

Corporate Governance Report



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During 2019 the Board has discussed and decided on relevant ownership issues for our companies including the importance of business ethics. Anticipating a softer macro-economic outlook, we have also focused on better understanding how our companies work in improving efficiency, agility and maintaining financial strength with the objective to capture value-creating opportunities. We have also analyzed the impact of new technology, the integration of sustainability into business models as well as the challenges related to cyber security.

Jacob Wallenberg, Chair of the Board

Corporate governance practices refer to the decision making systems which owners, directly or indirectly, govern a company. Good corporate governance is not only important for Investor's organization, it is an integral part of Investor's core business.

We want our corporate governance work to guide our employees in good business conduct ensuring a sound risk culture. It is crucial for Investor to maintain trust among our shareholders, employees and other stakeholders.

Investor is a Swedish limited liability company, publicly traded on Nasdaq Stockholm, and follows the Swedish Code of Corporate Governance (the Code). The Code is published on www.bolagsstyrning.se, where a description of the Swedish Corporate Governance model can be found.

This Corporate Governance Report is submitted in accordance with the Swedish Annual Accounts Act and the Code. It explains how Investor has conducted its corporate governance activities during the 2019 financial year.

Investor has not deviated from the Nasdaq Stockholm Rule Book for Issuers nor from good stock market practice. Regarding deviation from the Code, see detailed information under section Deviation from the Code, page 40.

The Corporate Governance Report has been reviewed by Investor's auditor, as presented on page 107.

Shares

At year-end 2019, Investor had 246,257 shareholders according to the register of shareholders maintained by Euroclear. Shareholdings in Investor representing at least one tenth of the votes of all shares in the company is Knut and Alice Wallenberg Foundation with 20.0 percent of the capital and 43.0 percent of the votes.

Since year 2000, the Board has requested and been granted a mandate by the Annual General Meeting (AGM) to repurchase and transfer Investor shares. The 2020 AGM is proposed to grant a corresponding authorization to the Board to repurchase and transfer Investor shares as was granted by the 2019 AGM.

For more information about the Investor share and the largest shareholders, see page 34.

Annual General Meeting

The 2020 AGM of Investor will take place on May 5, at the City Conference Centre in Stockholm. Each Investor shareholder entitled to vote may vote for the entire number of the shares owned and

represented by the shareholder without restrictions to the number of votes. A-shares are entitled to one vote and B-shares are entitled to 1/10 vote.

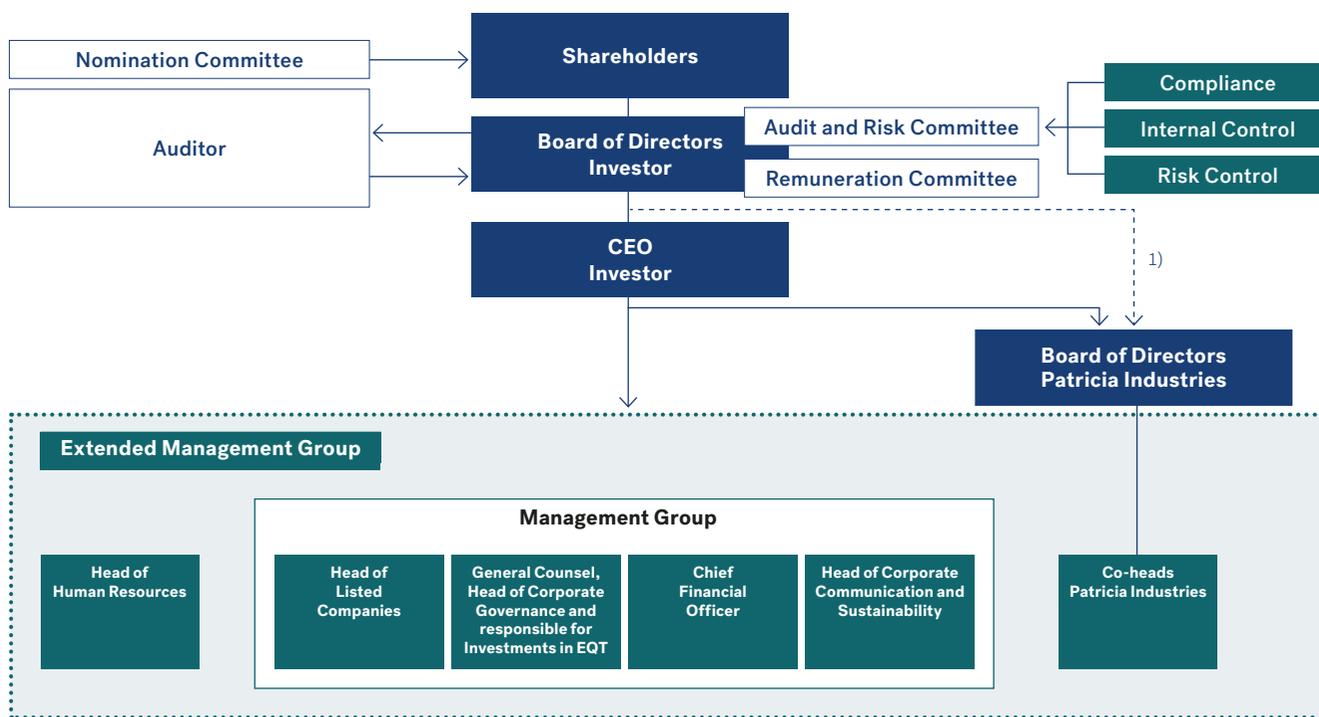
In addition to what follows from applicable law regarding shareholders' right to participate at General Meetings, under Investor's Articles of Association shareholders must (within the time stated in the convening notice) give notice of their attendance and notify the company of any intention to bring assistants.

The documents from the AGMs and the minutes recorded at the AGMs are published on the website.

Nomination Committee

In accordance with the instruction adopted by Investor's AGM, the members of the Nomination Committee shall be appointed by the four shareholders controlling the largest number of votes in Investor, which desire to appoint a member. In addition, the Chair of the Board shall be a member of the Committee. The Committee is obliged to perform its tasks according to the Code. The instruction for the Committee is published on the website.

