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Corporate governance report

CORPORATE GOVERNANCE IN SWEDFUND

Swedfund is a limited company wholly owned by the Swedish Government with a public policy assignment, which is set out in the Owner Instructions.

According to the mission, Swedfund shall contribute to attainment of the goal set out in Sweden's Global Development Policy of fair and sustainable global development and, together with strategic partners, the company must contribute to investments which are not deemed to be realisable solely through commercial financing. Swedfund must ensure that the investments are sustainable from an economic, environmental, climate and social perspective.

The Owner Instructions set out a number of mission objectives for the organisation. These are described in more detail in the Directors' Report under the Portfolio companies' results section on pages 66-81.

Both external and internal regulations form the basis for Swedfund's governance. The Board of Directors has established guidelines for the company's operations with the aim of providing guidance for the organisation and its employees. Swedfund applies the Swedish Corporate Governance Code ("the Code"). Deviations from this Code for the financial year are explained below. The main reason behind such non-conformities is Swedfund's ownership circumstances, with Swedfund being a wholly state-owned company and thus not a listed enterprise with dispersed ownership. The company's auditors have conducted a statutory review of the corporate governance report.

The State Ownership Policy, the Owner Instructions for the company, the articles of association and the goals established by the general meeting and the board of directors govern the operation. Swedfund's strategy and policy documents form the

starting point for the implementation of the mission. Swedfund's policies form a key part of the company's values, governance and internal control, and are continually being incorporated into working methods and agreements. The training of Swedfund staff and external board members amongst the portfolio companies is ongoing. The company is also affiliated to a number of international conventions and regulations which have impacted on the working methods that are followed in different ways.

THE CODE OF CONDUCT

The Code of Conduct forms part of the state's corporate governance framework. Swedfund follows the Code of Conduct in accordance with the owner's guidelines.

DEVIATIONS FROM THE CODE OF CONDUCT

Swedfund deviated from the provisions of the Code of Conduct during the 2022 financial year with regard to the following points:

- (i) Nomination committee. Due to its ownership structure, Swedfund has no nomination committee. Instead, the nomination process for board members, election of a chair for meetings and appointment of auditors is based on a separate process for state owned companies in accordance with the State's Ownership Policy.
- (ii) The board of directors' independence in relation to the owner. In accordance with the State's Ownership Policy, Swedfund does not report whether or not board members are independent of the owner.
- (iii) Remuneration committee. The board of directors has instead opted to perform this task

CORPORATE GOVERNANCE AMONGST THE PORTFOLIO COMPANIES

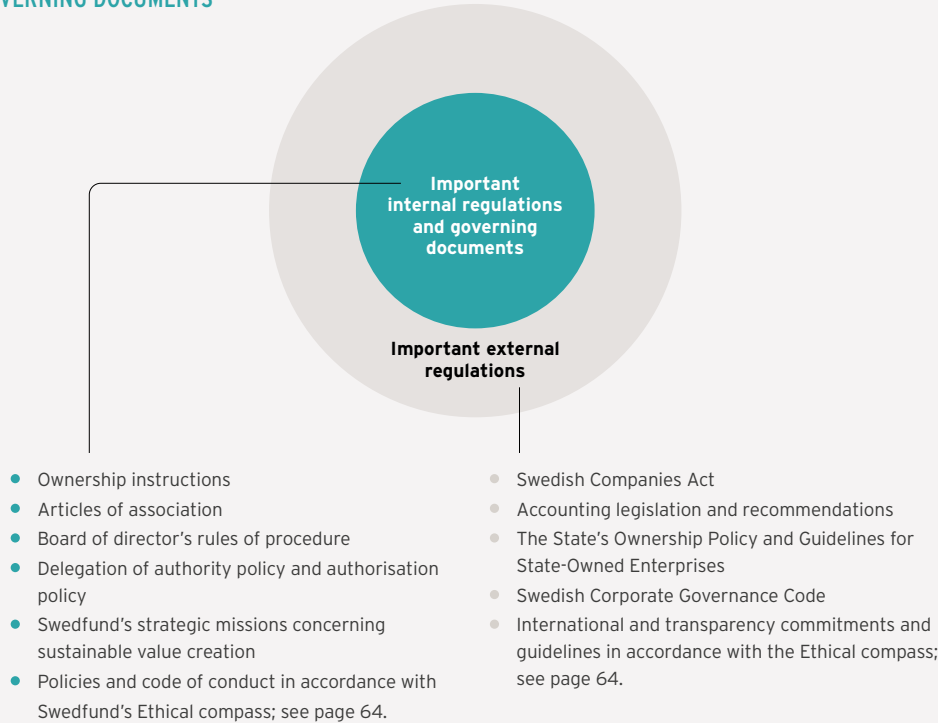
As regards investments through equity, Swedfund normally has a role as a minority shareholder, but normally endeavour to ensure that it holds a board position.

