2022

Annual Report Movestic Livförsäkring AB

movestic

Contents

CEO's comments

So the pandemic was finally over, and we were getting ready to return to normal. But the new normal keeps changing, and we had yet another challenging year. Naturally, this was particularly true for the people of Ukraine and when we come to summarise 2022, they are first and foremost in our thoughts.

Linnéa Ecorcheville, CEO

Turbulent year

Not just geopolitics, but also the economy, took a severe hit during the year, with price shocks, inflation shocks, and interest rate shocks. It was also a very challenging year for all savers; not least for those who are close to retirement.

Movestic navigated the year by focusing on what we do best: to keep providing our customers with competitive financial products and proactive services that help our customers plan for their financial future and retirement. In hard financial times, it is more important than ever to offer products and services that fit the individual circumstances of each customer. Personalised solutions are needed to complement the traditional collective way of thinking about saving for retirement.

Digitalisation and new regulations are driving change, challenging us, and creating new conditions. Because of the changing times we live in, all companies need to stress test their strategic decisions on a regular basis. And this is what Movestic has done.

Despite everything – a record year

In 2022, we increased our focus on the custody account initiative we had already started. Our offering, with a high level of service and based on accessibility and broad insurance expertise, was well received by the market. When we summarize the year, we could see that Movestic's market share grew by 37 percent. Thus, Movestic was also the company on the market that grew the fastest of all in custody insurance. We also kept developing our offering within the unit-link segment, mainly within occupational pension plans and in collaboration with our partners in the broker sector. Total premiums amounted to SEK 10.8 billion.

The transfer market for occupational pension plans remained in focus during the year, as new regulations made it possible to transfer occupational pension plans taken out prior to 2007. We have worked hard to be able to offer competitive products, which has not gone unnoticed among our customers. In 2022, more customers than ever before made the choice to move their occupational pension plans to Movestic.

There are two sides to the increased transfer opportunities for occupational pension plans. It is natural for customers in a digitalised world to expect to be able to easily move their pension plans when a better offer appears, however we are also noting that many people transfer their occupational pension plans to get a better overview of their combined savings. This should not be necessary. In our connected society it should be possible to get a good overview and provide more personalised savings products by sharing and collecting data. This is an area where our industry has a long way to go. Open Insurance has not yet been implemented in a way that centres around the customer experience and consumer benefits.

During the spring, we launched a new advisory concept for customers who do not use a broker, Movestic Frihet, which helps customers to plan for their retirement. At the same time, we also initiated a partnership with Lexly, to complement the retirement advice with legal advice.

Next-level pensions

Our ambition is to offer regular retirement advice to everyone, either in person or electronically. Many of the products currently available on the Swedish pension market are based on traditional collective solutions and assumptions regarding how people live, work and retire. Today’s world is a different place; not only do we live longer, we also change jobs more frequently and are more likely to switch between having an employer and working freelance or being self-employed. The age at which we choose to retire is also becoming more variable and many people choose to keep working part time.

We have noted that people who receive advice are better prepared for retirement. As the age and way in which people retire are increasingly becoming more diverse, there is a growing need for individuals to plan ahead and take responsibility for their overall retirement savings. The general retirement age, which is now known as the ‘recommended retirement age’, was changed to 67 years in 2022, although many people would like to retire earlier than this, at least partially. A survey carried out in collaboration with Kantar Sifo in the spring showed that 7 in 10 Swedes want to retire before they reach 67. The majority, 6 in 10, say that they would like to reduce their working hours gradually.

To help our customers manage their retirement income, Movestic has developed a digital service where customers can plan and amend how they want to receive their occupational pension and ask for payments to commence. They can choose to withdraw a set amount each month, or to collect the entire amount over a set number of years. By the end of 2022, 35 percent of our customers elected to start withdrawing their pension fully electronically.

Downturns on the world's stock exchanges

2022 was a difficult year for most pension plan holders. War in Europe, record-high inflation, and rapidly rising interest rates contributed to the worst year on the stock markets since the financial crisis in 2008. The Russian stock market collapsed; a reminder of the importance of diversifying our savings. The global stock index (MSCI ACWI) finished the year at just above minus 18 percent, while the Stockholm stock exchange (OMXSPI) decreased by 24.6 percent. The downturn on the world's stock exchanges also led to an 11.7 percent reduction in the value of our assets under management, which reached 47.2 BSEK.

Sustainability-related information

During the year, we put a lot of focus on the implementation of EU's Sustainable Finance Disclosure Regulation (the SDFR). The aim of the regulation is to make it easier for savers to choose sustainable investments. More than 6 in 10 customers tell us that they feel it is important that their retirement savings contribute to a more sustainable society.

As our customers to a large extent decide for themselves which funds to invest in, an important part of our work to help our customers achieve a more sustainable way of saving is to offer high quality funds on our platform and to provide easily accessible information about them. These areas will remain our focus in the future. During the year, we added 14 new funds classed as Article 8 or 9, i.e. sustainable according to the regulations. At the end of the year, 78 percent of the funds on our platform were classified as sustainable according to the SDFR.

A long and sustainable working life

Sustainability regulations focus heavily on climate change, an area where entities on the financial markets have an important role to play. Another important sustainability issue, which Movestic works actively with, is a long and sustainable working life. This involves good working conditions, with a working environment which is favourable from both a physical and psychosocial perspective, thereby reducing the risk of stress-related ill-health. It also requires skills development and helping employees to develop, so that they can keep contributing on an employment market which is constantly changing. Movestic has adopted a new long-term goal, which states that our employees should be able to further their careers internally, within the Company. In 2022, 40 percent of employees that left their positions moved to a different position within Movestic.

What happens next?

We entered 2022 with a great deal of confidence; the pandemic was behind us, and all the curves were pointing upwards. We are starting 2023 with much lower expectation on growth. However, we must dare to hope that the economy will stabilise, that inflation will decline, and that the stock markets will become less volatile – and most importantly of all, that we will have peace in Europe. The only certainty is that change is constant, and that the need for insurance policies that protect life and health, and for retirement planning, is greater than ever.

Linnéa Ecorcheville, CEO

This is Movestic

Our offering

Movestic offers long-term savings and insurance cover, with particular focus on occupational pension and insurance related to life and health. We want our products and services to be as adaptable to our customers' individual preferences and situations as possible. Our main aim is to help our customers to achieve the best possible financial future for their own personal situation, not simply based on standardised collective solutions.

Our customers

Movestic's customers are individuals who save for their pension privately or via occupational pension, and individuals who want good insurance coverage for life and health. They are also employers who want to help their employees to a good pension and provide security through insurance. Our products and services also cover the needs of self-employed entrepreneurs, as well as contain solutions for organizations, unions and associations that want to offer their members good insurance coverage.

Our owners

Movestic was originally set up as a part of the Kinnevik Group but is now owned by the British company Chesnara plc, which is listed on the London Stock Exchange. The group owns insurance companies in a number of European countries. To Movestic, this means access to a financial strength and an international perspective that aids our efforts within innovation and development.

Quick facts about Movestic

Office:
Stockholm

Owners:
Chesnara plc, listed on the London Stock Exchange

320 000
No of policies

123
No of employees

10.8 bn SEK
Annual premium volume

47 bn SEK
Assets under management

2000
Founded year

The year in brief

Q1

Launch of Movestic Frihet, an advisory service for people wishing to plan for retirement

Possibility to open endowment accounts on movestic.se

Movestic launches a new visual identity

Q2

New, updated version of My pages is introduced on movestic.se

Movestic and Lexly start a new partnership

Q3

Sustainability preferences to be taken into account in both digital and face-to-face advisory services

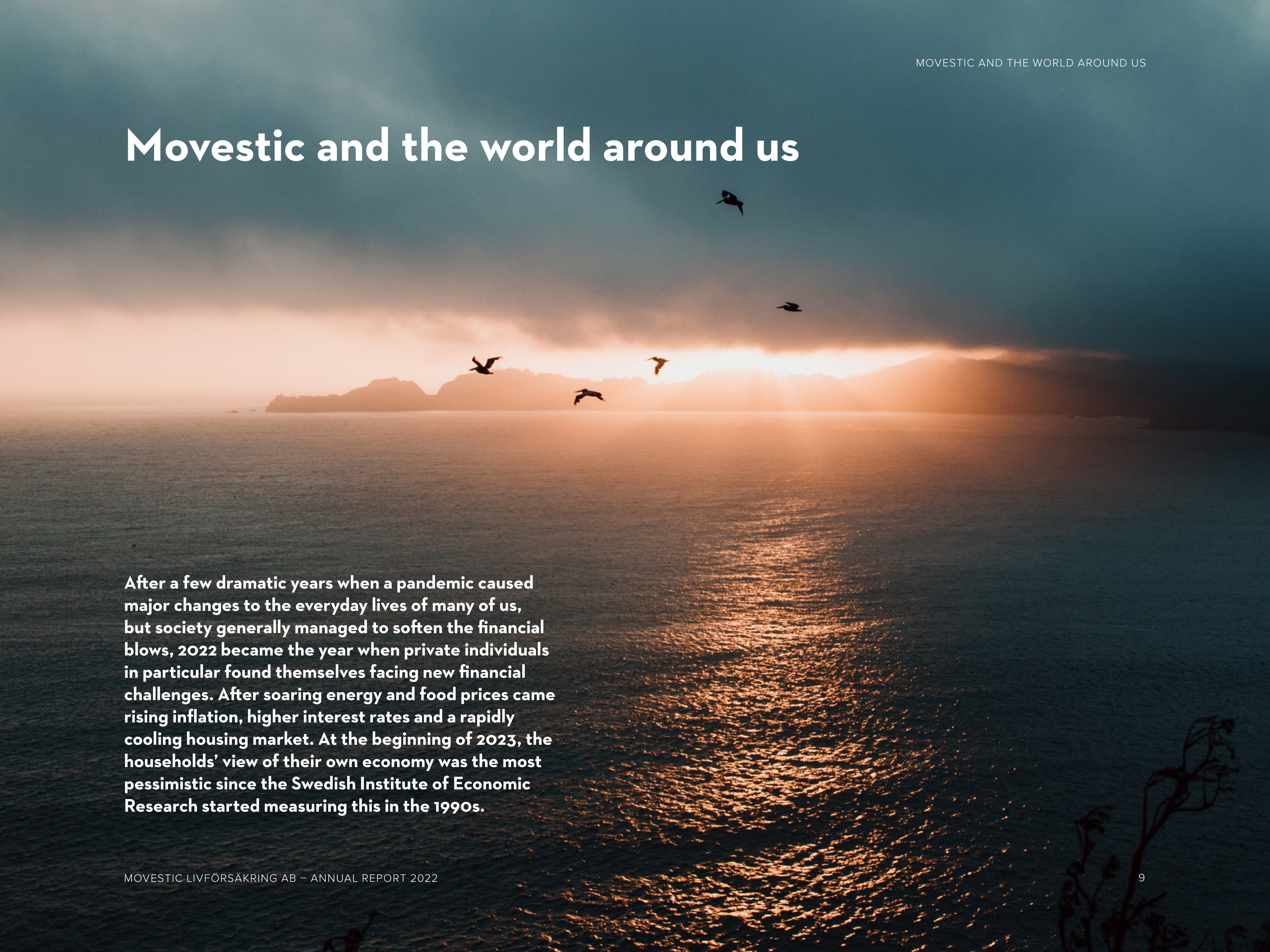
The first fund entirely focused on investing in biodiversity is introduced on Movestic's fund platform

Q4

Flytthjälpen, a digital service that makes it easier for brokers to manage transfers of occupational pension plans is launched

Movestic enters a new partnership with Försäkringsfabriken

A new system for a smarter digitized customer process is implemented



Movestic and the world around us

After a few dramatic years when a pandemic caused major changes to the everyday lives of many of us, but society generally managed to soften the financial blows, 2022 became the year when private individuals in particular found themselves facing new financial challenges. After soaring energy and food prices came rising inflation, higher interest rates and a rapidly cooling housing market. At the beginning of 2023, the households' view of their own economy was the most pessimistic since the Swedish Institute of Economic Research started measuring this in the 1990s.

Changed economic conditions

For households, the economic conditions have changed dramatically since the beginning of 2022. Although it may turn out later that the forecasts were overly pessimistic, the fact is that a greater proportion of our disposable income will be spent on food and accommodation from now on, and that the funds available for savings will probably decrease.

As we begin 2023, the financial downturn has not yet led to rising unemployment. The employment rate is historically high, and unemployment figures are lower than during the pandemic. There is, however, still cause for concern in this area, both for businesses and employees. Recruiters are describing a fragmented labour market, where anyone with a job is afraid to change employers, as they are worried about being “the last one in”. This creates pressure and pushes up wages in sectors with high demand for workers. Other sectors are reporting higher redundancy rates during 2022 and the early parts of 2023. The impacts of a changing labour market are not necessarily solely negative, particularly from a global perspective, but will result in a new and unpredictable financial situation for both businesses and private individuals.

Small steps forward for new digital ecosystems

Even before the pandemic, the war, and the electricity crisis, we lived in a fast-changing world, mainly due to the digitalisation of society. Within the insurance industry, and not least the pension segment, the emergence of new digital ecosystems has been slow, partly due to challenges related to Open Insurance. Which data should be shared and how? While the industry has been good at developing technical infrastructure to manage transactions between different market players, it has taken longer to provide services focusing on the overall customer experience and using data to benefit savers. It is vital that individuals are not only able to view their overall retirement savings and predict the size of their pension, but are also given help to understand where they stand, get advice, and take measures to improve their chances of achieving a good income in retirement.

Many Swedes currently hold occupational pension plans with a number of different providers, and it has become increasingly common for people to transfer their pension plans to get an overview of their total savings and expected pension. In our connected society it should be possible to achieve this by sharing and collecting data, rather than having to transfer pension plans to the same provider. More digital self-service options enabling savers to decide which data to obtain from different companies would improve the legitimacy of the pension system as a whole and help demonstrate how the pension industry benefits society.

New regulations regarding AI in the pipeline

A development area which is particularly important to the administratively heavy insurance industry is increased automation and data management using artificial intelligence (AI), including machine learning. During the year, the use of AI increased, and it is increasingly used for example to analyse future health risks. The end of the year saw the launch of Chatgpt, a service which for many illustrates what AI can do. As the use of AI becomes more widespread, it is important to initiate a deeper and broader ethical discussion. How do we ensure that AI systems are ethically responsible and safe? The EU Commission has proposed new legislation regarding both data disclosure and the overall use of AI. It remains to be seen whether these proposals are passed, but there will probably be new regulations to take into account.

A changing retirement system

The Swedish retirement system is changing, and from now on there will be a recommended retirement age which is variable and adopted annually, rather than a fixed retirement age. It is reasonable for the retirement age to increase as people are living longer, however there is also a risk that it becomes very difficult for the average person to understand the retirement system. There is currently a clear trend towards greater variability in how and when people choose to retire, while the system for both general and occupational pensions is mainly based on collective solutions where the individual is expected to work until a certain age. Additionally, a review of the premium pension is underway and will result in significant changes to the current system.

Individually adapted

In the future, private savings and occupational pension will make up an increasing part of what we will live off when retired. Movestic want to help our customers make better plans for their financial future, so that their expectations on return from savings and future financial security are adapted to everyone's individual work and family situation, plans for the future, dreams and values.

Movestic offers

Occupational pension for employees in small and large companies

Occupational pension for entrepreneurs

Private pension plans

Sickness insurance

Healthcare insurance

Life insurance

Serious illness insurance

Accident insurance

Premium waivers

Simple for our customers

In the future, individuals will be forced to take more responsibility for their retirement savings and insurance protection, to ensure their pension reaches its full potential based on their own individual priorities and conditions. By working with both physical advice and digital services, we make it easier for you to get involved in your pension planning, at the level that is right for you, and still feel safe in the knowledge that you will enjoy a good level of financial security, both in the short and long term.

Movestic offers

The opportunity to choose between services that are proactive on your behalf and services where you do much of the work yourself

Help with fund selection through our robot adviser, MAIA

Personal advice for those approaching retirement

Simple, flexible solutions and personal advice for business owners

Digital occupational pension for business owners

A broad and carefully selected range of funds that includes funds from different well-known fund managers

The ability to easily navigate between sustainable funds with different profiles

Active management and index funds

Insurance cover for life and health

Movestic's role in the transition to a sustainable society

As an insurance company focusing on pensions and insurance cover for life and health, we have a responsibility to contribute to a more sustainable development, both from a collective and individual perspective. To take a long-term perspective and focus on a future world where people want to live feels very natural to us.

There are great opportunities for the insurance industry to contribute to important societal challenges, such as tackling climate change, safeguarding human rights, reducing psychosocial ill-health, speeding up the green transition, and helping people to achieve a pension which is sustainable in the longer term by offering insurance cover and sustainable investment options. We believe that responsible business practices, with focus on environmental sustainability, social responsibility, and good ethics, bring lasting values to us as a company, to our employees, customers and partners, and to society as a whole. Sustainability issues are an integrated part of Movestic's investment analysis and should permeate all development of new products and services. By investing in businesses and industries working towards a more sustainable future, we help society to move towards more sustainable solutions to the big existential questions, such as future energy and food supplies.

Movestic has been a participant in UN Global Compact since 2016 and supports its ten principles on human rights, labour, environment and anti-corruption. Movestic is also a signatory of the PRI, Principles for Responsible Investment, and follows its six principles for responsible investments.

Movestic's focus areas

Responsible investments
enabling long-term sustainability for individuals and society

Financial security
for our customers, now and in the future

A long-term sustainable working life
for individual employees and society at large

Our sustainability efforts

Movestic's sustainability work is broad and carried out at relevant levels within all its business areas, with the overall aim to help our customers to make active decisions regarding their savings and insurance policies, which both strengthen their own economy in the short and long term and promote a more sustainable society. To enable us to work in a systematic and structured way, our sustainability efforts have been divided into three areas: responsible investments enabling long-term sustainability for individuals and society, financial security for our customers, now and in the future, and a long-term sustainable working life for our employees and society as a whole.

During the year, Movestic reviewed and refined its strategic framework for sustainability, and the strategic sustainability goals supporting each focus area were updated. In connection with this, a new analysis was carried out looking at which of the UN's Sustainable Development Goals (SDGs), including targets, that Movestic's sustainability efforts mostly contribute to. The aim was to include all goals that have a strategic importance to Movestic, which are Goal 3 (Good Health and Well-Being), Goal 4 (Quality Education), Goal 8 (Decent Work and Economic Growth), Goal 10 (Reduced Inequalities), Goal 12 (Responsible Consumption and Production), and Goal 13 (Climate Action). Movestic also contributes to a varying degree to the remaining Sustainable Development Goals, however these have not been included in the sustainability strategy.

UN GLOBAL COMPACT
WE SUPPORT

Movestic's long-term strategic sustainability goals are:

- Net zero greenhouse gas emissions from assets under management by 2050
- Movestic's investment offering contributes to a more sustainable society within our selected SDGs
- Movestic's customers take sufficient risks in their pension/long-term savings to get a good pension (adequate risk in relation to savings horizon)
- Movestic's customers can choose a sustainable product, irrespective of savings product
- Corporate customers using Movestic's health concept Må Väl have lower average of sick leave than the Swedish average
- 20% of employees who advance in their careers, move on to new roles/positions within Movestic

The sustainability strategy supports Movestic's overall vision, goals and aims, and clarifies how sustainability aspects can be integrated in the core operation.