Corporate Governance at Investor



1) Within given mandate from Investor's Board the operation within Patricia Industries is run independently.

The composition of the Nomination Committee meets the requirements concerning the independence of the Committee. The AGM documents related to the Nomination Committee are published on the website.

Auditor

In accordance with its Articles of Association, Investor must have one or two auditors, and no more than two deputies. A registered firm of auditors may be appointed as Investor's auditor. The auditor is appointed by the AGM for a mandate period of one year.

At the 2019 AGM, the registered auditing company, Deloitte AB was

re-elected as auditor for the period until the end of the 2020 AGM. Deloitte AB has been the auditor in charge since 2013. The Authorized Public Accountant Thomas Strömberg is since 2013 the auditor in charge for the audit.

For details on fees to auditors, see note 12, Auditor's fees and expenses.

Board of Directors

The Board is ultimately responsible for Investor's organization and administration. Pursuant to the Articles of Association, the Board must consist of no less than three and no more than thirteen Directors, as well as no more than four deputies. At the 2019 AGM eleven

members and no deputies were elected. In November 2019 Dominic Barton resigned from the Board of Investor. Since then the Board has consisted of ten members and no deputies. The CEO is the only Board member employed by Investor.

The Nomination Committee applied the Code rule 4.1 as diversity policy in its nomination work. The aim is to achieve a well functioning composition of the Board when it comes to diversity and breadth, as relates to, inter alia, gender, nationality, age and industry experience. The current Board composition is the result of the work of the Nomination Committee prior to the 2019 AGM. The Nomination Committee is of the opinion that the Board has an appropriate composition and size and reflects diversity and good variety regarding qualifications and experiences within areas of strategic importance to Investor. In respect of gender balance, excluding the CEO, 44 percent of the Board are women (based on nine elected members who are not employed by Investor).

The composition of Investor's Board meets the requirements concerning the independence of Directors. Several of

Nomination Committee for the 2020 AGM		
Members	Appointed by	12/31 2019, % of votes
Michael Treschow	Wallenberg Foundations, Chair of the Nomination Committee	50.2
Anders Oscarsson	AMF Insurance and Funds	8.6
Lars Isacsson	SEB Foundation	4.9
Ramsay Brufer	Alecta	3.3
Jacob Wallenberg	Chair of the Board of Investor	

the Board members are Directors of Investor's holdings and they receive Board compensation from these companies. This is not considered to entail a dependence of these members on Investor or its Management.

Investor is an industrial holding company and works actively through the boards of its holdings to identify and drive value-creating initiatives. The work of the Board in Investor's holdings is the core of Investor's active ownership model. For Investor, where a fundamental component is to have the right board in each company, it is natural that members of Investor's Board and Management have board assignments in Investor's holdings.

A more detailed presentation of the Board is found on page 42 and on the website.

Work of the Board

During the year, the Board held 13 meetings (of which two per capsulam). The Board members' attendance is shown on page 42. The secretary of the Board meetings was, with a few exceptions, Investor's General Counsel, Petra Hedengran. Each Board meeting has included an item on the agenda during which the Board had the opportunity to discuss without representatives of the Management being present.

The Board has discussed, among other things, the acquisition of shares in ABB, the planned split of the business of Electrolux Professional from Electrolux, the IPO of EQT AB, investments in EQT funds, sustainability, cyber security and other strategic matters.

The Board has devoted time to both internal and external presentations of the financial markets. The Board has discussed the development and the effects on industries, markets and individual companies, paying particularly close attention to Investor's holdings and the long-term strategies of such holdings.

The CEOs of Astra Zeneca, Nasdaq and Sobi have made presentations about their respective company to the Board. The Board has also visited Nasdaq in New York. Company presentations have also been made by North American executives from Electrolux respectively Ericsson, and by the CEOs of Patricia Industries' companies Sarnova, Braun-Ability and Laborie. Furthermore, the Management of Patricia Industries has held a presentation on the development of this business area and its portfolio companies, including the divestment of the subsidiary Aleris, as well as the key points in Patricia Industries' value creation plans.

An important part of the Board's work is the financial reports presented, including those prior to the interim report, the interim management statements and the year-end report. At regular Board meetings reports are delivered on the ongoing operations in the business areas, together with in-depth analyses and proposed actions regarding holdings. Sustainability performance and succession planning are evaluated yearly by the Board.

During the year, the Management presented value creation plans for Listed Companies, including analyses of the holdings' operations and development

potential in the business areas where they are active. These analyses were discussed and assessed by the Board with a focus on the individual companies as well as in the context of overall strategic discussions. The Board also discussed the overall strategy for Investor thoroughly at the yearly strategy review.

The Board regularly received and discussed reports on the composition of portfolios and developments within Patricia Industries and Investor's involvement in EQT.

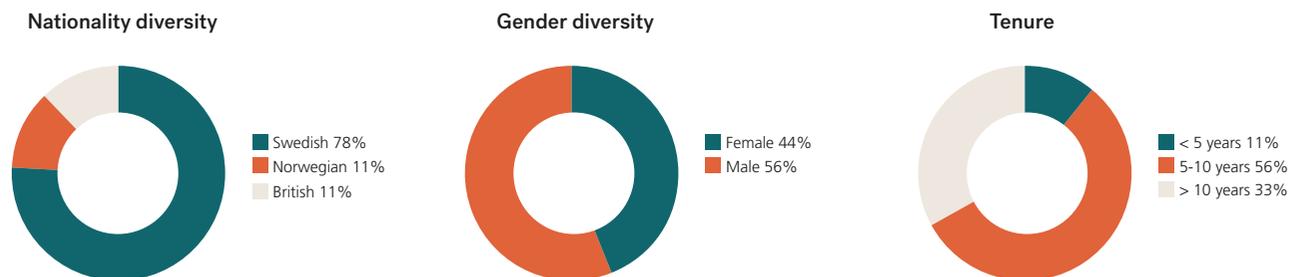
In addition to participating in meetings of the Audit and Risk Committee, the Investor's auditor also attended a Board meeting during which Board members had the opportunity to pose questions to the auditor without representatives of the Management being present.