In connection with fund investments, Swedfund is often represented on the fund's advisory board. Through active ownership based on the three pillars, governance and follow-up take place through, amongst other things, board work, self-evaluations

and ESG advocacy work. The management of Swedfund's investments involves incorporating the company's policies in investment agreements as and when appropriate. Information on the development of the portfolio companies is obtained through regular owner dialogues, the follow-up of annual reports and other agreed information.

Swedfund strives to maintain an active dialogue with stakeholders such as owners, business partners, civil society organisations, trade unions and media representatives. For further information, read Swedfund's stakeholder and materiality analysis on pages 121.

GOVERNING DOCUMENTS



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VOTES AND OWNERS

Swedfund is a limited liability company which is wholly owned by the Swedish government. The general meeting is the supreme decision-making body within Swedfund, and it is through participation in this meeting that the Swedish state exerts its influence on the company. The Ministry of Finance is responsible for managing the state's ownership of Swedfund, while the Ministry of Foreign Affairs is responsible for the company's development cooperation policy. Invitations to the annual general meeting and extraordinary general meetings at which matters concerning the amendment of the articles of association will be considered must be distributed no earlier than six weeks and no later than four weeks before the meeting. Invitations are issued through publication in the Postal and Inrikestidningar gazette and on Swedfund's website. A Member of Parliament has the right to be present at the meeting and to ask the company questions during the meeting. Under normal circumstances, the meeting is also open to the general public.

THE TASKS OF THE ANNUAL GENERAL MEETING INCLUDE REACHING DECISIONS CONCERNING:

- Adoption of the income statement and balance sheet
- Appropriation of the company's profit or loss
- Discharge from liability for the board of directors and the CEO
- Election of the board of directors, chair of the board and auditors
- Determination of fees to the board of directors and auditors
- Amendments to the articles of association
- Ownership instructions for the organisation, including mission objectives and financial goals
- Guidelines for remuneration to senior executives and approval of the remuneration report

