

On 28 April 2022 the Annual General Meeting in Solid Försäkringsaktiebolag (publ), Reg. No. 516401-8482, resolved on allocation of the company's earnings in accordance with the proposal from the Board of Directors, available on page 15 in this Annual Report.



# Annual Report and Sustainability Report 2021





## Listing of Solid Försäkring

The shares of Solid Försäkringsaktiebolag ("Solid Försäkring") were listed on Nasdaq Stockholm on 1 December 2021. The listing followed the resolution of an Extraordinary General Meeting of Resurs Holding AB ("Resurs") on 2 November 2021 to distribute all of the shares in Solid Försäkring to Resurs's shareholders. The distribution was effected with the record date of 29 November 2021, which meant that Resurs's previous holdings of all shares in Solid Försäkring were distributed to those who were registered shareholders of Resurs as per the record date. Solid Försäkring obtained approximately 29,000 shareholders after the distribution was completed.

Solid Försäkring announced on 22 November 2021 that a prospectus for the admission to trading of the company's shares on Nasdaq Stockholm was available on Solid Försäkring's website <https://corporate.solidab.se/en/ipo-2021/>.

This Annual Report should be read in light of the fact that Solid Försäkring has operated as an independent company only since December 2021.

### Facts about the Solid Försäkring share

ISIN: SE0017082548

LEI: 529900JIV2O9HEPWIN77

Ticker: SFAB

Total number of shares: 20,000,000

Trading lot: 1 share

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## Highlights 2021

- Solid Försäkring was listed on Nasdaq Stockholm, small cap, on 1 December
- Non-recurring costs related to the separate listing process amounted to SEK 10.4 million
- Gross written premiums for the full-year amounted to SEK 1,013 million
- Premiums earned increased 8 per cent compared with last year to SEK 981 million
- The technical result, excluding non-recurring costs, increased 7 per cent compared with last year to SEK 124.6 million, which was an all time high
- The SCR ratio amounted to 173 per cent as per 31 December
- Several new and expanded partnerships initiated during the year



**“Market leader in Sweden and Norway in bicycle insurance and consumer electronics”**



## CEO's comments

Marcus Tillberg, CEO Solid Försäkring

### Well-equipped for the next step

At the end of 2021, Solid Försäkring took the step from being part of Resurs Holding to becoming a standalone listed company on Nasdaq Stockholm on 1 December. This provides us with independence and the opportunity to take the next step in developing into the leading niche insurance company in non-life insurance, not just in Sweden but in the entire Nordic region.

We have streamlined the company in recent years, honing our focus clearly on our core operations in the Nordic region. For example, we established branches in Norway and Finland, developed existing and new partnerships, and developed our end-customer relationships and aftermarket sales. In parallel, we have strengthened our position through strategically important acquisitions in bicycle insurance and car warranties. These strategic changes and our close and successful collaborations with our partners have enabled us to report a strong improvement in growth and profitability since 2017. Our strong market position, long and highly developed partnerships, stable organisation and effective risk management create excellent conditions for continued profitable growth.

Following our separation from the Resurs Group and listing on Nasdaq Stockholm, we are now self-sufficient and independent, which besides intensifying the focus on Solid Försäkring's operations and brand also provides greater market potential with new opportunities for entering into partnerships. This further improves our potential to develop the business and thereby create value for our shareholders. We are honoured and consider it an immense responsibility that we are now directly owned by Solid Försäkring's shareholders.

### Strong performance in 2021

During certain periods in 2021, our partners were negatively affected by the pandemic, mainly in areas related to the travel industry, but if we look at the year as a whole several of our markets and segments nevertheless performed positively. Gross written premiums for the full-year increased 7 per cent compared with last year to SEK 1,013 million, which means that Solid Försäkring exceeded the billion SEK barrier.

Premiums earned, net of reinsurance for the full-year increased 8 per cent compared with last year. Growth was largely driven by the sharp increase in the Assistance segment (+36 per cent), which was due to a continuing strong recovery in insurance related to the travel industry and growth in insurance solutions for car warranties. The Product segment also reported healthy growth (+7 per cent), which was primarily due to larger consumer electronics partners reporting high sales. However, premiums earned for the Personal Safety segment fell slightly (-6 per cent), but the long-term sales trend is positive, primarily driven by recovery in the Norwegian market.

It was also gratifying that growth was driven by continuing profitability. The combined ratio excluding non-recurring costs related to the listing process amounted to 88.2 per cent, which is in line with the preceding year. The technical result excluding non-recurring costs of SEK 10.4 million rose 7 per cent compared with last year, primarily as a result of growth in premiums earned and lower claim costs. The claims ratio improved in all segments and is back at pre-pandemic levels in the Personal Safety segment.

Solid Försäkring has a strong financial position with an SCR ratio amounting to 173 per cent on 31 December 2021, corresponding to an increase of 3 percentage points compared with the end of September 2021.

### New partnerships

Signing new partnerships and developing existing relationships are key parameters for creating growth, and we took several steps in the right direction during the year. During the year, the company further strengthened its partner base by entering into several new partnerships.

We also signed a collaboration agreement with Wästgöta Finans during the year. Preparations for the launch of the partnership with Wästgöta Finans AB in Sweden commenced in 2021, and the launch is scheduled for spring/summer 2022. Wästgöta Finans is a creditor that provides personal loans and is part of a group that also includes the retail chain Jula.

At the end of the year, we also signed an agreement with Svea Bank and its sales finance business. Svea Bank will offer its customers payment protection insurance that covers monthly payments in the event of involuntary unemployment or sick leave. The insurance policy offers the conditions for sustainable private finances that protect the customer when something unforeseen occurs. The launch of the partnership is scheduled for the end of 2022. We are incredibly proud that Svea Bank has chosen Solid for its venture into payment protection insurance for sales finance, and we hope that the partnership can be expanded to the rest of the Nordic market and to other areas. We view the confidence placed in us as a sign that we are appreciated as a now fully independent partner for banks and creditors in the Nordic region, and it presents new opportunities.

For many years, Solid Försäkring has had a close and successful partnership in product insurance with the consumer electronics chain Power in Norway, Finland and Sweden. We also started a partnership with Power in the Danish market in September, and a new insurance product for second-hand products was launched in the Norwegian market in the fourth quarter. We also launched a developed insurance offering for white goods in October with a partner in the Swedish and Norwegian consumer electronics markets.

### Full-year

**+7%**

Gross written premiums

**+8%**

Premiums earned, net of reinsurance

**+7% excl. non-recurring costs**

Technical result

**88.2% excl. non-recurring costs**

Combined ratio

### New partnerships 2021



**“New independence opens the door to new partnerships”**

## Business overview

I would like to briefly outline our operations for everyone who wants to follow us on our journey and understand our business. If you wish to find out more about our operations, I warmly recommend that you read the prospectus that we produced for the IPO, which is available at <https://corporate.solidab.se/en/>. The following section is based on facts in the prospectus.

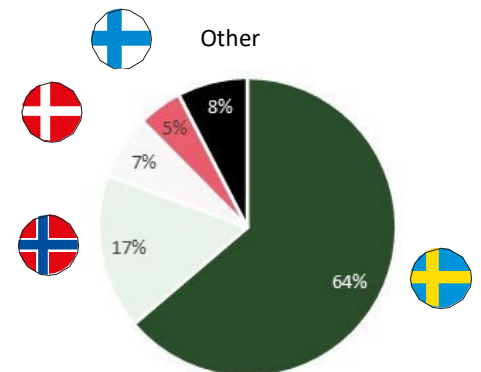
### A leader in niche insurance

Solid is one of the leading niche insurance companies in the Nordic region in non-life insurance, and we sell insurance in the Product, Personal Safety and Assistance segments. Our target group is private individuals but we mainly sell our insurance policies via our partners, such as retail chains, banks, credit institutions, travel agents and car dealerships that offer our non-life insurance for the products and services they sell.

Our partnerships are long term. We have collaborated with over 75 per cent of Solid's 25 largest partners for more than five years. I see this as a top rating and confirmation that our business concept and our products are right and above all that our employees, who work with our partners every day, are attentive and understand what is important to our partners and their customers. Through these partnerships, we have accumulated a customer base of about 2.3 million private customers.

Our largest markets are Sweden, which accounted for 64 per cent of gross written premiums in 2021, as well as Denmark, Norway and Finland, which together accounted for 29 per cent, and Rest of Europe, which contributed 8 per cent.

## Gross written premiums, geographical specification



## “Easy to understand products”

### Market overview

The insurance market is usually divided into the areas of life insurance and non-life insurance. Life insurance can provide compensation when the insured party falls ill, dies or retires. Non-life insurance covers damage to property, for example, a house or a vehicle.

At the end of 2020, the insurance market in Sweden comprised 325 companies, of which 285 were Swedish companies and 40 were foreign-owned branches operating in Sweden. Of the Swedish companies, 38 were life insurance or occupational pension companies, 247 were non-life insurance companies and 54 were relief associations.

Solid Försäkring operates in the non-life insurance market, and we have decided to focus on niche insurance in the three segments of Product, Personal Safety and Assistance.

### Overview of Solid Försäkring's product offering in each market<sup>1)</sup>

#### Product segment

#### Geography

					
Personal safety	PPI Income protection	PPI	PPI	PPI	No market presence in rest of Europe
Product	Consumer electronics Appliances Garden machines Mobiles Jewellery Watches Bicycles Optics	Consumer electronics Appliances Mobiles Jewellery Watches Bicycles Optics	Consumer electronics Mobiles Jewellery Watches Optics	Consumer electronics Appliances Mobiles Watches Bicycles Optics	Selected insurance products (Switzerland)
Assistance	Car warranty Roadside assistance Travel insurance	Roadside assistance Travel insurance	Travel insurance	Travel insurance	Travel insurance (Switzerland)

1) The overview includes Solid Försäkring's own insurance products and not such insurance products that are mediated for other insurers.



## Insurance in three segments

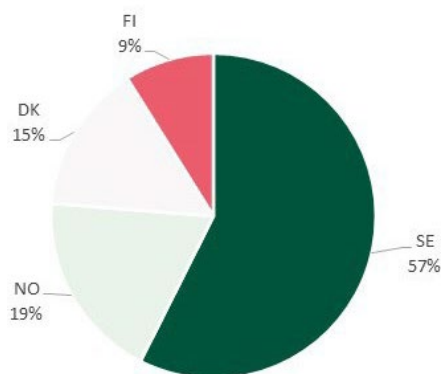
### Personal Safety

The Personal Safety segment includes payment protection insurance (PPI), income insurance, ID theft insurance and accident insurance. The segment accounted for 38 per cent of the company's premiums earned in 2021.

#### Trends and drivers:

The underlying market for consumer lending and financing of instalment contracts is expected to show average annual growth of 4 per cent in the Nordic region until 2024, and in the Nordic market for payment protection insurance.