Board Committees

In order to increase the efficiency of its work and enable a more detailed analysis of certain issues, the Board has formed Committees. The Board Committees are the Audit and Risk Committee and the Remuneration Committee. The members of the Committees are appointed for a maximum of one year at the statutory Board meeting. The Committee's duties and decision making authorities are regulated in the annually approved Committee instructions.

The primary objective of the Committees is to provide preparatory and administrative support to the Board. The issues considered at Committee meetings are recorded in minutes and reported at the next Board meeting.

Board composition as of December 31, 2019, excluding executives (CEO)



Audit and Risk Committee 2019



Members	Attendance/ No. of meetings
Grace Reksten Skaugen (Chair)	6/6
Gunnar Brock	6/6
Magdalena Gerger	6/6
Jacob Wallenberg	5/6

Focus areas in 2019

- Analyzed each interim report, interim management statement, the year-end report, and the Annual Report for completeness and accuracy.
- Evaluated accounting and valuation principles, incl. impairments and estimated market values for Patricia Industries.
- Followed up Audit reports.
- Followed up on the efficiency of the internal control in the financial reporting process.
- Evaluated risk for errors in the financial reporting and followed up recommendations on improvements.
- Evaluated the auditor performance and presented to the Nomination Committee.
- Followed up on management costs, limits, mandates and risk exposure.
- Approved updates of Group policies.

Remuneration Committee 2019



Members	Attendance/ No. of meetings ¹
Jacob Wallenberg (Chair)	3/3
Tom Johnstone, CBE	3/3
Lena Treschow Torell	3/3

1) Per capsulam not included
Total number of meetings: 7 (4 per capsulam)

Focus areas in 2019

- Evaluated and approved remuneration structures for employees and remuneration reviews for Extended Management Group.
- Evaluated and assessed the CEO's goals and terms and conditions for remuneration, which were then approved by the Board.
- Discussed strategic employee and compensation related issues, including long-term competence development.
- Monitored and evaluated guidelines for remuneration including the long-term variable remuneration programs, both ongoing and those that have ended during the year.
- Monitored and evaluated the application of guidelines for remuneration that were approved by the AGM.
- Adopted remuneration guidelines to new legal requirements.
- Prepared a proposal to the Board to submit to the 2020 AGM long-term variable remuneration programs, both for Investor and Patricia Industries.

Representatives from Investor's specialist functions always participate in Committee meetings.

The Audit and Risk Committee is responsible for assuring the quality of the financial reporting and the efficiency in the internal control system. The Audit and Risk Committee also evaluates financial strategies, risk exposure and that the company's compliance efforts are effective.

The responsibilities of the Remuneration Committee are, among other things, to monitor, evaluate and prepare remuneration guidelines. The Committee decides remuneration to the members of the Extended Management Group, except for the CEO for whom the Board as a whole sets the remuneration.

Evaluation of the Board and CEO

The Chair of the Board initiates an annual evaluation of the performance of the Board and the Board Committees. The objective of the evaluation is to provide insight into the Board members' opinions about the performance of the Board and identify measures that could make the work of the Board more effective. A secondary objective is to form an overview of the areas the Board believes should be afforded greater scope and where additional expertise might be needed within the Board.

The 2019 evaluation was digitally answered by each Board member. In addition, the Chair of the Board met with each Board member separately to discuss the work done by the Board during the year. The Board discussed the results of this year's evaluation and the Chair of the Board reported them to the Nomination Committee.

Investor's Board continuously evaluates the performance of the CEO by monitoring the development of the business in relation to established criteria. A formal performance review is carried out once a year.

The CEO and Management

The Board appoints the CEO and approves the Instruction for the CEO. The CEO is responsible for the day to day business of Investor, for example ongoing investments, employees, finance and accounting issues and regular

contact with Investor's stakeholders, such as public authorities and the financial market. The CEO ensures that the Board is provided with the necessary material for making well-informed decisions.

The CEO has appointed an Extended Management Group to support in the management of Investor's overall business. For members of the Extended Management Group, see page 44.

Control functions

The Risk Control function is responsible for coordinating the internal reporting of Investor's significant risks at the aggregate level. The Risk Control function reports to the Audit and Risk Committee.

The Compliance function supports Investor's compliance with laws and regulations, and maintains internal regulatory systems and education to this end. The Compliance function reports to the Audit and Risk Committee.

The review function, Internal Control, provides objective support to the Board on matters relating to the internal control structure, partly by investigating major areas of risk and partly by performing reviews and follow-ups in selected areas. The Internal Control function regularly provides reports on its work to the Audit and Risk Committee during the year.

Remuneration

Compensation to the Board

The total compensation to the Board approved by the 2019 AGM was SEK 11,700t. Since the 2008 AGM, it is possible for Board members to receive a portion of their remuneration in the form of synthetic shares. The allocation of the Board compensation is provided on page 42 and in note 11, Employees and personnel costs.

The Board has adopted a policy stating that Board members, who do not already have such holdings, are expected to, over a five-year period, acquire an ownership in Investor shares (or a corresponding exposure to the Investor share, e.g. in the form of synthetic shares) with a market value equivalent to at least one year's Board compensation, before taxes, excluding remuneration for Committee work.

Board compensation resolved by the 2019 AGM, SEK	
Chair ¹⁾	2,800,000
Vice Chair ¹⁾	1,625,000
Member ¹⁾	750,000
Chair Audit and Risk Committee	305,000
Member Audit and Risk Committee	200,000
Chair Remuneration Committee	180,000
Member Remuneration Committee	95,000
1) Non-employee Board members can choose to receive part of their Board compensation (excluding Committee compensation) in the form of synthetic shares. For total value of the Board compensation including synthetic shares and dividends at year-end, see note 11, Employees and personnel costs.	