Efforts to implement regulations

Over the last few years, the EU Commission has focused greatly on sustainability issues on the financial markets. In 2022, new provisions in several sustainability-related regulations have begun to apply, as part of the EU's Strategy for financing the transition to a sustainable economy. Within the insurance industry, new provisions have been introduced regarding how certain sustainability information should be presented, stating that customers' sustainability preferences must be considered when advisory services are offered and that sustainability risks must be included in actuarial, risk management, and investment processes.

Movestic monitors developments within the regulatory area closely and continued its cross-functional efforts to implement the new rules during the year.

Movestic's strategic sustainability framework

Ambition

We help our customers make active decisions that strengthen their own economy whilst contributing to a more sustainable society

Supporting the following Sustainable Development Goals:

Focus Areas

Responsible investments
enabling long-term sustainability for individuals and society

- Net zero greenhouse gas emissions from assets under management 2050
- Movestic's investment offering contributes to a more sustainable society within our selected SDGs

Financial security
for our customers, now and in the future

- Movestic's customers take sufficient risks in their pension/long-term savings to get a good pension (adequate risk in relation to savings horizon)
- Movestic's customers can choose a sustainable product, irrespective of savings product

A long-term sustainable working life
for individual employees and society at large

- Corporate customers using Movestic's health concept Må väl have lower average of sick leave than the Swedish average
- 20% of the employees who advance in their careers, move on to new roles/ positions within Movestic

Strategic objectives (bullet points above under each focus area)

Responsible investments

Movestic is convinced that responsible investments with a focus on sustainability issues, like the environment, human rights, and good governance, add long-term value for fund investors. All the funds on our platform should have a sustainability approach which is at least satisfactory.

The financial sector has been given a special task in the transition to a more sustainable society, which includes behavioural changes and more sustainable solutions. Extensive regulatory frameworks now apply to disclosure, reporting and classification of sustainable investments. The aim is to make it easier and clearer for both large and small investors to see how they can contribute to this transformation and make informed choices.

In a survey carried out among Movestic's customers during the year, 65 percent felt that it is important that their savings contribute to a more sustainable society. Despite this, only 28 percent said that they have selected a fund because of its focus on sustainability. 37 percent said that they were not familiar with any of the established certifications or classifications for the sustainability focus of different funds. Movestic is continuously working to improve the sustainability information provided to customers, naturally to comply with new regulations as they come into force, but also to make the information more accessible to customers.

Strategic sustainability objectives for Responsible investments:

Net zero greenhouse gas emissions from assets under management by 2050

Movestic's investment offering contributes to a more sustainable society within our selected SDGs

Sustainability as an integrated part of fund selection

Sustainability matters are an integral part of the assessments carried out by Movestic to determine which funds to include in our offering and should permeate all development of new products and services. Movestic requires all fund companies we work with to have joined the PRI (Principles for Responsible Investments), which means that they are committed to the six principles for responsible investments and have promised to promote compliance with international norms regarding the environment, human rights, anti-corruption and working conditions.

Before we decide whether or not to include a new fund on the fund platform, a due diligence review of the fund company is carried out, where information regarding the company's sustainability work is collected. In addition to the requirement to have joined the PRI, Movestic also takes into account whether the fund company has joined the UN Global Compact and the independent non-profit organisation Swesif (Sweden's Sustainable Investment Forum). An important factor is that fund managers monitor the companies in which they invest to ensure that they do not breach international norms and work actively to influence companies in a sustainable direction. To make it easier for our savers to make informed decisions, Movestic promotes fund companies that report their activities in a way that clearly describes their advocacy efforts.

Movestic also consider the way in which the fund companies handle sustainability matters more generally, as part of investment decisions. Fund companies may for example actively choose to invest in companies operating an environmentally sustainable business, choose not to invest in companies that are not sustainable, or have an active strategy for how to influence companies in a more sustainable direction through dialogue or other measures. The most common strategy among the fund companies on Movestic's fund platform is to exclude companies in sectors which are undesirable from a sustainability perspective, such as fossil fuels.

Ongoing advocacy efforts

Movestic monitors the fund companies' sustainability efforts on an ongoing basis and tries to influence and encourage them by providing suggestions for how they can improve. We discontinue partnerships with fund companies that do not live up to our requirements over time, or do not put in place adequate measures.

All fund companies whose funds are included in Movestic's offering have signed the PRI, thereby committing to following the six principles for responsible investments and to have their work assessed on an annual basis.

Movestic's sustainability rating

To help savers find the right level and sustainability focus for them, Movestic has since 2015 annually assessed and rated the funds on our fund platform, according to Movestic's own criteria. The last assessment showed that nine of out ten funds in Movestic's offering were sustainable according to our own traffic light model.

Over the years the quality of the sustainability efforts among fund companies has improved significantly and is now generally high. The percentage of funds awarded a green rating has increased from 47 percent to 91 percent. For this reason, we feel it is time to update our criteria for the sustainability rating. This will be done in 2023.

Sustainability classification in the EU

The EU's classification of funds according to the so-called Sustainable Finance Disclosure Regulation (SFDR), is based on the extent to which sustainability aspects are considered and integrated in the fund management activities. Funds are divided into three categories:

- Article 8, funds which promote environmental or social characteristics. This can include funds which have put in place sustainability criteria and therefore exclude companies in sectors not considered sustainable, such as fossil fuels. However, these funds do not have sustainability as their overall goal.
- Article 9, funds that have sustainable investments as their objective. These funds invest in companies that have a positive impact on the environment or society. Examples include companies with products that help solve the climate issue or companies striving to prevent or solve societal problems.
- Article 6, funds that do not meet the requirements set by the EU or have chosen not to report according to these.

During the year, Movestic included several more funds with a clear focus on sustainability. By the end of the year, 78 percent of Movestic's regular fund offering consisted of funds classified as Article 8 or 9.

More sustainable funds on Movestic's fund platform

To offer savers greater opportunity to build diversified savings portfolios with a focus on sustainability, Movestic increased the range of funds available on its platform in 2022. In total, 14 funds with focus on sustainability were added during the year. The added funds meet Movestic's basic sustainability criteria and promote environmental or social sustainability by setting sustainability requirements and excluding sectors considered non-sustainable, i.e. Article 8 funds, or funds which have sustainable investments as a goal, i.e. Article 9 funds, which are funds that invest in companies with a positive effect on the environment and/or society. This includes for example companies working with green energy, promoting biodiversity in different ways, or promoting green technology or digital infrastructure.

Guidance to customers

To make it easier for savers to make informed decisions and enable them to combine saving with having a positive impact on the environment and society, we offer the option to sort funds listed on Movestic's website based on different sustainability criteria. Additional sustainability labels were added in 2022, including the EU's Article 8 and 9 classification, low carbon risk, the Nordic Swan Ecolabel, and norm-based screening.

Movestic's fund platform currently includes the following sustainability certifications/classifications:

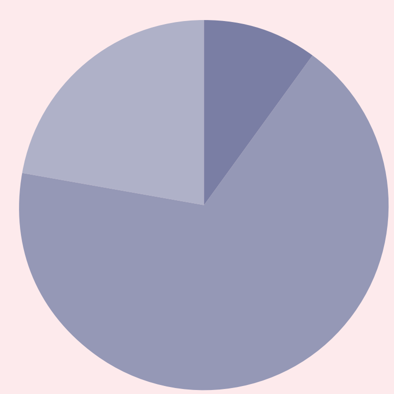
- EU Article 8 (promotes sustainability)
- EU Article 9 (sustainability as a goal)
- Movestic's Sustainability Rating
- Morningstar Sustainability Rating
- PRI
- UN Global Compact
- Swesif Sustainability Declaration
- Low carbon risk
- Nordic Swan Ecolabel
- Norm-based screening
- Exclusions

Movestic's advocacy efforts

Movestic's advocacy efforts primarily involves actively trying to convince the fund companies to use their power to influence the companies in which they have invested by:

- Ensuring that the board of directors, management team, and the company as a whole are characterised by diversity,
- Being active at AGMs and using the vote their ownership entitles them to,
- Holding a proactive sustainability dialogue with the companies in which they invest,
- Following international norms relating to environmental protection, human rights, working conditions, and anti-corruption, and
- Signing the UN's Principles for Responsible Investment, PRI.

EU Classification

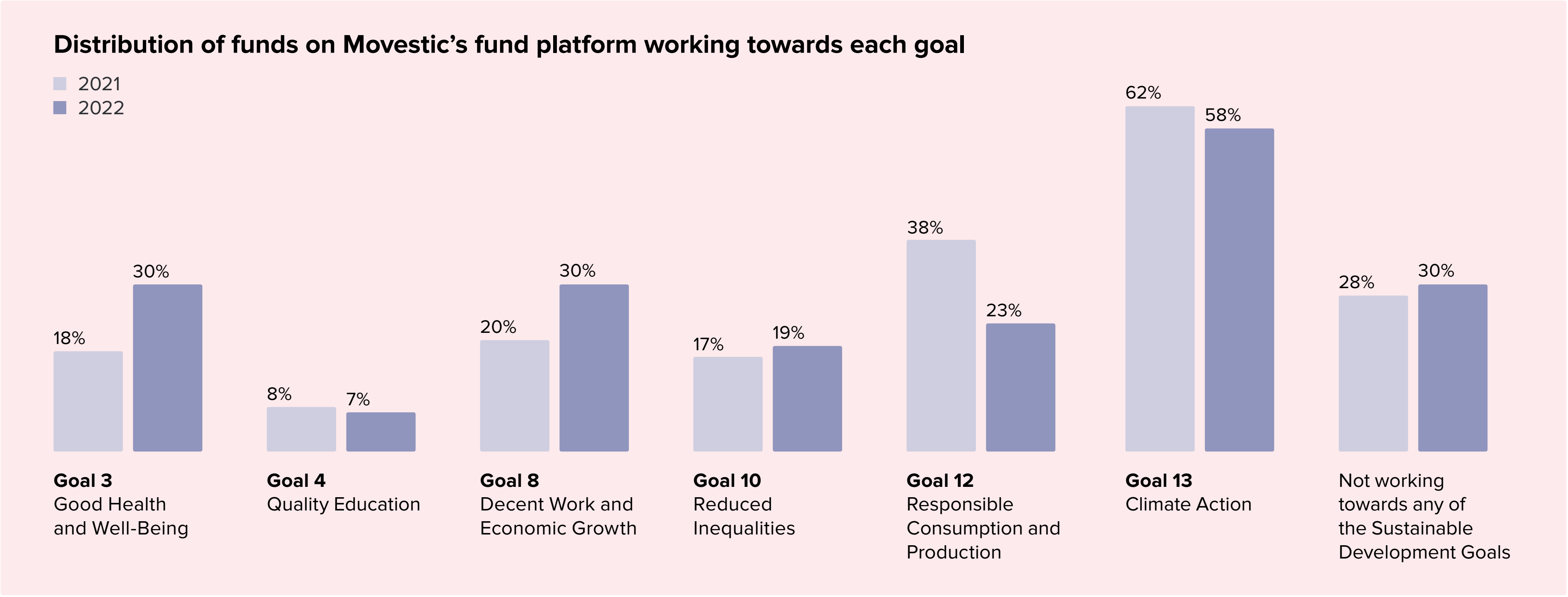


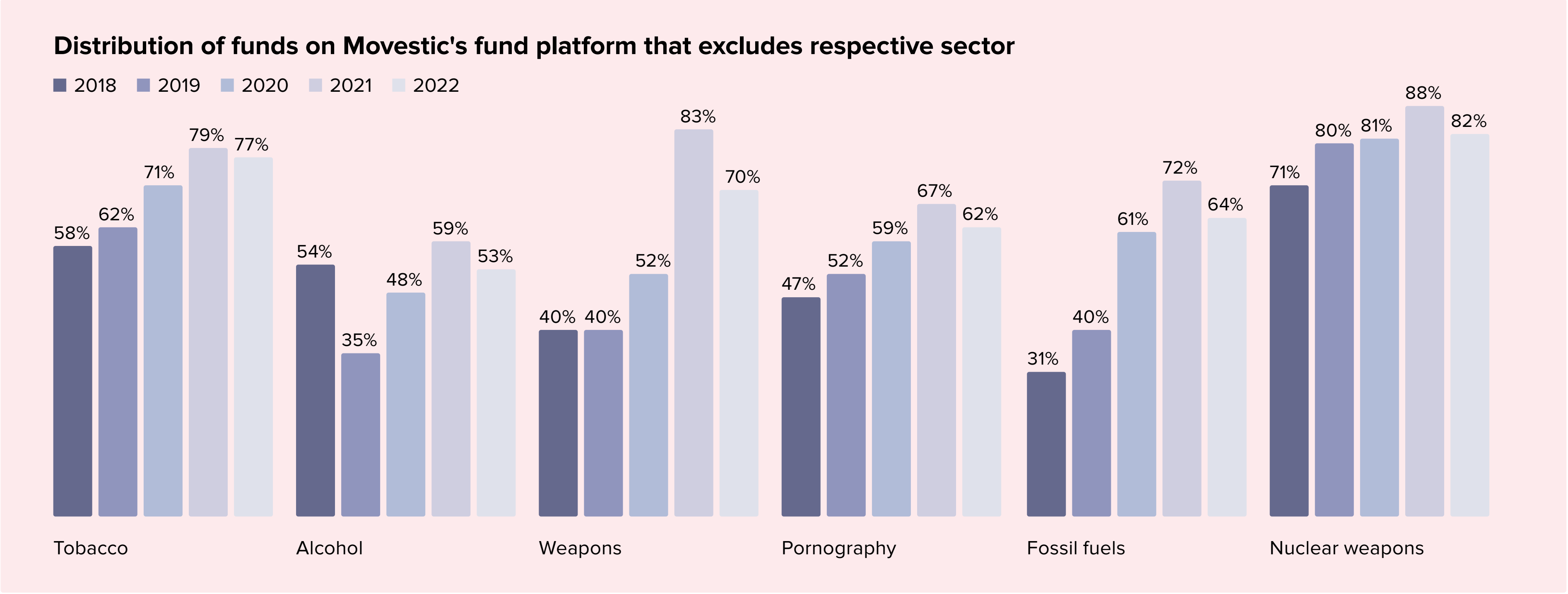
10% Article 9
68% Article 8
22% Article 6

Movestic's fund offering 2022*

- Proportion of fund companies that have signed the PRI: 100%
- Proportion of funds with low carbon risk: 48%

*Relates to Movestic's regular fund offering as per the 31 December 2022.


Distribution of funds on Movestic's fund platform working towards each goal
2021
2022
18%
30%
8%
7%
20%
30%
17%
19%
38%
23%
62%
58%
28%
30%
Goal 3
Good Health and Well-Being
Goal 4
Quality Education
Goal 8
Decent Work and Economic Growth
Goal 10
Reduced Inequalities
Goal 12
Responsible Consumption and Production
Goal 13
Climate Action
Not working towards any of the Sustainable Development Goals


Distribution of funds on Movestic's fund platform that excludes respective sector
2018
2019
2020
2021
2022
58%
62%
71%
79%
77%
54%
35%
48%
59%
53%
40%
40%
52%
83%
70%
47%
52%
59%
67%
62%
31%
40%
61%
72%
64%
71%
80%
81%
88%
82%
Tobacco
Alcohol
Weapons
Pornography
Fossil fuels
Nuclear weapons

Financial security

In an increasingly individualistic society, we as an insurance company have a responsibility for making sure the insurance products we provide are tailored to the needs of each individual. We also have a responsibility to communicate in a simple and transparent way, to enable our customers to absorb the information and make well-informed decisions, to make advisory services generally available, and to make sure that more people get access to advice regarding their pension savings.

Strategic sustainability objectives for Financial security:

Movestic's customers take sufficient risks in their pension/long-term savings to get a good pension (adequate risk in relation to savings horizon)

Movestic's customers can choose a sustainable product, irrespective of savings product

Private savings and financial security are becoming more and more important. This applies not least to retirement savings, as we live longer and have an ageing society. Nowadays, those of us who live and work in Sweden choose to live and work in many different ways. Irrespective of a person's employment status, private savings and an occupational pension plan will provide an increasing share of their income when they decide to retire.

In Sweden, there is no longer a general retirement age. Instead, a "target age" has been introduced. The target age, which governs when a person can start drawing a public pension at the earliest, should be gradually raised, as the expected average life expectancy increases. From the year 2026, the target age is 67. However, surveys carried out by Movestic in collaboration with Kantar Sifo show that most people, about 70 percent of all Swedes, want to retire before they reach the age of 67. At the same time, we are getting older and all in all, this means that we need to save more if we are to be able to retire on our own terms. Private savings and the pension plan provided by a person's employer will make up more and more of the money they have to live on in retirement, but even people with many years to retirement need savings, for example to be able to purchase a home.

Digital services and personalised solutions for every need

It is very important to Movestic that all customers who want it are given access to retirement advice, irrespective of whether retirement is many years into the future, or they are about to start reducing their working hours. By using digital services as a complement to personal advice, we make it easy for our customers to get involved in their savings at a level that suits them, and to find a level of risk in their long-term savings that is not too high, but not too low either. Previous studies carried out by Movestic have shown that in certain groups there is a risk that the risk level in the long-term savings is lower than what is justified with regard to the savings horizon and age. This in turn risks leading to a lower pension than necessary in the future, and increased economic gaps. Movestic has a particular focus on helping our customers with what is appropriate risk. Our aim is for all our customers to feel secure in the knowledge that their financial security is protected, in the longer term through their savings and for unforeseen events in the short and long term through insurance. Our products and services support individual choice around savings and contribute both to greater financial security at the personal level and benefits to society. Movestic's ambition is to offer our customers sustainable savings options within all types of savings products.

Access to legal advice

In 2022, Movestic partnered with Lexly to give its customers easy access to legal advice. Lexly offers legal advice for both private individuals and businesses, as well as all types of legal services. The partnership means that Movestic's customers get access to free legal needs analysis and initial legal advice, after which they enjoy discounts on digital services and personal advice from a lawyer. This can be anything from legal advice concerning inheritance and wills to advice during a conflict or dispute. By making sure more people get easy access to legal help and advice, Movestic safeguards its customers, now and throughout their lives. This service also contributes to society by giving more people access to legal advice and raising the general awareness of legislation and legal protection.

Our offering for long-term financial security

- Sustainable savings through a sustainable range of funds, which includes funds from many different managers and an investment offering based on the needs of the customer, rather than a particular management model or strategy
- Help and advice on how to adapt the savings to individual needs and situation
- Personal advice for those approaching retirement
- A Fund Selection Robot that complements personal advice, using an algorithm completely free from conflicts of interest
- Greater financial security for individuals through insurance cover that protects their income in case of sickness, accident or even death
- Access to a sustainable working life: support during sick leave and the opportunity to get back to work promptly
- A Payment Planner which provides assistance when it is time to retire
- A Savings Planner which helps customers to achieve their saving requirements

Long-term sustainable working life

A key task for us as an insurance company is finding ways to enable a long and sustainable working life with a focus on health, wellbeing and a work-life balance, both for our own employees and for the employees of our business customers. Investments in a sustainable working life benefit everyone, from individuals and businesses to society as a whole. This is about making sure that we humans have the energy to keep working until retirement age and are fit enough to enjoy life afterwards.

The 2000s saw a dramatic increase in stress-related ill-health. The insurance industry can contribute greatly to society, not only by offering support when the need is acute, but also by putting in place preventative measures to avoid sick leave being required in the first place.

