than 1,400 volunteers in over 40 locations collected two metric tons of waste, which was Ericsson's largest employee volunteering engagement to date.

Ericsson Response
Ericsson Response is a global volunteer program founded by employees in 2000. Together with partners, Ericsson Response utilizes the Company's technology and the skills of its employees to provide connectivity where local services are not sufficient, for example after natural disasters or in refugee situations. It is a member of the World Food Programme (WFP)-led UN Emergency Telecommunications Cluster (ETC), a global network of partners to fill connectivity gaps for humanitarians and populations affected by disasters. Ericsson is a partner to the United Nations High Commissioner for Refugees, the UN Refugee Agency and contributes to the reach and impact of the Refugee Emergency Telecommunications Sector (RETS) to provide vital communications to the humanitarian response community in support of its activities.

In 2024, Ericsson Response and RETS distributed connectivity to RETS partner offices that support 91,000 refugees in Mirqaan, Bokh district in Ethiopia. Ericsson Response also supported the WFP-led ETC efforts to respond after the devastating hurricane Beryl in Jamaica and Union Island. Preparedness remains key for reducing the impact of natural disasters and Ericsson Response continued to support the WFP's preparedness project in the Philippines.

Socioeconomic impacts of ICT and digital education
Ericsson's approach is based on the belief that technology developed and deployed responsibly can help bridge the digital divide and ensure that the benefits of the digital economy and society are enjoyed by all people. The Company works toward this goal through digital inclusion initiatives, which cover the portfolio, business cases, advocacy and on-the-ground efforts.

Ericsson continues to explore how its solutions can be used to develop cost-efficient and profitable business offerings, targeting regions with no or low internet penetration. These efforts include radio and power management solutions, business cases and use cases. Fixed Wireless Access is one example of an efficient and scalable alternative to wired connections and a solution that can benefit institutional coverage, such as in schools. In recent years, a substantial share of new 5G Fixed Wireless Access launches has been in emerging markets.

Financial inclusion
Ericsson's Mobile Wallet Platform enables communications service providers and financial institutions to provide easy-to-use, affordable and secure mobile financial services to people with previously limited access to such services. This in turn supports financial inclusion. It allows unbanked people to save and transfer money, receive financial aid and salary, pay bills and merchants, top up mobile services and get instant loans, as well as get access to insurance and other financial services.

Digital education
Ericsson's commitment to bridging the digital divide focuses on providing access to education and digital skills development. This is carried out through Ericsson's global flagship education program, Connect to Learn, a nonprofit program delivered in collaboration with governments, communications service providers, nongovernmental organizations and international/UN agencies, with the ambition to:
- Accelerate access to digital connectivity for schools and community learning centers.
- Provide the next generation with digital skills essential for their socio-economic development and enhance industry-ready education to make students employment ready.

Key nonprofit education offerings that Ericsson deploys globally in collaboration with partners are Ericsson Educate and Ericsson Digital Lab.

Ericsson Educate is a digital skills development program designed for university students covering key topics related to emerging technologies such as telecommunications and 5G, AI, data science, automation and the Internet of Things.

Ericsson Digital Lab is an educational program designed to inspire children aged 9–16 to explore new technology and develop their problem-solving skills. The Digital Lab is a place where instructors from Ericsson and partnering organizations can share their interest in technology with students, and includes courses on robotics, game development, electronics and AI.

In 2020, Ericsson became the first private sector partner to make a multimillion-dollar commitment to support the joint UNICEF-International Telecommunication Union Giga Initiative for global school connectivity with the aim to connect every school to the internet and every young person to information, opportunity and choice. With support from Ericsson, Giga maps schools and their connectivity levels to help target investment to where it is most needed and to measure progress toward increasing internet access. Ericsson's financial and in-kind support has contributed to Giga having supported increased access to connectivity in more than 14,500 schools, benefiting approximately 7.8 million students.

Targets related to affected communities

Ericsson does not have any public targets related to affected communities.

Community impact metrics

Ericsson discloses metrics related to its impacts on communities in Appendix I to the sustainability statements.

S4 Consumers and end users

Material sustainability matters	Impact occurs: Upstream, extended supply chain	Impact occurs: Own operations	Impact occurs: Downstream, customers and end users	Potential risks and opportunities
Freedom of expression and right to privacy			●	
Responsible marketing				●

Material impacts, risks and opportunities

Ericsson has identified impacts and risks related to the consumers and end users in relation to end users of communication services. The identified impacts concern the right to freedom of expression and right to privacy, and risks were identified related to responsible marketing practices toward Ericsson's consumer customers.

Freedom of expression and right to privacy
Downstream in Ericsson's value chain, misuse of the Company's technology and solutions could create risks of negative impacts on the right to privacy of end users, such as mobile network subscribers, through functionalities in mobile networks, where governments and authorities can intercept private communications, including so-called lawful intercept. Additionally, while Ericsson, as a network vendor company, does not hold a license and does not receive requests to shut down networks directly from authorities, it could indirectly be obliged by authorities to do so where it operates networks on behalf of communications service providers, which could impact people's right to exercise their freedom of expression. Impacts on freedom of expression can also occur when specific technologies are used to block or filter certain content on a network. These potential negative impacts are systemic in their nature, and their severity and likelihood depend on the overall protection of human rights, the strength of rule of law, the regulatory environment and robustness of democratic institutions in the countries where Ericsson delivers and operates networks.

Responsible marketing
Ericsson's commercial offerings are primarily directed toward other businesses and not directly to consumers. However, the Vonage business, in Ericsson's enterprise division, provides internet-based telephone services to small businesses and a small number of consumers. In 2022, Vonage was fined by the US Federal Trade Commission for allegedly making it difficult for consumers to understand the full cost of what they were purchasing, and to cancel their service(s). The recurrence of such business practices could create risks of similar financial consequence for the Company.

Policies related to consumers and end users

The Code of Business Ethics states that Ericsson shall advocate for freedom of expression and privacy protection, both individually and collectively with other stakeholders. The Code further provides that Ericsson works to mitigate and minimize the risk of potential misuse of the Company's technology, and people working for Ericsson are expected to assess external requests and demands that may impact the freedom of expression or right to privacy of individuals and ensure such requests are legitimate, proportionate and necessary before acting in response. The Code additionally notes that risks of misuse of Ericsson's technology shall be considered in business engagements, correct procedures to mitigate such risks shall be followed and concerns raised if such risks are being ignored or not adequately addressed. General information regarding the Code of Business Ethics is included in the section General Disclosures, which also provides information about Ericsson's Statement on Business and Human Rights. As a member of the Global Network Initiative (GNI), Ericsson is also committed to the GNI Principles on Freedom of Expression and Privacy.