Remuneration to the Management

The total remuneration for the CEO is determined by the Board. Remuneration issues concerning other members of the Extended Management Group are decided by the Remuneration Committee, after which the Board is informed.

Investor's policy is for the Extended Management Group to own shares in Investor corresponding to a market value of at least one year's gross salary for the CEO and at least half of one year's gross salary for the other members of the Extended Management Group.

See note 11, Employees and personnel costs, and on the website, for the most recently approved guidelines on remuneration and for a description on the long-term variable remuneration programs. See also the website for the information and evaluation that have to be reported according to the Code.

The Board's proposal regarding guidelines for remuneration for the CEO and other members of the Extended Management Group to the 2020 AGM corresponds in substance to the guidelines for remuneration decided by the 2019 AGM. However, due to new legal requirements, the proposed new guidelines are more detailed. See page 46 for the Board's proposal regarding the guidelines for remuneration to the 2020 AGM.

The Board's proposal regarding long-term variable remuneration programs to the 2020 AGM are substantially the same as the programs decided by the 2019 AGM.

Deviation from the Code

The long-term variable remuneration program for employees within Patricia Industries has the purpose that employees within Patricia Industries should have a long-term variable remuneration directly aligned with the value creation within the business area Patricia Industries. The program is based on the same structure as Investor's program for long-term variable remuneration and contains corresponding performance criteria, but the outcome is depending on the development of the underlying assets of Patricia Industries. Since these assets are not listed, the total cost of the program, which is cash-settled, cannot in an efficient way be capped by hedging arrangements. In order for the program to correspond as closely as possible and create a corresponding incentive profile as the Investor program, the total outcome for each individual participant in the program is limited by a maximum number of instruments that can be allocated, but not by any other type of predetermined limit. To the extent the program is not compliant with Code rule 9.5, i.e. that variable remuneration paid in cash should be subject to a predetermined limit, this is consequently a deviation from the Code for the above stated reasons.

Similarly, the Extended Management Group member Noah Walley's rights under the old variable remuneration programs for IGC are not subject to any predetermined limit. To the extent these programs are not compliant with the above-mentioned Code rule, this is also a deviation from the Code. The reason for such deviation is that the Board has considered that Noah Walley's already agreed rights should be honored and remain valid also after his appointment to the Extended Management Group.

Internal control over financial reporting

Investor's internal control over the financial reporting is focused primarily on ensuring efficient and reliable control of, and accounting for purchases, sales and valuation of securities as well as correct consolidation of the operating subsidiaries.

The Board and Management of each operating subsidiary is responsible for ensuring the efficiency of the subsidiary's internal control structures, risk management and financial reporting. Patricia Industries' Board representative provides this information to Patricia Industries' Board, where analysis and follow-up take place. Patricia Industries' Board ensures that Investor's Board and Management receive information on any issues that could affect Investor's business or financial reporting.

This description of the internal control over the financial reporting is based on the framework set by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Control environment

The control environment is built around an organization with clear decision-making channels, powers and responsibilities and a corporate culture based on shared values. It also requires each individual's awareness of his/her role in maintaining effective internal control.

All of Investor's business areas have policies, instructions and detailed process descriptions. These documents establish responsibilities for specific tasks, mandates and powers and how validation is to be carried out. Accounting and reporting rules and routines are documented in Investor's Financial Handbook. All governing documents are presented on the intranet for all employees. The documents are updated yearly or when needed. During 2019 the control functions have followed up the subsidiaries' policy frameworks, with specific focus on policies and procedures for trade sanctions and export control as well as supplier code of conducts.

Risk assessment

Risk assessment is conducted continuously in the day to day business at Investor. Annually the Finance department and the subsidiaries assess risk for major errors in the financial reporting and sets action

plans to reduce identified risks. Focus is placed on significant Income Statement and Balance Sheet items, which have a higher risk because of the complexity, or where there is a risk that the effects of a potential error may become significant because of the high transaction values involved. Conclusions drawn from the risk assessments on risks for errors in the financial reporting 2019 have been reported to and discussed with the Audit and Risk Committee.

Using the risk assessment as a starting point to ensure the reliability of the financial reporting, the Audit and Risk Committee determines which of the identified risks should be prioritized by the Internal Control function. Suggestions for improvements are identified and implemented on an ongoing basis.

For a more detailed description of risks and other risk assessments, see note 3, Risks and Risk management.

Control activities

To ensure that the financial reporting gives a true and fair picture on each reporting date, every process incorporates a number of control activities. These involve all levels of the organization, from the Board and Management to other employees.

Financial controls in the company include approval of business transactions, reconciliation with external counterparties, daily monitoring of risk exposure, daily account reconciliation, monthly custody reconciliation, performance monitoring and analytical monitoring of decisions. Investor's financial reports are analyzed and validated by the company's control function within Finance. Frequent analysis of the operating subsidiaries' financial reports are also performed. During 2019 documentation of key controls in the financial reporting process has been a focus area in the reviews Internal Control has performed.

Information and communication

For the purpose of ensuring that the external information is correct, complete and timely, Investor's Board has adopted a Communication Policy. Within the company, there are also instructions regarding information security and how to communicate financial information

between the Board, Management and other employees as well as from Patricia Industries to Investor.

Investor has an established external process for whistleblowing, accessible for all employees on the intranet and for external stakeholders on Investor's website. It can be used anonymously.

Also the subsidiaries have established whistleblowing channels that can be used anonymously. During 2019 Investor has launched a new website as well as a new intranet to increase transparency.

The control environment is built around an organization with clear decision-making channels, powers and responsibilities and a corporate culture based on shared values

Monitoring

Both the Board and the Management Group regularly follow up on the effectiveness of the company's internal controls to ensure the quality of processes for the financial reporting. Investor's financial situation and strategy regarding the company's financial position are discussed at every Board meeting and the Board is provided with detailed reports on the development of the business to this end. The Board reviews all interim reports before public release.