A survey carried out by Kantar Sifo on behalf of Movestic showed that Swedish people consider an occupational pension plan the most important benefit when they choose a new employer. Apart from the pension plan, a collective agreement and a good working environment are important priorities. Over half of Swedes also feel it is important or very important that their employer focuses on social sustainability, on diversity/inclusion, and on combating climate change. Once the person has been employed, motivating factors include having fun as well as developing and learning new skills. Movestic focuses on helping our business customers to look after their employees, both while they are fit for work and if they are granted sick leave, and by offering good value occupational pension plans.

Strategic sustainability objectives for a long-term sustainable working life:

Corporate customers using Movestic's health concept Må väl have lower average of sick leave than the Swedish average

20% of employees who advance in their careers, move on to new roles/positions within Movestic

Naturally, a long-term sustainable working life also involves focusing on Movestic’s own employees, and on the importance of remaining attractive on the labour market from a skills perspective – to keep developing and learning new skills.

How we support our business customers

Stress and burnout are an increasing problem for both individuals and society. Sick leave due to mental health issues, including stress-related illnesses, is increasing and currently makes up approximately 40 percent of all sick leave, according to the Swedish Social Insurance Agency. To help our business customers look after their employees, both while they are fit for work and if they are signed off sick, we offer our health concept Movestic Må väl, which is included in our occupational pension plans. This is a complete health insurance with focus on both the individual and the company. It is made up of three parts.

Movestic Må väl includes ways to prevent stress, compensation in case of long-term illness, and help to get back to work. The focus is on early identification of persons at risk of stress and burnout. Analysis of an individual's own biodata in combination with digital advice and tools provides the person with opportunities to improve their situation, thereby avoiding sick leave.

Movestic Må väl also includes an insurance component that provides greater financial security in case of long-term inability to work. This gives the insured person security and enables them to focus on rehabilitation rather than worrying about financial matters.

After an accident or period of sick leave, there is also support for a safe and secure return to work. Movestic Må väl can also assist in situations where there is a risk of sick leave being required, via a medical helpline manned by nurses who provide guidance and advice. If rehabilitation is required, a Rehabilitation Coordinator will help prepare a rehabilitation plan for a safe return to work.

Movestic's employees – our most important asset

To us as a service company, our employees are naturally our most important success factor. At a medium-sized company each employee becomes extra important. To be able to attract and retain competent staff, Movestic must be seen as an attractive employer whose employees are happy and given opportunities to develop. As a company, we have great ambitions and wish to employ people with diverse skills to succeed in our industry, whilst continuing to challenge and break new ground. To attract the right people, we must be able to offer a workplace and conditions with opportunities for challenges and development, free from discrimination and harassment.

Movestic carries out regular surveys looking at how our employees and managers experience their situation at work in relation to health, competency, collaboration and leadership throughout the year. Based on the findings, we continue our work to develop both our culture and working environment, in individual teams and the organisation as a whole. Once a year, Movestic also measures eNPS, employer Net Promoter Score, which is a method for assessing internal employer satisfaction based on the number of employees who are prepared to recommend Movestic as an employer. An eNPS score is between -100 and +100. What constitutes a good result varies greatly between different countries and industries; a general guideline is that anything above 0 is good, above +20 is very good, and above 50 is outstanding. In the survey for 2022, Movestic scored 36 for the entire company and 63 for the Management Team.

Company culture and core values

One of Movestic's most important competitive advantages when it comes to attracting and retaining talent is our company culture. Our culture provides the foundation for our organisation; it is unique to us and cannot be duplicated. Our culture is something we work with on a daily basis, all the time. To act and lead in accordance with our core values provides the basis for a great employee experience and helps us to reach our targets. We must always welcome people with different personalities, but a shared vision for our leadership and the way it supports our aims is an important cornerstone.

Our core values

Will
We always want a little more, to do a little better, reach a little further.

Care
We support each other and believe in the collective. We achieve more as a team and have fun along the way.

New thinking
We dare to challenge both ourselves and each other. We break new ground in our industry.

Responsibility
We offer high quality and solutions that remain sustainable. We take responsibility and consider how our part contributes to the overall picture.

Everyone should have the same opportunities

We strive to be an attractive employer to both men and women, and to ensure all our employees have and are offered equal opportunities. Naturally, everyone should be treated with respect and dignity, irrespective of sex, gender identity or expression, ethnical background, religion or other belief system, disability, sexual orientation, and age. Movestic does not tolerate discriminatory treatment, sexual harassment, or any other form of discrimination or ill-treatment. We work systematically to prevent our employees from being subjected to discrimmination, including through ongoing training, continuous development of our company culture, and different types of monitoring. Movestic has introduced a whistleblowing system on an external website, where anyone can report issues relating to harassment or discrimination anonymously. In case of an incident, there are well-established routines and action plans, including rules for how to treat the reporting party.

It is obvious to us that our employees should be able to combine a successful working life with both a private life and parenthood. Everyone should be able to take parental leave, and this must never be made difficult due to circumstances or problems in the company organisation. It must also never cause someone to fall behind regarding training or salary development. This is why working conditions, salaries, benefits and employment contracts have been designed to facilitate this. We strive to employ people on a fulltime basis and to remove all undesired parttime positions so that everyone has the same opportunity to become financially independent.

At Movestic, everyone should receive equal pay for equal work and performance. This is why we work actively to prevent and remove any pay differences between the genders. To identify, correct and prevent unwarranted differences in pay and other employment conditions between men and women, Movestic carries out an annual salary survey, which analyses any pay gaps between men and women carrying out similar work and determines whether any differences are directly or indirectly based on gender.

At the end of 2022, Movestic had 123 employees. The fulltime equivalent (FTE) is 121. Movestic has for several years had a gender balance, both among co-workers and in leadership positions.

Number of employees

	2022	Share of women	2021	Share of women	2020	Share of women
Total number of employees (headcount)	123	53%	128	49%	120	49%
Of which persons in leadership positions	11	55%	10	60%	11	55%
Number of continuing positions	117	52%	113	48%	112	49%
- Of which fulltime	113	54%	108	46%	107	46%
- Of which parttime	4	50%	5	80%	5	75%
Number of temporary employees	6	67%	15	60%	8	25%

Initiatives and activities to promote wellbeing among employees

How Movestic's employees feel affects not only their private lives, but also their work, working environment and performance. To promote good health among our employees, we make active efforts to increase their wellbeing and contribute to emplyee health whilst preventing ill-health. In addition to hybrid work practices and flexible start and finishing hours, we also offer generous health promotion activities. All employees are given fitness vouchers, we have an agreement with a national fitness chain, and a long-standing partnership with a naprapath who regularly visits the office. Where required, Movestic will obviously provide rehabilitation measures.

To increase awareness of how stress can cause ill-health, Movestic holds training sessions tailored to the company, where we learn more about what happens physically in the body, what the warning signals are, different ways to recover and useful exercises and tips. We also promote leadership development through various programmes and initiatives.

Movestic works actively to ensure that employees have the ability to, over a longer time period, adapt to a working life with new skills requirements by offering further training within new areas, such as new technology, thereby contributing to the long-term development of the individual, the company, the industry, and society as a whole.

Sustainability in numbers

53%

Proportion female employees

Proportion women on Movestic's board of directors: 43%

Proportion women in Movestic's management team 55%

Proportion female managers 44%

100% Climate compensation for work-related travel

Movestic's CO_2-impact 2022: 12 tonnes

100%

Environmentally certified paper

Organic fruit and coffee

59 000 kWh

Energy consumption

43

Average age of employees

123

Number of employees

36

eNPS Employer Net Promoter Score

Sick leave: 2,16%

Proportion of employees utilising the fitness vouchers: 85%

Board of Directors' Report

Introduction

The Board of Directors and the CEO of Movestic Livförsäkring AB, corp. ID 516401-6718, hereby submit the annual report for 2022, the Company's twenty-second financial year. Seat of the Board: Stockholm.

Organisation and operation

Movestic Livförsäkring ("Movestic" or "the Company") offers a wide range of savings and insurance products. Within the saving and pension segment, the Company offers unit-linked and custodian products, with focus on occupational pension plans, private and company-owned asset insurance, and private pension plans. The risk insurance segment includes life, accident and health insurance. Since July 2009, Movestic Livförsäkring AB (the Company) is a wholly owned subsidiary of the British firm Chesnara plc (Corp. ID 4947166), which has its registered office in Preston, England.

The Company's wholly owned subsidiary, Movestic Fonder AB, operates under a fund operation license and is responsible for the management of seven funds within Movestic's offering. Movestic Fonder was renamed in 2022; it was previously known as Movestic Kapitalförvaltning.

As decided by Movestic's Board of Directors in 2020, former subsidiary Movestic Fund Management was put into liquidation. This process was finalized towards the end of 2022.

Steve Murray became a full member of the Company's Board of Directors in January 2022. Karin Bergstein and Marita Odélius Engström also became full Board Members, in April and November, respectively. Furthermore, Anders Larsson resigned as a Board member in April 2022.

Employees

In 2022, the Company employed on average 123 (128) persons. Female employees made up to 53(49) percent and the average age for all employees was 43(42) years. The proportion of women on the management team was 55 (60) percent, and 43 (17) percent of the board members were female.

Important events during the year

The year was characterised by a number of international events and developments, such as the invasion of Ukraine, rising interest rates and inflation, and China's zero vision for Covid-19. These developments led to uncertainties and negative trends on financial markets across the world.

In 2022, Movestic continued to improve its offerings within the unit-link and custody account segments, which resulted in positive incoming premium flows. The transfer activity on the market slowed down during the year, but is expected to remain an abiding feature due to the regulations that have come into force, in combination with digitalisation, transparency, and simplified processes.

The Company continued its efforts to streamline processes and increase the use of automation. New customer needs and increased digitalisation in the market have also forced the Company to intensify its work to develop services that are more flexible and easier to use, including personalised advisory services and further development of its unique service which enables flexible payment patterns to pension recipients.

In 2022, Movestic expanded its fund offering by adding 14 new funds, taking its offering to 154 funds from 50 fund companies. The Company has a clear focus on sustainability and the majority of the funds are categorised as either Article8 -and-9-funds, according to the classification used in the EU's Sustainable Finance Disclosure Regulation.

Risks and risk management

During the year, Movestic kept working on its risk management system, to ensure that it remains aligned with the Company's business activities and situation at all times. In order to support its work with the Risk Management framework the Company has implemented an integrated Governance Risk Compliance tool called EIT. Through EIT the Company can handle its incident management as well as its risk register and the internal controls. During the year, Movestic also refined its risk management framework for sustainability risks.

During the year, the Company stopped following the routines specifically put in place to manage risks associated with the Covid-19 pandemic, as the disease situation in society had improved and the risk of actual or potential impacts on Movestic had decreased. Russia's invasion of Ukraine led Movestic to evaluate areas where risk levels had increased, such as cyber threats and IT security. In addition, special measures had to be put in place e.g. in relation to the practical management of funds containing Russian investments. Movestic's risk management framework includes policy documents, strategies, processes and routines designed to identify, evaluate, monitor, manage and report risks to which the Company is, or may become, exposed. The final responsibility for making sure the Company has an effective risk management system in place rests with its Board of Directors. The Audit and Risk Committee helps the Board to review Movestic's financial reports, internal controls, and risk management system.

To ensure effective risk management and internal control within the Company, an organisational structure based on three lines of defence has been put in place.

The first line of defence consists of the CEO, the business and operational managers, and their personnel. The first line of defence is responsible for the risks that arise, or could arise, within their respective departments or areas of responsibility.

The second line of defence consists of the independent control functions, i.e. the Risk Management, Compliance and Actuarial functions. In addition to educating and supporting the first line of defence in its efforts to identify and manage risks, the second line of defence is also responsible for independent monitoring of the risks to which the Company is exposed, compliance with regulations, and for measuring and controlling the risks within the Company. The Actuarial function is also responsible for ensuring that capital requirement calculations meet internal and external rules and regulations.

The third line of defence is the Internal Audit function, an independent function that reports direct to the Board of Directors. This function is responsible for reviewing and assessing the Company's governance system, risk management procedures and internal controls, and for issuing recommendations about potential improvements.

Information about the risks to which the Company is exposed, and how these are managed, can be found in Note 2.

Regulations

Solvency II

The Solvency II Directive is the EU's major regulatory framework for the insurance segment. The directive has a risk-based approach to capital requirement calculations, in which all risks to which a company is exposed are taken into account. The directive also includes requirements for governance, risk management and transparency. The Company's Solvency Capital Requirement is calculated according to the standard model and determines the amount of capital Movestic must hold to cover its risks. Delegated acts relating to integration of sustainability risks in the actuarial, risk and investment activities came into force on August 2, 2022. The Company has taken action to ensure the new rules are implemented.

Movestic reported in accordance with the quantitative reporting requirements in Pillar 3 during the year and has worked to further incorporate the results of its Own Risk and Solvency Assessment (ORSA) in its business planning processes. The Company has also prepared a Solvency and Financial Condition Report (SCFR) and a Regular Supervisory Report (RSR). The SFCR can be found on www.movestic.se

The Company's Board of Directors was involved in the solvency work carried out during the year, by challenging the overall risk management system, the assumptions and the calculations carried out as part of the solvency work, and the conclusions drawn from the ORSA.

Immediately after adoption of the Solvency II Directive in 2009, it was decided that a review of the Solvency II rules would be carried out, which started in 2020. In September 2021, the Commission presented a legislative package with suggested amendments to the Solvency II rules. The package also included proposals for a new Insurance Recovery and Resolution Directive. Movestic is monitoring the results of the Solvency II review and continuously evaluating the potential implications of any amendments to the Company.

IT and cybersecurity

Movestic has implemented the EIOPA guidelines on Information and Communication Technology Security and Governance, which became effective in 2021.

The EU Commission has now adopted a new regulation – the Digital Operational Resilience Act (DORA) – which should be applied from January 17, 2025. The aim of DORA is to improve the ability to withstand cyberthreats and ICT-related risks among all companies within the banking and finance sector, which includes Movestic. All companies within the scope of this regulation must have in place an incident action plan, containing a detailed description of what constitutes a cyberattack, how employees should respond, and how the operation can be restored in case of a breach. Companies must maintain appropriate security controls for its digital infrastructure, which must include encryption, authentication, access controls, verification tracking, surveillance systems, systems for event management, and incident action plans. DORA and the guidelines on Information and Communication Technology Security and Governance overlap to some extent, however DORA also includes some new requirements and more detailed requirements within, among other things, the outsourcing of operations.

Movestic has started the work to implement DORA, which will continue over the next few years.

Transfer rights

In July 2022, transfer rights were extended to also include insurance contracts entered into prior to July 1, 2007. The extended transfer rights are not expected to have a negative impact on Movestic's holding, as the Company has not applied any limitations to transfer rights. On the contrary, it offers opportunities for Movestic to reach more customers by offering an improved range of products with high customer value.

Accounting

The insurance standard IFRS 17 was published on May 18, 2017. It was adopted by the European Commission in November 2021 and will enter into force in the financial year of 2023. The standard only applies to listed group companies and therefore does not impact the Company's local reporting. It will however be implemented by the parent company, Chesnara, and during 2022, Movestic has intensified its analysis and preparation efforts in relation to IFRS 17 and its effects on the group's reporting.

Sustainability report

Movestic has prepared a sustainability report in accordance with the Swedish Annual Accounts Act, 6 chapter 11§.

In Novmeber 2022, the EU adopted a new directive for sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD) which will replace the current directive on Non-Financial Reporting (NFRD). CSRD will be implemented in Swedish legislation through amendments in the Swedish Annual account Act and the Swedish Act on Annual Accounts in insurance Companies and will be complemented by a directly applicable EU regulation. The regulations will become applicable in three stages where the companies covered by the first stage must apply the regulations for the fiscal year 2024. Current assessment is that Movestic will start applying the regulations for the fiscal year 2025.

The EU Regulation on Sustainability Finance Disclosure came into force in March 2021. The SFRD regulates the types of sustainability information that finiancial undertakings, including insurance companies must provide their customer with. During 2022, Movestic continued its work to implement the new rules in its routines and in the information provided to its customers.

On August 2, 2022, new rules were introduced as part of a delegated regulation to the EU Insurance Distribution Directive, IDD, forcing insurance undertakings to consider the customer's sustainability preferences in the suitability assessment carried out in connection with advisory services. Movestic has worked intensively to implement these new rules in its operation.

Expected future developments

The life insurance industry is going through a period of major change. Some trends have been accentuated due to the effects of the pandemic. As a result of increased customer demands for accessibility and information, Movestic will further intensify its efforts to improve its internal efficiency, with the aim to provide the necessary foundations for a higher degree of digitalisation, and new services will be developed to improve efficiency and simplify the customer offering.

The regulatory frameworks keep evolving and Movestic will keep working with adaptation and implementation.

Financial overview

The negative development on the investment markets led to a reduction in the assets under management, although this was mitigated to some extent by positive incoming flows within the unit-link and custody account operations. The operational performance within the pension and saving segment was impacted by the development of assets under management, which on the balance day amounted to MSEK 47,177 (53,399). Income from investment contracts amounted to MSEK 530.7 (555.1)

The Company's risk operation reported another strong result, mainly due to a favourable claims development, which was in turn mostly due to the termination of technical reserves for earlier claims years. The extra provisions made in previous years to cover potential future effects of the pandemic are no longer required, as the situation has stabilized. The gross premium income was slightly lower than the previous year at MSEK 151.1 (162.8).

Movestic's own investments have been impacted by rising interest rates and generated a negative result for the year. The Company's pre-tax result amounted to MSEK 29.6 (131.9), which is less than the previous year, mainly due to the negative yield from the Company's own assets.

As per the end of the year, the capital base according to the Solvency II directive amounted to MSEK 2 166 and the capital requirement amounted to MSEK 1 331.

Proposed appropriation of profits

SEK	2022
At the disposal of the general meeting of shareholders:	
Profit brought forward	972 860 549
Profit/loss for the year	29 679 857
Totalt	**1 002 540 406**
The Board of Directors proposes to:	
Pay to shareholders as dividends	150 000 000
Carry forward to new account	852 540 406

Board of Directors' statement about the proposed distribution of profits

The proposal regarding distribution of profits has been prepared in accordance with the rules on protection of the Company's restricted equity and the precautionary principle, as set out in the Swedish Companies Act, chapter 18, §4. The Board of Directors has taken into account 1) the required size of the equity based on the nature, scope and risks of the operation, and 2) the Company's consolidation requirements, liquidity, and general position.

The Company's financial position does not give reason to believe anything other than that it can be expected to meet its commitments, both in the short and long term. The Board of Directors' view is that the Company's own funds are adequate considering the scope of the operation and the risks to which it is exposed.

Sustainability information

Movestic's Sustainability Report for 1 January – 31 December 2022 is available on pages 13-26 and 31-34.

Movestic's Sustainability Report covers Movestic Livförsäkring AB and is part of the Company's Annual Report. The Sustainability Report is a way for Movestic to describe its sustainability efforts and any advances made. The Sustainability Report meets Movestic's legal obligations according to the Swedish Annual Accounts Act, chapter 6 on Sustainability Reports and is intended to give the reader an understanding of how the Company's activities impact the environment, social conditions, labour, respect for human rights, and anti-corruption. Movestic is a signatory of UN Global Compact since 2016, this Report provides a snapshot of the Company's work in relation to the ten principles of Global Compact.