Processes for engaging with consumers and end users about impacts

Ericsson does not have a process for engaging directly with consumers and end users about impacts. Instead, the Company engages with credible proxy organizations to inform itself about impacts with which it may be involved. This includes participation in the Global Network Initiative (GNI), which brings together academics, civil society, companies and investors to set a global standard for responsible decision-making to promote and advance freedom of expression and privacy rights across the ICT industry. Through its participation in the GNI, Ericsson engages with civil society organizations from across the world, to further its understanding of its potential human rights impacts. The GNI requires member companies to periodically subject themselves to independent assessments of their practices and those practices' alignment with the GNI Principles. The GNI also focuses on shared learning on key trends and emerging developments, and collective advocacy on government and company policies relevant to the ICT sector's role in protecting freedom of expression and right to privacy.

Processes to remediate negative impacts and channels for consumers and end users to raise concerns

The Ericsson Compliance Line, available to internal and external stakeholders, can be used to report concerns about violations of the Code of Business Ethics, policies, laws or regulations. For information about the Ericsson Compliance Line, see section G1.

The Sensitive Business Framework described in the next subsection is another important mechanism for contributing to providing remedy for potential negative impacts on consumers and end users.

During 2024, Ericsson has not, through its reporting channels, been made aware of any adverse severe human rights impacts related to consumers or end users in which the Company has been involved. Consequently, no remediation actions have been taken in relation to such reports.

Taking action on material impacts, risks and opportunities

Sensitive Business process
To help assess, prevent and mitigate potential misuse of Ericsson's technology, human rights due diligence is integrated into the sales and other business engagement processes through the Sensitive Business process. This aims to ensure that Ericsson's solutions are used in accordance with international human rights standards, through identifying potential negative impacts and taking measures to address these.

All sales opportunities are automatically screened based on a predefined set of parameters described below. If the initial risk screening identifies risks in a sales opportunity that the Company intends to pursue, the sales team shall submit an approval request, which is evaluated according to the Sensitive Business risk methodology by a team of dedicated specialists. The team subsequently determines the risk of the overall opportunity and issues a recommendation to approve, approve with conditions or reject the opportunity. Conditional approvals means that technical, contractual and/or other mitigations are to be put in place to address the identified risk. The Sensitive Business team verifies that these mitigations have been implemented by the sales organizations. Described at the end of this section are examples of cases reviewed in this process during the reporting year.

Section S4, cont'd.

Apart from sales opportunities, the Sensitive Business process is also used to identify and address risks in other business engagements, including mergers and acquisitions and assessments of third parties such as business and technology partners. This process can also trigger other measures and activities, such as a review of legal frameworks in a country or heightened human rights due diligence when acquiring a new business before a decision is taken to pursue such a transaction.

Four main parameters are considered when assessing the potential human rights risks in each business engagement.

Portfolio	Purpose
The amount of personally identifiable information that it processes and how this information will be accessed and stored.	The purpose and context in which the customer intends to use the product, service or solution.
Customer	**Country**
The type and ownership structure of the customer.	The country-specific risk regarding human rights. Third-party risk analytics data is used to assess countries based on risks related to the right to privacy and freedom of opinion and expression, as well as, but not limited to, human security, conflict intensity and the rule of law.

The Sensitive Business process is managed on an operational level by a dedicated team of product portfolio and misuse of technology specialists, and is governed by a cross-functional forum, with representatives from the product development and delivery and sales organizations, as well as the legal, trade compliance, compliance and communication departments.

Each regional sales organization has one appointed point of contact responsible for Sensitive Business. This person is responsible for informing business owners, such as the account managers working in their respective geographical areas, of recent developments, information requests by the Sensitive Business team and other relevant matters.

Recommendations from the Sensitive Business process, and the rationale behind those recommendations, can be brought to Ericsson's Business Risk Committee by the head of a business segment or sales organization for further discussion when a case involves potential material Group risks.

In 2024, additional risk indicators were integrated into the process to better evaluate all types of business engagements, including public networks and private networks for enterprises and government agencies. Ericsson also strengthened the processes for addressing human rights risks in engagements where it operates the networks on behalf of customers, with measures planned to be fully implemented in 2025.

Training and awareness raising

Senior members of the cross-functional forum governing Sensitive Business receive onboarding as well as continuous updates by the Sensitive Business unit, including on cases and in relation to updates to the process as a whole. This unit, together with business and human rights experts at Group level, also trains the sales teams, including accounts managers, on human rights and on the Sensitive Business process.

Responsible marketing

Following the US Federal Trade Commission order, Vonage has focused on increased transparency and clarity in its marketing, sales and cancellation information. Examples of actions taken are:

- Clearer sign-up disclosures about recurring payments, cancellation terms and early termination fees.
- Streamlined cancellation processes, including priority support queues and the ability to cancel online through self-service.
- Updated company sales and marketing materials to reflect these changes.
- Introduced annual training for its sales teams focused on a customer-centric approach to selling, which includes a review of its transparent sales and marketing practices and cancellation processes.

With the implementation of these changes, the Company has made it as straightforward and as easy as possible for customers to understand the specific details of the services they are purchasing, the total cost of service and what it would cost for them to cancel a service should they change their minds. These changes are intended to provide a better overall experience for customers and are aligned with the Company's commitment to acting with integrity and operating in an open, honest and transparent manner.

Targets related to consumers and end users

Ericsson does not have any public targets related to consumers and end users.

Sensitive Business metrics

Cases reviewed by outcome

No.	2024	2023	2022
Approved	266	252	235
Approved with conditions	813	636	435
Rejected	2	7	13
Total	**1,081**	**895**	**683**

The numbers in the table above contain the Sensitive Business decisions taken during the reporting period. These make up about 17% of all engagements initiated in 2024. In individual markets, the share of reviewed engagements can be significantly higher or lower depending on factors such as the country-level risk. The vast majority of the cases reviewed in 2024 were sales opportunities, with a smaller share being made up by other types of transactions, such as mergers and acquisitions and assessments of third parties such as business and technology partners. All sales opportunities are initially automatically screened. The increase in reviewed cases in recent years can in part be explained by an increase in country-level risk in several markets as well as a general strengthening of the screening process.

Section S4, cont'd.

Below Ericsson presents examples of cases reviewed in the Sensitive Business process to illustrate the types of transactions and outcomes that have been reviewed and reached during the year.

Decision	Customer	Description	Rationale
Automatically approved	Communications service provider	The customer requested to have a solution that converts electrical resistance from low to high.	The engagement was flagged as it involved a country with heightened human rights risks. However, after consideration of all risk factors, the system assessed that the products involved did not pose any heightened risks and the request was automatically approved.
Approved	Communications service provider	The customer requested a solution for Fixed Wireless Access that included products from a third party.	The solution requested would only process limited amounts of personally identifiable information. Based on this, it was determined that there was an overall low risk of potential adverse human rights impacts, and the engagement was approved.
Approved	Government function	A government agency requested a solution to restrict network access in a secure area by limiting which devices would be permitted to connect to the network.	The country level risk was low, and since the solution would be used exclusively within an already access-restricted area, the human rights risks were considered low, and the engagement was approved.
Automatically approved with conditions	Communications service provider	The customer requested to have a standard radio solution.	The engagement was flagged as having elevated risks, as the country risk level was medium. However, after consideration of all risk factors, the system assessed that the engagement involved only standard products with no elevated risks. Based on this, the system automatically included contractual safeguards to mitigate risks of misuse.
Approved with conditions	Reseller	A reseller requested a transmission solution where the end user was a government defense agency.	The country risk in combination with the intended end customer indicated an elevated risk, which triggered heightened due diligence. It was concluded that it was necessary to limit the products, solutions and services in scope and define the permissible use of the solution, through contractual safeguards, to help ensure that the technology would be used in a manner that is consistent with human rights.
Approved with conditions	Communications service provider	The customer requested to slice the radio network to create a separate private network for a government function.	The intended end customer triggered a further review of the engagement. After reviewing the country, end customer and the end user risks, the overall human rights risks were identified as low. To address concerns of unintended use, contractual safeguards were implemented as part of the approval.
Rejected	Communications service provider	The customer requested Ericsson to integrate new services into an existing product portfolio.	The requested solution was found to pose high risks to the right of privacy in a high-risk country. The potential misuse was related to authorities in the country, which would have gained access to user location data through the requested solution. Given that no sufficient mitigating actions could be taken to address this risk, the opportunity was rejected.