#### Gross written premiums by geography, Personal Safety



### Personal Safety

38%



Share of premiums earned, net of reinsurance,  
full-year 2021

#### Full-year 2021

**-2%**

Gross written premiums

**-6%**

Premiums earned, net of reinsurance

**+1%**

Gross profit

**26.4%**

Gross margin



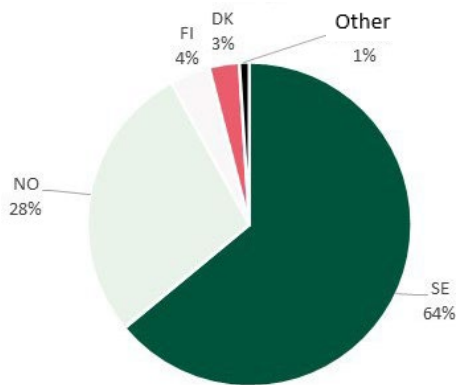
## Product

In Product, we work with all-risk coverage insurance and elimination of deductibles for a broad spectrum of product categories, for example, bicycles, consumer electronics, jewellery, watches and glasses, in the form of both individual insurance and group insurance solutions. We are the market leader in bicycle insurance and consumer electronics in Sweden and Norway. The segment accounted for 35 per cent of Solid Försäkring's premiums earned in 2021.

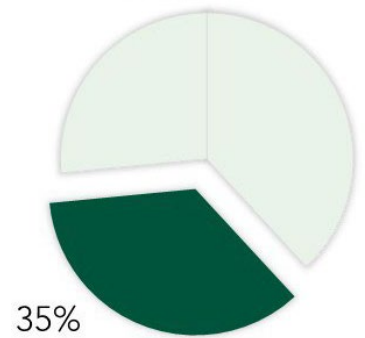
### Trends and drivers:

The underlying markets for the categories that we work in are driven by market trends that were impacted by the COVID-19 pandemic to varying degrees. The pandemic affected the market for consumer electronics, which also includes mobile phones, to a limited extent in 2021, and the market is expected to grow about 1 per cent per year until 2024. The market for bicycles, both traditional and electric bicycles, grew 7 per cent between 2019 and 2020 and is expected to grow 2 per cent per year until 2024.

### Gross written premiums by geography, Product



## Product



Share of premiums earned, net of reinsurance, full-year 2021

### Full-year 2021

**0%**

Gross written premiums

**+7%**

Premiums earned, net of reinsurance

**+1%**

Gross profit

**18.3%**

Gross margin



## Assistance

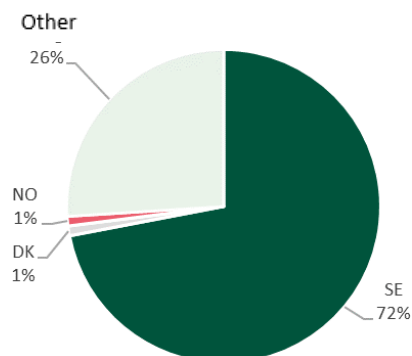
In the Assistance segment, we focus on roadside assistance and insurance related to vehicle warranties, including car warranty insurance, whereby the dealer can offer insurance to customers who buy used cars, but also insure themselves. In Sweden, we have a particularly strong position in car warranty and roadside assistance. In addition, the segment works with products for the travel industry, such as supplementary travel insurance. The entire segment accounted for 27 per cent of Solid Försäkring's premiums earned in 2021.

### Trends and drivers:

Increasing sales of used cars comprises a key growth driver in the car warranty market. Before the pandemic, sales of used cars increased 4 per cent per year. Sales have declined due to the pandemic but are expected to grow as the pandemic subsides. It is worth noting that Sweden has the highest proportion of used cars in Europe.

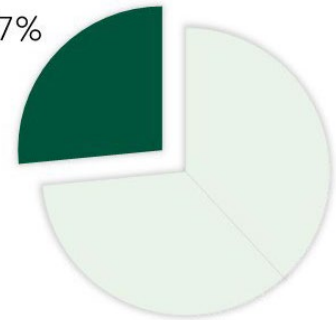
The travel market was severely affected by the pandemic.

### Gross written premiums by geography, Assistance



## Assistance

27%



Share of premiums earned, net of reinsurance,  
full-year 2021

### Full-year 2021

**+34%**

Gross written premiums

**+36%**

Premiums earned, net of reinsurance

**+30%**

Gross profit

**20.5%**

Gross margin



## Business model and competitive advantages

### Leader with strong relationships in niche insurance

Our fundamental idea for continuing to grow and strengthen our market position is rather simple: we focus on offering products that are easy for the end customer to understand. Our business partners should be able to strengthen their relationship with the end customer through our products, and it should be easy to sell more insurance policies connected to the products or services that they sell.

It is important for long-term business that end customers feel reassured by their insurance. It must be easy to contact our support when help is needed, and our employees must provide professional and knowledgeable service to our customers.

### Low risk and diversification

Standing steady on a broad foundation is one of the pillars of our philosophy. We choose to work in segments for which the underlying markets are stable and which have relatively low claims ratios. We also focus on collaborating with various partners in several different industries and by doing so we reduce the risk of being affected by a decline in sales in a specific industry.

### Growth

Our strategy for growth mainly targets the markets that we serve today, in areas where we can see underlying growth. An important part of the strategy is to create new partnerships and increase the conversion rate. In certain markets, we see opportunities for introducing products that already exist in other markets and thereby broadening our offering.

We are also looking at expanding through acquisitions in selected markets.

### Business-driven sustainability work

Sustainability involves making conscious choices based on a long-term perspective when we develop our insurance solutions. It must be easy for both private individuals and companies to make decisions that protect the environment and contribute to sustainability. At the same time, we work actively to keep our costs low so that we can offer affordable insurance that creates value for our customers. Furthermore, preventing claims is one of the most important things that an insurance company can do, both for customers' security and finances and to help protect the planet's resources from overconsumption.

Accordingly, for us sustainability also involves educating our partners and raising awareness of sustainability aspects in our work on claims adjustment. Repairing a damaged product rather than replacing it with another means that claims adjustment can be more effective, long-term and sustainable.

For more information, visit [corporate.solidab.se/en/about-solid-forsakring/sustainability](https://corporate.solidab.se/en/about-solid-forsakring/sustainability). Our Sustainability Report for 2021 is presented on pages 56-63.

I would like to conclude by thanking all of my colleagues for the sincere dedication and professional conduct that they have demonstrated during the past year. We are now taking our first steps as an independent company, and we will develop the company together.

*Helsingborg, March 2022*

Marcus Tillberg, CEO Solid Försäkring

# Board of Directors' Report

The Board and CEO of Solid Försäkringsaktiebolag (publ), Corp. ID. No. 516401-8482, hereby submit the Annual Report for the 1 January - 31 December 2021 financial year.

## Information about the operations and organisation

Solid Försäkring is one of the leading niche insurance companies in the Nordic region in non-life insurance, and in Sweden is under the supervision of the Swedish Financial Supervisory Authority. The head office is located in Helsingborg, Sweden, the operations in Norway, Finland and Switzerland are conducted by branches, and operations in other countries are conducted as cross-border operations.

Solid Försäkring was founded in 1993 as part of the Resurs Group and was granted authorisation from the Financial Supervisory Authority to conduct non-life insurance business. The company was listed on Nasdaq Stockholm on 1 December 2021. The head office has been located in Helsingborg since the company was founded and now has 68 employees and is under the supervision of the Financial Supervisory Authority.

Solid Försäkring offers non-life insurance with a main focus on niche insurance. The non-life insurance operations are divided into three segments: Product, Personal Safety and Assistance. The company partners with leading retail chains in various sectors, banks, credit market companies, other financial institutions, travel agencies, car workshops and car dealerships, and has about 2.3 million customers across the Nordic region. The target group for insurance products is comprised of private individuals who mainly purchase insurance through the company's partners when they buy a product or service. Solid Försäkring's partnerships are mainly long term.

In addition, Solid Försäkring conducts asset management, which is a separate function responsible for all of the company's investment assets.

Solid Försäkring's management team comprises seven individuals with solid experience and expertise in the insurance industry. The company's management and other key personnel have a long-term commitment with a comprehensive understanding of the company's business model and the character and dynamics of the niche insurance market. Furthermore, Solid Försäkring has a dedicated and experienced Board with good insight into the company's operations and key markets.

## Financial targets and dividend policy

Solid Försäkring has the following medium-term financial targets:

- Annual growth in premiums earned of 4–7 per cent. In addition, Solid Försäkring intends to grow through selective acquisitions.
- Maintain a combined ratio below 90 per cent.
- Achieve a return on RoNAV (2) of more than 14 per cent
- Maintain an SCR ratio of at least 150 per cent.

## Dividend policy

According to the Solid Försäkring Board's dividend policy, the company intends to pay an annual dividend

corresponding to at least 50 per cent of net profit for the year for the 2022 financial year. The dividend policy is conditional on the target for the SCR ratio and that no potential major acquisitions are carried out.

	Targets	2021
Annual growth in premiums earned	4-7%	8%
Combined ratio	< 90 %	88.2%*
Return on RoNAV (2)	> 14 %	20.3%
SCR ratio	≥ 150 %	173%
Dividend policy	> 50 %	n/a

\* excluding non-recurring costs related to the separate listing process

## Results of the operations

All amounts are presented in thousands of Swedish kronor (KSEK) unless otherwise stated. Figures in brackets refer to the preceding year.

## Non-recurring costs affecting comparability

2021 included non-recurring costs of KSEK 10,400 related to the separate listing process.

## Gross written premiums

Gross written premiums for the year amounted to KSEK 1,013,421 (951,480). Adjusted for currency effects, an underlying volume increase of 7 per cent was reported. The increase was due to the positive performance in the Assistance segment in terms of both travel insurance products and products related to car warranties. The considerable recovery in the travel industry after COVID-19 positively impacted sales of travel insurance products in the second half of the year.

## Premiums earned, net of reinsurance

Premiums earned, net of reinsurance increased KSEK 68,637 to KSEK 981,291 (912,654). Adjusted for currency effects, the increase amounted to 8 per cent was primarily due to the performance in the Assistance segment, but also the Product segment.

## Claims incurred and operating expenses

Claims paid increased KSEK 4,319 to KSEK 232,902 (228,583). Claims incurred net of reinsurance fell to KSEK 231,021 (232,196). Adjusted for currency effects, claims incurred net of reinsurance are in line with the preceding year. The claims ratio margin improved in all segments to 23.5 per cent (25.4) The claims ratio in the Personal Safety segment returned to pre-pandemic levels.

Operating expenses in the insurance operations increased KSEK 72,382 to KSEK 644,934 (572,552). Adjusted for currency effects, the increase was 13 per cent. The expense ratio excluding non-recurring costs increased to 64.7 per cent (62.7) due to higher acquisition costs driven by a changed partner and product mix in the Assistance and Product segment as well as by lower claim costs. Administrative expenses, excluding non-recurring costs, were stable as a percentage of premiums earned and amounted to 10.2 per cent, which is in line with the preceding year at 10.3 per cent.

The combined ratio was 89.3 per cent (88.2) Excluding non-recurring costs, the combined ratio amounted to 88.2 per cent, which is in line with the preceding year.

## Technical result

The technical result declined KSEK 2,684 to KSEK 114,236. Excluding non-recurring costs, the technical result rose 7 per cent compared with the preceding year, primarily as a result of growth in premiums earned and lower claim costs.