ANNUAL GENERAL MEETING 2022

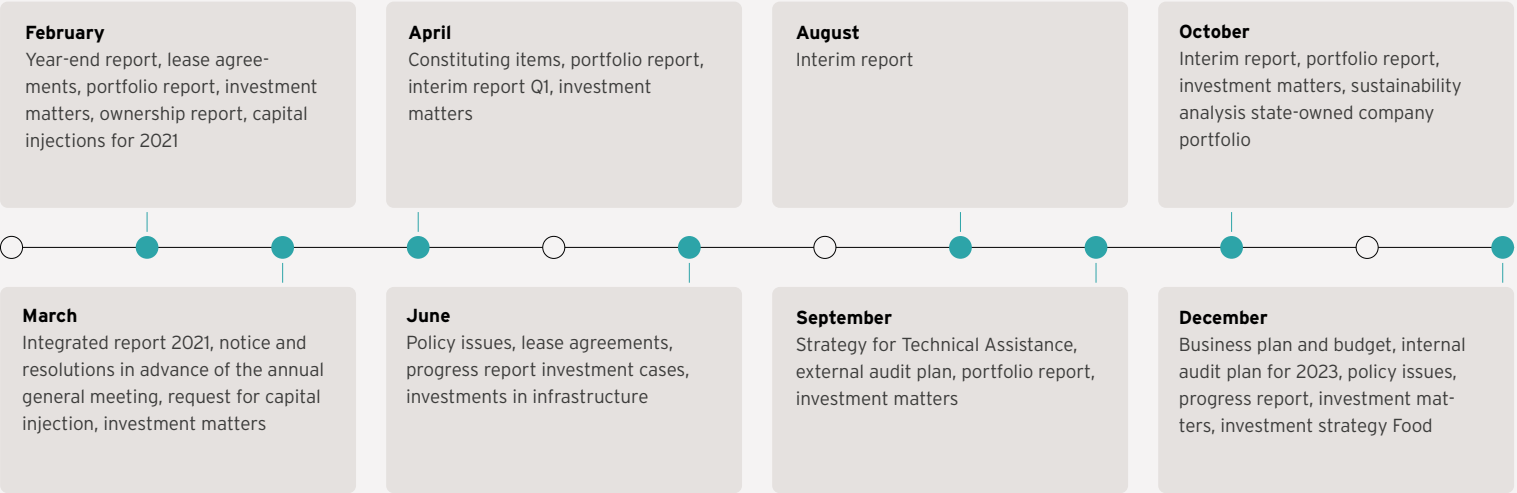
Swedfund's Annual General Meeting was held on Tuesday 26 April 2022 at Clarion Sign in Stockholm. The meeting was open to the general public, and minutes from annual general meetings are made available on Swedfund's website.

The annual general meeting adopted the income statement and balance sheet as of 31 December 2021 and discharged the members of the board of directors and the CEO from liability for the 2021 financial year. The annual general meeting also presented proposals for appropriation of the profit and proposals concerning guidelines for remuneration of the senior management, and prepared the remuneration report for 2021. Ernst & Young AB was re-elected as auditor by the annual general meeting, with Jesper Nilsson taking over as the new lead auditor.

BOARD OF DIRECTORS

According to the articles of association, the board of directors must consist of at least six and no more than nine members without deputies. The annual general meeting shall appoint the chair of the board. If the chair leaves his or her post during their term of office, the board of directors must elect a chair from amongst its members for the period through until the end of the general meeting when the new chair is elected by the meeting.

KEY ISSUES FOR THE BOARD OF DIRECTORS DURING 2022



COMPOSITION OF THE BOARD

In connection with the 2022 annual general meeting, board members Fredrik Arp and Göran Barsby (chair of the board of directors) resigned. At the annual general meeting, Catrina Ingelstam, Daniel Kristiansson, Rosh Motman, Kerstin Borglin, Torgny Holmgren and Jonas Eriksson were re-elected as board members, and Catrin Fransson was newly elected. Following the annual general meeting, the board of directors comprises seven members, split between four women and three men. Catrin Fransson was newly elected chair of the board of directors. No member of Swedfund's executive management is a member of the board of directors. Information about the members of the board of directors is given on pages 90-91.

RESPONSIBILITIES AND DUTIES OF THE BOARD OF DIRECTORS

The board of directors is required to continuously assess the company's financial situation, and ensure that the company achieves the established missions and manages its resources appropriately. The board of directors must ensure that the company's organi-

sation is such that accounting, financial management and the company's financial circumstances generally are subject to satisfactory controls. The board of directors must ensure that the company has effective systems in place for monitoring and controlling the company's operations, and shall keep itself informed and evaluate how the company's internal control systems are functioning. The board of directors is responsible for establishing goals and a strategy for the company's operations. It is the responsibility of the board of directors to integrate sustainable business into the company's business strategy and business development, and to establish strategic goals for sustainable value creation in accordance with the Ownership Policy. The board of directors is responsible for the company's risk management and compliance. This means that the board of directors is responsible for ensuring that risks associated with the company's operations are continually identified, analysed and managed appropriately, and that there is adequate control over the company's compliance with laws and other rules that apply to the company's operations. The board of directors is also responsi-