Section G – Governance

G1 Business conduct

Material sustainability matters	Impact occurs: Upstream, extended supply chain	Impact occurs: Own operations	Impact occurs: Downstream, customers and end users	Potential risks and opportunities
Corruption and bribery	●	●	●	●
Anticompetitive behavior				●
Supplier relationships and payment terms	●			
Data privacy and cybersecurity		●	●	●
Political engagement and advocacy			●	●

Material impacts, risks and opportunities

Ericsson has identified several material impacts, risks and opportunities related to business conduct in its upstream and downstream value chain, as well as in its own operations. These include corruption and bribery, anti-competitive behavior, supplier relationships and payment terms, data privacy and cybersecurity, and political engagement and advocacy.

Corruption and bribery
Corruption, bribery and other unethical business practices are an obstacle to economic and social development, and often disproportionally affect fragile communities and undermine democratic institutions. They erode the trust that people and businesses have in institutions, and damage the business environment, causing long-term barriers to efficient economic activities in countries and regions where they occur, leading to lower levels of investments and reduced growth. Ericsson is a large multinational company with approximately 94,000 employees worldwide and serves customers in more than 175 countries. With its global reach, Ericsson is present in emerging markets in Asia, Latin America, Eastern Europe, the Middle East and Africa, including many countries with weaker institutions that have a higher risk of bribery and corruption. The telecommunications sector is also considered as a sector with heightened risks of corruption due to its complex technical structure and interrelations between public and private sector actors.

There have been historical instances in which Ericsson failed to properly mitigate bribery and corruption risks. As a result, the Company incurred significant costs related to investigations, legal actions, compliance monitorship and fines, and suffered damage to its brand and reputation. Future failures to uphold adequate ethical standards and comply with applicable anti-bribery and anti-corruption laws and regulations could have material financial and reputational consequences.

Anticompetitive behavior
With its global presence, Ericsson is subject to a broad range of legal requirements and regulations related to anticompetitive behavior. Ericsson is also involved in legal proceedings in the ordinary course of its business. These proceedings include matters such as commercial disputes, intellectual property rights disputes and government or authority inquiries or investigations into matters such as antitrust and tax. Legal proceedings can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. An unfavorable resolution of a particular matter could have a material adverse effect on Ericsson's business, operating results, financial condition and reputation.

Supplier relationships and payment terms
With about 17,000 active direct suppliers, Ericsson exerts influence over a broad range of supplier relationships, and is linked to several environmental, social and business-conduct-related impacts in its upstream value chain. Environmental and social impacts, risks and opportunities related to the supply chain are elaborated further in sections E1 to E5, and social impacts in section S2. Ericsson can influence its suppliers' business conduct through setting expectations on behavior and operational practices, conducting reviews, exercising audit rights and through payment terms of its supplier contracts, though the extent of this influence depends on factors that vary between suppliers.

Data privacy and cybersecurity
The networks Ericsson deploys for its customers are used for critical infrastructure and processing sensitive data, such as subscribers' personal information, which must be kept secure. Ericsson itself also processes employee, customer and end user data, and is subject from time-to-time to security attacks and vulnerabilities such as ransomware attacks and insider threats. Security incidents within both Ericsson's own enterprise IT environment, as well as incidents related to the Company's delivered products and solutions, such as an unintentional shutdown of a mobile network, could prevent end users from accessing the internet, and inadequate privacy measures, such as the unwanted exposure of confidential and personal data, could lead to significant fines, liabilities, legal actions, reputational damage and loss of business.

Political engagement and advocacy
The telecommunication sector in which Ericsson operates is highly regulated and increasingly politicalized. National and transnational sector-specific policies affect the behavior and investment decision of communications service providers, which, in turn has implications on the services offered to consumers. Consequently, Ericsson's policy and advocacy activities can have an indirect impact on people's access to connectivity and the affordability of those services. Policy, regulation and new geopolitical alliances can significantly impact Ericsson's addressable market and have an influence on its supply chain and research and development clusters. At the same time, engaging policymakers, either directly or via intermediary organizations, to influence policy exposes the Company to reputational and corruption risks if not managed in an adequate way.

Business conduct policies and corporate culture

Code of Business Ethics and Code of Conduct for Business Partners
The Code of Business Ethics provides the framework for ethical decision-making, and guides employees in making decisions and managing risk. For example, it articulates that employees must not engage in bribery, corruption or financial fraud, must disclose potential conflicts of interest, and not partake in anticompetitive practices. In addition to the Code of Business Ethics, Ericsson has adopted specific policies on anti-corruption, gifts, entertainment and hospitality, third-party management, conflicts of interest, anti-money laundering, antitrust law and insider rules, among others. The Code of Conduct for Business Partners articulates that Ericsson expects its business partners to foster a culture of integrity based on transparency, compliance and ethical business practices. General information regarding the Code of Business Ethics and Code of Conduct for Business Partners is included in the section General Disclosures.

Channels for reporting compliance concerns
Employees are expected to report compliance concerns to Ericsson, so that their concerns can be assessed and addressed to identify, prevent and remediate misconduct and gaps in internal controls. The Company provides the Ericsson Compliance Line, a dedicated communication channel for employees and external stakeholders to report any compliance concerns either by a secure website or by phone. The Ericsson Compliance Line is operated by a third party and is available 24 hours a day, 365 days per year, and enables reporting from multiple countries in several languages, and anonymously

Section G1, cont'd.

when permitted by law. Ericsson has, during the year, received reports also from third parties, showing that they are aware of the Compliance Line and know how to raise concerns.

Where applicable, Ericsson employees and external stakeholders have additional options to report certain matters via local channels, which have been implemented in accordance with the EU Whistleblower Directive. Employees are also encouraged to report concerns directly to their manager, the superior of a manager or to the People or Legal and Compliance departments. Ericsson does not tolerate retaliation against individuals who report compliance concerns in good faith. There are more details of the assessment of allegations and investigations in the following subsections.