## Asset management and result of asset management

2021 saw a recovery in the global economy. The COVID-19 pandemic and restrictions had a negative impact on society, companies and the population, while financial aid from governments and central banks contributed to the recovery. Valuations rose in the financial markets in 2021, including the stock market, and in the housing and raw materials markets.

Solid Försäkring's securities portfolio is primarily listed in Sweden. The securities portfolio mainly comprises interest-bearing securities with floating interest rates. The percentage of equities comprises a limited share of the total portfolio and amounted to 6 per cent on 31 December 2021.

The market value of the company's investment assets, including cash and cash equivalents in cash and bank balances, was KSEK 1,295,760 (1,149,710) at the end of the financial year.

Result of asset management totalled KSEK 41,888 (12,049), of which capital gains amounted to KSEK 8,291 (3,713), unrealised gains/losses on investment assets to KSEK 19,008 (-6,529) and dividends on shareholdings to KSEK 3,561 (1,521).

The direct yield for asset management amounted to 1.4 per cent (1.5) and the total return to 3.6 per cent (1.3).

## Earnings

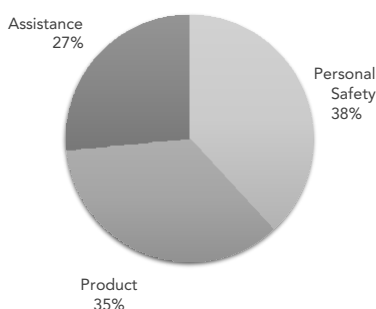
Operating profit before tax and appropriations amounted to KSEK 151,365 (120,604). Excluding non-recurring costs, the increase was 34 per cent.

Net profit amounted to KSEK 119,980 (43,372). The effective tax expense for the year was 20.6 per cent (28.5). The decrease was mainly due to a lower corporate tax rate and tax attributable to effects of translating foreign branches.

## Earnings analysis

The company's earnings trend per insurance line in accordance with Chapter 6, Section 3 of the Swedish Annual Accounts Act for Insurance Companies (1995:1560) and regulations FFFS 2019:23 is presented later in this Annual Report.

## Segment information



Share of premiums earned, net of reinsurance, full-year 2021

## Personal Safety

The segment includes payment protection insurance (PPI), income insurance, ID theft insurance and accident insurance. The Personal Safety segment accounted for 38 per cent of Solid Försäkring's premiums earned in 2021.

Stricter regulatory requirements in Norway and lockdowns in the Nordic countries due to the pandemic had a negative impact on sales for the year. An increase in gross written premiums was noted in the fourth quarter, which was mainly linked to the recovery in Norway.

Gross written premiums declined 2 per cent to KSEK 369,547 (378,459). Premiums earned, net of reinsurance declined 6 per cent to KSEK 374,391 (396,645) and costs for claims incurred, net of reinsurance fell 23 per cent. Gross profit increased 1 per cent to KSEK 98,937 (98,065). The gross margin improved and returned to pre-pandemic levels. The gross margin for the full-year 2021 was 26.4 per cent (24.7%).

### Performance measures – Personal Safety

KSEK	Jan– Dec 2021	Jan– Dec 2020	Cha nge
Gross written premiums	369,547	378,459	-2%
Premiums earned, net of reinsurance	374,391	396,645	-6%
Claims incurred, net of reinsurance	-39,039	-50,459	-23%
Acquisition costs*	-236,415	-248,121	-5%
<b>Gross profit**</b>	<b>98,937</b>	<b>98,065</b>	<b>1%</b>
Gross margin***	26.4%	24.7%	+1.7 p.p.

\* Acquisition costs include brokerage commission and costs for direct sales

\*\* Gross profit = premiums earned, net of reinsurance minus claims incurred net of reinsurance minus acquisition costs

\*\*\* Gross margin = gross profit as a percentage of premiums earned, net of reinsurance

## Product

Product includes all-risk coverage insurance and elimination of deductibles for a broad spectrum of product categories, for example, bicycles, consumer electronics, jewellery, watches and glasses, in the form of both individual insurance solutions and group insurance solutions. The segment accounted for 35 per cent of Solid Försäkring's premiums earned in 2021.

The segment was impacted by the pandemic to a certain extent during the year since there was a shortage of goods in certain industries, which negatively affected sales volumes for certain partners. A slight easing of delivery problems in the bicycle industry was noted at the end of the year.

Gross written premiums were in line with the preceding year at KSEK 361,090 (361,733). Premiums earned, net of reinsurance increased 7 per cent to KSEK 346,577 (324,720). Gross profit increased 1 per cent to KSEK 63,323 (62,942). Due to the changed product and partner mix in the segment, which contributed to slightly higher acquisition costs, the gross margin for the year declined to 18.3 per cent (19.4%).

## Performance measures –

### Product

KSEK	Jan– Dec 2021	Jan– Dec 2020	Cha nge
Gross written premiums	361,090	361,733	0%
Premiums earned, net of reinsurance	346,577	324,720	7%
Claims incurred, net of reinsurance	-103,545	-108,720	-5%
Acquisition costs*	-179,709	-153,058	17%
<b>Gross profit**</b>	<b>63,323</b>	<b>62,942</b>	<b>1%</b>
Gross margin***	18.3%	19.4%	-1.1 p.p.

\* Acquisition costs include brokerage commission and costs for direct sales  
 \*\* Gross profit = premiums earned, net of reinsurance minus claims incurred net of reinsurance minus acquisition costs  
 \*\*\* Gross margin = gross profit as a percentage of premiums earned, net of reinsurance

## Assistance

The Assistance segment includes roadside assistance and insurance concepts related to vehicle warranties. It also includes insurance solutions for the travel industry such as travel insurance and cancellation insurance. The segment accounted for 27 per cent of Solid Försäkring's premiums earned in 2021.

The segment reported robust growth in premium income, premiums earned and gross profit in 2021. At the end of 2019, before the outbreak of COVID-19, collaboration with an existing partner in the travel industry was expanded to include more European countries, which together with higher demand for travel drove the trend in travel insurance products. Sales of insurance policies linked to car warranties also increased sharply during the year.

Gross written premiums increased 34 per cent to KSEK 282,784 (211,288) Premiums earned, net of reinsurance increased 36 per cent to KSEK 260,323 (191,289). Gross profit increased 30 per cent to KSEK 53,326 (40,873) due to growth in car warranties and the recovery in the travel industry. The gross margin declined to 20.5 per cent (21.4) as a result of a changed product mix in the segment, with the share of travel insurance products increasing compared with last year.

## Performance measures –

### Assistance

KSEK	Jan– Dec 2021	Jan– Dec 2020	Cha nge
Gross written premiums	282,784	211,288	34%
Premiums earned, net of reinsurance	260,323	191,289	36%
Claims incurred, net of reinsurance	-88,437	-73,017	21%
Acquisition costs*	-118,560	-77,399	53%
<b>Gross profit**</b>	<b>53,326</b>	<b>40,873</b>	<b>30%</b>
Gross margin***	20.5%	21.4%	-0.9 p.p.

\* Acquisition costs include brokerage commission and costs for direct sales  
 \*\* Gross profit = premiums earned, net of reinsurance minus claims incurred net of reinsurance minus acquisition costs  
 \*\*\* Gross margin = gross profit as a percentage of premiums earned, net of reinsurance

## Balance sheet and cash flow

### Financial position

Equity (2) on 31 December amounted to KSEK 714,979 (589,392) and Net Asset Value (2) to KSEK 692,434 (558,553). For the full-year 1 January–31 December 2021, annualised RoE (2)\* amounted to 18.4 per cent (8.0) and annualised RoNAV (2)\*\* to 20.3 per cent (9.8).

\*RoE (2) – annualised aggregated result after tax for the period in relation to the average adjusted equity (2). The average of the balance sheet items is calculated based on opening and closing values.

\*\*RoNAV (2) – annualised aggregated result after tax for the period in relation to the average adjusted equity excluding intangible assets (2). The average of the balance sheet items is calculated based on opening and closing values.

The SCR ratio improved to 173 per cent (148) as per 31 December. The company has a stable Solvency II position and company management and the Board do not believe that the ongoing pandemic will jeopardise stability or the capital situation in the future.

### Cash flow

Cash flow from operating activities amounted to KSEK 163,056 (150,058).

Cash flow from investing activities amounted to KSEK 173,275 (-105,296). The subordinated loan of KSEK 200,000 to Resurs Bank fell due for payment in April. Most of the funds have not yet been re-invested in alternative investments.

Cash flow from financing activities amounted to KSEK -59,000 (-12,000). Group contributions of KSEK 60,000 for the 2020 financial year were paid to the former Parent Company Resurs Holding during the year. Cash and cash equivalents increased to KSEK 613,139 (328,205).

### Technical provisions (reserves)

Gross provisions at year-end increased to KSEK 615,900 (587,763).

Reinsurers' share of technical provisions increased to KSEK 3,810 (3,667). This increase in gross provisions was primarily attributable to growth in the Assistance segment.

### Code of Conduct

Solid Försäkring has a Code of Conduct that sets strict requirements on working conditions and applies to all employees and consultants who are employee equivalents. The Code of Conduct is to provide guidance in legal, ethical and legal matters. Regardless of role, employees must always conduct themselves in a manner that instils a sense of confidence among partners, authorities and other stakeholders.

### Employees

The average number of employees in 2021, regardless of degree of employment, was 68 (70), 53 per cent (53) of whom were women. The number of employees at year-end was 68 (70). The company engages external suppliers for certain support functions, for example, IT/operations. Regarding IT/operations, the external provider manages such IT services as storage, operating and support services.

Variable remuneration earned in 2021 is linked both to

quantitative and qualitative goals. The company has ensured that all goals related to variable remuneration for 2021 can be reliably measured.

### Remuneration of senior executives

The Board of Solid Försäkring has adopted a remuneration policy that complies with FFFS 2019:23 regarding remuneration policies in management companies, exchanges, clearing organisations and institutions for the issuance of electronic money, and which are designed to create an overall regulatory framework regarding remuneration of all the company's employees. The Board has established a Remuneration Committee that is responsible for preparing material remuneration decisions. The Chairman and members of the Board are paid the fees resolved by the Annual General Meeting. The remuneration of the CEO is determined by the Board. The Board has delegated to the CEO to negotiate remuneration of other employees who are members of management and senior executives. Remuneration comprises a basic salary, other benefits and pension. No form of bonus or other variable remuneration is paid to senior executives.

The company has established a control function that when appropriate and at least annually is to independently review how the company's remuneration corresponds to the remuneration policy.

### Pensions

The CEO's pension is defined contribution, and other members of management have pension forms under the ITP plan and follow applicable collective agreements.

### Terms for terminating employment and severance pay

The period of notice for the CEO is six months if the CEO terminates employment and 12 months if the company terminates employment. For other senior executives, the period of notice is three months for the employee and six months for the company.

No termination benefits are paid. However, remuneration for potential commitments to restrict competition could be issued, with the aim of compensating for any loss of income as a result of the commitment to restrict competition.

Further disclosures on the principles and processes for remuneration and benefits are provided in Note 30 Personnel.