The Audit and Risk Committee plays an important role in ensuring and monitoring that control activities are in place for important areas of risk inherent in the processes for financial reporting and regularly reports the results from the committee work to the Board. The Audit and Risk Committee, Management Group and Internal Control function regularly follow up reported deviations. During 2019 the Board has followed up on the 2018 identified cyber security risks and actions taken to reduce such risks.

Board of Directors¹⁾



Jacob Wallenberg



Marcus Wallenberg



Gunnar Brock



Johan Forssell



Magdalena Gerger

Position	Chair Chair: RC Member: ARC	Vice Chair	Director Member: ARC	Director President and CEO	Director Member: ARC
Elected	1998 (Chair since 2005)	2012 (Vice chair since 2015)	2009	2015	2014
Year of birth	1956	1956	1950	1971	1964
Nationality	Swedish	Swedish	Swedish	Swedish	Swedish
Education	B.Sc. in Economics and M.B.A., Wharton School, University of Pennsylvania Reserve Officer, Swedish Navy	B.Sc. of Foreign Service, Georgetown University	M.Sc. in Economics and Business Administration, Stockholm School of Economics	M.Sc. in Economics and Business Administration, Stockholm School of Economics	M. Econ., and M.B.A., Stockholm School of Economics M.B.A. exchange, McGill University
Current assignments	Vice Chair: ABB, Ericsson, FAM, Patricia Industries Director: Nasdaq, The Knut and Alice Wallenberg Foundation, Tsinghua School of Economics Advisory board, Steering Committee ERT ²⁾ Member: IBLAC ³⁾ , IVA ⁴⁾	Chair: FAM, Patricia Industries, Saab, SEB Vice Chair: The Knut and Alice Wallenberg Foundation Director: AstraZeneca, Temasek Holding Member: IVA ⁴⁾	Chair: Mölnlycke, Slättö Invest, Stena Director: ABB, Patricia Industries, Member: IVA ⁴⁾	Director: Atlas Copco, Epiroc, EQT AB, Patricia Industries, Stockholm School of Economics, Wårtsilä Member: IVA ⁴⁾	President and CEO: Systembolaget Director: Humana, IVA ⁴⁾ Member: IFN ⁵⁾
Work experience	Chair: SEB Vice Chair: Atlas Copco, Investor, SAS, Stora President and CEO: SEB Director: The Coca-Cola Company, Electrolux, Stora, WM-data, Stockholm School of Economics, Stockholm Chamber of Commerce Executive VP and CFO: Investor	Chair: Electrolux, International Chamber of Commerce, LKAB President and CEO: Investor Executive Vice President: Investor Director: Citibank, Citicorp, Deutsche Bank, EQT Holdings, SEB, SG Warburg, Stora Enso, Stora Feldmühle	Chair: Rolling Optics, Stora Enso CEO: Alfa Laval, Atlas Copco, Tetra Pak Group, Thule International Director: Lego, SOS Children's Villages, Total, Stockholm School of Economics, Syngenta	Director: Saab Project Director: Aleris Head of Core Investments: Investor Head of Research: Investor Head of Capital Goods and Healthcare sector: Investor Head of Capital Goods sector: Investor	Chair: IQ-initiativet Director: Husqvarna, Ahlsell, IKEA (Ingka Holding), Svenska Spel Vice President, responsible for Fresh Dairy, Marketing and Innovation: Arla Foods Management consultant: Futoria Category Director: Nestlé Marketing Director: ICI Paints, Procter & Gamble
Attendance Board meetings⁶⁾	11/11	9/11	11/11	11/11	11/11
Independent to Investor and its Management	Yes	Yes	Yes ⁷⁾	No ⁸⁾	Yes
Independent to major shareholders	No ⁹⁾	No ⁹⁾	Yes	Yes	Yes
Total Board Comp. SEK¹⁰⁾ (of which ARC) (of which RC)	3,180,000 (200,000) (180,000)	1,625,000	950,000 (200,000)	-	950,000 (200,000)
Shares in Investor¹³⁾	146,669 A shares 315,572 B shares 3,281 synthetic shares	536,000 A shares 16,223 B shares	5,025 synthetic shares	36,755 A shares 28,866 B shares	4,441 B shares 3,202 synthetic shares

ARC: Audit and Risk Committee, RC: Remuneration Committee.

1) Board of Directors as of December 31, 2019. Josef Ackermann left the Board in connection with the AGM 2019 and Dominic Barton was elected new member of the Board. Dominic Barton resigned from the Board of Investor in November 2019.

2) ERT: The European Round Table of Industrialists.

3) IBLAC: Mayor of Shanghai's International Business Leaders Advisory Council.

4) IVA: The Royal Swedish Academy of Engineering Sciences.

5) IFN: The Research Institute of Industrial Economics.

6) Per capsulam not included.

7) Invested, in his capacity as Chair of the Board of Mölnlycke, in a share investment program for the Board and senior executives of that company in 2014, 2018 and 2019. This circumstance is not considered to entail Gunnar Brock being dependent on Investor or its Management.

8) President and CEO.

9) Member of Knut and Alice Wallenberg Foundation.

10) For total value of Board compensation including synthetic shares and dividends, see note 11. Employees and personnel costs.

11) Recent employment in Ericsson.

12) Consultancy agreement with Knut and Alice Wallenberg Foundation.

13) Holdings in Investor AB are stated as of December 31, 2019 and include holdings of close relatives and legal entities.