Prevention and detection of corruption and bribery

Risk assessments

Ericsson conducts risk assessments to identify and evaluate bribery and corruption risks related to its global operations, and to develop strategies for mitigation of these risks. Ericsson's risk assessment protocol is tailored to the scope and nature of its activities, its corporate structure and the organization of its commercial operations, while also incorporating insights from past incidents and allegations of misconduct. Focus areas include, but are not limited to, leadership and culture, sales, third-party management, gifts, entertainment and hospitality, conflicts of interest, government relations, policies and procedures, corporate contributions, joint ventures and partnerships.

Third-party management

Ericsson maintains a global, risk-based and integrated third-party management program to prevent, detect and manage bribery and corruption risks in the Company's relationships with third parties. The management of third-party compliance risk is integrated into business processes, and business leaders, managers and individual contributors are all expected to act as owners of compliance risk. Components of the third-party management program are managed by a central team of due diligence experts and data specialists. Key elements include risk-based due diligence to assess bribery and corruption risk exposure and potential liability that may result from relationships with third parties. A risk mitigation toolbox includes a range of measures that can be used to mitigate identified risks such as training, certifications, financial transaction preapprovals, or, in extreme cases, payment blocks and rejections. Ericsson periodically exercises its audit rights, or otherwise performs checks externally in its supply chain, to verify appropriate third-party conduct.

Addressing compliance concerns

As described on the previous page, Ericsson provides several channels for employees and external stakeholders to report suspected violations of the Company's policies or laws and regulations. Ericsson's Allegation Management Office is responsible for the intake and initial assessment of reported compliance concerns. Cases that require further investigation are referred to Corporate and Government Investigations. Both the Allegation Management Office and Corporate and Government Investigations sit within the Compliance Office and Investigations unit, headed by the Head of Compliance Office and Investigations, who in turn reports to the Chief Legal Officer. The Head of Compliance Office and Investigations also has an independent reporting line to the Audit and Compliance Committee of the Board of Directors and regularly reports to the committee on the effective operation of Ericsson's Ethics and Compliance Program, including information about actual or suspected serious Code of Business Ethics violations, insights from investigations outcomes and remediation, the identification of patterns and trends, and emerging risks and changes in the legal and regulatory environment. In addition, the Chief Legal Officer has a direct reporting line to the Audit and Compliance Committee.

Communication of anti-bribery and corruption policies

Employees receive Ericsson's Code of Business Ethics during their onboarding and must confirm their understanding of, and agreement to, it. The Code is available on the Company's internal and external web pages in over 40 languages. The Company regularly publishes a Speak Up newsletter aimed at all employees, featuring anonymized examples of actual misconduct and consequences imposed and short stories highlighting situations in which employees facing difficult choices chose to do the right thing and lessons about ethics and integrity.

Training in Company anti-bribery and corruption policies

Ericsson provides relevant and targeted anti-bribery and corruption (ABC) training to its workforce. All employees and the external workforce must complete foundational online ABC training courses. Additional online ABC training is mandatory for line managers. The Company also provides enhanced ABC training to certain groups of employees perceived to be at high risk, including: (i) employees with direct contact with public officials, customers, suppliers or communications service providers: (ii) employees influencing sales or acquisitions: (iii) employees with authority to conclude contracts on Ericsson's behalf: and (iv) line managers with authority to approve purchase orders or expenses.

Anti-bribery and corruption training and other initiatives

Audience	Audience size[2]	Type	Completion rate, %[1] 2024	2023	2022
Full workforce	101,000	Code of Business Ethics acknowledgement	99	98	99
		Foundational ABC training	99	99	93
Line managers	8,000	Line manager ABC training	95	–[3]	–[3]
At-risk functions[4]	7,000	Enhanced ABC training	94	98	97
Executive management (excl. the President and CEO)	16	Enhanced ABC training	100	–[3]	–[3]
Board of Directors (incl. the President and CEO)	12	Compliance presentations	100	–[3]	–[3]

1) Completion rates are calculated by dividing the number of individuals having completed relevant training with the total number of people in the target audience group having been assigned the same training.
2) The rounded headcount of the respective target audience groups by year-end of the current reporting year. The size of a group may change over time as definitions and scopes are revised.
3) Ericsson is disclosing this metric for the first time wherefore comparative data for previous reporting periods is not available.
4) For definition, see description above, excluding Executive management and Board of Directors.

Section G1, cont'd.

Compliance concerns and corrective actions

The table below shows the number of compliance concerns received, the number investigated, the number concluded in the reporting year that were found to be substantiated and the number of open investigations at year-end. As the length of an investigation varies depending on case complexity, not all cases are concluded in the same year as they are reported. Hence, the number of substantiated cases and cases under investigation also includes cases received in prior reporting periods, but which were concluded during the reporting year. Many matters reported are not referred for investigation. These are often inquiries of a general nature or other matters that are not deemed to be related to misconduct or breaches of the Code of Business Ethics. When applicable, these cases were referred directly to the relevant function to address in accordance with their processes.

Reported, investigated and substantiated compliance concerns

No.	2024	2023	2022
Concern intake and investigation			
Reported	1,201	1,201	1,092
Not referred for investigation[1]	1,063	1,076	877
Referred for investigation	138	125	215
Status at year-end			
Substantiated[2]	61	91	118
Under investigation	49	78	209

[1] Cases received but not investigated as they pertained to inquiries of a general nature or other matters not deemed to be related to misconduct or breaches of the Code of Business Ethics.
[2] Cases closed and concluded to be substantiated during the reporting year, some of which were reported in previous reporting years.

Reported concerns by category

No.	2024	2023	2022
Fraud, corruption and regulatory breaches	123	153	177
Conflicts of interest	73	86	69
Human resources	496	475	429
Discrimination	19	6	20
Harassment	79	–[1]	–[1]
Human and labor rights	–	–	–
Operations	179	183	125
Other[2]	232	298	272
Total	**1,201**	**1,201**	**1,092**

[1] Concerns related to "Harassment" were included the category "Human resources" in 2023 and 2022, and past figures have not been restated.
[2] Includes reported concerns related to environmental sustainability, health and safety, as well as concerns which were assessed as not constituting compliance concerns, such as product quality issues, employees testing the Compliance Line, or comments of a general nature. When applicable, these cases were referred directly to the relevant units to address in accordance with their processes.

Corrective and disciplinary actions, by type[1]

No.	2024	2023	2022
Termination	82	112	39
Demotion	–	–	4
Written warning	60	58	74
Verbal warning	19	28	46
Resignation	6	1	8
Other	29	2	7
Total	**196**	**201**	**178**

[1] Actions taken in connection with an investigation by Ericsson's Corporate and Government Investigations team. Each action represents a unique individual, meaning the sum of actions shown in this table cannot be directly compared to the number of substantiated cases shown above, as each case may involve several individuals. An individual may receive several corrective actions. In the above table, only the most severe action is counted.

Confirmed incidents of corruption or bribery

In 2024, Ericsson has not pleaded guilty or been convicted in a court of law of any violations of anti-corruption and anti-bribery laws, and no related fines were issued.