Movestic has published a Sustainability Report annually since 2017. The latest report was published in March 2022.

Governance of Movestic's sustainability work

The Board of Directors is responsible for recognising how sustainability issues affect the risks to which the Company is exposed and its business opportunities, and for putting in place guidelines for the Company's conduct in society. The strategic direction of Movestic's sustainability work, including long and short term goals, is determined by Movestic's Executive Committee and adopted by the Board. To support the Executive Committee, Movestic has put in place a Sustainability Forum, which is a committee that reports to the Executive Committee and acts as an advisory, driving force and executive body in relation to the Company's sustainability efforts. The duties of the Sustainability Forum include to ensure that Movestic's sustainability efforts remain relevant and in line with the expectations of both the Company and the outside world and support the strategies that have been adopted by the Company.

Sustainability is an integrated part of Movestic's regular business planning processes, as well as its follow-ups of business and action plans. The day-to-day work is carried out by personnel within Movestic's operations, aided by different steering documents, including the Sustainability Policy, Anti-fraud Policy, Whistleblowing Policy, Work Environment Policy, Risk Management Policy, Investment Risk Management Policy and Ethics Policy.

Sustainability risks are taken into account in Movestic's risk management framework. The framework consists of policy documents, strategies, processes and routines for identifying, evaluating, monitoring, managing, and reporting sustainability risks to which the Company is or may become exposed. The final responsibility for ensuring that the Company has in place an effective risk management

Framework for the sustainability work

system rests with the Board of Directors. The Audit and Risk Committee helps the Board of Directors to review Movestic's internal controls and risk management system.

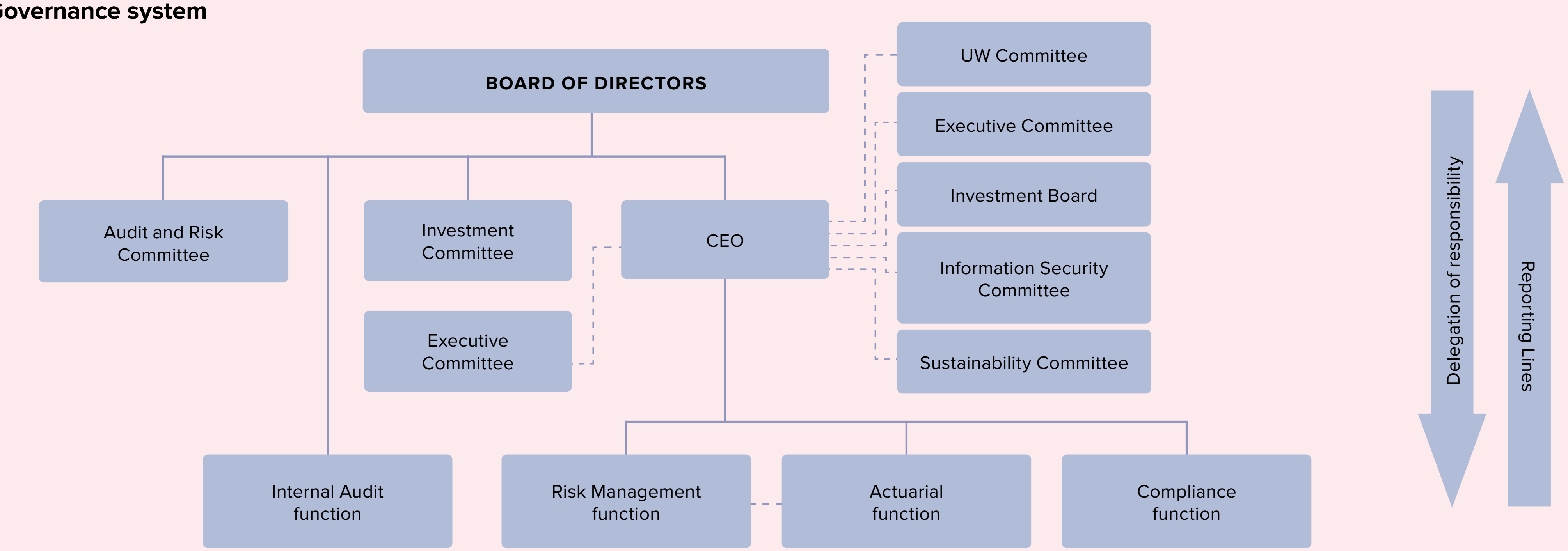
Movestic's employees regularly attend courses on topics such as ethics, security and anti-corruption. The aim is to highlight these matters and ensure a high level of awareness among staff. Examples include courses in IT security, GDPR, incident management, and how to prevent money laundering and financing of terrorism. New employees attend a training course known as Movestic Academy, which is held annually and provides an introduction to key areas, such as Movestic's operation and products, corporate values, governance, risk framework, important legislation, data protection, cybersecurity, as well as internal policies and instructions. In addition, targeted training measures for selected groups are carried out as needed.

As an insurance undertaking, Movestic is under the supervision of the Swedish Financial Supervisory Authority and its activities are regulated by an extensive framework of EU-wide and Swedish legislation. The EU's strategy for financing the transition to a sustainable economy includes rules around accounting, reporting and disclosure of sustainability-related information. Movestic is working systematically to ensure its policies, instructions, routines and other processes meet the requirements of both new and existing regulations.

To help ensure that businesses all over the world promote sustainable development, Movestic joined Global Compact, a UN initiative for corporations, in 2016, and supports its ten principles related to human rights, labour, environment and anti-corruption. Movestic has also signed the Principles for Responsible Investment, PRI, and adheres to its six principles for responsible investments. This is achieved through policies and instructions, which are adopted by the Executive Committee and or Board of Directors.

UN Global Compact, the UN Sustainable Development Goals, Movestic's policies and instructions, as well as legal regulations make up the governance framework for Movestic's sustainability work.

Governance system



Material sustainability topics

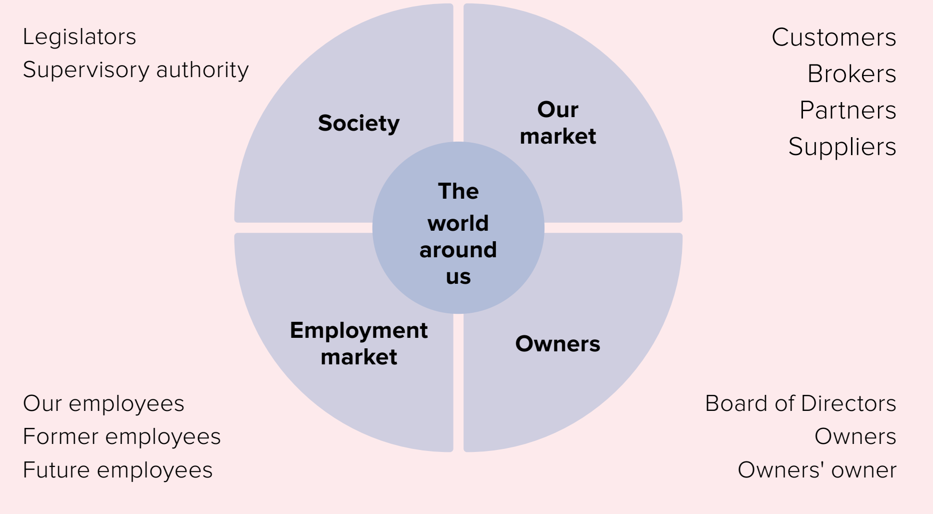
An assessment has determined that the most important sustainability matters to Movestic are covered by the UN Sustainable Development Goals 3 (Good Health and Well-Being), 4 (Quality Education), 8 (Decent Work and Economic Growth), 10 (Reduced Inequalities), 12 (Responsible Consumption and Production) and 13 (Climate Action), and more specifically the following targets:

- 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
- 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
- 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Stakeholders

Movestic's most important stakeholders include regulators, owners, employees, customers, suppliers, and partners, as well as society as a whole. Movestic operates greatly upon trust, where sound business practices and ethics are essential. To gather feedback on our work from our stakeholders is vital if we are to keep developing our business and maintain their trust. We hold regular dialogues with our stakeholders in a number of ways, including annual questionnaires, an accessible customer service team, regular employee surveys, conferences for brokers and partners, as well as different information and management meetings.

Movestic's stakeholders



Sustainability risks

Movestic operates in an industry based on confidence, where security and value-generation for our customers, both today and in the future, are vitally important. Everything we do has an impact on the trust of our customers and other stakeholders, which is why our efforts to apply a high level of integrity in both the implementation of regulatory frameworks and governance are given high priority. Our work to promote responsible investments, financial security for our customers and a long-term sustainable working life is governed by clear policies and guidelines, and we continuously work to adapt to new conditions in the world around us.

The focus on risks linked to climate change is increasing, both from a regulatory and business perspective, which means that Movestic needs to work strategically with these risks. Other important risk areas for Movestic include compliance and corruption. This is why we work ceaselessly to ensure compliance with all legal requirements, and to prevent all instances of corruption. We also work proactively to identify any conflicts of interest. Compliance also involves a sustainability risk, relating to the way in which we manage personal data. Secure and correct management of personal data is a key issue for any operation handling large amounts of data and vital if we are to retain the trust of our customers. To safeguard the personal integrity of our customers by managing the data they have entrusted us with in a responsible way is a natural part of Movestic's administrative work, and something that will always be a priority.

A risk that emerged during the pandemic is the risk of higher stress levels in employees working remotely, both due to the increased risk of becoming isolated and to the greater responsibility for managing themselves and their work. There is also a potential risk of additional stress caused by new ways of working after the pandemic, as well as the uncertainty brought by the pandemic as to where duties will be performed both in the short and longer term. Movestic is actively working to minimise these risks by holding an active dialogue with its employees, offering clear communication, and hybrid work practices. Learn more under Risks and risk management and note 2.

Memberships and networks

An important part of Movestic's sustainability efforts is memberships in organisations and participation in networks, industry associations, and interest groups, where sustainability issues can be discussed, as this helps us to improve our approach to sustainability. Below are some of the organisations and networks of which Movestic is a member or participant.

PRI – Principles for Responsible Investment
Insurance Sweden
The Swedish Insurance Society
Swedish Insurance Broker's Association
Swesif – Sweden's Sustainable Investment Forum
UN Global Compact

Movestic's direct and indirect climate impact

Movestic takes responsibility for its own climate impact and aims to achieve net zero greenhouse gas emissions from assets under management by 2050. The climate impact from Movestic's own activities, which include office work mainly in Stockholm, is relatively low. Movestic offsets the climate impact from all business travel, and strives to reduce the climate impact from business travel by advocating digital meetings and choosing train travel rather than flying.

GHG emission disclosure

	2022		2021*	
Direct and indirect emissions of greenhouse gases according to the GHG Protocol	**Emissions, tonnes CO2e**	**Share of total emissions, %**	**Emissions, tonnes CO2e**	**Share of total emissions, %**
Scope				
Scope 1				
Direct emissions from owned real estate, vehicles or machinery	N/A	0%	N/A	0%
Scope 2				
Energy use (location based)	0.3	2%	0.6	9%
Scope 3				
Business travel	11.9	98%	6.3	91%
Total emissions scope 1, 2 and 3	**12.2**	**100%**	**7**	**100%**

*A new calculation method is used from 2022. Emissions for 2021 have been recalculated according to this method. 2021 was impacted by the Corona pandemic.

Energy use

Consumption	2022*	2021	2020
Electricity, kWh	59 000	119 984	131 907

*From 2022, the actual energy consumption is reported. Energy consumption for previous years was calculated by the property owner.

Financial reports

Five-year summary

Amount in MSEK	2022	2021	2020	2019	2018
Result					
Premiums earned, net of reinsurance, non-life operation	11,1	11,2	17,3	19,3	42,5
Premiums earned, net of reinsurance, life operation	87,1	83,8	99,2	88,6	118,9
	98,1	**95,0**	**116,6**	**107,9**	**161,4**
Income from investment agreements	530,7	555,1	498,9	501,8	496,5
Investment income, net in the insurance operation	-11,7	2,6	-8,7	2,3	-14,5
Claims incurred, net of reinsurance, non-life operation	7,3	21,4	18,0	-13,6	-22,5
Claims incurred, net of reinsurance, life operation	-19,0	-54,3	-29,3	-20,8	-31,9
	-11,7	**-32,9**	**-11,2**	**-34,4**	**-54,4**
Technical result of the non-life insurance operation	10,1	16,8	21,8	-17,4	-1,2
Technical result of the life insurance operation	93,2	136,4	171,9	185,4	115,8
Profit/loss for the year	**29,7**	**131,9**	**218,4**	**141,7**	**108,4**
Financial position					
Investment assets, valued at actual value	532,7	821,1	465,3	876,6	602,3
Investment assets for which the policyholder bears the risk	47 176,5	53 399,3	40 705,3	40 000,6	31 825,4
Technical provisions, net of reinsurance	399,7	444,9	484,5	546,5	355,7
Technical provisions for which the policyholder bears the risk	47 175,7	53 399,5	40 704,6	39 985,2	32 036,5
Net asset value	1 131,7	1 140,0	1 073,1	930,7	822,0
-of which deferred tax	–	–	–	–	–
Capital base for the Company[1]	2 166	2 825,0	2 503,3	2 844,2	2 367,2
-of which Tier 1 capital	2 166	2 825,0	2 503,3	2 844,2	2 367,2
-of which Tier 2 capital	–	–	–	–	–
Minimum Own Funds requirement for the Company[1]	365,0	483,2	360,0	459,1	333,1
Solvency capital requirement for the Company[1]	1 331,1	1 933,0	1 584,0	1 836,0	1 332,3

[1] Calculated according to the rules under Solvency II. These came into force on the 01-01-2016.
[2] Direct return and total return were calculated in accordance with the regulations of the Swedish Financial Supervisory Authority.
[3] Key ratio figures for non-life insurance recalculated by excluding runoff portfolio in connection with non renewal of group accounts in 2019-01-01.

KEY RATIOS	2022	2021	2020	2019	2018
Non-life insurance operation					
Claims ratio, %	-65,9	-190,6	-104,0	70,5	53,0
Operating expenses ratio, %	107,3	141,2	78,0	119,6	49,8
Combined ratio, %[3]	41,4	-49,4	-26,0	190,1	102,7
Key ratios excl runoff business					
Claims ratio, %	28,2	28,3	18,2	57,0	–
Operating expenses ratio, %	56,7	50,2	36,7	32,6	–
Combined ratio, %[3]	84,9	78,4	54,9	89,6	–
Life insurance operation					
Management cost ratio, %	1,1	1,0	0,9	1,1	1,4
Asset management					
Direct return, % [2]	0,0	0,7	0,0	0,0	0,0
Total return, % [2]	-5,3	10,1	0,7	4,6	-1,5

Income Statement

Amounts in KSEK

TECHNICAL ACCOUNT OF THE NON-LIFE INSURANCE OPERATION	Note	2022	2021
Premiums written (net of reinsurance)			
Premiums written (gross)	3	12 959	12 272
Premiums for ceded reinsurance		-778	-454
Changes in Provisions for unearned premiums and unexpired risks		-1 106	-460
Reinsurers' share of changes in Provisions for unearned premiums and unexpired risks		-10	-136
		11 065	**11 222**
Allocated investment returns transferred to technical account	5	3 646	–
Claims incurred (net of reinsurance)			
Claims paid	6		
Gross		-17 006	-20 031
Reinsurers' share		2 533	3 616
Changes in Provisions for claims outstanding			
Gross		25 370	45 361
Reinsurers' share		-3 608	-7 561
		7 289	**21 385**
Operating expenses	7	-11 872	-15 841
Technical result of the non-life insurance operation		**10 128**	**16 766**

TECHNICAL ACCOUNT OF THE LIFE INSURANCE OPERATION	Note	2022	2021
Premiums written (net of reinsurance)			
Premiums written (gross)	3	158 942	152 274
Premiumtax		-14 663	-6 815
Premiums for ceded reinsurance		-57 208	-61 666
		87 070	**83 793**
Investment income	8	4 559	5 989
Unrealised gains from investments	9	1 673	22
Income from investment contracts	4	530 659	555 144
Claims incurred (net of reinsurance)			
Claims incurred and paid	6		
Gross		-75 962	-81 458
Reinsurers' share		28 137	29 350
Changes in Provisions for claims outstanding			
Gross		86 049	-4 012
Reinsurers' share		-57 201	1 849
		-18 976	**-54 271**
Changes in other technical provisions (net of reinsurance)			
Technical provisions for life insurance			
Gross		-5 013	5 544
Reinsurers' share		10	-1 171
		-5 003	**4 373**
Operating expenses	7	-484 418	-450 410
Other technical expenses (net of reinsurance)		-4 421	-4 784
Investments, costs	8	-2 118	–
Unrealised losses from investments	9	-15 856	-3 452
Technical result of the life insurance operation		**93 169**	**136 403**

NON-TECHNICAL ACCOUNT	Note	2022	2021
Technical result of the non-life insurance operation		10 128	16 766
Technical result of the life insurance operation		93 169	136 403
Investment income	8	–	10 975
Investments, costs	8	-47 957	-13 427
Unrealised losses from investments	9	-20 023	-13 793
Unrealised gains from investments	9	–	33
Allocated investment returns transferred to the non-life operation	5	-3 646	–
Impairment subsidiaries	10	-1 912	-5 000
Result before appropriations and tax		**29 759**	**131 956**
Result before tax		**29 759**	**131 956**
Tax on the year's result	11	-49	-88
Deferred tax		-30	12
Profit/loss for the year		**29 680**	**131 881**
Total reported result			
Profit/loss for the year, according to income statement		29 680	131 881
Total comprehensive income for the year		**29 680**	**131 881**

Performance Analysis - Life insurance operation

		Direct insurance, Swedish risks							
Amounts in KSEK	**Total**	**Unit-linked**	**Fee-based traditional Insurance**	**Health Insurance**	**Premium exemption**	**Individual traditional Insurance**	**Group life & TGL**	**Direct Insurance of foreign risks**
Technical account for the life Insurance operation								
Premiums income (net of reinsurance), note 1	87 070	1 610	713	26 526	4 990	18 071	35 160	1
Investment income	4 559	3 367	1 187	4	1	0	0	0
Unrealised gains from investments	1 673	1 673	–	–	–	–	–	–
Income from investment contracts	530 659	432 012	98 647	–	–	–	–	–
Claims incurred (net of reinsurance), note 2	-18 976	-449	-108	14 914	6 089	-9 353	-30 069	0
Changes in other technical provisions (net of reinsurance)	-5 003	–	–	801	71	250	-6 125	–
Operating expenses	-484 418	-372 681	-71 294	-15 651	-3 667	-10 178	-10 802	-145
Other technical expenses (net of reinsurance)	-4 421	-3 112	-1 099	-209	–	–	–	–
Investment charges	-2 118	-2 106	–	-9	-2	0	-1	0
Unrealised losses from investments	-15 856	–	–	-12 857	-2 999	–	–	–
Technical result for the life Insurance operation	**93 169**	**60 314**	**28 045**	**13 519**	**4 483**	**-1 210**	**-11 837**	**-144**
Technical provisions, gross								
Life Insurance provisions	24 564	–	–	7 142	667	9 586	7 168	–
Claims outstanding	340 823	-200	-74	242 423	66 983	7 876	22 414	1 402
	365 387	**-200**	**-74**	**249 564**	**67 650**	**17 463**	**29 582**	**1 402**
Technical provisions for life Insurances for which the policyholder bears the risk, gross								
Conditional dividends	12 326 509	–	12 326 509	–	–	–	–	–
Unit-linked commitments	34 849 192	34 849 192	–	–	–	–	–	–
	47 175 702	**34 849 192**	**12 326 509**	**–**	**–**	**–**	**–**	**–**

Performance Analysis - Life insurance operation (cont.)