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| Member | Position | Board of directors meetings | Audit committee meetings |
|---------------------|---|-----------------------------|--------------------------|
| Göran Barsby | Chair of the Board (until the 2022 Annual General Meeting) | 5/12 | |
| Catrin Fransson | Chair of the Board (from the 2022 Annual General Meeting) | 7/12 | |
| Torgny Holmgren | Board member, Member of the Audit Committee | 11/12 | 5/5 |
| Catrina Ingelstam | Board member, Chair of the Audit Committee | 12/12 | 5/5 |
| Daniel Kristiansson | Board member, Member of the Audit Committee | 11/12 | 4/5 |
| Fredrik Arp | Board member (until the 2022 Annual General Meeting) | 4/12 | |
| Kerstin Borglin | Board member | 9/12 | |
| Roshi Motman | Board member | 11/12 | |
| Jonas Eriksson | Board member | 12/12 | |

ble for establishing, implementing and following up the policy documents and other forms of governing documents relevant to the organisation, such as the rules of procedure of the board of directors and the audit committee, and the CEO's instructions. Amongst other things, these policy documents set out how responsibilities and authorities are delegated between the board of directors, the chair of the board and the CEO.

The Board of Directors has established an integrated audit committee whose duties are aimed at the quality assurance of external financial and sustainability reporting, and ensuring that the company has appropriate risk management in place, that established principles for external reporting and internal control are complied with, and that Swedfund undergoes qualified, effective and independent auditing. The Audit Committee also prepares sustainability-related matters, such as the sustainability policy and anti-corruption policy, as well as significant sustainability issues for consideration by the board of directors.

The audit committee consists of three board members appointed annually by the board of directors. Since the inaugural board meeting in 2022, the Audit Committee has consisted of Catrina Ingelstam (chair), Daniel Kristiansson and Torgny Holmgren.

The board of directors is responsible for maximising the development of value in Swedfund, and for ensuring that the operation is managed in a way

which promotes sustainable development, financially, socially and environmentally and as regards climate. The board of directors is responsible for the company's organisation and management of its affairs in the interests of the company and the shareholder. The board of directors is responsible for ensuring that the company acts as a role model within the field of sustainable business and also otherwise operates in a manner that is worthy of public confidence. The board of directors appoints the chief executive officer (CEO) and determines the salary and other benefits of the CEO.

CHAIR OF THE BOARD

The chair is responsible for annually evaluating the work of the board of directors and for ensuring that the evaluation is reported as and when relevant to the owner's nomination administrator. The 2022 board evaluation was carried out within the board and involved a collective evaluation of the work and expertise of the board of directors. As and when necessary, the chair participates in connection with important contacts and represents the company in relation to ownership matters. The chair of the board is also responsible for maintaining contact with representatives of the company's owners with the aim of coordinating his or her views with these representatives when the company must make particularly important decisions.

THE WORK OF THE BOARD OF DIRECTORS AND THE AUDIT COMMITTEE DURING 2022

During 2022, the board met on twelve occasions, which included seven ordinary meetings and five meetings conducted by letter. Amongst other matters, the meetings considered investment cases and the business operation based on the three pillars (impact on society, sustainability and financial viability), annual and interim financial statements and related reports, strategy and business plan, mission objectives, budgets, policy issues, organisational and staffing issues, contract issues and evaluation of the work of the board of directors and the CEO. During 2022, board meetings were predominantly conducted in the form of physical meetings.

In 2022, the Audit Committee met on five occasions, all ordinary meetings, with the meetings being conducted in both digital and physical format. Amongst other things, the Audit Committee has prepared questions regarding interim reports and integrated reporting for 2021 (including the annual report, sustainability and corporate governance report), Risk/Internal Control, annual update of the Anti-correction Policy, Sustainability Policy, Risk Policy and Financial Policy, the work relating to capital efficiency, audit plans for internal and external audits, and the follow-up of audit reports and previous observations from the auditors.