Prevention of anticompetitive behavior

In accordance with Ericsson's Group Policy on Antitrust law and its competition compliance program, employees are required to familiarize themselves and comply with all relevant competition (antitrust) laws, wherever they do business. Ericsson has a standalone Competition Law and Antitrust Compliance unit responsible for Ericsson's Competition Compliance Program, which includes annual competition law training for a targeted group of employees and the whole legal department, as well as live virtual antitrust training provided to relevant employees as needed. In addition to competition law attorneys in the legal department, Ericsson appoints antitrust ambassadors to support and assist the Competition Law and Antitrust Compliance unit with implementing its mandate, especially in preventing or detecting any antitrust compliance concerns as soon as possible.

Political influence and lobbying activities

Ericsson's Group Policy on Government and Policy Advocacy states that Ericsson needs to anticipate, analyze, manage and mitigate political, regulatory, reputational and sensitive technology risks, drawing from several parameters to support its business objectives. It further articulates the Company's commitment to conducting government and policy advocacy with transparency, integrity and ethics.

Ericsson is a member of national and transnational trade associations relevant to its business and participates in organizations with a more general industrial and business focus. Ericsson only participates in intermediary organizations aligned with the Company's values and uses its position to maintain consistency in policy positions as they are developed. Ericsson does not contribute directly or indirectly to political parties or individual politicians, as stipulated by the Company's Code of Business Ethics. Exempt from this policy is support of voluntary employee contributions permitted under local law and supported by public reporting regulations.

Where Ericsson's influence is exerted through membership and participation in organizations, such as trade and industry organizations, the Company is committed to working toward aligning the positions of those groups to further the same goals. This commitment is applicable to all entities within the Group.

There is a dedicated unit for Government and Policy Advocacy within the Company's Group Function Marketing and Corporate Relations. The head of this unit also briefs the Board of Directors from time to time on public policy-related topics deemed strategically relevant. Only authorized employees may engage in policy advocacy activities. All material policy-influencing interactions with public officials are required to be documented for internal audit purposes and declared according to local regulation and practices. Further, Ericsson has implemented a policy on gifts, entertainment and hospitality, which dictates rules of engagement toward public officials.

Ericsson is registered in the following transparency registries:

- EU Transparency Register: Ericsson, 02021363105-42
- US Federal Lobbying Register: Ericsson Inc., 13791-12 (Senate ID)/336820000 (House ID)

In 2024, Ericsson did not appoint any members of the Executive Team, Board of Directors or Audit and Compliance Committee who held comparable positions in public administration in the two years preceding such an appointment. Ericsson does background checks on all appointed senior managers within two levels of the President and CEO.

Significant memberships

Ericsson is a member of several associations, which to varying degrees advocate and/or exercise influence over public policy development. Appendix IV lists the most significant memberships maintained on a Group level. Memberships maintained by subsidiaries and local entities are not included, which is why the list should not be considered exhaustive. Ericsson is also a member of several chambers of commerce on a national level.

Ericsson does not knowingly engage in any advocacy efforts that would undermine Ericsson's commitment to ethical business practices. Any new or existing memberships due for renewal are subject to compliance review requirements and conditions. The same general principles apply when any employee participates in advocacy activities under the umbrella of any one of these associations.

Section G1, cont'd.

Financial and in-kind contributions
Ericsson as a company is a member of the organizations listed in Appendix IV, and for most of them the Company needs to pay a membership fee. The membership fee is considered a financial contribution since it adds to the finances of the membership associations' activities, but it is not a direct purchase of services. In 2024, the total financial contribution was SEK 22.6 million.

Ericsson Political Action Committee allows Ericsson employees in the US to combine personal and voluntary financial donations for campaign contributions to candidates. For this, the organization they have chosen, after being vetted according to set standards, can receive a corporate charitable donation match up to a certain limit. This is considered a charitable contribution. All contributions made are run through the Company-wide contributions process. In 2024, those donations amounted to a total of SEK 410,000.

Significant policy matters
Deployment of 5G and high-quality networks providing connectivity is critical for economic development. In some markets, current policies and regulations are designed to encourage private investments and business and public services to innovate on the 5G platform. However, in many markets such investments are not sufficiently incentivized. This creates challenges for policymakers around future competitiveness, economic security and their ability to control their own data. With 5G and 6G, national security and industrial competitiveness at the center of geopolitical tensions, connectivity is increasingly becoming a political priority. Ericsson has an opportunity to play a leading role in influencing policy in a way that supports the Company's strategy. The Company's policy engagement is focused around five broad themes:
- Promoting the deployment and uptake of transformational connectivity.
- Safeguarding a business environment that promotes open innovation and fair trade.
- Developing the data-driven economy where connectivity scales AI, cloud and public services.
- Supporting secure and resilient infrastructure.
- Encouraging the adoption of clean, energy-efficient and sustainable solutions.

An example of a key legislation that Ericsson's advocacy has targeted during 2024 is the European Commission's Gigabit Infrastructure Act, which encourages member states to remove deployment obstacles by facilitating access to public infrastructure, streamlining permitting procedures and increasing transparency. These measures aim to accelerate and lower the cost of network rollouts.

Position on climate change policy
Ericsson is committed to ensuring alignment of its direct and indirect advocacy activities, including those that could influence public policy, with the Paris Agreement's goal to limit global warming to 1.5 C above preindustrial levels.

Management of relationships with suppliers

How Ericsson considers risks related to its supply chain, including impacts on sustainability matters and how social and environmental criteria are considered in the selection of suppliers, is described in sections E1-E5 and section S2.

Payment practices

As a global company with over 17,000 active direct suppliers, Ericsson is committed to transparent and fair payment practices. The Company continuously refines its processes to promote timely, accurate payments, meeting contractual conditions and maintaining high ethical and legal standards.

On a consolidated basis, across all suppliers globally, Ericsson takes on average 81 days to pay invoices from the date when the contractual or statutory term of payment starts to be calculated.

The overall average contract payment terms, across all suppliers globally, are 78 days but vary based on factors such as local regulations, financing arrangements and commercial negotiations. Ericsson's terms are tailored through dialogue with suppliers, striving for a fair and responsible approach across its global operations, which includes large as well as small and medium enterprises.

Based on internal records and reviews, Ericsson has not identified any formal legal cases related to late payments at this time. Legal cases include disputes such as lawsuits, mediation, arbitration, or court proceedings, and to the Company's knowledge, none are outstanding.

When calculating the average payment times as stated above, a weighted average has been applied based on invoice amounts.

Taxes and transfer pricing

Serving customers in more than 175 countries, Ericsson is truly a multinational enterprise. As such, the Group plays an important role in the sustainable development of the communities where it operates. Against this background, Ericsson acknowledges the importance of taxes from a societal perspective.

Ericsson sees taxes as a responsibility that contributes to socioeconomic development, along with employment creation, use of local suppliers and other direct and indirect economic impacts. However, the Group's global presence means it is subject to multiple tax legislations, which are often complex and in certain cases subject to a broad range of interpretations.

This environment can be challenging, nevertheless Ericsson's policy is to comply with both the spirit and the letter of all relevant tax regulations in each jurisdiction where business is conducted. Ericsson seeks to manage taxes with integrity, accuracy and transparency, while maintaining an open and honest relationship with tax authorities.