## Environment

Environmental resources are to be used responsibly and cautiously in the company's operations. Solid Försäkring endeavours to conduct its operations in an environmentally sustainable manner, for example, by enhancing efficiency and investing in sustainable products and services. One of the most effective ways of reducing climate impact is to replace travel with digital meetings. The pandemic has hastened a process that had already begun. To facilitate teleworking and simultaneously enable effective meetings, Solid Försäkring has invested in various technical solutions for digital meetings. The company also attaches great importance to increasing the employees' knowledge and facilitating conscious environmental choices in everyday life and that all employees undergo mandatory environmental training.

## Sustainability Report according to ÅRL

In accordance with the disclosure requirements of Chapter 6, Section 11 of the Swedish Annual Accounts Act (ÅRL), Solid Försäkring has prepared a Sustainability Report, see pages 56-63.

## Information about risks and uncertainties

A number of different risks arise in the company's operations. The risks and the decisions made to manage these risks impact the company's financial position and ability to achieve set targets. Active, controlled and commercial decisions create the conditions for offering customers insurance solutions that provide security. Accordingly, it is important that risks are managed and controlled in a structured way both in a short and long-term perspective.

Risk management forms an integral part of Solid Försäkring's operations, and the company's risk management framework integrates the company's strategic targets with its risk management based on the Solvency II regulations. Risk management encompasses all activities that involve risk taking as well as the identification, measurement, reporting, monitoring and management of risks within the operations. Effective risk management is critical for the company's strategy, financial performance and long-term value creation for shareholders. The company's objective is for its business to be conducted in a risk-aware manner with a responsible level of risk assumption that ensures at all times that the company has adequate solvency in relation to the risks to which the company is exposed.

The company's risk management framework includes, in addition to applicable laws and regulations, a number of governance documents such as policies and guidelines, as well as procedures, processes and internal rules. These governance documents are developed based on the requirements of external regulations and adapted to the company's business strategy and operations as well as the risk appetite, risk tolerance, limits, indicators and risk mandates as set by the Board of Directors.

The risk appetite is defined as the level of risk acceptable to the Board in order to achieve the company's objectives and strategy. The risk tolerance is defined as the limit of permitted risk exposure to different types of risk. Limits are used to define levels within various risk types to restrict risk and maintain a defined level of risk tolerance or risk appetite. Indicators for operational risks provide early warning to the company of any increase in risk. Risk mandates dictate the limits within which an employee has authority to make decisions.

The company has standardised the risk identification, assessment and reporting processes. These have been implemented throughout the business as part of efforts to create risk awareness and improve the effectiveness of risk management.

Solid Försäkring's risks are defined in the following risk categories: Insurance risk, Market risk, Counterparty risk, Operational risk and Other risk. The company considers insurance risk to be the most material risk in the operations.

The company's risk management is described in more detail in Note 2 Risk disclosures.

## Significant events during the year

On 10 August, the General Meeting of Solid Försäkringsaktiebolag ("Solid Försäkring") resolved that the number of shares be increased on the basis of a split, whereby the shares would be divided into a total of 20,000,000 shares. The quotient value thus declined to SEK 1.5 per share.

On 4 October, the company's former owner Resurs Holding



AB ("Resurs") announced that the Board had decided to propose to an Extraordinary General Meeting on 2 November 2021 to resolve to distribute all of the shares in Solid Försäkring to Resurs Holding AB's shareholders.

On 2 November 2021, the Extraordinary General Meeting of Resurs resolved to distribute all of the shares in Solid Försäkring to Resurs's shareholders.

On 22 November, Solid Försäkring published a prospectus for admission to trading on Nasdaq Stockholm.

Solid Försäkring's shares were listed on Nasdaq Stockholm on 1 December.

Except for the above, no other significant events occurred during the period in question.

## Significant events after year-end

Russia invaded Ukraine on 24 February 2022. Apart from an enormous humanitarian impact, the invasion is expected to have major economic and financial consequences both globally and in Sweden. The West has agreed on a number of sanctions in response to Russia's invasion, some of which affect the financial markets. In Sweden, the Stockholm Stock Exchange was negatively affected following the news of the invasion. There is considerable volatility in the capital markets, which affects the market valuations of Solid Försäkring's investment portfolio. The company is closely monitoring developments to identify any early signs of potential changes in consumer behaviour, which in turn could affect the company's insurance operations.

## Expected future performance

Solid Försäkring is one of the leading niche insurance companies in the Nordic region in non-life insurance. The target group for the company's products comprises private individuals who mainly purchase insurance through Solid's partners when they buy a product or service. Solid Försäkring works continuously to expand its partner base and, by improving the existing partner base, to simplify, improve and enhance the efficiency of the process from taking out insurance to renewal and claims – for both partners and consumers.

Digitalising the process is a key tool in this work.

Focus in 2022 will therefore be directed to further measures to automate and enhance the efficiency of customer communication, marketing, digital extension and payment solutions.

## Ownership structure

Solid Försäkringsaktiebolag's (Solid) share was listed on Nasdaq Stockholm (Small Cap) under the ticker SFAB and its ISIN is SE0017082548. Since Solid was listed on Nasdaq Stockholm on 1 December 2021, the share price trend is presented for the period between 1 December and 31 December 2021 in this report.

On the listing date of 1 December 2021 (the first trading day), the share was first traded at SEK 55.00 and closed at SEK 60.16. The share price on the final trading day of the period was SEK 58.75. The highest price paid of SEK 65.75 was noted on 6 December and the lowest price paid of SEK 54.05 was noted on 23 December.

A total of 3,565,701 shares were traded during the period, corresponding to a turnover rate of 17.83 per cent during the measurement period of 1–31 December 2021.

The largest directly registered shareholders on 31 December 2021	Percentages of share capital
Waldakt AB	28.9%
Avanza Pension	5.6%
Swedbank Robur Fonder	3.1%
Vanguard	2.4%
Third Swedish National Pension Fund	2.1%
Livförsäkringsbolaget Skandia	2.0%
Dimensional Fund Advisors	1.8%
Janus Henderson Investors	1.7%
Catea Group AB	1.7%
Nordnet Pensionsförsäkring	1.6%
	<b>50.7%</b>

## Dividends

In accordance with previous communication during the listing process, the Board proposes to the Annual General Meeting that no dividend be paid to shareholders for the 2021 financial year.

## Proposed appropriation of profit

The following profit is at the disposal of the Annual General Meeting

	SEK
Fair value reserve	-776,174
Retained earnings	178,209,832
Net profit for the year	119,979,520
<b>Total</b>	<b>297,413,178</b>

The Board proposes that the profit of SEK 297,413,178 be carried forward, of which SEK -776,174 to the Fair value reserve.

## Five-year overview

KSEK, unless otherwise stated	2021	2020	2019	2018	2017
<b>Earnings</b>					
Gross written premiums	1,013,421	951,480	939,135	915,331	844,929
Premiums earned, net of reinsurance	981,291	912,654	898,481	828,678	800,442
Allocated investment return transferred from non-technical account	8,900	9,014	10,678	7,594	8,843
Claims incurred, net of reinsurance	-231,021	-232,196	-222,941	-226,211	-248,737
Technical result for insurance operations	114,236	116,920	103,676	88,475	74,422
<b>Net profit for the year</b>	<b>119,980</b>	<b>43,372</b>	<b>49,455</b>	<b>14,335</b>	<b>22,764</b>
<b>Financial position</b>					
Investment assets measured at fair value	682,621	821,505	739,462	718,203	720,110
Technical provisions, net of reinsurance	612,089	584,097	581,681	549,786	449,435
Net asset value	815,531	693,849	601,168	552,038	667,793
Own funds	793,763	664,488	574,253	538,279	649,567
Eligible capital base to meet solvency capital requirement	797,379	661,968	569,635	538,760	653,203
Eligible capital base to meet minimum capital requirement	792,259	652,976	560,741	535,017	649,085
Solvency Capital Requirement (SCR)	461,754	446,189	455,303	376,926	361,008
Minimum Capital Requirement (MCR)	130,604	123,744	121,519	116,868	101,819
SCR ratio	173%	148%	125%	143%	181%
MCR ratio	607%	528%	461%	458%	637%
<b>Performance measures</b>					
<b>Results for non-life insurance operations</b>					
Claims ratio	23.5%	25.4%	24.8%	27.3%	31.1%
Expense ratio	65.7%	62.7%	64.8%	62.9%	60.7%
Combined ratio	89.3%	88.2%	89.6%	90.2%	91.8%
<b>Results for asset management</b>					
Direct yield	1.4%	1.5%	1.9%	1.8%	1.5%
Total return	3.6%	1.3%	3.4%	0.5%	2.3%
<b>Financial position</b>					
Solvency ratio	82.7%	74.4%	65.7%	62.0%	81.5%
Equity	327,413	205,731	113,050	63,920	179,675
Equity (2)*	714,979	589,392	496,711	444,652	560,407
NAV (2)*	692,434	558,553	469,009	430,431	541,810
Return on equity (2), RoE (2) %*	18.4%	8.0%	10.5%	2.9%	4.1%
Return on equity excl. intangible assets, RoNAV (2) %*	20.3%	9.8%	12.1%	3.7%	5.0%

\* Alternative performance measures are performance measures that company management and analysts use to assess the company's development and are not defined by International Financial Reporting Standards (IFRS) or the Solvency II rules. Company management believes that the performance measures make it easier for investors to analyse the company's performance. The calculations and reconciliation against information in the financial statements of these performance measures are presented on the website under "Financial statements".

## Definitions

### Claims ratio

Claims incurred, net of reinsurance including claims adjustment costs as a percentage of premiums earned, net of reinsurance.

### Expense ratio

Operating expenses in the insurance operations as a percentage of premiums earned, net of reinsurance.

### Combined ratio

The total of claims incurred and operating expenses, net of reinsurance in the insurance operations as a percentage of premiums earned, net of reinsurance.

### Direct yield

Investment income for the period minus realised gains/losses on disposal of investment assets in relation to the average fair value of the opening balance and closing balance of investment assets and cash and bank balances for the current period.

### Total return

Investment income for the period and unrealised gains/losses on disposal of investment assets in relation to the average fair value of the opening balance and closing balance of investment assets and cash and bank balances for the current period.

### Technical provisions, net of reinsurance

Calculated as technical provisions (net of outward reinsurance) less reinsurer's share of technical provisions.

### Net asset value

Net asset value comprises recognised equity, untaxed reserves and any surplus and deficits in investment assets not recognised in the balance sheet at the end of the period.

### Solvency ratio

The net asset value at the end of the period in relation to premium income, net of reinsurance for the period.

### Own funds

Comprises equity (fund for unrealised gains calculated at gross amount), untaxed reserves and openly recognised surplus values (net) in assets, less intangible items according to the balance sheet.

### Eligible capital base to meet solvency capital requirement

Total of Tier 1 capital and ancillary own funds. Eligible capital base to meet solvency capital requirement is the capital that is eligible to cover the regulatory solvency capital requirement (SCR).

### Eligible capital base to meet minimum capital requirement

Total of Tier 1 capital and ancillary own funds adjusted for any Tier 3 capital. Eligible capital base to meet minimum capital requirement is the capital that is eligible to cover the regulatory minimum capital requirement (MCR).

### Solvency Capital Requirement

The Solvency Capital Requirement (SCR) has been calculated in accordance with EIOPA's standard formula.