		Direct insurance, Swedish risks						
Amounts in KSEK	**Total**	**Unit-linked**	**Fee-based traditional Insurance**	**Health Insurance**	**Premium exemption**	**Individual traditional Insurance**	**Group life & TGL**	**Direct Insurance of foreign risks**
Reinsurers' share of technical provisions								
Life Insurance provisions	8 032	–	–	2 747	405	4 623	256	–
Claims outstanding	181 990	-112	-42	133 081	41 479	4 464	2 016	1 104
	190 022	**-112**	**-42**	**135 828**	**41 884**	**9 087**	**2 272**	**1 104**
Note 1 Premiums earned (net of reinsurance)								
Premiums written, gross	144 278	2 066	739	51 659	12 710	35 667	41 374	64
Premiums for ceded reinsurance	-57 208	-456	-26	-25 133	-7 720	-17 596	-6 214	-63
	87 070	**1 610**	**713**	**26 526**	**4 990**	**18 071**	**35 160**	**1**
Note 2 Claims Incurred (net of reinsurance)								
Claims Incurred and paid								
Gross	-75 962	-628	-170	-25 147	-9 059	-15 442	-25 263	-254
Reinsurers' share	28 137	12	–	13 673	5 623	7 631	1 000	198
Changes to claims outstanding								
Gross	86 049	380	140	65 770	29 626	-3 307	-6 798	238
Reinsurers' share	-57 201	-213	-79	-39 381	-20 101	1 765	991	-182
	-18 976	**-449**	**-108**	**14 914**	**6 089**	**-9 353**	**-30 069**	**0**

Foreign risks relate entirely to Norway.

Performance Analysis - Non-life insurance operation

	Direct insurance, Swedish risks
Amounts in KSEK	**Sickness and accident**
Technical account for the non-life Insurance operation	
Premiums earned (net of reinsurance) note 1	11 065
Allocated investment returns transferred from the financial account	3 646
Claims Incurred (net of reinsurance) note 2	7 289
Operating expenses	-11 872
Technical result of the non-life Insurance operation	**10 128**
	–
Technical provisions, gross	
Provisions for unearned premiums and unexpired risks	3 582
Provisions for claims outstanding	255 507
	259 089
Reinsurers' share of technical provisions	
Provisions for unearned premiums and unexpired risks	84
Provisions for claims outstanding	34 647
	34 731
Note 1 Premiums earned (net of reinsurance)	
Premiums written, gross	12 959
Premiums for ceded reinsurance	-778
Changes in Provisions for unearned premiums and unexpired risks	-1 106
Reinsurers' share of changes in Provisions for unearned premiums and unexpired risks	-10
	11 065
Note 2 Claims Incurred (net of reinsurance)	
Claims Incurred and paid	
Gross	-17 006
Reinsurers' share	2 533
Changes in Provisions for claims outstanding	
Gross	25 370
Reinsurers' share	-3 608
	7 289

Balance Sheet Assets

Amounts in KSEK	Note	2022-12-31	2021-12-31
Intangible assets			
Other intangible assets	12	116 168	108 496
		116 168	**108 496**
Investment assets			
Investments in group companies and associated companies			
Shares and participations in group companies	13	12 100	17 064
Other financial investment assets			
Shares and participations	14	0	214
Bonds and other interest-bearing securities	15	516 458	799 366
Other financial investment assets	16	4 118	4 457
		532 676	**821 101**
Investments for the benefit of life policyholders, for which the policyholder bears the risk			
Assets with conditional dividends		12 326 509	12 098 137
Unit-linked assets		34 849 998	41 301 186
	17	**47 176 507**	**53 399 322**
Reinsurers' share of technical provisions			
Provisions for unearned premiums and unexpired risks	18	84	94
Life insurance provisions		8 032	8 022
Claims outstanding		216 637	277 408
		224 753	**285 523**

Amounts in KSEK	Note	2022-12-31	2021-12-31
Receivables			
Receivables, direct insurance	21	39 557	23 901
Deferred tax asset	11	369	399
Other receivables	22	15 673	15 511
		55 599	**39 811**
Other assets			
Tangible assets		2 316	2 758
Cash and bank		332 716	133 487
		335 032	**136 245**
Pre-paid expenses and accrued income			
Deferred acquisition costs		688 751	711 505
Other pre-paid expenses and accrued income		64 174	75 951
		752 925	**787 456**
TOTAL ASSETS		**49 193 659**	**55 577 956**

Balance Sheet Equity, provisions and liabilities

Amounts in KSEK	Note	2022-12-31	2021-12-31
Equity			
Share capital		13 000	13 000
Fund for development costs		116 110	108 496
Profit brought forward		972 861	886 594
Net profit for the year		29 680	131 881
		1 131 651	**1 139 971**
Technical provisions (gross)			
Unearned premiums and unexpired risks	18	3 582	3 088
Life insurance provisions	19	24 564	19 551
Claims outstanding	20	596 330	707 779
		624 476	**730 419**
Technical provisions for life insurances for which the policyholder bears the risk (gross)	27		
Conditional dividend		12 326 509	12 098 137
Unit-linked commitments		34 849 192	41 301 363
		47 175 702	**53 399 500**
Other provisions	28		
Provisions for pensions and similar commitments		5 569	5 782
Provisions for taxes		43 761	5 404
Other provisions		1 617	5 916
		50 947	**17 102**
Liabilities			
Liabilities, direct insurance	29	19 794	20 662
Liabilities, reinsurance		6 151	27 295
Other liabilities	30	145 492	196 818
		171 437	**244 774**
Accrued expenses and deferred income			
Reinsurers' share of deferred acquisition costs		1 613	804
Other accrued expenses and deferred income	31	37 833	45 385
		39 446	**46 189**
TOTAL EQUITY, PROVISIONS AND LIABILITIES		**49 193 659**	**55 577 956**

Statement of changes in equity

	Restricted equity		Non-restricted equity		Total equity
Amounts in KSEK	**Share capital**	**Fund for development costs**	**Profit brought forward**	**Profit/loss for the year**	
Opening balance 2021-01-01	**13 000**	**94 408**	**747 245**	**218 438**	**1 073 091**
Distribution of profit	–	–	218 438	-218 438	–
-Dividends	–	–	-65 000	–	-65 000
Provision for the year	–	14 088	-14 088	–	–
Profit/loss for the year	–	–	–	131 881	131 881
Closing balance 2021-12-31	**13 000**	**108 496**	**886 595**	**131 881**	**1 139 971**
Opening balance 2022-01-01	**13 000**	**108 496**	**886 595**	**131 881**	**1 139 971**
Distribution of profit	–	–	131 881	-131 881	–
-Dividends	–	–	-38 000	–	-38 000
Provision for the year	–	7 614	-7 614	–	–
Profit/loss for the year	–	–	–	29 680	29 680
Closing balance 2022-12-31	**13 000**	**116 110**	**972 861**	**29 680**	**1 131 651**

As per 31st of December 2022, the number of shares in Movestic Livförsäkring AB was 13,000 (13,000), with a quota value of 1,000 SEK. All shares carry one vote.

Notes

All amounts in **KSEK** unless otherwise stated.

NOTE 1 – VALUATION AND ACCOUNTING PRINCIPLES

General information
The annual report for Movestic Livförsäkring AB, 516401-6718, relates to the financial year of 1 January–31 December 2022. The Company's address is Tegnergatan 2a, 103 99 Stockholm, Sweden. Movestic is a wholly owned subsidiary of Chesnara plc, Preston, UK (company no 4947166). Chesnara plc UK is the parent company for the group in which Movestic Livförsäkring is a subsidiary and prepares the annual report for the group.

This annual report was approved for publication by the Board of Directors on the 24 March 2023.

Basis for the preparation of the report
This annual report has been prepared in accordance with the Swedish Accounts Act for Insurance Companies (ÅRFL) and regulations and general advice regarding annual reports for insurance companies and occupational pension providers from the Swedish Financial Supervisory Authority (FFFS 2019:23). Movestic Livförsäkring applies the so called 'IFRS limited by law'; an international accounting standard approved for application in combination with certain limitations specified in RFR 2 and FFFS 2019:23, including amendments. This means that all EU approved IFRS rules and statements are applied as far as is possible within the framework of Swedish law and with consideration to the connection between accounting and taxation.

Information regarding the preparation of financial reports
Assets and liabilities are reported at their acquisition value, except in the case of financial assets and liabilities, which are reported at their fair value. As a rule, gross values of assets and liabilities are used in the report. However, net values are shown where there is a legal right to set off assets and liabilities, and these are to be wound up together or at the same time.
The Company's functional currency is SEK, and financial reports are presented in SEK, rounded to the nearest thousand (KSEK) unless otherwise stated.
Transactions in foreign currencies are converted to the functional currency at the exchange rate that applied on the day of the transaction. Assets and liabilities in foreign currencies are reported at closing day rate. Exchange rate gains and losses are attributable to fund units and reported in the income statement, net, under the item Investment income or Investment costs, in the Technical result for life insurance.

Important assumptions and judgements that affect the accounting
When financial reports are prepared it is assumed that the board of directors and company management make assumptions and judgements that affect the application of the accounting principles and the reported values of assets, liabilities, revenues, and costs. These judgements and assumptions are based on e.g. historical experiences and knowledge about the insurance industry. Assumptions that have had a significant impact on the financial reports for the financial year of 2022 are commented on below.

Classification, insurance contracts
According to IRFS 4, contracts that transfer a significant insurance risk should be classified as insurance contracts. The Company Management has determined that all its non-life policies should be classified as insurance contracts. To ensure the information provided is as complete as possible, the Company has chosen to report the deposition and insurance components separately and report as investment contracts.

Technical provisions
The Provision for outstanding claims should cover the expected future costs of all claims, RBNS, including claims which have not yet been reported to the Company, so called IBNR Provision. The provision for outstanding claims is calculated using generally accepted statistical and actuarial methods, and individual estimates of specific claims. The calculations are based on economic assumptions regarding interest rates and inflation, as well as actuarial assumptions regarding e.g. mortality and morbidity.
Any differences between the estimated and actual future claims payments will result in a run-off profit/loss, which will be reported in the following year. See note 21 for information regarding changes in outstanding claims for this year.

Pre-paid acquisition costs
Pre-paid acquisition costs are amortised based on the expected lifetime of the contracts. Should the assumptions regarding expected lifetimes be adjusted or the depreciation schedule change, this may have an impact on the result in the shape of an impairment.

Financial assets
For valuation of financial assets for which there is no observable market price, the valuation models described below under reporting principles for investment assets are applied. The valuation is based on the latest known information, which usually means monthly figures.

New and amended standards and interpretations that have come into force and new standards that have not yet come into force

IFRS 17, Insurance Contracts
IFRS 17, Insurance Contracts replaces the current standard IFRS4 and comes in to force for financial year 2023.

The Swedish Financial Supervisory Authority has issued a clarification within FFFS 2019:23 confirming that Swedish insurance undertakings should not apply IFRS 17 as a legal entity, as the standard contravenes Swedish law. In connection with the replacement of IFRS4, reporting of Insurnace contracts is referred to the instructions in ÅRFL and FFFS 2019:23 in legal entities. The change in is not deemed to compose any differences from the current accounting.

Movestic will not implement IFRS 17 as legal entity, however the standard will be implemented by its parent company, Chesnara. Movestic monitors developments within the regulatory area and has during the year intensified its preparation activities and provided opening balances for the group reports for 2023.

IFRS 9, Financial instruments
IFRS 9, Financial Instruments became effective in 2018, but with the offer of a temporary exclusion for insurance undertakings until January 1, 2023, when IFRS17, Insurance Contracts takes effect. IFRS 9 replaces IAS 39 and introduces new methods for classification and measuring of financial instruments, as well as a forward-looking perspective on impairments. The new classification means that all financial assets and liabilities are reported at their fair value at initial recognition, with subsequent recognition and valuation depending on the valuation category to which the financial instrument belongs.

The reclassification of the Company's financial assets and liabilities according to the methods for classification and measuring set out in IFRS 9 shows that the new standard does not lead to any changes in the reporting compared to the previous standard, see note 34.

Current accounting principles
Reporting of insurance contracts
The definition of an insurance contract is a 'contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.' In an assessment of whether or not a contract is an insurance contract, two criteria must be met. The first is that the contract must include an insurance risk, and the second that this risk must be significant.

All insurance contracts between Movestic Livförsäkring and customers that do not carry significant insurance risk are classified as investment contracts and reported as financial instruments in accordance with IAS 39: Financial Instruments: Recognition and measurement. This means, for example, that payments into and out of the customers' saved capital and any net changes in the value of the associated investment assets are shown directly on the balance sheet.
Contracts that carry a significant insurance risk are classified as insurance contracts in accordance with IFRS 4 and reported on the income statement. The insurance components of contracts relating to unit-linked or custody account products, such as survivor's benefit and repayment cover, are recognised separately from the financial component, and reported as insurance contracts to provide complete financial information.

Intangible assets
Intangible assets are reported at their acquisition value, with deductions for accumulated write-downs and possible depreciation. Write-downs are based on acquisition costs for the equipment and individually estimated periods of usage. The remaining value and periods of usage for the assets are reassessed at each closing day and adjusted as needed. The usage period for existing computer programs and similar licence rights are deemed to be not more than 3 years for simpler standard programs, and not more than 5 years for other computer programs and licence rights. Depreciation begins once an asset is available for use and is reported through the income statement according to the linear method. The costs for simpler development or maintenance of software are reported as they arise.

Costs closely associated with the development of identifiable and unique software products, which are controlled by the Company and have probable financial benefits lasting more than one year and outweighing the costs, are shown as intangible assets. Costs closely associated with the development of software include personnel costs for the program development.

Impairment tests are carried out annually. If there is an indication that depreciation is required, the asset's recovery value is calculated. The recovery value is set to the highest of the asset's expected net sales value and its value in use. The latter is determined based on the asset's contribution to expected future cash flows. Depreciation is reported when an asset's reported value is less than its recovery value. The depreciation is reported through the income statement.
A sum corresponding to the activated intangible assets developed inhouse during the year has been paid into a special, tied fund, the Fund for Development Costs. This fund is returned to unrestricted equity in case of write-off, depreciation or sale.

Investments in group companies
Shares in group companies are measured at acquisition value. Should the actual value on the closing day be considered to be less than the acquisition value, the value is written down. This write-down is reported on the income statement. Should the value be deemed to be increasing again, the write-down is reversed on the income statement.

Financial assets and liabilities – Classification and reporting
Sales and acquisitions of financial instruments are reported on the day of the transaction. A financial instrument is removed from the balance sheet when the right to receive cash flows from the instrument in question has expired or been transferred together with more or less all risks and rights connected with its ownership.

In accordance with IAS 39, Financial Instruments: Recognition and measurement, financial instruments have been divided into the following categories:

Financial assets and liabilities valued at their fair values on the income statement
A financial asset or liability valued at its fair value on the income statement is an asset or liability that meets one of the following criteria: a) it is classified as being held for trading purposes, or b) it is designated on initial recognition as one to be measured at fair value. The Company's holdings of investment assets fall into this category.

The valuation is set to the fair value, recalculated through the income statement. Realised and unrealised gains and losses caused by changes in fair value are included in the income statement for the period in which they occur. The fair value of financial instruments traded on an active market is based on listed market prices on the balance day.

Loan receivables and customer receivables
This category includes financial assets with payments that are determined or possible to determine, but which are not listed on an active market, such as claims against policyholders and funds in the bank. The valuation is set to the amortised cost, which is determined based on the effective interest rate calculated at the time of the acquisition.

Loan and customer receivables are reported at the amounts the Company expects to receive, i.e. after the deduction of bad debts, and represent a reasonable estimate of the actual value.

Other financial liabilities
This category includes all financial liabilities not included in the category 'Valued at fair value through the income statement'. Their value is set to the amortised cost and the reported value is a reasonable estimation of the actual value.

The classification of financial assets and liabilities is in line with the Company's internal reporting and monitoring systems.
Methods for determination of fair value

Financial instruments listed on an active market
The majority of the Company's financial instruments are valued at their fair value using prices listed on an active market. No transaction costs (e.g. brokerage) or future transaction costs arising from a potential sale are added to the prices. Financial instruments are considered to be listed on an active market if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market used for the asset or liability in question is the most favourable market, and if a company at the time of valuation would be able to carry out a transaction involving the asset or liability at the price in question, the holding is classified as Level 1 in the valuation hierarchy for fair value.

Financial instruments not listed on an active market
The valuation techniques used for unlisted instrument traded on a non-active market are initially based on the underlying company's private holdings or raising of capital, which is public information. For currently traded unlisted assets, the valuation is based on pricing on the secondary market.

As far as possible, the valuation technique is based on market data, where all important inputs required to carry out the fair value valuation are observable. These assets belong to Level 2 in the valuation hierarchy for fair value. In situations where one or more important inputs are not based on observable market information, models that market participants would use to calculate a price are used and assets classified as Level 3 in the valuation hierarchy.

An additional note to the note *'Categories of financial assets and liabilities and their fair values'* provides information designed to mimic the categories used in IFRS 9, as the Company is taking advantage of the temporary exemption from IFRS 9 Financial instruments until January 1, 2023.

Investment assets for which the life insurance holder carries the investment risk
This category consists of investment assets for which the policyholders carry the investment risk, and assets are reported on the lines 'assets for conditional dividends' (custody accounts) and 'unit-linked assets'. The assets are reported at their fair value. The fair values are based on listed market prices on the balance day, which are set to the latest price paid, or on prices from non-active markets, which are mainly based on data on the unlisted company's raising of capital, and secondly on matching orders from the non-active market. Unlisted assets are only present within the Company's custody account operation. Any change in value that occurs is reported at its net value on the Income statement, as these changes in value belong wholly to the policyholders.

Liquid assets
Liquid assets consist of cash and bank balances.

Tangible assets
Equipment and inventories are reported at their acquisition values with deductions for write-downs made according to the estimated periods of usage. The remaining value and period of use for the assets are reassessed on each closing day and adjusted as required. For the calculation of linear depreciation times based on estimated periods of use.

Apart from the purchasing price, the acquisition value also includes expenses directly connected with the purchase. From 2019, costs related to development work on other part's property have been reported as tangible assets with depreciation starting in 2020.

Pre-paid acquisition costs
Expenditure for acquisitions of both insurance and investment contracts is activated through the balance sheet. The depreciation time for products with ongoing deposits within private pension and endowment insurance is 10–14 years, depending on the type of product and year of purchase, whilst products with one-off deposits have a depreciation time of 5 years. For policies taken out in 2011 or later, a flat depreciation period of 10 years is applied for private pension plans and endowment insurance. For occupational pension plans, the depreciation period is 17 years. The reported value of the activated acquisition costs is reassessed on each balance day, based on expected future earnings. Depreciation is reported when the value of an asset is less than the expected future earnings. The depreciation is recognised through the income statement.
Since 2020, the evaluation method for depreciation has been enhanced and a risk-based approach is now used. The activated acquisition costs are written down when the future profit margin is deemed to be insufficient, and if the profit margin per product or underwriting year differ from the profit margin of the portfolio as a whole.
The depreciation is recognised through the income statement.