Ericsson adheres to both local tax laws and international guidelines set forth by the OECD and other standard-setting and regulatory bodies, including the arm's-length principle. Ericsson does not engage in any tax activities that are not related to Ericsson's business operations and which do not have any economic substance. While Ericsson conducts business activities in certain low tax jurisdictions, it does not use these jurisdictions for tax planning purposes.

Data privacy and cybersecurity

For further information on Ericsson's approach to managing impacts and risks related to data privacy and cybersecurity, see pages 6–7 of the Corporate Governance Report.

Appendix

Appendix I – Other metrics

Included in this appendix are environmental and social metrics, that are frequently asked for by external stakeholders, but which are not included in the main part of the sustainability statements due to materiality considerations.

Metric	Unit	2024	2023	2022
Environment				
Climate change mitigation				
Suppliers with 1.5 C aligned GHG emissions reduction targets	No.	323	237	225
Environmental management indicators				
Water withdrawals in own operations	m^3 in millions	1.12	0.90	1.05
Water withdrawal intensity	m^3/net sales MSEK	4.52	3.44	3.88
Major environmental incidents in own operations	No.	0	0	0
Emissions of air pollutants in own operations				
Nitrous oxide (NO_2)	metric tons	26	38	49
Sulphur oxide (SO_2)	metric tons	50	62	61
Particle matters	metric tons	8	11	12
Social				
Learning, development and employee satisfaction				
Completed learning opportunities by employees				
Men	No. in thousands	2,543	3,598	2,283
Women	No. in thousands	953	1,230	757
Employee satisfaction				
Men	(avg. survey score 0 – 100)	79	80	81
Women	(avg. survey score 0 – 100)	79	80	81
All employees	(avg. survey score 0 – 100)	79	80	81
Employee survey results on:				
Perceived work-life balance	(avg. survey score 0 – 100)	77	79	77
Company commitment to well-being	(avg. survey score 0 – 100)	77	80	85
Community impacts				
Spend on donations and sponsorships	MSEK	58	89	115
Digital education impact metrics				
Impacted children and youth	No. cumulative	567,017	485,200	400,163
Countries covered	No. cumulative	45	43	36
Financial inclusion - Ericsson Mobile Wallet				
Registered accounts	No. in millions	530	457	379
Active users	No. in millions	85	85	80

Appendix I – Other metrics, cont'd.

Emission factors used to calculate GHG emissions	GWP, kg CO_2e	Measured by	Source
Scope 1 direct emissions			
Fuels and refrigerants			
Natural gas	0.18	kWh	DEFRA
Diesel	0.25	kWh	DEFRA
Gasoline	0.25	kWh	DEFRA
Refrigerants	466 – 14,800	kg	IPCC 4th assessment report
Scope 2 indirect emissions			
Purchased energy			
Electricity from fossil sources	0.01 – 1.35	kWh	IEA/US EIA/AIB/Supplier specific
Electricity from nuclear sources	0.00	kWh	IEA
Electricity from renewable sources	0.00	kWh	Supplier specific
District cooling	0.01 – 0.40	kWh	IEA
District heating	0.04 – 0.26	kWh	Country averages
Scope 3 other indirect emissions			
Product cradle-to-gate emissions (global average)	10.8	kg	Ericsson specific
Travel			
Air	0.10 – 0.57	pkm	DEFRA
Road	0.19	pkm	Country averages
Transport			
Air	0.78 – 1.19	tonnekm	DEFRA (adjusted)
Road	0.10	tonnekm	DEFRA (adjusted)
Sea	0.03	tonnekm	DEFRA (adjusted)
Rail	0.04	tonnekm	DEFRA (adjusted)
Spend-based non-specified transport	0.05 – 0.21	USD	Ericsson-specific
Use-phase emissions (global average)	0.4	kWh	IEA

Appendix II – Data points from other EU legislations

Data point	SFDR reference	Pillar 3 reference	Benchmark Regulation and EU Climate Law reference	Page
Board's representation of men and women	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	13
Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II	13
Statement on due diligence	Indicator number 10 Table #3 of Annex I			15, 59
Involvement in activities related to fossil fuel activities	Indicator number 4 Table #1 of Annex I	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Table 1 and Table 2	Delegated Regulation (EU) 2020/1816, Annex II	11
Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	11
Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	11
Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	11
Transition plan to reach climate neutrality by 2050			Regulation (EU) 2021/1119, Article 2(1)	20–21
Undertaking is excluded from EU Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Template 1	Delegated Regulation (EU) 2020/1818, Article12.1	21
GHG emission reduction targets (as of emissions of base year)	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Template 3	Delegated Regulation (EU) 2020/1818, Article 6	21
Energy consumption from fossil sources disaggregated by sources (only high impact climate sectors)	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1			22
Total energy consumption related to own operations and mix	Indicator number 5 Table #1 of Annex 1			22
Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1			22
Gross Scope 1, 2, 3 and total GHG emissions	Indicator numbers 1 and 2 Table #1 of Annex 1	Article 449a: Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Template 1	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	23
Gross GHG emissions intensity	Indicator numbers 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Template 3	Delegated Regulation (EU) 2020/1818, Article 8(1)	23
GHG removals and carbon credits			Regulation (EU) 2021/1119, Article 2(1)	24
Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	n/a
Disaggregation of monetary amounts by acute and chronic physical risk and location of significant assets at material physical risk		Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47: Template 5		Under development
Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 paragraph 34: Template 2		Not material
Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II	Under development
Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex I, Indicator number 2 Table #2 of Annex I, Indicator number 1 Table #2 of Annex I, Indicator number 3 Table #2 of Annex I			Not material
Water and marine resources	Indicator number 7 Table #2 of Annex I			26
Dedicated policy for water and marine resources	Indicator number 8 Table 2 of Annex I			Not material
Sustainable oceans and seas	Indicator number 12 Table #2 of Annex I			Not material
Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1			Not material

Appendix II – Data points derived from other EU legislation, cont'd.