CEO AND COMPANY MANAGEMENT

Maria Håkansson has been CEO of Swedfund since 2018. The CEO is responsible for the ongoing management and coordination of the company's operations with the care and to the extent necessary to perform these tasks in accordance with applicable legislation, the articles of association, the CEO's instructions and the board of directors' instructions and the State's Ownership Policy. The CEO signs on behalf of the company's with regard to the ongoing administration of the company within the adopted budget. Decisions within the CEO's own decision-making remit are reported to the board of directors at the next meeting. When a member of the management group signs on behalf of the company,

this is also reported at the next meeting.

Management work is coordinated by a management team based on Swedfund's organisation. At the end of 2022, the management group comprising a total of eight people consisting of the CEO, Head of HR & Administration, Chief Legal Counsel, Chief Financial Officer, Director of Strategy & Communication, Chief Investment Officer, Director of ESG & Impact and Director of Business Development & Special Operations. The management group is responsible for proposing and implementing strategies and business plans, budgets and operational planning, corporate governance and organisational issues, and for monitoring Swedfund's financial development and initiatives relating to sustainability.

AUDITORS

The State's Ownership Policy states that responsibility for the election of elected auditors in state owned companies always rests with the owner. Proposals for the election of auditors and approval of auditors' fees in companies with state ownership are submitted by the board of directors. Auditors are normally appointed for a term of one year at a time.

The auditors are accountable to the owner at the general meeting and submit audit reports concerning Swedfund's integrated reports and the board of directors' management. The auditors submit a summary report on the audit to the audit committee and the board, partly in connection with the performance audit and the general review of the interim report for January to September and partly in connection with the audit of the annual financial statements. The external auditors participated in all five of the audit committee's regular meetings during 2022 and two board meetings.

The remuneration paid to the auditors is presented in Note 7.

REMUNERATION OF SENIOR EXECUTIVES

Swedfund applies the Government's guidelines for persons in managerial positions (see the "Guidelines for the remuneration of senior executives at Swedfund International AB", which can be found on

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Swedfund's website). The remuneration conditions for the CEO and other senior executives are presented in Note 6 (page 104). Swedfund also prepares a Remuneration Report for approval by the annual general meeting.

INTERNAL CONTROL REGARDING FINANCIAL REPORTING

Under the Companies Act and the Code, the board of directors is responsible for ensuring that the company has good internal controls in place. This report has been prepared in accordance with Chapter 6 Section 6 of the Swedish Annual Accounts Act, and Articles 7.3 - 7.4 of the Code, and is limited to the internal controls regarding financial reporting.

Effective board work forms the basis for good internal control. Swedfund's internal controls can be described based on the following five main areas.

GOVERNANCE AND CONTROL ENVIRONMENT

The basis for internal controls regarding financial reporting is the control environment. The board of directors has overall responsibility for financial reporting. Every year, the board of directors adopts a set of written rules of procedure for its work, and specifies the division of work between the board of directors on the one hand and the CEO and the audit committee on the other.

The audit committee appointed by the board of directors is tasked with preparing matters for decisions

by the board. The audit committee works according to an adopted annual schedule and is responsible for monitoring and quality assurance of the company's financial reports. This task covers areas such as the effectiveness of the company's internal control and assessments of estimates and reported values which could impact on the quality of financial reports. The audit committee also keeps itself informed concerning the auditing of the annual integrated reporting (including the annual report and reports regarding corporate governance and sustainability) and the management through regular attendance of the committee's meetings by the company's auditors. The CEO, CFO and Director of ESG & Impact are co-opted to the committee's meetings, and the committee's

members are also in regular contact with these executives between ordinary meetings.