### SCR ratio

The eligible capital base of the period to satisfy the solvency capital requirement (SCR) in relation to the solvency capital requirement over the same period.

### Minimum capital requirement

The Minimum Capital Requirement (MCR) has been calculated in accordance with EIOPA's standard formula.

### MCR ratio

The eligible capital base of the period to satisfy the minimum capital requirement (MCR) in relation to the solvency capital requirement over the same period.

### Equity (2)

The total of equity and contingency reserves with deduction of assessed real deferred tax on contingency reserve. The assessed real deferred tax is calculated using the corporate tax rate for the relevant period.

### Net Asset Value NAV (2)

Equity (2) with deduction of intangible assets.

### Return on equity (2) (RoE (2))

Aggregated result after tax for the period in relation to the average adjusted equity (2). The average of the balance sheet items is calculated based on opening and closing values.

### Return on equity excl. intangible assets (RoNAV (2))

Aggregated result after tax for the period plus amortisation of intangible assets for the period after tax in relation to the average adjusted equity excluding intangible assets (2). The average of the balance sheet items is calculated based on opening and closing values.

# Corporate governance report

Well-functioning corporate governance is a prerequisite for maintaining confidence in Solid Försäkring in the financial market and for creating added value for the company's stakeholders. As a feature of this and to prevent conflicts of interest, roles and responsibilities are defined clearly and allocated among shareholders, the Board of Directors, Management and other stakeholders. Here follows a detailed description of corporate governance at Solid Försäkringsaktiebolag (publ) ("Solid Försäkring").

## Corporate governance/Management model/Governance and management

Solid Försäkring is a Swedish public limited-liability company whose shares were listed on Nasdaq Stockholm on 1 December 2021. The company's corporate governance practices are predominantly based on Swedish law, the Swedish Financial Supervisory Authority's regulations, the company's Articles of Association and internal policies. The basis of the governance of Solid Försäkring is the Swedish Companies Act (2005:551), the company's Articles of Association, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code ("the Code"). The company also applies the Swedish Annual Accounts Act (1995:1554), the Swedish Insurance Business Act (2010:2043) and other applicable Swedish and international laws and regulations that affect listed companies.

## Swedish Corporate Governance Code

The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and must be applied from the first trading day. The Code has been applied since 1 December when Solid Försäkring was listed on Nasdaq Stockholm. The Code specifies a norm for acceptable corporate governance at a higher level of ambition than the Swedish Companies Act and the minimum requirements of other regulations. The Code is based on the "comply or explain" approach, which means that the company does not have to follow each rule of the Code at every point in time but is permitted to choose other solutions that are adjudged to better match the circumstances in a specific case, assuming that the company openly reports every such deviation, describes the solution that was chosen instead and states the reason for this in the corporate governance report. The company did not have any deviations from the Code.

## Shareholders' involvement in corporate governance/Largest shareholders

Solid Försäkring's share register is managed by Euroclear Sweden AB. The total number of shares in the company as per 31 December 2021 was 20,000,000.

### Shareholders (ownership exceeding 10%) as per 31 December 2021

Shareholders	Number of shares	Shareholding, per cent
Waldakt Aktiebolag	5,788,555	28.90%

## General meetings

Pursuant to the Swedish Companies Act, a general meeting is the company's highest decision-making body. A general meeting may resolve on every issue in the company that does not expressly fall under another company unit's exclusive

competence. At the Annual General Meeting (AGM), which is to be held within six months of the end of the financial year, the shareholders exercise their voting rights on issues such as the adoption of income statements and balance sheets, appropriation of the company's profit or loss, discharge from liability of Board members and the CEO for the financial year, election of Board members and auditors and remuneration of Board members and auditors.

In addition to the AGM, Extraordinary General Meetings may be convened. In accordance with the Articles of Association, the official notice of a general meeting must be announced in the Swedish Official Gazette (Post- och Inrikes Tidningar) and by making the notice available on the company's website. That the official notification has been issued must simultaneously be announced in Svenska Dagbladet. Prior to each general meeting, a press release is published in Swedish and English, including the official notice in its entirety.

The Chairman of the Board and as many of the other Board members as are required for the Board of Directors to be quorate, as well as the CEO, must attend general meetings in the company. In addition to the aforementioned, at least one member of the Nomination Committee, at least one of the company's auditors and, if possible, all Board members must participate in annual general meetings.

The Articles of Association contain no specific clauses governing the appointment or dismissal of Board members, limitations on the shares' transferability or amendments of the Articles of Association. At present, there are no resolutions issued by general meetings authorising the Board to decide that Solid Försäkring will issue new shares. All of the shares were represented at the 2021 Annual General Meeting. At the time of the 2021 Annual General Meeting, Solid Försäkring was a wholly owned subsidiary of Resurs Holding AB.

Resolutions passed at the 2021 Annual General Meeting included:

- Adoption of income statement and balance sheet
- Resolution regarding allocation of the company's profit in accordance with the adopted balance sheet
- Resolution concerning discharge of members of the Board and the CEO from personal liability
- Adoption of director and auditor fees
- Re-election for a term until the next AGM of Board Members Lars Nordstrand, Fredrik Carlsson, David Nilsson Sträng and Marcus Tillberg. Lars Nordstrand was re-elected as Chairman of the Board
- Election of auditor

Due to the separate listing process, four extraordinary meeting of shareholders were held in 2021 on 28 June, 10 August, 4 October and 13 October.

Resolutions passed at the Extraordinary General Meeting on 28 June included:

- Re-election for a term until the next Annual General Meeting of Board members Lars Nordstrand, Fredrik Carlsson and David Nilsson Sträng and new election of Marita Odélius Engström and Lisen Tulin. Marcus Tillberg declined re-election.
- Adoption of fees for Board and committee work

Resolutions passed at the Extraordinary General Meeting on 10 August included:

- Resolution concerning change of corporate category and amendment of Articles of Association
- Resolutions concerning division of shares (share split)

Resolutions passed at the Extraordinary General Meeting on 4 October included:

- Resolution concerning the introduction of long-term incentive programme comprising a) a private placement of warrants and b) approval of transfers of warrants
- Resolutions concerning authorisation to issue shares
- Resolution concerning instructions for Nomination Committee
- Resolution concerning guidelines for remuneration of senior executives

Resolutions passed at the Extraordinary General Meeting on 13 October included:

- Resolution concerning cancellation of authorisation to issue shares
- Resolutions concerning authorisation to issue shares

Solid Försäkring's forthcoming Annual General Meeting will be held on 28 April 2022.

## Right to participate in a general meeting

All shareholders who are registered in the transcript of the share register pertaining to circumstances five weekdays prior to the meeting (including Saturdays) and who have notified their intent to participate in time according to what is stipulated in the official notice, are entitled to participate in the meeting and vote for the total number of shares that they hold. The shareholders who are unable to attend in person may be represented by proxy.

In addition to registering with the company, shareholders whose shares are held in the custody of a nominee through a bank or a securities institution must temporarily register their shares in their own name with Euroclear Sweden in order to be entitled to participate in the meeting. Shareholders should inform their nominees of this well in advance of the record date.

Solid Försäkring's Articles of Association do not contain any limitations on how many voting rights each shareholder may have at the general meeting.

## Nomination Committee

The Nomination Committee represents Solid Försäkring's shareholders. The Nomination Committee's task is to formulate and submit proposals concerning resolutions on the number and election of Board members, the Chairman of the Board, fees to be paid to the Board of Directors and for work on its committees, election of and fees to be paid to the company's auditors and the instructions for the Nomination Committee that are to govern the Nomination Committee's work and composition.

The Nomination Committee's work focuses particularly on ensuring that the Board is composed of members possessing knowledge and experience matching the requirements that the prevailing rules and regulations and Solid Försäkring's owners place on Solid Försäkring's Board, including the requirements specified in the rules and regulations for insurance companies

and the Code. In the process of formulating proposals concerning election of Board members, the Chairman of the Board therefore also presents to the Nomination Committee the evaluation that has been conducted of the work of the Board and the individual members over the past year, and the Nomination Committee is provided with an opportunity to meet the Board members. The Nomination Committee also prepares the election of an auditor. Shareholders may submit proposals to the Nomination Committee in accordance with the instructions presented on Solid Försäkring's website.

The Annual General Meeting passes resolutions concerning which Nomination Committee instruction shall apply for Solid Försäkring's Nomination Committee. In accordance with the Nomination Committee instruction, the Nomination Committee is to be comprised of the Chairman of the Board and Board members appointed by the four shareholders with the greatest number of votes on the final banking day in August every year. However, ahead of the 2022 AGM, the composition of the Nomination Committee is to be determined based on the four shareholders with the greatest number of votes per the final banking day in December 2021, and is to be published as soon as possible thereafter. Should any of the four largest shareholders waive their right to appoint a member to the Nomination Committee, the shareholder who has the next largest shareholding is granted the right to appoint a member. If a member leaves the Nomination Committee before its work is completed, and the Nomination Committee deems it suitable to appoint a replacement, the replacement member shall be appointed by the same shareholder, or, if this shareholder no longer has sufficient shareholding to have the right to appoint a member to the Nomination Committee, the member shall be appointed by the shareholder who is next in line in terms of the size of shareholding.

The member appointed by the largest shareholder in terms of votes is to be appointed chairman of the Nomination Committee.

The members of the Nomination Committee must be announced no later than six months prior to the Annual General Meeting. Any changes to the composition of the Nomination Committee shall immediately be publicised. No remuneration shall be paid to members of the Nomination Committee. However, the company is liable for any potentially necessary expenses related to the work of the Nomination Committee. The Nomination Committee's mandate period remains in effect until the public release of the revised composition of the Nomination Committee.

The Nomination Committee's recommendation of the election of the Board and auditor is presented in the notice of the general meeting and on the company's website.

The Nomination Committee applies Item 4.1 of the Code as its diversity policy and strives for a composition of competencies and experiences that match the requirements to which the Board of Directors of Solid Försäkring are subject. The Nomination Committee is of the opinion that the diversity issue is important and works actively, inter alia, to achieve an even gender distribution.

The Nomination Committee's proposals to the 2022 AGM will be published in the official notification and on Solid Försäkring's website, and, insofar as they pertain to proposals concerning election of the Board of Directors, in a press release as soon as the proposal has been finalised.

Ahead of the 2022 AGM, the Nomination Committee comprises: Martin Bengtsson appointed by Solid Försäkring's largest shareholder Waldakt AB (the Bengtsson family), 28.9

per cent of the votes; Oskar Börjesson appointed by Livförsäkringsbolaget Skandia; Sten Schröder appointed by Catea Group AB, Patrik Jönsson appointed by SEB Fonder, and Lars Nordstrand in his capacity as Chairman of the Board of Solid Försäkring. Since Waldakt AB is the largest shareholder of Solid Försäkring, Martin Bengtsson is the Chairman of the Nomination Committee in accordance with the applicable instructions for the Nomination Committee.

## Board of Directors

After a general meeting, the Board of Directors is the highest decision-making body and the highest executive body. The Board of Directors' assignments are primarily governed by the Swedish Companies Act. The work of the Board of Directors is also governed by the rules of procedure adopted annually by the Board. The rules of procedure regulate, inter alia, the division of work and responsibilities between the directors and the CEO, and contain procedures for financial reporting by the CEO.