Data point	SFDR reference	Pillar 3 reference	Benchmark Regulation and EU Climate Law reference	Page
Water intensity ratio	Indicator number 6.1 Table #2 of Annex 1			Not material
Disclosure of activities negatively affecting biodiversity sensitive areas	Indicator number 7 Table #1 of Annex 1: Indicator number 10 Table #2 of Annex 1: Indicator number 14 Table #2 of Annex 1			Not material
Sustainable land or agriculture practices or policies have been adopted, sustainable oceans or seas practices or policies have been adopted, policies to address deforestation have been adopted	Indicator number 11 Table #2 of Annex 1: Indicator number 12 Table #2 of Annex 1: Indicator number 15 Table #2 of Annex 1			Not material
Non-recycled waste and percentage of non-recycled waste	Indicator number 13 Table #2 of Annex 1			28
Total amount of hazardous waste and total amount of radioactive waste	Indicator number 9 Table #1 of Annex 1			28
Information about type of operations, countries or geographic areas at significant risk of incidents of forced labour, compulsory labour or child labor	Indicator number 13 Table #3 of Annex I: Indicator number 12 Table #3 of Annex I			40
Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I			14, 34–35
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II	14
Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I			34, 40
Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I			14, 35–36, 41-42
Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I			50–51
Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	38–39
Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I			38–39
Unadjusted pay gap between men and women	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	39
Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I			39
Number of incidents of discrimination	Indicator number 7 Table #3 of Annex I			39
Number of severe human rights issues and incidents connected to own workforce	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	40
Significant risk of child labour or forced labour in the value chain	Indicator number 12 and number 13 Table #3 of Annex I			40
Description of relevant policy commitments (incl. human rights and due diligence policies), non-respect to human rights principles, human rights issues and incidents connected to workers in the value chain	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1: Indicator number 11 and number 4 Table #3 of Annex 1: Indicator number 10 Table #1 Annex I: Indicator number 14 Table #3 of Annex 1		Indicator number 10 Table #1 Annex I: Delegated Regulation (EU) 2020/1816, Annex II	40–43
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II	14
Description of relevant policy commitments (incl. human rights), non-respect to human rights principles, human rights issues and incidents connected to affected communities	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1: Indicator number 10 Table #1 Annex 1: Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	44–46
Description of relevant policy commitments (incl. human rights), non-respect to human rights principles, human rights issues and incidents connected to consumers and end users	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1: Indicator number 10 Table #1 Annex 1: Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	47–49
United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex I			14, 50
Protection of whistleblowers	Indicator number 6 Table #3 of Annex I			50–51
Fines for violation of anti-corruption and antibribery laws	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	52
Standards of anti-corruption and antibribery	Indicator number 16 Table #3 of Annex I			50–52

Appendix III – Statement on due diligence

Core elements of due diligence	Sections in the sustainability statements	Pages in the sustainability statements	Disclosure relates to: People	Disclosure relates to: Environment
a) Embedding due diligence in governance, strategy and business model	Information provided to and sustainability matters addressed by the Board and executive management	14	●	●
	Integration of sustainability-related performance in incentive schemes	15	●	●
	Material impacts, risks and opportunities and their interaction with strategy and business model	18	●	●
b) Engaging with affected stakeholders in all key steps of the due diligence process	Information provided to and sustainability matters addressed by the Board and executive management	14	●	●
	Interests and views of stakeholders	16	●	●
	Processes to identify and assess material impacts, risks and opportunities	17	●	●
	Policies related to own workforce	34–35	●	
	Process for engaging with own workers and workers' representatives about impacts	35	●	
	Policies related to value chain workers	40–41	●	
	Process for engaging with value chain workers about impacts	41	●	
	Policies related to affected communities	44	●	
	Process for engaging with affected communities about impacts	45	●	
c) Identifying and assessing adverse impacts	Processes to identify and assess material impacts, risks and opportunities	17	●	●
	Material impacts, risks and opportunities and their interaction with strategy and business model	18	●	●
	Material impacts, risks and opportunities – Climate change	19		●
	Material impacts, risks and opportunities – Pollution	25		●
	Material impacts, risks and opportunities – Water and marine resources	26		●
	Material impacts, risks and opportunities – Resource use and circular economy	27		●
	Material impacts, risks and opportunities – Own workforce	34	●	
	Material impacts, risks and opportunities – Workers in the value chain	40	●	
	Material impacts, risks and opportunities – Consumers and end users	47	●	
d) Taking actions to address those adverse impacts	Transition plan for climate change mitigation	20–21		●
	Taking action on material impacts, risks and opportunities – Climate change	21–22		●
	Taking action on material impacts, risks and opportunities – Pollution	25		●
	Taking action on material impacts, risks and opportunities – Water and marine resources	26		●
	Taking action on material impacts, risks and opportunities – Resource use and circular economy	27–28		●
	Taking action on material impacts, risks and opportunities – Own workforce	35–37	●	
	Taking action on material impacts, risks and opportunities – Workers in the value chain	41–42	●	
	Taking action on material impacts, risks and opportunities – Consumers and end users	47–48	●	
e) Tracking effectiveness of these efforts and communicating	Targets related to climate change mitigation and adaptation	21		●
	Targets related to own workforce	37	●	
	Targets related to workers in the value chain	37	●	
	Energy consumption and mix	22		●
	Gross Scopes 1, 2, 3 and total GHG emissions	23		●
	Resource outflows	28		●
	Diversity metrics	38	●	
	Training and skills development metrics	38	●	
	Health and safety metrics	38–39	●	
	Compensation metrics	39	●	
	Incidents, complaints and severe human rights impacts	39	●	
	Supplier audit findings and corrective actions	43	●	
	Sensitive Business metrics	48	●	

Appendix IV – Significant memberships

- African Telecommunications Union
- Alliance Française des Industries du Numérique
- Asia-Pacific Telecommunity
- Associação Brasileira da Indústria Elétrica e Eletrônica (ABINEE)
- Association of Providers of Telecommunications and Value-Added Services (VATM)
- Associazione Civita
- Assonime
- Australian Tech Council
- Bitkom
- BusinessEurope
- Center for Strategic & International Studies (CSIS)
- CTIA The Wireless Association
- Digital Connectivity Forum
- Digital Europe
- Digitales
- European Roundtable for Industry
- European Telecommunications Network Operators Association
- Fondazione Astrid
- Global Business Alliance
- Groupe Speciale Mobile Association (GSMA)
- Information Technology Institute
- International Institute of Communications
- Istituto per la Competitività
- National Telecommunications Association (ANATEL)
- Näringslivets Internationella Råd
- Open RAN Policy Coalition (RPG)
- Radiocommunication Sector (ITU-R)
- Smart Africa Alliance
- Stockholms Handelskammare
- Studieförbundet för Näringsliv och Samhälle
- Svenska International Chamber of Commerce
- Svenskt Näringsliv - Teknikföretagen
- Sweden-India Business Council
- Tech UK
- Telecommunication Development Sector (ITU-D)
- Telecommunications Industry Association
- Telecommunication Standardization Sector (ITU-T)
- The Mexican Chamber of Electronics, Telecommunications, and Information Technology (CANIETI)
- WIA - Wireless Infrastructure Association

Assurance Report

Auditor's Assurance Report on Ericsson's Sustainability and Corporate Responsibility Report and statement regarding the Statutory Sustainability Report

To Telefonaktiebolaget LM Ericsson, corporate identity number 556016-0680

Introduction
We have been engaged by the Board of Directors and Executive Management of Telefonaktiebolaget LM Ericsson ("Ericsson") to undertake an assurance engagement of the Ericsson Sustainability and Corporate Responsibility Report ("the Sustainability Report") for the year 2024. The Company has defined the scope of the Sustainability Report on page 10 in the Sustainability Report, which also constitutes the Statutory Sustainability Report.

Responsibilities of the Board of Directors and the Executive Management
The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act, according to the previous version applied before 1 July 2024, respectively. The criteria are defined on page 10 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainability Report based on the assurance procedures we have performed and to express an future-oriented information.