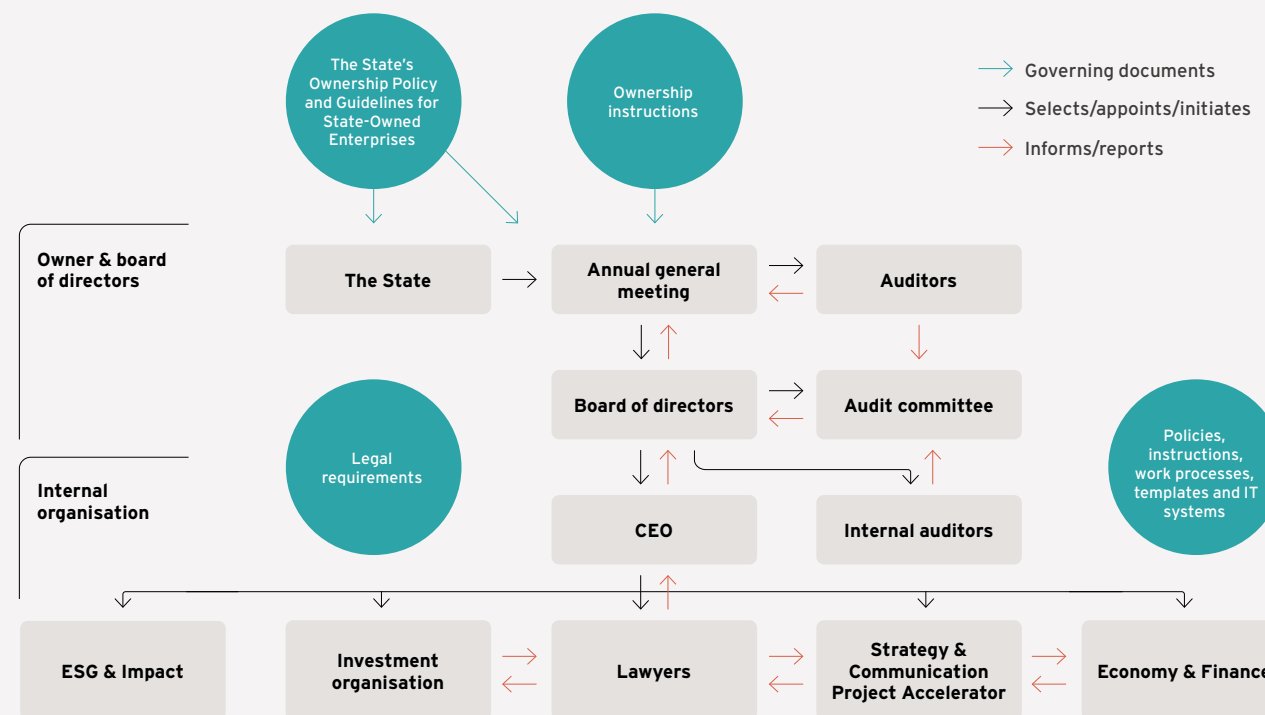
One aspect of the board of directors' work is to prepare, update and approve a number of fundamental policies which govern the company's work. The board of directors issues guidelines which set out the conditions for an organisational structure with the clear delegation of powers and responsibilities documented in a set of instructions for the work of the CEO and in a policy concerning the delegation of authority. Based on these, internal rules, processes and structures are created which form the basis for internal governance and control throughout the organisation. Financial policy, risk policy, sustainability policy, accounting and reporting instructions and an investment manual set out the framework and provide guidance in key areas for the company's financial reporting.

The competence of the employees and the core values that the board of directors and the management operate on the basis of and communicate also form a significant part of the control environment. The CEO is tasked with establishing guidelines to ensure that all employees understand the requirements regarding the maintenance of ethical values and the role of the individual in this task, which is partly governed by Swedfund's Code of Conduct. The Code of Conduct adopted by the board of directors, which all Swedfund employees have undertaken to follow, includes a section to prevent conflicts of interest and other similar situations from arising. Among other things, this states that employees are not permitted to participate in projects where a conflict of interest could arise or where there are parallel assignments which could jeopardise the employee's loyalty to Swedfund. To ensure compliance, there is a process where employees are under an obligation to declare any conflicts of interest and parallel assignments every year or as and when necessary.