The Board also adopts rules of procedure for the Board's committees. The Board's duties include establishing strategies, business plans and budgets, issuing interim reports and statutory accounts and adopting policies. The Board must also monitor the company's financial development, ensure the quality of the financial reporting and the control functions' reporting and evaluate the company's operations based on the established objectives and policies adopted by the Board of Directors. Finally, the Board also takes decisions about major investments and organisational and operational changes in the company.

The Chairman of the Board, in close cooperation with the CEO, shall oversee the company's performance. The Chairman of the Board directs the work of the Board of Directors and creates an open and constructive dialogue. Other duties of the Chairman include monitoring and evaluating the competencies and work of individual Board members and their contribution to the Board of Directors.

In addition to the elected Board members, the CEO, CFO (Chief Financial Officer) and the Secretary of the Board also participate in Board meetings. Other members of company management and other administrators participate as reporters in respect of special items of business.

## Evaluation of the Board

The Board regularly conducts a systematic evaluation whereby Board members are given an opportunity to forward their views on work methods, Board material and their own and other members' input to the work of the Board in order to develop the Board's work and provide the Nomination Committee with a relevant decision-making base prior to the AGM.

Because Solid Försäkring was listed on 1 December 2021, the Nomination Committee decided at its meeting on 15 February 2022 that the evaluation prior to the 2022 AGM was to be implemented in the form of interviews of two Board members and that the result of the evaluation would be presented to the Board and the Nomination Committee.

## Members of the Board

Board members are elected each year by the annual general meeting for the period until the end of the next Annual General Meeting. According to Solid Försäkring's Articles of Association, the Board of Directors shall comprise three to ten AGM-elected members. The Board currently consists of five members elected by the Annual General Meeting for a term until the end of the 2022 AGM.

Under the Code, a majority of the Board members elected by the annual general meeting must be independent in relation to the company and its management. To determine whether a Board member is independent, a collective assessment must be made of all circumstances that may give reason to question a Board member's independence in relation to the company or its management team, such as if a Board member has recently been employed by the company or one of its related companies.

At least two of the Board members who are independent in relation to the company and its management must also be independent in relation to the company's major shareholders. In order to determine this independence, the scope of the member's direct or indirect relations to major shareholders must be taken into account. Major shareholders are defined under the Code as shareholders who directly or indirectly control 20 per cent or more of the company's shares or voting rights.

## Members of the Board 2021

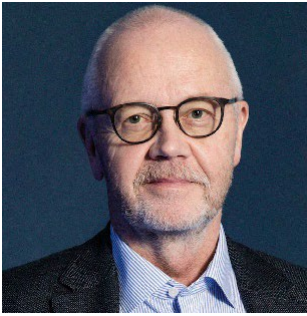
Name	Function	Elected	Independent	Audit Committee	Remuneration Committee	Corporate Governance Committee	Attendance Board meetings	Committee and committee meetings	Total fees 2021	Equity and related parties number of shares on 31 December 2021
Lars Nordstrand*	chairman	2014	yes	X	X	X	21/21	13/13	424,998	6,499
Fredrik Carlsson	Board memt	2012	yes	X	X		21/21	7/7	271,500	16,725
David Nilsson Sträng	Board memt	2019	yes				21/21		83,330	0
Marita Odélius Engström**	Board memt	2021	yes			X	15/21	4/6	175,002	2,340
Lisen Thulin**	Board memt	2021	yes	X		X	15/21	7/9	175,002	500
Marcus Tillberg***	Board memt	2016						6/6	0	12 121****

\* Chairman since 2019.

\*\* Elected at the Extraordinary General Meeting on 28 June 2021

\*\*\* CEO of Solid Försäkring, Board member until General Meeting 28 June 2021 when he declined re-election.

\*\*\*\* Holds 80,000 warrants



**Lars Nordstrand**  
(Born in 1951, Chairman of the Board since 2019)

Education: Bachelor's degree in Humanities and Economics from Uppsala University. Teacher's degree and studies in Economics and Business Administration from Umeå University.  
Other current assignments: Chairman of the Board of Aktiebolaget Akademikerförsäkring i Stockholm, EAL Insurance AB, Euro Accident Livförsäkring AB and Nordnet Pensionsförsäkring AB. Board member of Masama AB, Resurs Bank Aktiebolag and Resurs Holding AB.  
Previous positions (most recent five years): Chairman of the Board of Anticimex Försäkringar AB. Board member of Movestic Livförsäkring AB and Nordnet Pensionsförsäkring AB. Deputy Board member of Försäkringsbranschens Arbetsgivareorganisationens Service Aktiebolag. CEO of Movestic Livförsäkring AB.



**Fredrik Carlsson**  
(Born in 1970. Board member since 2012)

Education: Master of Business Administration at Nijenrode University, The Netherlands Business School. Bachelor's degree in Business Administration at the School of Business, Economics and Law at the University of Gothenburg.  
Other current assignments: Chairman of the Board of Carlsson Rådgivning i Göteborg AB, Skogsallén Holding AB, Sten A Olssons Pensionsstiftelse and Svolder Aktiebolag. Board member of Betsson AB, Resurs Bank Aktiebolag, Resurs Holding AB and Sönerna Carlsson Family Office AB. CEO of Sönerna Carlsson Family Office AB.  
Previous positions (most recent five years): Board member of Future Securities in Scandinavia AB, Bostadsrättsföreningen Skogsallén 24-28 i Västra Villastaden, KL Capital Aktiebolag, KL Ventures AB, Novobis AB and Skogsallén Fastighetsprojektering AB.



**David Nilsson Sträng**  
(Born in 1980. Board member since 2019)

Education: Bachelor's degree of Science in Engineering from Halmstad University.  
Other current assignments: Chairman of the Board of Get AI Sweden AB and Noboto Innovation AB. Board member of Blackhane Holding AB, Della8 AB, Hetch AB, HIF Service Aktiebolag, HIF Support AB, Invest in Skåne AB, Invest Tech Loop 1 AB, Tech loop Capital AB and Techning AB. Deputy board member of Interia design AB. CEO of Blackhane Holding AB and Hetch AB.  
Previous positions (most recent five years): Chairman of the Board of Hetch AB. Board member of Digimail Sverige AB and SmartRefill i Helsingborg AB. CEO SmartRefill i Helsingborg AB.



**Marita Odélius Engström**  
(Born in 1961. Board member since 2021)

Education: Master's degree in Business and Economics from Uppsala University. Studies in commercial law at Stockholm University and in tax law at Stockholm School of Economics. Leadership training at Ashridge Business School, Institute de Empresa, Ruter Dam.  
Other current assignments: Board member of Resurs Bank AB and Resurs Holding AB.  
Previous positions (most recent five years): CEO of Fora AB.



**Lisen Thulin**  
(Born in 1970. Board member since 2021)

Education: Master's degree and Master of Business Administration from Stockholm University.  
Other current assignments: Board member of Nordnet Pensionsförsäkring AB. CEO of Akademikertjänst I.A.S AB and AB Akademikerförsäkring i Stockholm.

## Board committees

The Board of Directors' overriding responsibility may not be delegated but the Board establishes from among its own members committees that prepare, evaluate and follow up issues within various areas prior to Board decisions. The Board has established an Audit Committee in accordance

with the Swedish Companies Act and a Remuneration Committee in accordance with the Code. In addition, the company has also established a Corporate Governance Committee. All committees have rules of procedure established by the Board that regulate the work of the committees.

## Audit Committee

The Audit Committee comprises Fredrik Carlsson (chairman), Lisen Thulin and Lars Nordstrand. According to Chapter 8, Section 49b of the Companies Act, the primary tasks of the Audit Committee include ensuring that the Board fulfils the requirements of monitoring responsibility in respect of internal control, audits, internal audits and risk management connected to accounting and financial reporting. The Audit Committee's tasks also include, following consultation with the Corporate Governance Committee, ensuring that the company complies with applicable laws and regulations for the company's auditing, capital requirements and other financial requirements. In addition, the Audit Committee is to prepare issues about the procurement of audits and other services from the auditor and prepare certain accounting and audit matters that are to be handled by the Board. The committee is also to examine and monitor the auditor's impartiality and independence and, insofar as the Nomination Committee is not assigned this task, the committee is to assist in the preparation of proposals for the general meeting's election of auditors. The Audit Committee satisfies the requirements of accounting and auditing competencies stipulated in the Swedish Companies Act.

## Remuneration Committee

The members of the Remuneration Committee are Lars Nordstrand (chairman) and Fredrik Carlsson. The primary tasks of the Remuneration Committee are to prepare the Board's motions on remuneration principles, remuneration and other terms of employment for company management, follow and evaluate ongoing programmes of variable remuneration for company management and programmes completed during the year, as well as to follow and evaluate the application of any guidelines for remuneration of senior executives established by the general meeting as well as the applicable remuneration structures and levels. The Remuneration Committee is also to monitor the completed audits of the control functions concerning remuneration and assess if the remuneration system takes into account all of the risks based on the company's risk profile and, if necessary, submit proposals for an action plan to the Board. The Remuneration Committee also examines the Board's report on remuneration ("remuneration report").

## Corporate Governance Committee

The company's Corporate Governance Committee comprises Chairman of the Board Lars Nordstrand and Board members Lisen Thulin and Marita Odélius Engström (Chairman). The Corporate Governance Committee's tasks include evaluating the company's internal control and policies pertaining to compliance, risk control and internal audit, insofar as these do not influence the financial reporting, which is handled by the Audit Committee. The committee is also to evaluate observations and proposals for measures based on reports submitted by the company's control functions, and review the

### Management team

Name	Function	Member of management team since	Employed at Solid Försäkring since	Own and related parties' number of shares	Own no warrants
Marcus Tillberg*	CEO	2008	2002	12,181	80,000
Sofia Andersson	CFO	2016	2012	1,354	40,000
Anneli Liljeros	CCO	2015	2015	4,000	40,000
Robert Olsson	Head of Operations	2015	2015	0	20,000
Patrik Jönsson	CIO	2021	2021	0	10,000
Jonatan Heberlein	Head of Legal	2021	2021	0	10,000
Johan Hähnel**	Head of IR	2021	2021	16,455	0

\* Marcus Tillberg assumed his role as CEO of the Company in 2013, but has previously been vice CEO of the Company since 2008.

\*\*Johan Hähnel carries out his assignment in the Company on a consultancy basis through the company Comir AB.

company's own risk and solvency assessment (ORSA). The Corporate Governance Committee advises the company's Board on issues concerning internal control and corporate governance.

## CEO and other senior executives

The CEO's responsibility is governed primarily by the Companies Act but also by the company's Articles of Association, the Code and internal governance documents. In accordance with the Companies Act, the CEO is subordinate to the Board of Directors and is responsible for the daily management of the company according to the Board's instructions and guidelines. The division of responsibility between the Board and the CEO is specified in the rules of procedure for the Board of Directors of Solid Försäkringsaktiebolag – Appendix 1 Division of duties between the Board of Directors and the CEO – and in instructions for financial reporting. The CEO is subordinated to the Board and is responsible for the continuous management of the company and day-to-day operations. The CEO is also responsible for preparing reports and compiling information from Management prior to Board meetings and serves as a presenter at Board meetings. According to internal governing documents for financial reporting, the CEO is responsible for financial reporting in Solid Försäkring and thus for ensuring that the Board receives adequate information for being able to continuously evaluate the company's financial position. Accordingly, the CEO keeps the Board continuously informed about the operations' development, earnings and financial position, liquidity development, major business events and every other event, circumstance or condition that may be assumed to be of significant importance to the company's shareholders. The CEO shall also lead executive management and execute the decisions made by the Board. In accordance with the regulations governing management suitability assessments for companies under the supervision of the Swedish Financial Supervisory Authority, the company's CEO must be approved by Authority.