We conducted our assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The engagement includes limited assurance on the complete Sustainability Report, and an audit of selected information consisting of GHG emissions in Scope 1, 2, and Scope 3 categories Business travel and Downstream transportation disclosed on page 23, as well as information on the share of women per employee category, disclosed on page 38 in the Sustainability Report.

The objective of an audit is to obtain reasonable assurance that the information is free of material misstatements. A reasonable assurance engagement includes examining, on a test basis, evidence supporting the selected information in the Sustainability Report. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures.

Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Ericsson in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit. Since this engagement is combined, our conclusions regarding the limited assurance, the reasonable assurance, and the examination according to RevR 12 will be presented separately below.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

In our opinion, the selected information in the Sustainability Report which has been subject to our reasonable assurance procedures has, in all material respects, been prepared in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm February 26, 2025
Deloitte AB

Thomas Strömberg
Authorized Public Accountant

Lennart Nordqvist
Expert Member of FAR

Glossary

2G
Second generation of mobile systems (the first digital generation). Includes GSM, TDMA, PDC and cdmaOne.

3G
Third generation mobile systems. Includes WCDMA/HSPA, CDMA2000 and TD-SCDMA.

4G
Fourth generation mobile systems, also known as LTE.

5G
The fifth generation of mobile systems. An evolution of 4G/LTE.

ABC
Anti-bribery and corruption.

AI
Artificial intelligence. The ability of a machine to perform a task commonly associated with intelligent beings.

API
Application programming interface. A software intermediary for two or more computer programs to communicate with each other.

Cloud native
Software approach of building, deploying, and managing modern applications in cloud computing environments.

CO_2e
Carbon dioxide equivalents. The amount of a particular greenhouse gas, expressed as the amount of carbon dioxide that gives the same greenhouse effect.

Downstream in value chain/Downstream emissions
Activities (and related greenhouse gas emissions) occurring post manufacturing/production, primarily associated with a product's distribution, use and end-of-life phases.

ESG
Environment, Social, and Governance. Refers to the three overarching themes for assessing non-financial factors that can impact a company's value-creating abilities.

GHG
Greenhouse gases. Naturally occurring and man-made gases that trap heat in the atmosphere, contributing to the greenhouse effect warming the earth.

GHG (Greenhouse gas) protocol
A framework and de facto standard for measuring, accounting and managing greenhouse gas emissions.

Global Reporting Initiative (GRI) Standards
The first and most widely adopted global standards for sustainability reporting. GRI is an independent international organization that has pioneered sustainability reporting since 1997.

GSM
Global System for Mobile Communications. Second generation mobile system.

ICT
Information and Communications Technology.

IoT
Internet of Things. A common name for technologies enabling objects with built-in electronics and internet connection to be controlled or to exchange data over a network.

ITU
International Telecommunication Union.

LCA
Life-Cycle Assessment. An approach for calculating the environmental impact of a product or service across all its life-cycle phases, ranging from extraction of raw materials and manufacturing to usage and end-of-life management.

LTE
Long-Term Evolution. 4G: the evolutionary step of mobile technology beyond 3G HSPA, allowing data rates above 100 Mbps.

LWI
Lost workday incidents. An incident resulting in one or more lost workdays.

Mobile broadband
Wireless high-speed internet access using the HSPA, LTE, CDMA2000EV-DO and 5G technologies.

Net Zero
A state in which no net additions of greenhouse gases are released into the atmosphere. Organizations can achieve this primarily by reducing their emissions as well as using certain accepted carbon capture, removal and storage technologies to neutralize any unavoidable remaining emissions.

Own Activities
Cover GHG emissions in Scope 1, 2, and Scope 3 categories Business Travel and Employee Commuting.

SASB
Sustainability Accounting Standards Board. An organization publishing sustainability reporting standards. Now part of the IFRS (International Financial Reporting Standards) Foundation.

SBTi
The Science Based Target initiative, A partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) that defines and promotes best practice in emissions reductions and net-zero targets in line with climate science, including providing a second opinion on the ambition level of targets set by corporates and other entities.

Scope 1
Direct GHG emissions derived from assets/sources that are owned or controlled by an organization, typically through combustion of fossil fuels.

Scope 2
Indirect GHG emissions derived from the energy purchased and consumed, but not generated by, an organization, typically from acquired electricity, heating and cooling.

Scope 3
Other indirect GHG emissions that are a consequence of the activities of an organization but are derived from sources not owned or controlled by that same organization. These include emissions occurring in the supply chain as well as those occurring when customers use a company's products and services.

SDGs
Sustainable Development Goals. The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership.

TCFD
Task force on Climate related Financial Disclosures. A framework for disclosing on an organization's strategies, targets and risk management approaches as regards climate change.

The Paris Agreement
A legally binding international treaty on climate change, adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris 2015. The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2 C and pursuing efforts to limit it to 1.5 C.

UNGC
United Nations Global Compact. This is a voluntary initiative adopted in 2005 by the UN Secretary-General, based on CEO commitments to implement universal sustainability principles and to take steps to support the UN Sustainable Development Goals.

UNGP
United Nations Guiding Principles on Business and Human Rights. The companies' responsibility to protect and respect human rights is defined in the UN's guiding principles for business and human rights.

UNHCR RETS
United Nations High Commissioner for Refugees – Refugee Emergency Telecommunications Sector. RETS is the mechanism through which UNHCR coordinates the communications technology response in emergencies.

UNICEF
United Nations Children's Fund, established in 1946, and responsible for providing humanitarian and developmental aid to children worldwide.

Upstream in value chain /upstream emissions
Activities (and related greenhouse gas emissions) occurring in an organization's supply chain, including extraction of raw materials, manufacturing, assembly and distribution of purchased products and components, and other acquired services.

WEF
World Economic Forum.

WFP-led ETC
Emergency Telecommunications Cluster led by the World Food Programme (WFP).

The terms "Ericsson", "the Company", "the Group", "us", "we", and "our" all refer to Telefonaktiebolaget LM Ericsson and its subsidiaries.

More information

Information about Ericsson and its development is available on the website: www.ericsson.com. Annual and interim reports and other relevant shareholder information can be found at: www.ericsson.com/investors

Every care has been taken in the translation of this Annual Report to English. However, in the event of discrepancies, the Swedish original will supersede the English translation.

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About Ericsson
Ericsson is a leading provider of mobile connectivity solutions to communications service providers, enterprises and the public sector. We deliver high-performing, programmable and energy-efficient networks that enable greater service differentiation. Our enterprise solutions provide superior connectivity to businesses and advanced network capabilities to application developers. Together with our customers and partners in the ecosystem, we are leading the next wave of digitalization in society.

Through world-leading research, we drive new standards and are instrumental in the development of the next-generation mobile communications infrastructure, software, and services.

The Company has approximately 94,000 employees and serves customers in more than 175 countries. Ericsson is headquartered in Stockholm, Sweden. Our shares are listed on Nasdaq Stockholm and our American Depositary Shares (ADS) are listed on Nasdaq New York. Ericsson's vision is a world where limitless connectivity improves lives, redefines business and pioneers a sustainable future.

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