Group contributions
Group contributions are reported in accordance with RFR2, which means that group contributions received from subsidiaries are reported as financial income. Outgoing group contributions from the parent company to subsidiaries are reported as an increase in the number of participations held in group companies.

Dividends
All dividends from subsidiaries are reported as income in this year's profit/loss.

Technical provisions
Technical provisions are made up of Provisions for unearned premiums and unexpired risks, Provisions for outstanding claims, and Life insurance provisions, and correspond to the Company's obligations according to existing insurance contracts.
The provisions for unearned premiums are intended to cover the expected claims and operating costs for the remaining lifetime of insurance contracts already entered into. The provisions for unearned premiums and unexpired risks for direct insurance are calculated based on the actual allocation of premiums written (pro rata temporis).

The provision for outstanding claims has been calculated based on all available facts relating to individual claims and claims development. The provision for outstanding claims includes expected claims payments and claims handling costs for all reported claims and for claims which have not yet been reported, so called IBNR-provision. The provision is calculated using statistical methods and individual estimates of specific claims, often through a combination of both. The calculation is based on a conservative analysis of the known but outstanding claims, as well as an estimation of size, number and time of the not yet reported claims. This estimation is based on historic reporting patterns.

Liability adequacy test
On each closing date, the company carries out a liability adequacy test. A test is carried out on whether or not the reported insurance contract obligations are adequate. This is done by estimating future cash flows relating to accepted insurance contracts. The future cash flows are discounted and compared to the reported value of the provisions, reduced by associated pre-paid acquisition costs and intangible assets. Any deficits are reported through the income statement.

Technical provisions for life insurance contracts for which the policyholder carries the risk
Provisions for which the policyholders carry the investment risk in the unit-linked operation consist of the sum of the actual value of units allocated to existing policies and monies which have been paid in, but not yet invested in fund units. Provisions for life insurance contracts for which the policyholders carry the investment risk where the assets have been invested in a custody account consist of the sum of the actual value of the assets. The actual values are based on listed market prices on the balance day, which are set to the latest price paid. Provisions for custody accounts are classified as 'assets with conditional dividends'.

Premiums written
A premium is the payment an insurance company receives from a policyholder to accept the transfer of insurance risk. For non-life insurance, the premiums written are reported at the point in time when the first of the following events occur: the first premium is due, or the insurance policy comes into force. For life insurance, the premiums written are reported according to the cash principle, i.e. when they are paid.

Premiums earned
Premiums earned is that part of the premiums written which applies to the reporting period. The portion of the premiums written from insurance contracts that apply to time periods after the closing day is allocated to the premium reserve on the balance sheet.

Income from investment contracts
Income from investment contracts is reported as and when the contracted commitments are performed according to a five-step model, and as the services are provided to the contract holders, which takes place at regular intervals during the lifetime of the agreements.

The following is reported as income from investment contracts
- Fees related to unit-link insurance and custody accounts
- Fund rebates

In the unit-linked operation, fees are deducted from the customers' investment contracts to cover the costs of administration, claims handling, asset management, etc. Fees deducted as a result of Movestic Livförsäkring meeting its commitments are debited on a monthly basis and consist of both fixed and variable fees, both based on the value of the managed assets. The fees are recognised and adjusted on an ongoing basis, as and when Movestic Livförsäkring meets its commitments. As per the closing day, there are no outstanding claims or liabilities related to these fees.
Movestic Livförsäkring receives fund rebates from the fund companies, based on the value of assets under management. These fund rebates are recognised and adjusted monthly after determination of the basis of the calculations. Fund rebates benefiting the policyholder are reported net against fund rebates received.
Other fees, including transfer fees and fees relating to lapses, are recognised as the services are provided. Since April 2021, fees relating to transfers and lapses consist only of a fixed administration fee. Payments are debited through redemption of the policyholders' units.

Insurance claims
The total claims paid for the period include both those claims paid during the period and changes to provisions for outstanding claims. Insurance claims include, apart from payments made, also costs for claims handling.

Investment income from the insurance operation
The total investment income for non-life insurance is reported in the non-technical result. Part of the investment income is transferred from the result of the asset management to the technical result for the non-life insurance operation. The non-life insurance operation is allocated an investment income amounting to the average of the incoming and outgoing technical provisions for the non-life operation, net of reinsurance. The interest rate is set to the return on medium-term government bonds, with account taken to the insurance operation's cashflows for the period. No transfer to the technical result is carried out in case of a negative interest rate.

Operating expenses
The costs of investment and insurance contracts are reported as expenses when they arise, except in respect to commission for new premiums written, increases in agreed premiums, and commissions on premiums. These are activated and reported as pre-paid acquisition costs. The amortisation of these acquisition costs should correspond to the future income from the agreements concerned. The costs of claims handling are reported under the item Paid insurance claims.

Operational leasing
All leasing agreements are classified as operational and reported in accordance with the rules for operational leasing. Costs related to operational leasing agreements are reported in the income statement for the year, on a straight-line basis over the period of lease.

The Company has decided not to apply IFRS 16 as a legal entity, in accordance with the exemption rules in RFR2.

Remunerations to employees
The Company secures pension benefits for employees in accordance with laws and agreements.

Charges relating to fee-based pension plans, for which the Company's commitment is limited to the charges it has agreed to pay, are reported as a cost on the income statement for the period to which they relate.

Commitments regarding retirement and family pensions for employees born in 1971 or earlier are safeguarded through insurance with FPK, unless otherwise agreed. This is a benefit-based scheme that includes a number of employers. As the Swedish Pension Obligations Vesting Act must be applied for the cost to be tax deductible, the rules about benefit-based schemes in IAS 19 do not have to be applied for a legal entity. Instead a simplified rule can be applied, which states that companies should report benefit-based schemes as fee-based schemes, where a pension premium has been paid to an insurance undertaking, friendly society, or similar. The scheme is therefore reported as a cost and charged to the result for the period to which it relates.

Tax
The Company's operation is subject to yield tax and income tax.

Income tax
The total tax shown in this year's result consists of actual tax and deferred tax. Taxes are reported on the income statement, except when the underlying transaction is shown directly against the equity, when the corresponding tax effect is reported under equity. Actual tax includes tax which should be paid or received for the current year as well as adjustments of actual tax for previous periods. Deferred tax is calculated according to the balance-method, based on temporary differences between reported and taxable values of assets and liabilities. The amounts are calculated based on how temporary variations are expected to even out through the application of tax rates and taxation rules which have been decided or announced as per the closing day. Deferred tax claims for deductible temporary variations and deductions for losses are only shown if it is probable that they will lead to reduced tax payments in the future.

Yield tax
The yield tax is based on standard calculations of the yield from net assets being managed on behalf of policyholders. The basis of the yield tax is calculated based on the capital base, using the different tax rates that apply to each product. Pension plans are taxed at 15 percent and the tax is calculated based on the value of the assets under management on behalf of the policyholders at the beginning of the fiscal year. Capital life insurance is taxed at 30 percent and calculated based on the opening value of the assets under management on behalf of policyholders and 100 percent of premiums paid in the first six months, as well as 50 percent of premiums paid in the second half of the year. The cost is calculated each year and reported as an operating expense within the life insurance operation.

Tax charges deducted from policies to cover the yield tax are reported under the heading Income from investment agreements.

Note 2 – Risks and risk management

Risk management is a natural part of running any insurance operation. As a result of its activities within risk insurance, unit-linked and custody account products with focus on occupational pensions, private and company-owned endowment policies, and private pension plans, Movestic is mainly exposed to financial risks, insurance risks, operational risks, IT risks, and strategic risks.

To ensure effective risk management and internal control within the Company, an organisational structure based on three lines of defence has been put in place.

The first line of defence consists of the CEO, the business and operational managers, and their personnel. Each member of the first line of defence is responsible for the risks that arise, or could arise, within their departments or areas of responsibility. They are also responsible for the actions put in place to manage these risks. The first line of defence is also responsible for reporting any incidents to the second line of defence.

The second line of defence consists of the independent control functions, i.e. the Risk Management, Compliance and Actuarial functions. In addition to being responsible for monitoring, reviewing and reporting, the second line of defence is also responsible for providing advice and support to the first line of defence regarding e.g. risk management. The second line of defence also supports the CEO and the Board of Directors in their work to ensure that the Company has in place an effective risk management system.

The third line of defence is the Internal Audit function, an independent function that reports direct to Movestic's Board of Directors.

Risk management organisation
The final responsibility for making sure the Company has an effective risk management system in place rests with its Board of Directors. The Board has appointed an Audit and Risk Committee, tasked with helping it to review Movestic's financial reports, internal controls, and risk management system. The risk management system consists of policy documents, strategies, processes and routines for identifying, evaluating, monitoring, handling and reporting risks to which the company is or may become exposed. An ORSA is carried out annually and whenever the Company's risk profile alters significantly. The Board determines, based on current regulations, a framework for Movestic's risk management activities, via internal rules set out in different steering documents. The Company's CEO is responsible for making sure that all steering documents are implemented in the operation and for providing more detailed instructions. The steering documents are updated and adopted on an annual basis.

The role of the *Risk Management function* is to assist the Board, CEO and other employees and departments in their efforts to maintain an effective risk management system, and this function is responsible for updating and improving the Company's risk management system on an ongoing basis. The Risk Management function monitors the Company's risk profile and acts to prevent excessive risk taking. This function reports direct to the CEO and informs both the Board of Directors and the CEO on the status of the Company's risk management system and risk situation. The function also issues recommendations to the Board and the CEO regarding any changes or improvements required to ensure compliance with all laws and regulations related to the Company's handling of risks. The function works according to a set plan, which is updated and adopted on an annual basis.

The *Compliance function* is a reviewing, reporting and advisory function, which as part of the governance system ensures the Company follows applicable legislation, regulations, good business practice and standards, as well as all internal rules relating to the licenced operation. This function shall also help the operation to identify and evaluate significant risks of non-compliance. The Compliance Function is independent of, and objective in relation to, the business operation, and therefore reports direct to the CEO. The function prepares reports for both the CEO and Board of Directors and works according to a set structure and a policy describing its mandates, areas of responsibility and reporting duties. The function works according to a set plan, which is based on the Company's operations and risks of non-compliance in different areas, and which is updated and adopted on an annual basis.

The main responsibility of the *Actuarial function* is to consolidate the technical provisions and ensure that these meet the current requirement of the Solvency II Directive. The Actuarial function also contributes to the Company's Risk Management system and advises its CEO and Board of Directors on actuarial matters. The Actuarial function reports to the CRO, but also has direct and independent lines of reporting to both the CEO and Board of Directors. The function works according to a set plan, which is updated and adopted on an annual basis.

The *Internal Audit function* is an independent auditing function that reports direct to Movestic's Board of Directors. Its task is to review and assess the Company's systems for governance, risk management and internal control, and to recommend improvements within these areas. The Internal Audit function is outsourced to an external part and regulated through a service contract. The function works according to a set plan, which is updated and adopted on an annual basis.

Financial risks
Financial risks include market, liquidity, concentration, credit and opposite party risks. The Board of Directors of Movestic Livförsäkring annually adopts a *Policy for the management of investment risks*, which sets out the direction and targets for the investments, limits per instrument, and decision-making rights for investment activities. In addition to the abovementioned policy, Movestic has set up an Investment Committee, as a subcommittee of the Board of Directors. This committee is tasked with making decisions regarding the Company's own financial assets.

Market risk
Market risk is the risk that changes to interest rates, exchange rates or share prices have a negative effect on the market value of the Company's assets.

Below is a sensitivity analysis for market risk:

Risk element, MSEK	Exposure	Risk parameter	Change	Effect on result	Effect on equity
Interest-bearing assets	516,5	Changed interest rates	5 %	39,4	31,3
Currencies	0,0	Changed exchange rates	10%	0,0	0,0

The impacts of the exposure to market risks have been calculated as the change in the actual values of exposed assets in case of a change in the underlying market risk components. Current tax has been taken into account in the assessment of impact on the operational result and own assets.

Movestic's own assets, including assets intended to cover its technical commitments, are managed according to the investment mandates set by the Board of Directors. The Company invests its own assets in liquid assets, which are traded on regulated markets and mostly invests in interest funds and other interest-bearing securities. The investment mandates reflect the two parts of the portfolio, where the first corresponds to technical provisions and is invested with a high degree of caution and duration-matched to limit the interest risk. The second part consists of all other assets and may be invested with a slightly higher risk exposure.

For the unit-linked operation, the future earnings from fees for the management of customers' assets are important. Movestic Livförsäkring is exposed to the risk that future earnings decrease as a result of interest rate fluctuations or a general downturn on the stock or currency market.

Liquidity risk
Liquidity risk is the risk that Movestic Livförsäkring is unable to fulfil its payment commitments by the due dates, without a significant increase in the costs for obtaining funds.

Movestic Livförsäkring's exposure to liquidity risk is limited, as insurance premiums are collected in advance, and major claim payments are usually known long before they become due. To reduce the remaining liquidity risk, the Company's cash flows are analysed on an ongoing basis, and the Risk Management function regularly checks how quickly the Company's assets could be realised. The majority of the Company's assets are invested in securities that can be sold on a second-hand market at short notice, without any effect on the price. Investments are made in listed securities with good liquidity levels, why the liquidity risk is deemed to be limited.

The financial liabilities are met by the Company's financial assets, and by the reinsurers' share of the technical liabilities, which can all be turned into liquid assets at short notice.

Financial liabilities, MSEK	< 1 year	> 1 years
Provisions for policies for which the policyholders carry the investment risk	968	46 208
Technical provisions	113	483
Liabilities, direct insurance	20	0
Liabilities, reinsurance	6	0
Other liabilities	44	102
	1 150	**46 793**

Concentration risk
The concentration risk is the risk arising as a result of a lack of diversification in the asset portfolio, or significant exposure to an individual issuer or group of affiliated issuers of securities. The Company assesses its exposure on a regular basis and monitors all limits. For this reason, the Company's exposure to concentration risk is deemed to be limited.

Credit and counterparty risk
Credit and counterparty risk is the risk that an counterparty is unable to fulfil its commitments to Movestic Livförsäkring. The main exposure is towards financial institutions and relates to assets held in deposit accounts with banks. The credit risk for these financial assets is deemed to be low.

Claims against policyholders carry a limited credit risk, as non-payment leads to cancellation of the insurance policy and the Company's responsibility towards the customer therefore ends.

The greatest exposure to credit risk relates to reinsurers, both through reinsurance claims and through reinsurers' share of outstanding claims. The Company's Reinsurance Policy states that agreements can only be entered into with external reinsurers with a credit rating of A or higher from Standard & Poor's. The creditworthiness of the reinsurers is reviewed regularly to ensure that the desired reinsurance cover is maintained.

A risk of credit loss also exists in relation to insurance brokers. This could happen in situations where the Company has an outstanding cancellation debt or legal cancellation liability, and an intermediary goes bankrupt.

The table below shows the credit and market risks to which the Company is exposed, allocated per credit rating from Standard & Poor's.

Credit exposure, MSEK	2022	2021
Investments		
Bonds and other interest-bearing securities[1]	516,5	799,4
Receivables, direct insurance		
Intermediaries	0,0	2,5
Receivables reinsurers (including reinsurer´s share of technical provisions)		
Reinsurers, credit rating AA-	224,8	285,5
Cash and bank		
Counterparty with credit rating AA-	87,8	7,7
Counterparty with credit rating A+	87,3	114,3
Counterparty with credit rating A	157,6	11,5

[1] Pertains to holdings in investment fund

Insurance risks
Life insurance risks are risks that arise as a result of undertakings to insure the life and health of individual persons. Examples of such risks are the risk of sickness and disability, mortality risk, risks relating to operating expenses, cancellation risks, underwriting risks, and risks relating to the establishment of a reserve.

- *Mortality risks* are the risks that the survival times of the Company's policyholders do not meet its expectations.
- *The sickness and disability risk* is the risk that the rate of disability and sickness among the policyholders is greater than expected.
- *The risk related to operating expenses* is the risk that the Company's assumptions for operating costs do not cover its actual costs for running the operation in the longer term.
- *The cancellation risk* is the risk that terminations, lapses or outgoing transfers have a negative effect on the Company's earnings. The Company has taken out reinsurance to reduce the financial impact of cancellations.
- *Underwriting risk* is the risk of losses due to incorrect pricing, incorrect reinsurance cover or irregular variations in the frequency and/or size of insurance claims.
- *The reserve-related risk* is the risk that the Company does not have sufficient reserves to cover the payments of claims made.

Within the risk insurance operation, the Company is mainly exposed to the risk of increased mortality, disability or sickness from the insurance policies provided to groups and individuals. These risks are managed through reinsurance, by analysing the results per insurance segment and settlement outcomes, and by ensuring the correct pricing of risks. In 2022 the Company had reinsurance cover for insurance risks in the shape of a quota share agreement, with retention of on average 63,1%, as well as a catastrophe reinsurance agreement. The reinsurance program also includes financial reinsurance, which also covers commissions for the unit-linked operation until the end of 2019.

Within the unit-linked and custody account operation, the main insurance risks relate to unfavourable movements within the customer portfolio, such as lapses and transfers of policies, and the risk that customers stop paying the premiums relating to their contracts. To some extent, this risk is reduced by the fees charged to customers who lapse or transfer their assets, and to distributors that terminate contracts prematurely. The cancellation risk is mitigated to some extent by reinsurance.

Concentration risk in the insurance portfolio
The concentration risk within the portfolio is the risk that the Company's risk exposure is not sufficiently diversified. This may occur in a situation where the risk exposure is concentrated to for example a small number of policyholders or a single contractual area. The concentration risk in the portfolio as a whole is deemed to be limited, as the Company's portfolio is well diversified. The Company uses reinsurance to further reduce the concentration risk.

Concentration of Insurance risk

Benefits assured KSEK	Before reinsurance	After reinsurance
0-250	5%	8%
250-500	44%	53%
500-750	7%	6%
750-1000	15%	13%
Over 1 000	29%	20%
Total	100%	100%

The table illustrates how the capital at risk varies for different amounts.

Sensitivity analysis for insurance risk
The claims costs provided in the table relate to changes in the provisions for outstanding claims and claims reserve. Higher claims costs have a direct impact on the Company's result and may occur as a result of unfavourable changes in the insurance portfolio, as illustrated in the table below.
The technical provisions are also exposed to the risk of changes in the discount rate, mainly in relation to the sickness and premium waiver components. The table shows the impact on the Company's results of changes in the discount rate. Reinsurance is used to reduce the impact on the results.

Sensitivity analysis, KSEK	Pre-tax profit	Shareholders equity
5% increase in loss ratio	-29 813	-23 671
100bp decrease in discount rate	-19 020	-15 102

Claims cost trend
The tables below show, per claims year, how the estimated claims costs changed as our knowledge about the claims increased. For each year in the period shown, i.e. 2017–2022, the claims cost developed positively compared to our initial estimates.