RISK ASSESSMENT

There may be a risk of material misstatement in the financial statements in connection with the accounting and valuation of assets, liabilities, income and

CORPORATE GOVERNANCE STRUCTURE



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expenses, collection and compilation of sustainability information or deviations from information requirements. Other risks relating to financial reporting include fraud, loss or misappropriation of assets, or undue favouring of other parties at the company's expense. Accounting and financial reporting policies and directives and associated processes cover areas of particular importance in order to promote accurate and complete accounting, reporting and information provision at the right time.

Identified risk types are managed through well-defined business processes with integrated risk management measures, as well as through the clear division of responsibility and tasks, and an appropriate decision-making policy. This means that specific approval is required for investments and other important transactions to ensure that assets are managed appropriately. The company's risks are managed in accordance with the board of directors' established risk policy and financial policy, and reporting concerning financial risks takes place on a regular basis.

In connection with the evaluation of new investments, detailed analyses (due diligence) are carried out of factors such as expected impact on society, sustainability risks and developments in financial results and position. Based on the assessment of impacts and risks, the terms of the investment contracts are also included as and where necessary in order to reduce risk exposure.

Find out more about Swedfund's management of financial risks in Notes 21 and 27, and general information about Swedfund's risks and risk management on pages 42-45.

CONTROL ACTIVITIES

To ensure that financial and sustainability reports present a true and fair picture of the business and maintain the desired level of quality, Swedfund's processes include various control activities. These control activities involve every level of the organisation, from the board of directors and the management to other employees, and are intended to prevent, detect and correct any errors and non-conformities.

Outcomes are followed up on a monthly basis with respect to budgets and/or forecasts and liquidity monitoring within the company and reported at all board meetings. Examples of other control activities within Swedfund's operation include the approval and control of different types of accounting transactions, reconciliations, analysis of key ratios and relationships, as well as other follow-up of financial information, which are carried out on an ongoing basis by the corporate management and the finance function.

In addition to this, portfolio company reviews are conducted regularly for each sector, where portfolio holdings are evaluated based on the three pillars of impact on society, sustainability and financial viability. These meetings are attended by certain members of the management group with the responsible investment manager as rapporteur. The portfolio's status is reported to the board of directors on a quarterly basis based on the three pillars.

Swedfund has developed an investment process to ensure that high levels of quality are maintained during the preparation of investment cases. In connection with the evaluation of new investments, a special process has been established where an investment committee, comprising the management group and the person responsible for the specific project, evaluates a potential investment in two stages before it is presented to the board of directors for a final decision.

The process of active ownership amongst the portfolio companies involves the investment organisation taking responsibility for continually monitoring developments within the three pillars of impact on society, sustainability and financial viability by obtaining and analysing financial and non-financial reports, conducting visits and actively participating in board work, investment committees and advisory boards. Part of the aim of this is to ensure the assessment of developments in the value of investments, which are in turn reflected in Swedfund's income statement and balance sheet and the results of portfolio companies.

Internal control and the management of the com-

pany are evaluated annually by the company's external auditors. A special audit function in the form of an internal audit unit has also been established, which reports to the board of directors. In 2022, the internal audit unit conducted two audits regarding cyber security and HR-related areas, as well as follow-up of the previous year's observations.

INFORMATION AND COMMUNICATION

The company's information and communication channels shall contribute to complete, accurate and timely financial and non-financial reporting. All Swedfund employees have access to the company's policies, guidelines and manuals. During regular joint information meetings for all employees at the company's head office and regional office, the importance of applying the rules and processes that exist is stressed, and the associated resultant changes are described in more detail. Within the company's various departments, reviews and updates are carried out concerning the application of these documents on an ongoing basis as and when necessary. Formal and informal communication between employees and management is facilitated by the fact that the employees are small in number and largely geographically concentrated at the head office and a regional office.

The board of directors and the audit committee regularly review the management's reports concerning financial developments with analyses and comments on outcomes, budgets and forecasts. The board of directors also regularly receives detailed portfolio reports which present developments for each investment and in the portfolio, based on the three pillars of impact on society, sustainability and financial viability. During 2022, regular in-depth studies concerning relevant sustainability issues were presented to the board of directors relating to anti-corruption.