The company's CEO is Marcus Tillberg. The management team comprises, aside from the CEO, Sofia Andersson (CFO), Johan Hähnel (Head of IR), Jonatan Heberlein (Head of Legal), Anneli Liljeros (CCO), Robert Olsson (Head of Operations) and Patrik Jönsson (CIO).

The remuneration of the CEO and other senior executives may comprise fixed salary, long-term incentive programmes, pension and other benefits. No form of bonus or other variable remunerations is paid to the circle of senior executives. At the Extraordinary General Meeting on 4 October 2021, it was resolved to adopt remuneration guidelines for the CEO and other senior executives. Remuneration of the CEO and other senior executives shall be decided by the Board in accordance with the guidelines for remuneration of senior executives resolved by the AGM and internal policies based on other rules and regulations on remuneration in insurance operations that may apply from time to time.





**Marcus Tillberg**  
(Born in 1975, CEO since 2013)

Experience: Marcus Tillberg has extensive experience of the insurance industry and has previously been deputy CEO and Key Account Manager of Solid Försäkring. Furthermore, Marcus has worked at Resurs Bank.

Education: Bachelor's degree in Business Administration at Valdosta State University.  
Other ongoing assignments: Deputy Board member of Kerstin Tillberg AB.



**Sofia Andersson**  
(Born in 1967, Chief Financial Officer since 2016)

Experience: Sofia Andersson is an economist and has extensive experience of the finance industry. Sofia has previously worked as Controller at Casino Cosmopol AB since the start and has been involved in its development regarding routines for follow-up, control and accounting.

Education: International degree in Economics from the School of Business, Economics and Law at the University of Gothenburg. Other ongoing assignments: Deputy Board member of Masken Förvaltnings AB. Previous appointments: Deputy Board member of Boka Chalet AB.



**Anneli Liljeros**  
(Born in 1968, Chief Commercial Officer since 2015)

Experience: Anneli Liljeros has studied Service Management and has extensive experience within managerial and commercial work. Anneli has previously been a board member of Sparbanken Gripen AB. Anneli has also been CEO of Börjessons Bil i Ängelholm, aftermarket manager at Audi Sverige AB and sales manager at MECA Sweden AB.

Education: Studies in Service Management at ÄHU (Ängelholms Högre Utbildningar)/Halmstad University.  
Previous appointments: Deputy Board member of Liljeros Consulting AB.



**Robert Olsson**  
(Born in 1977, Head of Operations since 2015)

Experience: Robert Olsson has extensive experience within the insurance industry and has for a long time held several management positions, and thus has solid managerial experience. Robert has previously worked at Trygg-Hansa Försäkringar as head of engine damage. Robert also held the position of Group Manager and claims adjuster at Trygg-Hansa Försäkringar.

Education: Various leadership and insurance training within Trygg-Hansa. High school diploma in economics at Malmö Borgarskola.



**Patrik Jönsson**  
(Born 1973, Chief Information Officer since 2021)

Experience: Patrik Jönsson has a Master's degree of Science in Electrical Engineering and has a solid background within the IT industry. Patrik has long managerial experience and previously IT manager at Ecolan AB, STR, Order Nordic AB and EG Sverige among others.

Education: Master's degree of Science in Electrical Engineering from Lund Faculty of Engineering.  
Previous appointments: IT Manager at the Swedish National Association of Driver Educators.



**Jonatan Heberlein**

(Born in 1989, Head of Legal since 2021)

Experience: Jonatan Heberlein has a Master's degree in Business Law and has previous experience as corporate lawyer at Resurs Holding, with a special focus on Solid Försäkring. Furthermore, Jonatan has previous experience from the insurance industry as Account Executive and Specialist Broker Liability at Aon Sweden AB, as well as Client Advisor, Liability and Legal in Marsh AB.

Education: Master's degree in Business Law from the University of Linköping. Other ongoing assignments: Deputy board member of J H Fastighets AB.

Previous appointments: Board member of Bostadsrättsföreningen Yxan 3. Deputy board member of Bostadsrättsföreningen Yxan 3. Legal Counsel at Resurs Bank Aktiebolag.



**Johan Hähnel**

(Born 1965, Head of IR since 2021)

Experience: Johan Hähnel has a Bachelor's degree in Marketing and Economics and has a extensive and long-standing experience of IR. Johan is currently CEO of Comir AB, through which he carries out various consulting assignments, and Jolorito AB, as well as IR responsible at ACQ Bure. Johan previously worked as IR responsible at BHG Group, Internationella Engelska Skolan and MedCap among others, and global information director at EQT Partners.

Education: Bachelor's degree in Marketing and Economics from Stockholm University.

Other ongoing assignments: Board member of Comir AB and Jolorito AB. CEO of Comir AB and Jolorito AB. IR Manager at ACQ Bure AB and Linc AB.

Previous appointments: Chairman of the board of Stapp AB, Stapp Group AB, Stapp Group Holding AB and Stapp International AB. Board member of Stapp AB, Stapp Group AB, Stapp Group Holding AB and Stapp International AB.

## Internal control

The Board of Directors' responsibility for internal control is regulated by the Companies Act, the Annual Accounts Act for Insurance Companies (1995:1560), the Code and applicable parts of the Financial Supervisory Authority's regulations and general guidelines. The procedures for internal control, risk assessment, control activities and follow-up of the financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with the so-called statutory IFRS, applicable laws and regulations as well as other requirements that are to be applied by companies listed on Nasdaq Stockholm. This work involves the Board, company management and other personnel.

## Control environment

The Board has adopted a number of governance documents, which, along with the external regulatory framework, comprise the basis for Solid Försäkring's control environment. All employees have a responsibility for ensuring compliance with the governing documents. The Board of Directors has adopted policies governing the responsibilities of the CEO and the Board of Directors. The rules of procedure for the Board of Directors state that the Board must ensure that the company has a Risk Management function (second line of defence), a Compliance function (second line of defence), an Actuarial function (second line of defence) and an Internal Audit function (third line of defence). The control functions shall regularly report to the Board and the CEO concerning any significant shortcomings and risks. The reports shall follow up previously reported shortcomings and risks and report every new significant shortcoming and risk that is identified. The Board and the CEO must, as soon as possible, take suitable actions in response the control functions' reports. The Board and the CEO must ensure that the company has procedures for regularly following up actions taken based on reports made by the control functions. The responsibility for maintaining an effective control environment, the day-to-day risk-assessment work and internal control of the financial reporting is delegated to the CEO. However, the Board is ultimately responsible. The CEO shall regularly issue a written CEO report to the Board of Directors with summarised comments on significant events. Managers at various levels of the company, as operational personnel in the first line of defence, have a responsibility for identifying and resolving identified risks.

The Audit Committee continuously ensures the quality of the company's financial statements, while the Corporate Governance Committee ensures the quality of the company's corporate governance, internal control, compliance, risk management, actuarial work and internal audit.

## Risk assessment and control activities

Solid Försäkring has implemented an assessment of the risks of errors in financial statements and in financial reporting. The most significant items and the processes where risks of significant errors may typically occur are monitored regularly. The company continuously evaluates how well the checks of these items and processes work. The risk management function also performs a self-assessment of the minimum requirements for internal control identified by the company within the processes of "accounting&earnings" and "Investments". The results of the self-assessment are reported at least once annually to the Audit Committee and the Board.

## Monitoring, evaluation and reporting

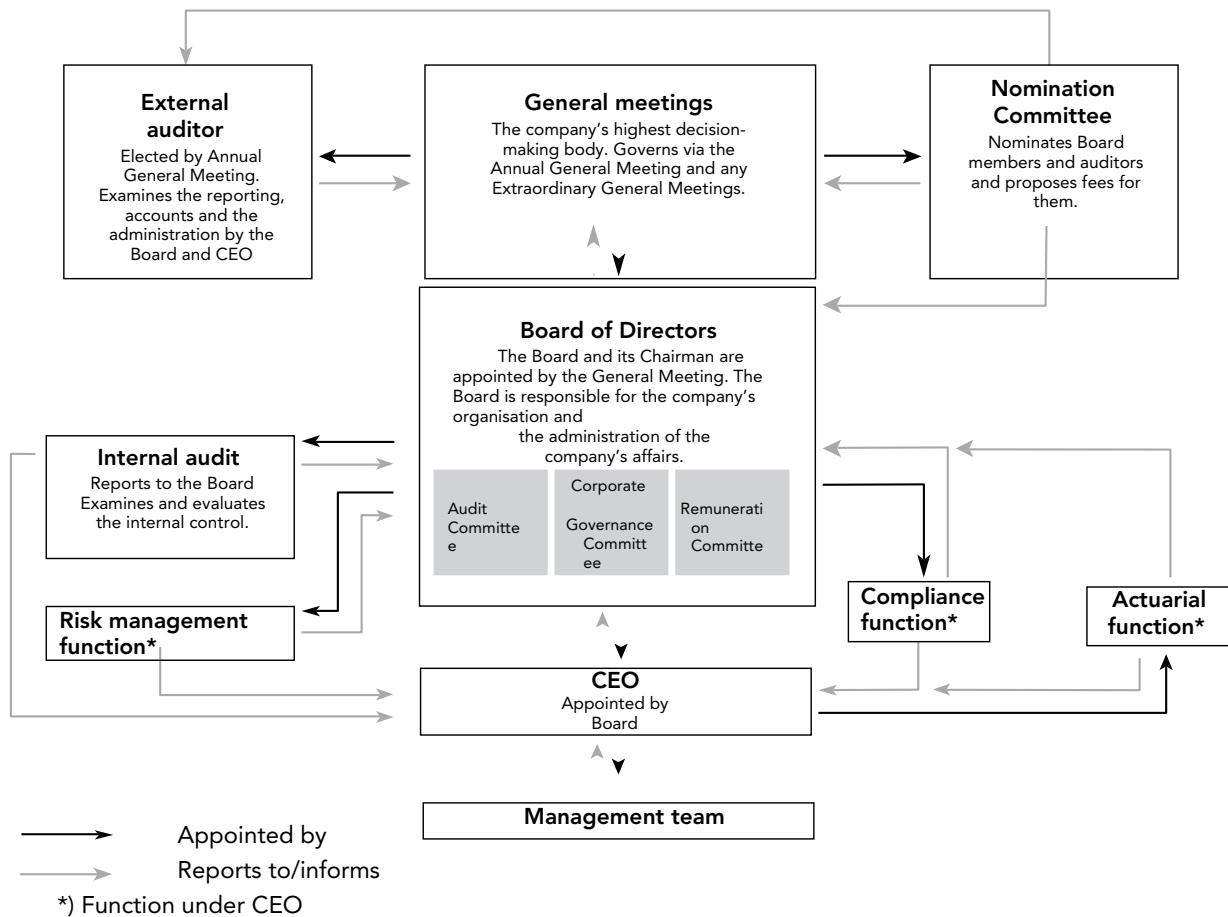
The Board continuously assesses the information received by the Board. The Board regularly receives reports from the CEO concerning the company's financial position, and reports from the Audit Committee concerning its observations, recommendations and proposals for measures and decisions. The internal audit function, compliance function, risk management function and actuarial function regularly report their observations and proposed measures to the CEO, the Board and certain Board committees. Internal and external rules and regulations that govern financial reporting are communicated internally through governance documents, which are available to all employees.