Claims cost development	2017	2018	2019	2020	2021	2022
Gross in MSEK per claims year						
Estimated final claims cost						
At the close of the claims year	357,9	327,7	218,2	183,7	145,2	107,0
One year later	265,6	214,6	156,7	146,0	112,9	
Two years later	258,4	210,0	133,2	110,7		
Three years later	229,0	202,9	123,3			
Four years later	215,1	184,2				
Five years later	206,3					
Current estimate of total claims cost	206,3	184,2	123,3	110,7	112,9	107,0
Cumulative payments	-149,6	-119,9	-95,3	-60,9	-48,5	-35,2
Current provisions	56,7	64,2	27,9	49,7	64,3	71,8
Provisions for previous claims years						261,5
Total provisions						596,3

Net in MSEK per claims year	2017	2018	2019	2020	2021	2022
Estimated final claims cost						
At the close of the claims year	126,4	107,7	107,4	118,7	80,0	68,1
One year later	22,9	117,0	60,2	91,1	75,1	
Two years later	124,1	112,2	52,6	70,4		
Three years later	108,1	106,2	47,3			
Four years later	99,1	94,0				
Five years later	96,5					
Current estimate of total claims cost	96,5	94,0	47,3	70,4	75,1	68,1
Cumulative payments	-56,7	-52,9	-36,2	-42,4	-34,5	-27,2
Current provisions	39,8	41,1	11,1	28,0	40,6	40,8
Provisions for previous claims years						178,2
Total provisions						379,7

Operational risks
Operational risk is defined as the risk of losses due to non-productive or failed internal processes, human error or failing systems. Reputational risks and legal risks, which could be caused by inadequate processes or human error are also included in operational risks. The operation is responsible for handling operational risks and the Risk Management function is responsible for continuous monitoring, evaluation and reporting of operational risks. The assessment and monitoring of operational risks take the form of self-assessments, carried out in cooperation with managers and co-workers. Assessments are carried out at least once a year, with follow-ups as needed. Risks deemed to be particularly high are discussed and challenged on a quarterly basis, initially by the management team of the respective departments, thereafter by Movestic's leadership team. The Risk Management function is involved in all assessments.

Operational risks are evaluated by estimation of the probability that an adverse event occurs as a result of a specific risk, and the potential consequences of such an event. Any identified risks can then be managed with supportive measures from the Risk Management function, which can assist in the introduction of improved routines, processes and collaborations.

The overall risk exposure is reported to the Company's CEO and Board of Directors on a regular basis.

Strategic risk
The strategic risk can be described as risks connected to the Company's strategic aims and goals and includes structural risk factors. This risk is very important to the Company and its Board of Directors and concerns the whole of the operation rather than individual departments or units.
As strategic risk is a natural part of any operation, it is accepted that these cannot be completely eliminated, however Movestic's intention is to always reduce the strategic risk as far as possible. The strategic risk category also includes sustainability risks, which have become a higher priority during the year.

The Risk Management function evaluates the strategic risks to which the Company is exposed on an ongoing basis, in collaboration with concerned business and operational managers. Strategic risks are measured, monitored and reported according to the same principles as operational risks, but using an approach specially adapted to this particular risk category. Strategic risks are re-evaluated at least once a year and follow-ups performed as needed. As for all other risks, strategic risks deemed to be particularly high are discussed and challenged at least once a quarter by Movestic's management team and the Risk Management function.

IT risk
As a result of technological developments and the increased need for digitalisation, IT is also considered an area requiring special risk considerations. IT risks include the risk of so called cyber-attacks, as well as general data security and potential negative impacts on the Company's IT infrastructure. There are also risks concerning data protection and handling of personal data. This issue has a high priority for Movestic, as trust in data protection is critical for the industry in which the Company operates.

Due to the central role of IT and the need for a well-functioning infrastructure, Movestic strives to minimise this type of risk. Since the introduction of the Guidelines on Information and Communication Technology Security and Governance in 2021, Movestic has in addition to the preparation and updating of relevant plans, strategies, and policies, also put in place a specific Information Security function. The aim is to support the Board of Directors and Movestic's Information Security Forum on matters relating to data security and security risks.

Solvency risk
Solvency risk is the risk that the Company does not meet its solvency requirements, which include both regulatory requirements and other adopted target levels. The Company's solvency situation is monitored continuously, and all known risks relating to solvency are documented and communicated to the Board. Previous forecasts of the Company's solvency situation are used to identify potential future solvency risks, so that appropriate action can be taken as needed.

Note 3 - Premiums written

Total	2022	2021
Direct insurance, Sweden	171 899	164 524
Direct insurance, rest of the EEA	1	22
	171 900	**164 546**

Life insurance operation	2022	2021
Individual insurance	122 331	115 663
Group insurance	36 611	36 611
	158 942	**152 274**

All premiums related to risk insurance and are paid in instalments except for released sum at risk.

Note 4 -Revenue from contracts with customer

	2022	2021
Policy based fees		
Administration fees	150 396	161 112
Transfer fees	1 866	5 929
Fund rebates	277 217	322 495
	429 479	**489 536**

Total income from investment contract KSEK 530 659 (555 144). Items not inlduded in revenue from contracts with customer are yield tax KSEK 104 033 (65 632) and other KSEK - 2 854 (-23,6)

Note 5 - Allocated investment returns transferred from the finance operation to the non-life operation

	2022	2021
Transferred investment income	1,57%	-0,31%

The transferred investment income has been calculated based on the average of the non-life insurance operation's in and outgoing technical provisions, net of reinsurance. The interest is set to the average annual value of 90-day treasury bills.

Note 6 - Claims incurred

		2022			2021	
Claims incurred, non-life insurance operation	**Gross**	**Ceded**	**Net**	**Gross**	**Ceded**	**Net**
Claims paid	-15 287	2 533	-12 754	-17 899	3 616	-14 282
Claims handling costs	-1720	–	-1720	-2 132	–	-2 132
	-17 006	**2 533**	**-14 473**	**-20 031**	**3 616**	**-16 413**

		2022			2021	
Claims incurred, life insurance operation	**Gross**	**Ceded**	**Net**	**Gross**	**Ceded**	**Net**
Claims paid	- 70 653	28 137	-42 516	-75 805	29 350	-46 456
Claims handling costs	- 5 309	–	-5 309	-5 653	–	-5 653
	-75 962	**28 137**	**-47 825**	**-81 458**	**29 350**	**-52 109**

Note 7 - Operating expenses

Non-life insurance operation	2022	2021
Acquisition costs	-8 401	-3 546
Administrative costs	-8 401	-12 363
Commission and profit share from ceded reinsurance	4 930	68
	-11 872	**-15 841**

Life insurance operation		
Acquisition costs	-246 864	-253 758
Changes in Pre-paid acquisition costs	-23 126	-18 927
Administrative costs	-242 820	-203 075
Commission and profit share from ceded reinsurance	28 392	25 351
	-484 418	**-450 410**
Claims handling costs [1]	-6 495	-7 061
Total operating expenses	**-502 785**	**-473 312**

Total cost per type of expense		
Personnel costs	-142 206	-154 793
Costs of premises	-8 931	-9 283
Depreciations	-23 030	-16 852
Capital yield tax [2]	-104 033	-65 632
Other [3]	-224 583	-226 753
	-502 785	**-473 312**

Fees and remunerations to auditors		
Ernst and Young AB		
Auditing fees	-1 407	-1 321
	-1 407	**-1 321**

Auditing contract relates to the auditor's remuneration for carrying out the auditing tasks required by law. This includes reviewing the annual report and financial reporting, the management of the Board of Directors and the CEO, and fees for auditing advice given in relation to the auditing contract. Auditing tasks outside the auditing contract relates to other types of quality assurance services.

[1] Claims handling costs are included in Claims paid on the Income Statement, see note 6
[2] Taxation fees charged to the policy to cover the capital yields tax are reported under the heading Income from investment contracts.
[3] 'Other' includes commission costs, commissions and profit shares from reinsurers, auditing fees and other

Note 8 - Investment income, life insurance operation

Income	2022	2021
Interest income	1 523	-3
Realised gains		
Bonds and other interest-bearing securities	–	13 721
Shares and participations	–	1 985
Exchange-rate gains	3 035	1 260
	4 559	**16 964**

Costs		
Interest costs	-9 921	-13 427
Realised losses		
Bonds and other interest-bearing securities	-38 066	–
Shares and participations	-2 088	–
	-50 075	**-13 427**

Investment income not related to income from assets covered by the policyholders' beneficiary rights are included in the non-technical report.

Note 9 - Unrealised gains and losses from investments

	2022	2021
Value increases		
Shares and participations	1 673	55
	1 673	**55**
Value decreases		
Bonds and other interest-bearing securities	-35 879	-17 245
	-35 879	**-17 245**

Note 10- Impairment subsidiaries

	2022	2021
Impairment of subsidaries [1]	-1 912	-5 000

[1] Impairment due to liquidation of Movestic Fund Management

Note 11 - Tax on the year's result

Yield tax	**2022**	**2021**
Yield tax for the year	-104 033	-65 632

Tax on profit/loss for the year		
Current tax		
Tax relating to earlier periods	49	-88
	49	**-88**
Deferred tax		
Deferred tax relating to temporary variations	30	12
	30	**12**

The effective tax on the company's result before tax differs from the nominal tax rate due to the following entries:

	2022	2021
Profit/loss for the year before tax	29 759	131 956
- of which business subjected to yield tax	88 358	156 778
- of which business subjected to income tax	-58 601	-24 822
Profit/loss for income tax purposes	-58 601	-24 822
Tax based on a nominal tax rate	12 072	5 113
Non-taxable income	49	83
Non-tax deductible costs	-416	-383
Impairment, subsidiary	-394	-1 030
Adjustment net interest deduction	-919	-1 736
Tax loss carryforward not activated	- 10 391	-2 047
Tax relating to previous periods	49	-88
Deferred tax	30	12
Reported tax cost	**79**	**-76**

Total tax losses not activated amounts to SEK 60 377 923 (9 936 014).

Reported tax assets and liabilities	**2022**	**2021**
Deferred tax assets	369	399
All changes in deferred tax assets for the year have been reported on the income statement		
Applied tax rates		
Tax rates for calculation of income tax	20,6%	20,6%
Yield tax on pension funds, pension plans	15,0%	15,0%
Yield tax on pension funds, asset insurance	30,0%	30,0%
Average government borrowing rate for tax purposes, pension plans	0,5%	0,5%
Government borrowing rate for tax purposes, asset insurance	1,51%	1,51%

Note 12 - Other intangible assets

	2022	2021
Accumulated acquisition value		
Opening acquisition value	338 314	308 340
Purchases	29 930	29 974
Closing acquisition value	**368 245**	**338 314**
Accumulated amortization according to plan		
Opening amortizations	-229 818	-213 933
Depreciation	-22 258	-15 886
Closing accumulated amortizations and depreciations	**-252 076**	**-229 818**
Closing net value	**116 168**	**108 496**

Note 13 - Investments in group companies and associated companies

	Corp.ID	Seat of the board	Number	Share of equity, %	2022 Book value	2021 Book value
Shares in group companies						
Movestic Fonder AB*	556760-8780	Stockholm	1 400	100	12 100	12 100
Movestic Fund Management S.A.	B 213 292	Luxemburg	1 000	100	0	4 964
					12 100	**17 064**

* Movestic Fonder AB changed name from Movestic Kapitalförvaltning in December 2022.

Note 14 - Shares and participations

	2022-12-31		2021-12-31	
	Acquisition value	Actual value	Acquisition value	Actual value
Shares and participations				
Sweden	–	0	24	26
Europe	–	0	106	188
	–	**0**	**130**	**214**
-of which listed	–	0	130	214

Note 15 - Bonds and other interest-bearing securities

	2022-12-31		2021-12-31	
	Acquisition value	Actual value	Acquisition value	Actual value
Securities issued by:				
The Swedish Government	406 250	379 822	702 339	697 572
Other issuers	150 993	136 636	101 998	101 794
	557 243	**516 458**	**804 337**	**799 366**

The item 'bonds and other interest-bearing securities' includes assets in interest-bearing securities and holdings in investment funds, where more than 50% of the holding consists of interest-bearing assets.

Note 16 - Other financial investment assets

	2022-12-31		2021-12-31	
	Acquisition value	Actual value	Acquisition value	Actual value
Company-owned endowment policies	3 904	4 118	6 880	4 457
	3 904	**4 118**	**6 880**	**4 457**

Company-owned endowment policies to cover our direct pension commitments.

Note 17 - Assets covered by the policyholders' beneficiary rights

	2022-12-31	2021-12-31
Interest-bearing securities [1]	345 292	412 697
Investment assets for which the policyholders bear the investment risk [2]	47 176 507	53 399 322
	47 521 799	**53 812 019**

[1] Assets corresponding to the sum of best estimation of future cash flows according to FRL 2010:2043 incl SFS 2015:700, 5 chapter §§6,7 and 9-12, and a risk margin in accordance with §13.

[2] Assets corresponding to participations in such funds that are associated with the policy, and which the policyholder or the person insured selects from time to time.

Note 18 - Provisions for unearned premiums and unexpired risks

	2022-12-31			2021-12-31		
	Gross	Ceded	Net	Gross	Ceded	Net
Opening balance	3 088	-94	2 994	2 628	-230	2 397
Change unexpired risks[1]	-611	–	-611	–	–	–
Change to provisions	1 106	10	1 115	460	136	596
Closing balance	**3 582**	**-84**	**3 498**	**3 088**	**-94**	**2 994**

[1] A provision for unexpired risks set aside in 2021 for the remaining contract period linked to a claims preventing service that was not used to its expected extent. The provision is regulated against payment to contracting party.

Note 19 - Life insurance provisions

	2022-12-31			2021-12-31		
	Gross	Ceded	Net	Gross	Ceded	Net
Opening balance	19 551	-8 022	11 529	25 095	-9 193	15 902
Change to provisions	5 013	-10	5 003	-5 544	1 171	-4 373
Closing balance	**24 564**	**-8 032**	**16 532**	**19 551**	**-8 022**	**11 529**

Note 20 - Outstanding claims

	2022-12-31			2021-12-31		
	Gross	Ceded	Net	Gross	Ceded	Net
Opening balance	707 780	-277 408	430 372	749 191	-282 987	466 204
Exchange rate changes	-31	-38	-69	-63	-132	-195
Change to provisions	-111 419	60 808	-50 611	-41 349	5 712	-35 637
Closing balance	**596 330**	**-216 637**	**379 693**	**707 780**	**-277 408**	**430 372**
Specification, closing balance						
Non-life insurance operation						
Reported but not settled claims (RBNS)	134 169	-20 554	113 614	153 812	-23 304	130 508
Incurred but not reported claims (IBNR)	121 338	-14 092	107 245	127 065	-14 951	112 114
	255 507	**-34 647**	**220 860**	**280 876**	**-38 255**	**242 622**
Life insurance operation						
Reported but not settled claims (RBNS)	245 137	-133 573	111 563	296 969	-167 155	129 814
Incurred but not reported claims (IBNR)	95 687	-48 417	47 270	129 933	-71 998	57 935
	340 823	**-181 990**	**158 833**	**426 903**	**-239 153**	**187 750**
Total outstanding claims	**596 330**	**-216 637**	**379 693**	**707 779**	**-277 408**	**430 371**

Note 21 - Receivables, direct insurance

	2022-12-31	2021-12-31
Receivables, policyholders	39 517	21 435
Receivables, intermediaries	40	2 465
Closing balance	**39 557**	**23 901**

Note 22 - Other receivables

	2022-12-31	2021-12-31
Other receivables	15 673	15 511
of which receivables, goup companies	796	4 906
Closing balance	**15 673**	**15 511**

Note 23 - Tangible fixed assets

	2022-12-31	2021-12-31
Accumulated acquisition value		
Opening acquisition value	11 855	17 382
Purchases	758	935
Disposals	–	-6 462
Closing acquisition value	**12 613**	**11 855**
Accumulated depreciation according to plan		
Opening depreciation	-9 097	-14 165
Depreciation for the year	-1 201	-1 394
Disposals	–	6 462
Closing depreciation according to plan	**-10 296**	**-9 097**
Closing net value	**2 316**	**2 758**

Note 24 - Deferred acquisition costs

Deferred acquisition costs, investment contracts

	2022-12-31	2021-12-31
Opening acquisition cost	1 924 600	1 819 127
Activation for the year	100 723	105 473
Closing acquisition cost	**2 025 323**	**1 924 600**
Opening amortization	-1 214 964	-1 090 563
Amortization for the year	-123 850	-124 401
Closing amortization and depreciation	**-1 338 813**	**-1 214 964**
Closing net value, investment contracts	**686 509**	**709 636**

For products with underwriting year 2012 or later, both regular and single premiums, have a flat amortization period of 10 years for private pension and 5 years for endowment insurance. For products with underwriting years prior to 2012, the amortization period is 10-14 years depending on type of product. For occupational pension plans, the amortization period is 17 years.

Deferred acquisition costs, insurance operation

	2022-12-31	2021-12-31
Closing net value, insurance operation	2 241	1 869
Total closing net value	**688 751**	**711 505**

Note 25 - Other deferred costs and accrued income

	2022-12-31	2021-12-31
Accrued income from investment contracts	9 557	8 487
Other deferred costs	54 617	67 464
Closing balance	**64 174**	**75 951**

Note 26 - Appropriation of profit

SEK 1 002 540 406 is at the disposal of the general meeting of shareholders. The Board of Directors proposes to distribute SEK 150 000 000 as dividend to the shareholders and that SEK 852 540 406 is carried forward to new account.

Note 27 - Technical provisions for life insurance policies for which the policyholders bear the risk, gross

Conditional dividends

	2022-12-31	2021-12-31
Opening balance	12 098 137	3 701 838
Payments received	6 888 496	7 100 040
Payments made	-1 674 559	-939 061
Value change, including dividends	-4 898 619	2 306 769
Other changes	-86 946	-71 449
Closing balance	**12 326 509**	**12 098 137**

The conditional dividends relate to custody account commitments.

Unit-linked

	2022-12-31	2021-12-31
Opening balance	41 301 363	37 002 754
Payments received	3 660 765	3 307 893
Payments made	-3 961 822	-6 228 274
Value change, including dividends	-5 963 874	7 381 277
Other changes	-187 240	-162 287
Closing balance	**34 849 192**	**41 301 363**

Of the total number of unit-linked contracts and contracts with conditional dividends, 72 036 (77 304) KSEK was uninvested as per the 2022-12-31. These have been reduced by management and risk fees amounting to 189 627 (211 218) KSEK.

Note 28 - Other provisions

Provisions for pensions and similar commitments

	2022-12-31	2021-12-31
Endowment policies [1]	4 118	4 457
Special payroll tax [1]	1 451	1 326
Tax liabilites	43 761	5 404
Other provisions	1 617	5 916
Closing balance	**50 947**	**17 103**

[1] This provision relates to company-owned endowment insurance, intended to guarantee direct pension commitments.

Note 29 - Liabilities, direct insurance

	2022-12-31	2021-12-31
Liabilities, policyholders	10 866	9 790
Liabilities, intermediaries	8 928	10 873
	19 794	**20 662**

Note 30 - Other liabilities

	2022-12-31	2021-12-31
Liabilities, VAT	496	604
Debts to suppliers	18 339	6 880
Employees' taxes (PAYE)	12 728	12 852
Other interest-bearing liabilities	106 094	173 822
Premium taxes	4 286	-210
Other liabilities	3 549	2 871
	145 492	**196 818**

Other interest-bearing liabilites KSEK 106 094 (173 822) consist entirely of liablities to reinsurer in conection to finacial reinsurance linked to new business commission within unit linked and are repaid over a five to eight year period. The interest is calculated according to an agreed model based on market interest.