				
Tom Johnstone, CBE	Sara Mazur	Grace Reksten Skaugen	Hans Stråberg	Lena Treschow Torell
Director Member: RC	Director	Director Chair: ARC	Director	Director Member: RC
2010	2018	2006	2011	2007
1955	1966	1953	1957	1946
British	Swedish	Norwegian	Swedish	Swedish
M.A., University of Glasgow Honorary Doctorate in Business Administration, the University of South Carolina Honorary Doctorate in Science, Cranfield University	M. Sc. in Electrical Engineering, Ph.D. in Fusion Plasma Physics and Associate Professor, Fusion Plasma Physics, Royal Institute of Technology Honorary Doctor of Philosophy, Luleå University of Technology	M.B.A., BI Norwegian School of Management, Careers in Business Program, New York University Ph.D. and B.Sc., Laser Physics, Imperial College of Science and Technology, London University	M.Sc. in Engineering, Chalmers University Reserve Officer, Swedish Army	Ph.D., Physics, University of Gothenburg Docent, Physics, Chalmers University
Chair: Combient, Husqvarna, British-Swedish Chamber of Commerce in Sweden, Wärtsilä Director: Northvolt, Volvo Cars Member: IVA ⁴⁾	Chair: WASP Director: Saab, Combient, Nobel Media Director Strategic Research: Knut and Alice Wallenberg Foundation Member: IVA ⁴⁾	Founder and Director: Norwegian Institute of Directors Deputy Chair: Orkla Director: Euronav, Lundin Petroleum	Chair: Atlas Copco, CTEK, Roxtec, SKF Vice Chair: Stora Enso Director: Anocca, Hedson, Mellbygård Member: IVA ⁴⁾	Chair: Chalmers University, The Swedish Postcode Lottery Foundation for Culture International Advisory Board: Sustainable Development Solutions Network Member: IVA ⁴⁾
Vice Chair: Wärtsilä President and CEO: SKF Director: Electroflux, SKF, The Association of Swedish Engineering Industries, Wärtsilä Executive Vice President: SKF President: Automotive Division, SKF	Director: Chalmers, Rise, SICS North Swedish ICT, The School of Electrical Engineering, Royal Institute of Technology, The Wireless@KTH center, WACQT Vice President and Head of Research: Ericsson Various positions within Ericsson	Chair: Entra Eiendom, Ferd, Norwegian Institute of Directors Deputy Chair: Statoil Director: Atlas Copco, Corporate Finance Enskilda Securities, Opera Software, Renewable Energy Corporation, Storebrand, Tandberg	President and CEO: Electroflux Vice Chair: Orchid Orthopedics Director: Consilio International, The Confederation of Swedish Enterprise, The Association of Swedish Engineering Industries, N Holding COO: Electroflux Various positions within Electroflux	Chair: Euro-CASE Chair and President: IVA ⁴⁾ Research Director: Joint Research Centre, European Commission Professor in Physics: Chalmers University, Uppsala University Director: Ericsson, Gambro, Getinge, Imego, IRECO, Micronic, Saab, SKF, ÅF
10/11	11/11	11/11	11/11	10/11
Yes	No ¹¹⁾	Yes	Yes	Yes
Yes	No ¹²⁾	Yes	Yes	Yes
845,000 (95,000)	750,000	1,055,000 (305,000)	750,000	845,000 (95,000)
5,025 synthetic shares	1,833 synthetic shares	2,000 A shares	8,300 B shares 5,025 synthetic shares	2,500 B shares 5,025 synthetic shares

Management Group



Johan Forssell



Petra Hedengran



**Viveka
Hirdman-Ryberg**



Daniel Nodhäll



Helena Saxon

Position	Director President and CEO	General Counsel, Head of Corporate Governance and responsible for investments in EQT funds	Head of Corporate Communication and Sustainability	Head of Listed Companies	Chief Financial Officer
Member of Management Group since	2006 (CEO since 2015)	2007	2018	2015	2015
Employed since	1995	2007	2018	2002	1997
Year of birth	1971	1964	1963	1978	1970
Nationality	Swedish	Swedish	Swedish	Swedish	Swedish
Education	M.Sc. in Economics and Business Administration, Stockholm School of Economics	Masters of Law, Stockholm University	B.Sc. in Business Administration and Lic.Sc in Economics, Stockholm School of Economics	M.Sc. in Economics and Business Administration, Stockholm School of Economics	M.Sc. in Economics and Business Administration, Stockholm School of Economics IMD, INSEAD
Current assignments	Director: Atlas Copco, Epiroc, EQT AB, Patricia Industries, Stockholm School of Economics, Wårtsilä Member: IVA ¹⁾	Director: Alecta, Electrolux, The Association for Generally Accepted Principles in the Securities Market	Chair: Sveriges Kommunikatörer Director: Misum at Stockholm School of Economics, SEB Investment Management AB	Director: Husqvarna, Saab	Director: SEB, Sobi
Work experience	Director: Saab Project Director: Aleris Head of Core Investments: Investor Head of Research: Investor Head of Capital Goods and Healthcare sector: Investor Head of Capital Goods sector: Investor	Director: EQT Partners, Lindorff Group, Svenska Skeppshypotekskassan, Allmänna Änke och Pupillkassan Partner and Head of Banking and Financing Group: Advokatfirman Lindahl Legal Counsel and General Counsel: ABB Financial Services, Nordic Region	Director; Grand Hotel, Mentor Sweden Member of Group Executive Committee and Head of Group Communi- cation & Marketing including chairperson Group Sustainability Committee: SEB Head of CEO Office: SEB Various positions within SEB Consultant: PwC	Investment Manager, Head of Capital Goods: Investor	Director: Aleris, Gambro, Mölnlycke Investment Manager: Investor CFO: Hallvarsson & Halvarsson, Syncron International Financial analyst: Goldman Sachs
Shares in Investor²⁾	36,755 A shares 28,866 B shares	2,500 A shares 16,000 B shares	8,031 B shares	9,787 A shares 5,105 B shares	13,143 B shares

See note 11, Employees and personnel costs, for shares and share-related instruments held by the Management Group members.

1) IVA: The Royal Swedish Academy of Engineering Sciences.

2) Holdings in Investor AB are stated as of December 31, 2019 and include holdings of close relatives and legal entities.

3) Members of the Extended Management Group. Investor's Extended Management Group consists of the Management Group and three additional members.