Swedfund also has an established whistleblower function that can be used in the event of suspected irregularities by executives within Swedfund or one of its portfolio companies. This function can be used in connection with suspected cases of corruption, accounting errors, deficiencies in internal control or

other doubts which could seriously harm the company's interests or the health and safety of individuals. Swedfund also has an established Complaints Mechanism, which can be used to draw attention to issues linked to Swedfund or Swedfund's portfolio companies.

FOLLOW-UP

Control activities are monitored on an ongoing basis by Swedfund's corporate management and employees to ensure that risks have been appropriately taken into account and managed. Amongst other things, these procedures include the monitoring of results against budgets and forecasts, portfolio analyses and the follow-up of key performance indicators. Policy documents and other documents are evaluated on an annual basis. The company's financial situation is considered at each board meeting. Interim reports and annual integrated reports are submitted to the audit committee for preparation, and to the board of directors for approval.

The audit committee carries out preparations for the board of director's evaluation of the information provided by the corporate management and the company's auditors. The responsibilities of the audit committee also include ensuring that, on behalf of the board of directors, action is taken concerning any deficiencies and proposed measures that have emerged from the external audit concerning integrated reporting and internal control.

Every year, the audit committee reviews the internal and external auditors' audit plans and considers the auditors' observations on an ongoing basis. The board of directors and the audit committee also receive summary audit reports. During 2022, the company's external auditors attended two board meetings and five meetings of the audit committee. At least once a year, the board of directors meets the company's auditors without the CEO or any other member of the management group present.

As of 31 December 2022, the assessment is that the control activities relating to internal control of the financial reporting are adequate.

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* Board of directors report p. 66-90

Auditor's report

To the general meeting of the shareholders of Swedfund International AB, corporate identity number 556436-2084

REPORT ON THE ANNUAL ACCOUNTS

OPINIONS

We have audited the annual accounts of Swedfund International AB for the 2022 financial year, with the exception for the corporate governance statement on pages 128-132. The company's annual report is included on pages 66-127 in this document.

In our opinion, the annual report has been prepared in accordance with the Swedish Annual Accounts Act and in all material respects gives a true and fair picture of Swedfund International AB's financial position as of 31 December 2022 and of its financial results and cash flow for the year in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and the Swedish Financial Reporting Board and its recommendation RFR 2 and the Swedish Annual Accounts Act. Our opinions do not cover the corporate governance report on pages 128-132. The directors report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the annual general meeting adopt the income statement and balance sheet.

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 Swedfund International AB 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.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS

This document also contains other information than the annual accounts and is found on pages 1-65 and 128-156. The remuneration report for the financial year 2022 also contains other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual 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 our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual 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 that they give a fair presentation in accordance with the Annual Accounts Act. 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 that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company'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.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual 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.

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, 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. 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 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 or, if such disclosures are inadequate, to modify our opinion about the annual 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 the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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* Board of directors report p. 66-90

REPORT ON OTHER REQUIREMENTS IN ACCORDANCE WITH LAWS AND OTHER STATUTES

OPINIONS

In addition to our audit of the annual accounts, we have also conducted an audit of the administration of the Board of Directors and the Managing Director of Swedfund International AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend that the annual general meeting appropriate the profit in accordance with the proposal in the directors' report and discharge the members of the board of directors and the CEO 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 Swedfund International AB 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 type of operations, size and risks place on the size of the company'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 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 whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S REVIEW OF THE CORPORATE GOVERNANCE REPORT

The Board of Directors is responsible for that the corporate governance report on pages 128-132 has been prepared in accordance with State Ownership Policy and Guidelines for Companies with State Ownership" (the ownership policy).

Our review was conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance report. This means that our review of the corporate governance 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 review has provided us with sufficient basis for our opinions.

A corporate governance report has been prepared.

The information that is mandatory under the ownership policy is consistent with the annual report and the financial statements.

Stockholm 24 March 2023
Ernst & Young AB

Jesper Nilsson
Authorized Public Accountant