Note 31 - Other accrued costs and deferred income

	2022-12-31	2021-12-31
Accrued personnel costs	29 874	33 508
Accrued commission costs	4 167	6 741
Other accrued costs	3 792	5 136
	37 833	**45 385**

Note 32 - Contingent liabilities

Any obligation for costs linked to the liquidation of funds in Sicav within the subsidiary Movestic Fund management. Movestic Fund management was liquidated in 2022 but closure of funds in Sicav remains. The company has undertaken payment responsibility for any costs connected to the closing of funds in Sicav.

Note 33 - Average number of employees, salaries and remunerations

	2022			2021		
Average number of employees	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Sweden	58	65	123	63	61	124

	2022			2021		
Gender distribution of the Company management	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Board of Directors	4	3	7	5	1	6
Other leading positions	5	6	11	5	5	10
Total	**9**	**9**	**18**	**10**	**6**	**16**

Salaries, other remunerations and social security contributions	2022	2021
Board of Directors and CEO	6 305	5 504
Other employees	76 980	82 627
Total	**83 285**	**88 131**
Social security contributions	57 584	57 866
of which pension contributions	23 178	22 100

Information on salaries, remunerations and other benefits

Salaries and remunerations
Company employees receive no remuneration for being a member of the Board. The remuneration to the CEO and other persons in leading positions consists of a basic salary, other benefits and pension. The CEO also receives variable remuneration.

Variable remuneration
Variable remuneration refers to remuneration, the amount or size of which is not determined in advance. From January 1, 2022, the CEO is the only person in the Company to receive variable remuneration. Variable remuneration is paid as salary. No variable remuneration is settled using the Company's or parent company's own capital instruments.
Variable remunerations earned by employees who were entitled to a variable salary component before January 1, 2022, and which have been deferred according to the Company's Remuneration Policy, will be paid in accordance with previous agreements.

Pensions
The CEO has a pension entitlement corresponding to 30 percent of their pensionable salary. Other persons in the Company management have pension entitlements according to current collective agreements.

Commitments regarding retirement and family pensions for employees born in 1971 or earlier are safeguarded through a policy with FPK (a Pension Fund for the Insurance Industry). This is a benefit-based scheme that includes a number of employers. As the Swedish Pension Obligations Vesting Act must be applied for the cost to be tax deductible, the rules about benefit-based schemes in IAS 19 do not have to be applied for a legal person. Instead a simplified rule can be applied, which states that companies should report benefit-based schemes as fee-based schemes, where a pension premium has been paid to an insurance undertaking, friendly society, or similar. All the employers involved are jointly responsible for financing the scheme in its entirety. This means that they all also share the tangible risk associated with the scheme.

The latest available information from the FPK comes from the published part-year report for the first half of 2022. According to this, the collective level of consolidation amounted to 145 (135) percent, calculated based on distributable assets relative to commitments to policyholders. Assets under management amounted to MSEK 16.9 (17.9). The number of employers connected to the scheme was 97 and the number of insured persons was 26,000 as per December 31, 2021.

This year, the fees paid by the Company for this scheme amounted to KSEK 5,197 (4,912). The fees for 2023 are expected to be in line with fees for 2022.

No information is available about potential future surpluses or deficits within this scheme, or whether these may have an impact on the fees for future years.

Final payment
If the Company terminates the employment of the CEO, the CEO is entitled to a salary for a notice period of no less than 6 months and no more than 12 months.

Remuneration policy
The Remuneration Policy adopted by the Company's Board of Directors is designed to ensure that all remunerations to employees of the Company are compliant with applicable regulations, and that they are consistent with and promote sound and effective risk management. It also states that the Company must offer the remuneration levels and terms and conditions of employment required to recruit and retain co-workers with the competency and capacity needed to deliver the Company's goals.

Decisions about remuneration to the CEO, as well as goals and levels for variable remuneration, are made by the Board of Directors. The Board also determines whether any targets set for variable remuneration have been achieved. The CEO of Chesnara is responsible for preparing decisions on remuneration. Where required, matters can be referred to the Remuneration Committee of the parent company, Chesnara plc. The Board may decide that no variable remuneration is due.

Where the remuneration consists of both a fixed and a variable component, the proportion between the components shall be balanced in such a way that the variable portion does not exceed 60% of the total fixed income. The Company's Board of Directors can allow exceptions to this rule.

The CEO has a long-term incentive program, made up of two parts. The first part is the development of the Company's EcV (Economic Value) and cash generation. The underlying amount is adjusted for any capital injections and the variable remuneration is limited to certain maximum amounts. The calculation models take into account the fact that the result is affected by the main risks to which the operation is exposed. The second part is based on target-related performance at company, department and individual level, where both financial and non-financial criteria are considered.

Risk assessment
The risk assessment is based on the premise that the remuneration system should promote sound and effective risk management within the Company, and not encourage excessive risk taking or counteract the Company's long-term interests. The Company must strive to ensure that the total remunerations do not jeopardise its ability to return a positive consolidated result over an economic cycle. The Company's remuneration policy is based on long-term thinking and limited risk-taking. Taking into account the criteria set in the remuneration policy, as well as the routines and control activities implemented by the Company, the current assessment is that the design of the remuneration system does not result in any material risks.

Note 33 - Average number of employees, salaries and remunerations (CONT.)

Remuneration to holders of leading positions 2022

	CEO [1]	Other holders of leading positions	Chariman of the board	Other board members	Total
Salaries/director's fees	4 036	13 347	–	350	17 733
Variable remuneration [2]	1 780	-1 832	–	–	-52
- of which provisions for variable remuneration 2022	*2269*	–	–	–	*2 269*
Benefits	139	496	–	–	635
Pension contributions	1 213	4 101	–	–	5 315
Social contributions	2 122	4 854	–	–	6 976
	9 290	**20 966**	**–**	**350**	**30 607**

Remuneration to holders of leading positions 2021

	CEO [1]	Other holders of leading positions	Chariman of the board	Other board members	Total
Salaries/director's fees	3 856	12 252	–	350	16 458
Variable remuneration [2]	1 155	1 548	–	–	2 703
- of which provisions for variable remuneration 2021	2 326	3 802	–	–	6 128
Benefits	144	339	–	–	483
Pension contributions	1 135	4 902	–	–	6 037
Social contributions	1 849	5 555	–	–	7 404
	8 139	**24 596**	**–**	**350**	**33 085**

[1] To the former CEO, Lars Nordstrand, who held the post of CEO until the 31 March 2017, variable remuneration of 0 (147) KSEK was paid.
[2] As of 2022, variable remuneration program was expired for all employees except the CEO. The negative variable remuneration in the table above consist of released unpaid variable remuneration.

Remunerations and benefits relating to 2022 and 2021, distributed between the categories persons in leading positions, employees who could affect the Company's risk level, and other employees are detailed below.

Registered remunerations 2022

	Average no of employees	Salaries/ director's fees	Variable remu- neration [1]	Benefits	Pension contri- butions	Social contri- butions	Total
Holders of leading positions	8	17 733	-52	635	5 315	6 976	30 607
Employees who could affect the Company's risk level [2]	2	2 102	–	32	555	795	3 483
Other employees	113	63 853	-2589	1 572	17 309	26 635	106 779
Total	**123**	**83 686**	**-2 641**	**2 239**	**23 178**	**34 406**	**140 869**

Registered remunerations 2021

	Average no of employees	Salaries/ director's fees	Variable remu- neration [1]	Benefits	Pension contri- butions	Social contri- butions	Total
Holders of leading positions	9	16 458	2 703	483	6 037	7 404	33 086
Employees who could affect the Company's risk level [2]	2	1 981	–	32	507	746	3 266
Other employees	113	62 368	2 480	1 625	15 556	27 616	109 646
Total	**124**	**80 808**	**5 183**	**2 140**	**22 100**	**35 766**	**145 997**

[1] The variable remuneration consists entirely of variable remuneration paid in cash.
[2] Employees who could affect the Company's risk level relates to persons employed in positions with the potential to affect the Company's risk levels in the course of their duties.

Changes to liabilities for variable remuneration

	2022	2021
Opening balance	14 269	14 466
Remuneration earned during the year	2 269	10 284
Paid remunerations, earned in previous years	-5 050	-5 341
Adjusted unpaid earned remunerations	-4 904	-5 140
Closing balance	**6 585**	**14 269**
-of which deferred remunerations	4 316	3 985

Note 34 - Categories of financial assets and liabilities and their actual values

Financial assets per the 2022-12-31	Financial assets reported at actual value in the income statement	Loans and customer re-ceivables	Reported value	Actual value	Temporary exception from IFRS 9 Financial instrument, actual value [1]: Financial assets with contractual cashflows SPPI [2]	Temporary exception from IFRS 9 Financial instrument, actual value [1]: Other financial assets [3]
Shares and participations	0	–	0	0	–	0
Bonds and other interest-bearing securities	516 458	–	516 458	516 458	–	516 458
Assets for conditional dividends	12 326 509	–	12 326 509	12 326 509	–	12 326 509
Unit-linked assets	34 849 998	–	34 849 998	34 849 998	–	34 849 998
Other financial investment assets	4 118	–	4 118	4 118	–	4 118
Receivables, direct insurance	–	39 557	39 557	39 557	39 557	–
Other receivables	–	15 673	15 673	15 673	15 673	–
Cash and bank	–	332 716	332 716	332 716	332 716	–
Accrued income	–	54 617	54 617	54 617	54 617	–
Total	**47 697 083**	**442 562**	**48 139 645**	**48 139 645**	**442 562**	**47 697 083**

Financial assets per the 2021-12-31	Financial assets reported at actual value in the income statement	Loans and customer re-ceivables	Reported value	Actual value	Temporary exception from IFRS 9 Financial instrument, actual value [1]: Financial assets with contractual cashflows SPPI [2]	Temporary exception from IFRS 9 Financial instrument, actual value [1]: Other financial assets [3]
Shares and participations	214	–	214	214	–	214
Bonds and other interest-bearing securities	799 366	–	799 366	799 366	–	799 366
Assets for conditional dividends	12 098 137	–	12 098 137	12 098 137	–	12 098 137
Unit-linked assets	41 301 186	–	41 301 186	41 301 186	–	41 301 186
Other financial investment assets	4 457	–	4 457	4 457	–	4 457
Receivables, direct insurance	–	23 901	23 901	23 901	23 901	–
Other receivables	–	15 511	15 511	15 511	15 511	–
Cash and bank	–	133 487	133 487	133 487	133 487	–
Accrued income	–	67 464	67 464	67 464	67 464	–
Total	**54 203 358**	**240 363**	**54 443 721**	**54 443 721**	**240 363**	**54 203 358**

Financial assets per the 2022-12-31	Level 1	Level 2	Level 3	Total
Shares and participations	0	–	–	0
Bonds and other interest-bearing securities	516 458	–	–	516 458
Assets for conditional dividends	11 888 029	–	438 480	12 326 509
Unit-linked assets	34 849 998	–	–	34 849 998
Other financial investment assets	4 118	–	–	4 118
Total	**47 258 603**	**–**	**438 480**	**47 697 083**

Financial assets per the 2021-12-31	Level 1	Level 2	Level 3	Total
Shares and participations	214	–	–	214
Bonds and other interest-bearing securities	799 366	–	–	799 366
Assets for conditional dividends	11 898 911	–	199 226	12 098 137
Unit-linked assets	41 301 186	–	–	41 301 186
Other financial investment assets	4 457	–	–	4 457
Total	**54 004 132**	**–**	**199 226**	**54 203 358**

[1] Information is given to simulate the categorisation used in IFRS 9, as the Company is applying the temporary exemption from implementation of IFRS 9 Financial Instruments

[2] Concerns financial assets included in a business model aimed at collecting contractual cash flows and contractual terms that on set dates result in cash flows only relating to payment of interests and principal on principal amounts outstanding. Valued at amortised cost.

[3] Other financial assets, not included in the category financial assets with contractual cash flows. These assets are reported at actual value in the income statement.

Note 34 - Categories of financial assets and liabilities and their actual values (cont.)

Financial liabilities as per the 2022-12-31	Financial liabilities reported at actual value in the income statement	Other financial liabilities	Reported value	Actual value
Conditional dividends	12 326 509	–	12 326 509	12 326 509
Unit-linked contracts	34 849 192	–	34 849 192	34 849 192
Liabilities, direct insurance	–	19 794	19 794	19 794
Liabilities, reinsurance	–	6 151	6 151	6 151
Other liabilities	–	145 492	145 492	145 492
Accrued costs	–	37 833	37 833	37 833
Total	**47 175 702**	**209 271**	**47 384 973**	**47 384 973**

Financial liabilities as per the 2022-12-31	Level 1	Level 2	Level 3	Total
Conditional dividends	12 326 509	–	–	12 326 509
Unit-linked contracts	34 849 192	–	–	34 849 192
Total	**47 175 702**	**–**	**–**	**47 175 702**

Financial liabilities as per the 2021-12-31	Financial liabilities reported at actual value in the income statement	Other financial liabilities	Reported value	Actual value
Conditional dividends	12 098 137	–	12 098 137	12 098 137
Unit-linked contracts	41 301 363	–	41 301 363	41 301 363
Liabilities, direct insurance	–	20 662	20 662	20 662
Liabilities, reinsurance	–	27 295	27 295	27 295
Other liabilities	–	196 818	196 818	196 818
Accrued costs	–	45 385	45 385	45 385
Total	**53 399 498**	**290 160**	**53 689 660**	**53 689 660**

Financial liabilities as per the 2021-12-31	Level 1	Level 2	Level 3	Total
Conditional dividends	12 098 137	–	–	12 098 137
Unit-linked contracts	41 301 363	–	–	41 301 363
Total	**53 399 498**	**–**	**–**	**53 399 499**

Financial assets and liabilities - valuation
For valuation purposes, each holding is classified as one of three valuation levels.

Level 1
Valued at listed rates on an active market.

Level 2
Values are calculated using valuation methods. All important input data required for the valuation are based on observable market information.

Level 3
Values are calculated based on assumptions and assessments. Some important input data required for the valuation are not based on observable market information.

Offsetting of financial instruments
Movestic Livförsäkring AB has not entered into any derivative contracts.

Note 35 - Leasing

	2022	2021
Current leasing agreements		
within one year	7 045	7 045
more than one year, but within five years	8 123	15 168

The total leasing cost for the year amounted to KSEK 7 347 (8 157)

Note 36 - Information on affiliated companies

Affiliated companies
Affiliated companies are defined as all companies within the Chesnara Group and key personnel in leading positions within the Company. Associated companies are also defined as affiliates.

Internal pricing
The pricing methods used for transactions involving affiliated companies are based on actual cost or market price. The prices of services sold to or purchased from the subsidiary Movestic Fonder AB are based on actual cost.

Transactions between Movestic Livförsäkring AB and affiliated companies
Service purchases of 5.7 (7.1) MSEK relate to an annual management fee payable to the parent company. The Company has entered into agreements with its subsidiary, Movestic Fonder AB, concerning rental of office premises and sales of administrative services, 1.6 (1.9) MSEK in 2022. No group contributions were paid in 2022.

No other transactions involving key persons in leading positions occurred than those specified in Note 33.

Overview of transactions with affiliated companies

	Year	Sales of services to affiliated companies	Purchases of services from affiliated companies	Group contributions	Income from investment contract	Other	Claims on affiliates as per December 31	Debts to affiliates as per December 31
Parent company								
Chesnara plc	2021	–	7 106	–	–	–	–	–
Chesnara plc	2022	–	5 733	–	–	–	–	–
Subsidiaries								
Movestic Fonder AB	2021	1 952	–	–	–	–	4 906	–
Movestic Fonder AB	2022	1 620	–	–	–	–	796	–

Not 37 - Events after the closing day

No important events after closing day.

STOCKHOLM, THE 24TH OF MARCH 2023

David Brand
Chairman of the board

Linnéa Ecorcheville
CEO

David Rimmington

Eamonn Flanagan

Marita Odélius Engström

Steven Murray

Karin Bergstein

Our Auditor’s Report was submitted on the

Ernst & Young AB
(Signature on the Swedish original)

Daniel Eriksson
Authorized public account

Auditor's report

To the general meeting of the shareholders of Movestic Livförsäkring AB, corporate identity number516401-6718

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts of Movestic Livförsäkring AB for the year 2022. The annual accounts of the company are included on pages 36-64 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Insurance Companies and present fairly, in all material respects, the financial position of the company as of December 31, 2022, and its financial performance for the year then ended in accordance with the Annual Accounts Act for Insurance Companies.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the 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 company 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 of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Measurement of technical provisions

Disclosures on technical provisions are presented in note 1 Valuation and accounting principles, note 2 Risks and risk management and note 20 Outstanding claims.

Description

As of December 31, 2022, technical provisions amounted to 596 330 KSEK. Technical provisions are to cover the expected future payments for all incurred claim, including claims not yet reported to the company, called provision for IBNR. The technical provisions are calculated using statistical methods and through individual assessment of specific claims. The provision for the future commitments is calculated using actuarial methods. Measurement of technical provisions has been considered a key audit matter due to the size of the balance sheet item and as the valuation requires management to make estimate and assumptions.

How our audit addressed this key audit matter

As part of our audit we have assessed the company's governance and internal control related to the provisioning process. Moreover, we have assessed the appropriateness in methods and assumptions used and have made an independent analysis of the technical provisions. We have performed our audit procedures on technical provisions with the support of our internal actuaries.

Furthermore, we have reviewed the disclosures on technical provisions and management's assessments presented in the financial reports.

Measurement of deferred acquisition costs

Disclosures on deferred acquisition costs are presented in note 1 Valuation and accounting principles, note 2 Important assumptions and judgements that affect the accounting and note 24 Deferred acquisition costs.

Description

As of December 31, 2022, deferred acquisition costs amounted to 688 751 KSEK. The balance sheet item consists of capitalized expenditures related to insurance- and investment contracts. The expenditures are to be depreciated over the period estimated to generate a profit margin which at least covers the acquisition costs. The depreciation schedule should take expected annulments into consideration. An impairment test is performed annually on homogeneous insurance contracts to assess whether the conditions for capitalization are met. Measurement of deferred acquisition costs has been considered a key audit matter due to the size of the balance sheet item and as the valuation requires management to make estimate and assumptions.

How our audit addressed this key audit matter

As part of our audit we have assessed the company's plan for how capitalized acquisition costs will be covered by future profits and the impairment test that has been performed.

The review has consisted of an assessment of the appropriateness of the methods and assumptions that has been used. We have performed our audit procedures on deferred acquisition costs with the support of our internal actuaries. We have checked that allowed costs in accordance with the Annual Accounts Act for Insurance Companies have been capitalized.

Furthermore, we have reviewed the disclosures on deferred acquisition costs and management's assessments presented in the financial reports.

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 3-27. 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 for Insurance Companies. 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. 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 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 skepticism 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 a 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.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

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

We recommend to the general meeting of shareholders that the profit 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 company 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 Insurance Business Act, the Annual Accounts Act for Insurance Companies 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 skepticism 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.

Ernst & Young AB, Hamngatan 26, 111 47 Stockholm, was appointed auditor of Movestic Livförsäkring AB by the general meeting of the shareholders on the April 22, 2022 and has been the company's auditor since the May 8, 2019.

Stockholm
Ernst & Young AB

Daniel Eriksson
Authorized Public Accountant

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Movestic Livförsäkring AB, corporate identity number 516401-6718

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2022 on pages 13–16 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A statutory sustainability statement has been prepared.

Stockholm
Ernst & Young AB

Daniel Eriksson
Authorized Public Accountant

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