Jessica Häggström³⁾



Christian Cederholm³⁾



Noah Walley³⁾

Head of Human Resources	Co-head Patricia Industries	Co-head Patricia Industries
2017	2017	2017
2017	2001	2003
1969	1978	1963
Swedish	Swedish	American
Master's degree in Human Resources and Labour Relations, University of Linköping and University of Uppsala	M.Sc. in Economics and Business Administration, Stockholm School of Economics	B.A. and M.A. in History, Oxford University J.D. Stanford University Law School
Director: CLS (Continuous Learning Solutions), Min Stora Dag, MBA Advisory Board Stockholm School of Economics	Director: Hi3G Scandinavia, Nasdaq Nordic, Permobil, Mölnlycke	Director: BraunAbility, Better Finance, Pulsepoint, Retail Solutions
Head of HR R&D Business Unit IT & Cloud: Ericsson Head of Talent Effectiveness: Ericsson Head of HR Finance: Ericsson Various HR positions within Ericsson Consultant: Watson Wyatt	Head of Patricia Industries Nordics Investment Manager: Investor Director: Aleris	Head of Patricia Industries U.S. President: IGC Managing Director: IGC General Partner: Morgan Stanley Director of over 20 venture-backed technology companies Consultant: McKinsey Investment Banker: N M Rothschild & Sons
1,400 A shares	32,618 A shares	37,563 B shares
676 B shares	4,132 B shares	

The Board of Directors' proposals for resolutions on guidelines for remuneration for the President and other members of the Extended Management Group (Remuneration Policy), at the AGM 2020

The President and other members of the Extended Management Group fall within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to remuneration decided by the general meeting as is the case with the programs for long-term variable remuneration. The Board of Directors' proposal regarding guidelines for remuneration to the Annual General Meeting 2020 corresponds in substance to the guidelines decided by the Annual General Meeting 2019. However, due to new legal requirements, the proposed new guidelines are more detailed than previously.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

Investor's business model is to be an engaged long-term owner. Through substantial ownership and board participation, we drive the initiatives that we believe will create the most value for each individual company. For more information regarding Investor's business model, please see www.investorab.com.

A prerequisite for the successful implementation of our business strategy and safeguarding of Investor's long-term interests, including its sustainability, is that we are able to recruit and retain qualified people. To this end, it is necessary that Investor offers competitive remuneration. These guidelines enable the Company to offer the President and other members of the Extended Management Group a competitive total remuneration.

Programs for long-term variable remuneration have been implemented in Investor. Such programs are resolved by the general meeting and are therefore not covered by these guidelines. For all employees within Investor there is a Stock Matching Plan and for Senior Management there is a Performance-Based Share Program. The performance criteria used for the Performance-Based Share Program is the total return on the Investor share during a three-year period as this provides a clear link to Investor's business model and thus to the shareholders' long-term value creation. As from 2017, a new program was introduced for employees within Patricia Industries, meaning that employees within Patricia Industries since then are not included in Investor's program for long-term variable remuneration. The performance criteria used for the long-term variable remuneration program within Patricia Industries are related to the value growth of Patricia Industries' portfolio. This provides exposure to both value increases and value decreases within existing and future investments made by Patricia Industries. Accordingly, there is a clear link to Investor's business model and thus to the shareholders' long-term value creation. Both Investor's and Patricia Industries' programs for long-term variable remuneration are conditional upon the employee's own investment in Investor shares and holding of three years. For more information regarding these programs, including the criteria on which the outcome depends, please see www.investorab.com.

Types of remuneration, etc.

The remuneration shall be competitive and in line with market conditions and may consist of the following components: Fixed cash remuneration, short-term variable remuneration, pension and other benefits. Long-term variable remuneration is also included in the total remuneration. Long-term variable remuneration is decided by the general meeting and is, as mentioned, therefore not covered by these guidelines.

Fixed cash remuneration

Fixed cash remuneration shall be reviewed annually and constitutes the basis for calculation of the variable remuneration.

Short-term variable remuneration

The short-term variable remuneration for the President may amount to not more than 30 percent of the fixed annual cash remuneration. For other members of the Extended Management Group, the short-term variable remuneration may amount to not more than 75 percent of the fixed annual cash remuneration.

Further remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are applied on an individual basis only, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 percent of the fixed annual cash remuneration. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Pension

Pension benefits, including health insurance, shall be premium defined. Variable remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 50 percent of the fixed annual cash remuneration.

Other benefits

Other benefits may include, for example, medical insurance and domestic services. Such benefits may amount to not more than 20 percent of the fixed annual cash remuneration.

For employments governed by rules other than Swedish, the components of the total remuneration may be duly adjusted for compliance with mandatory rules or local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment

Upon termination of an employment, the notice period may not exceed six months. Fixed cash remuneration during the period of notice and severance pay may together not exceed an amount equivalent to two years fixed cash remuneration. When termination is made by the executive, the period of notice may not exceed six months and there is no entitlement to any severance pay. In addition, any non-compete undertakings may be compensated by remuneration for loss of income (compared to the fixed cash remuneration) for a maximum of six months following the termination of employment. This is not applicable, however, when severance is paid.

Criteria for awarding short-term variable remuneration, etc.

Short-term variable remuneration covered by these guidelines shall aim at promoting Investor's business strategy and long-term interests, including its sustainability. The short-term variable remuneration shall be dependent upon the individual's satisfaction of annually set criteria. In that way the remuneration is clearly related to the work contributions and performance of the individual. The criteria can be financial or non-financial, qualitative or quantitative, and shall be based on factors which support Investor's business strategy and long-term interests, including its sustainability, by for example being clearly linked

to value creation, engaged long-term ownership and Investor's development.

The outcome of the short-term variable remuneration is reviewed annually. To which extent the criteria for awarding short-term variable remuneration have been satisfied shall be evaluated when the measurement period has ended. The Remuneration Committee is responsible for the evaluation. For the President, the short-term variable remuneration is then confirmed by the Board of Directors.

Investor shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to reclaim variable remuneration paid on incorrect grounds (claw-back).

Remuneration and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, remuneration and employment conditions for employees of the Company have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are appropriate. The development of the gap between the remuneration to the President and the other members of the Extended Management Group and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the President and the other members of the Extended Management Group. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the President and the other members of the Extended Management Group, the application of the guidelines for remuneration as well as the current remuneration structures and compensation levels in Investor. The members of the Remuneration Committee are independent of Investor and its Management. The President and the other members of the Extended Management Group do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve Investor's long-term interests, including its sustainability, or to ensure Investor's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Miscellaneous

For further information on remuneration, see Investor's Annual Report and Investor's website, www.investorab.com

Auditor's report

To the annual general meeting of the shareholders of Investor AB (publ.)
CORP. ID 556013-8298

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Investor AB (publ) for the financial year January 1, 2019 – December 31, 2019 except for the corporate governance statement on pages 36-46 and the statutory sustainability report on pages 12-15 and 110-113. The annual accounts and consolidated accounts of the company are included on pages 4-15, 36-106 and 110-113 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 31 December 2019 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 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 36-46 and the statutory sustainability report on pages 12-15 and 110-113. 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.

Governance over financial reporting

The companies within Patricia Industries are independent with separate internal control systems in place for their operating activities as well as processes for financial reporting.

Our audit focused on the internal governance over financial reporting for several reasons. Firstly, it is important to ensure that the information reported by each entity is prepared in accordance with IFRS. Secondly, it is important to have well established procedures to ensure timely and correct financial reporting. Thirdly, monitoring controls are important to ensure high quality reporting.

Investor's information regarding the principles applied for its consolidated financial statements are included in Note 1 Significant accounting policies and Note 20 Shares and participation in associates on page 79, providing further explanation on the method for accounting for associates.

Our audit procedures included, but were not limited to:

- We obtained an understanding of Investor's processes relating to internal controls over financial reporting and tested key controls.
- We evaluated internal controls in relation to critical IT-systems used for financial reporting.
- We assessed the company's procedures relating to controls over financial information reported from consolidated subsidiaries and associates reported under the equity method.
- We assessed the application of new accounting rules and regulations and their compliance with IFRS.

Valuation of unlisted investments

The valuation process for unlisted investments requires estimates by management and is therefore more complex compared to the valuation of listed investments. The total carrying value of unlisted investments recognized at fair value amounted to SEK 22,347 million as of December 31, 2019.

Investor's valuation policy is based on IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines. Inappropriate judgments made in the assessment of fair value could have a significant impact on the value of the unlisted investment.

We focused on the unlisted investments since the carrying value is material, the investment portfolio comprises a large number of unlisted securities and since the assessments made to arrive at the fair value is sensitive to judgments and estimates made.

Investor's principles for accounting for unlisted investments are described in note 32 on page 87 and detailed disclosures regarding these investments are included in Note 32 Financial instruments on page 88-92, see detailed description in section Measurement of financial instruments in level 3.

Our audit procedures included, but were not limited to:

- We obtained an understanding of the valuation process and key controls in this process and tested key controls.
- We agreed correct ownership percentages in Patricia Industries and EQT funds and proper accounting for changes in such ownership.
- We tested that the methodology and consistency applied in the valuation of the portfolio companies is in accordance with IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines.

- We recomputed the calculation of the enterprise value for a selection of portfolio companies in Patricia Industries including agreeing currency rates to external independent sources.
- We assessed the relevance of multiples used in Patricia Industries' portfolio companies' enterprise value calculations against market multiples from relevant transactions or market data.

Valuation of listed investments

There is a lower degree of judgment involved in the valuation process for listed investments compared to unlisted investments. However, a substantial portion of Investor's total assets is embedded in the holdings in listed investments. The total carrying value of listed investments amounted to SEK 364,392 million as of December 31, 2019.

We focused on the listed investments since the carrying value is significant, there is a risk that changes in ownership might not be properly recognized, and effects of dividend received might not properly be reflected in the carrying value.

Investor's principles for accounting for listed investments are described in note 32 on page 87 and detailed disclosures regarding listed investments are included in Note 32 Financial instruments on page 87-91, see detailed description in section Measurement of financial instruments in level 1 and 2.

Our audit procedures included, but were not limited to:

- We obtained an understanding of the valuation process and tested key controls.
- We validated the holdings towards external statements.
- We tested the fair value calculation arithmetically and compared values to official share prices.
- We reviewed disclosures relating to valuation of listed investments to ensure compliance with IFRS.

Intangible assets

Investor's acquisitions of Mölnlycke, Aleris, Permobil, BraunAbility, Laborie, Sarnova and Piab have led to a portion of the purchase price being allocated to intangible assets including goodwill. Changes in economic conditions or lower than expected development of performance may be indicators of potential impairment of the recoverable amount of these assets and hence the consolidated net asset value of Investor. The total carrying amount of goodwill relating to these holdings amounted to SEK 41,286 million as of December 31, 2019.

We focused on the assessments of the carrying value for the holdings above since the carrying value of intangible assets are material and as the assessment of the recoverable amount may be sensitive to changes in assumptions.

Investor's disclosures regarding intangible assets are included in Note 16 Intangible assets on page 74-76, which specifically explains key assumptions used in the assessment of the recoverable amounts.

Our audit procedures included, but were not limited to:

- We obtained an understanding of management's annual impairment testing process and controls for assessing impairment triggers and tested key controls.
- We reviewed the valuation and financial development of each entity and discussed historical performance with management.
- We analyzed the assumptions made in the impairment tests for each entity and compared to historical performance, external and other benchmark data.
- We evaluated the sensitivity of key assumptions.
- We reviewed the disclosures related to valuation of intangible assets and assessed whether the disclosures are in line with IFRS.

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 1-3, 16-35 and 115-117. 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 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.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

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 Investor AB (publ) for the financial year January 1, 2019 – December 31, 2019 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.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for the corporate governance statement on pages 36-46 and that it has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 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.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 12-15 and 110-113, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report 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 opinion.

A statutory sustainability report has been prepared.

Deloitte AB, was appointed auditor of Investor AB (publ) by the general meeting of the shareholders on the 2019-05-08 and has been the company's auditor since 2013-04-15.

Stockholm March 20, 2020

Deloitte AB



Thomas Strömberg
Authorized Public Accountant