## Auditors

Ernst & Young AB (Hamngatan 26, SE-111 47 Stockholm) has been the company's auditor since 2013, with Jesper Nilsson serving as auditor in charge since 2021. Jesper Nilsson is an authorised public accountant and a member of FAR, the trade organisation for auditors in Sweden, and is a licenced auditor for financial companies. In 2021, the auditor

participated in two meetings of the Audit Committee and one Board meeting during which, inter alia, the quarterly reports on the second and third quarter of 2021 and the 2020 Annual Report were addressed. The external audit of the company's financial statements and financial accounts, and the Board of Directors' and CEO's management, was conducted in accordance with generally accepted auditing practices.

## Solid Försäkring's corporate governance structure



# Financial statements

## INCOME STATEMENT

KSEK	Note	2021	2020
<b>Technical account of non-life insurance operations</b>			
<b>Premiums earned, net of reinsurance</b>			
Premium income		1,013,421	951,480
Outward reinsurance premiums		-27,605	-19,922
Change in provision for unearned premiums and unexpired risks		-4,634	-18,890
Reinsurers' share of change in provision for unearned premiums and unexpired risks		109	-14
<b>Total premiums earned, net of reinsurance</b>	<b>4</b>	<b>981,291</b>	<b>912,654</b>
<b>Allocated investment return transferred from the non-technical account</b>	<b>5</b>	<b>8,900</b>	<b>9,014</b>
<b>Claims incurred, net of reinsurance</b>			
Claims paid, net of outward reinsurance	6	-232,902	-228,583
Reinsurers' share of Claims paid		6,325	6,073
Change in Provision for claims outstanding, net of outward reinsurance		-4,434	-9,515
Reinsurers' share of Change in provision for claims outstanding		-10	-171
<b>Total claims incurred, net of reinsurance</b>		<b>-231,021</b>	<b>-232,196</b>
<b>Operating expenses</b>	<b>7</b>	<b>-644,934</b>	<b>-572,552</b>
<b>Technical result for non-life insurance operations</b>		<b>114,236</b>	<b>116,920</b>
<b>Non-technical account</b>			
<b>Result of asset management</b>			
Investment income	8	25,068	20,515
Unrealised gains on investment assets		20,057	0
Investment charges		-2,188	-1,937
Unrealised losses on investment assets		-1,049	-6,529
<b>Result of asset management</b>		<b>41,888</b>	<b>12,049</b>
Allocated investment return transferred to technical account	5	-8,900	-9,014
Other non-technical income		6,750	3,655
Other non-technical expenses		-2,609	-3,006
<b>Profit before appropriations and tax</b>		<b>151,365</b>	<b>120,604</b>
Appropriations	9	0	-60,000
<b>Profit before tax</b>		<b>151,365</b>	<b>60,604</b>
Tax on profit for the year	10	-31,385	-17,232
<b>Net profit for the year</b>		<b>119,980</b>	<b>43,372</b>
Basic and diluted earnings per share, SEK	11	6.00	2.17

## STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
Net profit for the year	119,980	43,372
<i>Items that will be reclassified to profit or loss</i>		
Translation differences for the year, foreign operations	701	-691
<b>Comprehensive income for the year</b>	<b>120,681</b>	<b>42,681</b>

## EARNINGS ANALYSIS

KSEK	Total 2021	Swedish risks						Foreign risks	
		Morbidity and accident	Motor vehicle liability	Home and House owner	Other property	Legal expenses	Assistance		Income and severance pay
<b>Technical result for non-life insurance operations</b>									
Premiums earned, net of reinsurance*	981,291	207,806	126,719	209,497	2,848	297	63,795	4,492	365,837
Allocated investment return transferred from non-technical account	8,900	23	1,833	1,679	34	2	535	104	4,690
Claims incurred, net of reinsurance*	-231,021	-18,755	-33,581	-56,251	-2,673	0	-36,589	-2,149	-81,023
Operating expenses	-644,934	-156,966	-77,435	-124,939	-957	-33	-22,929	-452	-261,223
<b>Technical result for non-life insurance operations</b>	<b>114,236</b>	<b>32,108</b>	<b>17,536</b>	<b>29,986</b>	<b>-748</b>	<b>266</b>	<b>4,812</b>	<b>1,995</b>	<b>28,281</b>
Run-off result	8,333	1	1,488	1,886	232	0	2,447	511	1,768
Provision for unearned premiums and unexpired risks	555,105	8	121,776	106,408	1,750	150	28,631	2,498	293,884
Provision for claims outstanding	60,795	1,522	8,613	10,264	414	0	7,810	4,229	27,943
<b>Technical provisions, net of outward reinsurance</b>	<b>615,900</b>	<b>1,530</b>	<b>130,389</b>	<b>116,672</b>	<b>2,164</b>	<b>150</b>	<b>36,441</b>	<b>6,727</b>	<b>321,827</b>
Reinsurers' share of provision for unearned premiums and unexpired risks	3,579	0	0	3,579	0	0	0	0	0
Reinsurers' share of provision for claims outstanding	232	0	0	0	0	0	0	0	232
<b>Reinsurers' share of technical provisions</b>	<b>3,811</b>	<b>0</b>	<b>0</b>	<b>3,579</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>232</b>
* Notes on earnings analysis									
<b>Premiums earned, net of reinsurance</b>									
Gross written premiums	1,013,421	207,763	138,359	230,008	2,647	285	63,382	4,161	366,816
Outward reinsurance premiums	-27,605	0	0	-20,197	0	0	-118	0	-7,290
Change in provision for unearned premiums and unexpired risks	-4,634	43	-11,640	-446	201	12	531	331	6,334
Reinsurers' share of change in provision for unearned premiums and unexpired risks	109	0	0	132	0	0	0	0	-23
<b>Total premiums earned, net of reinsurance</b>	<b>981,291</b>	<b>207,806</b>	<b>126,719</b>	<b>209,497</b>	<b>2,848</b>	<b>297</b>	<b>63,795</b>	<b>4,492</b>	<b>365,837</b>
<b>Claims incurred, net of reinsurance</b>									
Claims paid, net									
of outward reinsurance	-232,902	-18,735	-30,800	-62,326	-2,666	0	-35,033	-2,325	-81,017
reinsurers' share	6,325	0	0	6,325	0	0	0	0	0
Change in provision for claims outstanding, net of outward reinsurance	-4,434	-20	-2,781	-251	-7	0	-1,556	176	5
reinsurers' share	-10	0	0	0	0	0	0	0	-10
<b>Total claims incurred, net of reinsurance</b>	<b>-231,021</b>	<b>-18,755</b>	<b>-33,581</b>	<b>-56,252</b>	<b>-2,673</b>	<b>0</b>	<b>-36,589</b>	<b>-2,149</b>	<b>-81,022</b>

## EARNINGS PER INSURANCE CLASS

KSEK	Gross written premiums	Premiums earned, gross	Technical provisions, gross	Operating expenses, gross	Profit/loss for outward reinsurance
Morbidity and accident	364,773	369,240	-36,889	-279,055	0
Motor, other classes	138,359	126,719	-33,582	-81,694	0
Fire and other damage to property	364,378	369,863	-111,739	-222,346	-13,740
Legal expenses	285	297	0	-36	0
Assistance	141,465	138,176	-52,977	-61,281	-7,441
Other classes	4,161	4,492	-2,149	-522	0
<b>Total</b>	<b>1,013,421</b>	<b>1,008,787</b>	<b>-237,336</b>	<b>-644,934</b>	<b>-21,181</b>

## BALANCE SHEET

KSEK	Note	31 Dec 2021	31 Dec 2020
<b>Assets</b>			
<b>Intangible assets</b>	12		
Goodwill		12,143	15,000
Other intangible assets		10,402	15,839
<b>Total intangible assets</b>		<b>22,545</b>	<b>30,839</b>
<b>Investment assets</b>			
Investments in Group companies and associates subordinated loans	13	0	200,000
Other financial investment assets			
shares and participating interests	14	78,788	98,207
bonds and other interest-bearing securities	15	574,581	493,616
subordinated loans	15	29,252	29,682
<b>Total investment assets</b>		<b>682,621</b>	<b>821,505</b>
<b>Reinsurer's share of Technical provisions</b>			
Unearned premiums and unexpired risks	16	3,579	3,447
Claims outstanding	17	232	220
<b>Total reinsurer's share of Technical provisions</b>		<b>3,811</b>	<b>3,667</b>
<b>Receivables</b>			
Receivables, direct insurance	18	81,007	77,429
Receivables, reinsurance		35	64
Other current receivables		10	75
Other receivables	19	0	17,271
<b>Total receivables</b>		<b>81,052</b>	<b>94,839</b>
<b>Other assets</b>			
Property, plant & equipment	20	1,911	2,908
Cash and bank balances		613,139	328,205
Client accounts		54	48
Other assets	21	334	2,037
<b>Total other assets</b>		<b>615,438</b>	<b>333,198</b>
<b>Prepaid expenses and accrued income</b>			
Accrued interest income		1,031	1,214
Deferred acquisition costs	22	204,070	193,484
Other prepaid expenses and accrued income		5,317	2,963
<b>Total prepaid expenses and accrued income</b>		<b>210,418</b>	<b>197,661</b>
<b>Total assets</b>		<b>1,615,885</b>	<b>1,481,709</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	24		
Restricted equity			
Share capital		30,000	30,000
Unrestricted equity			
Fair value reserve		-777	-1,478
Retained earnings		178,210	133,837
Net profit for the year		119,980	43,372
<b>Total equity</b>		<b>327,413</b>	<b>205,731</b>
<b>Untaxed reserves</b>	25		
Contingency reserve		488,118	488,118
<b>Total untaxed reserves</b>		<b>488,118</b>	<b>488,118</b>
<b>Technical provisions (net of outward reinsurance)</b>			
Unearned premiums and unexpired risks	16	555,105	532,931
Claims outstanding	17	60,795	54,833
<b>Total technical provisions (net of outward reinsurance)</b>		<b>615,900</b>	<b>587,764</b>
<b>Liabilities</b>			
Liabilities, direct insurance	26	158,712	119,453
Liabilities, reinsurance		0	0
Derivatives		660	508
Other liabilities	27	5,554	63,222
<b>Total liabilities</b>		<b>164,926</b>	<b>183,183</b>
<b>Other accrued expenses and deferred income</b>	28	19,528	16,913
<b>Total equity and liabilities</b>		<b>1,615,885</b>	<b>1,481,709</b>

## STATEMENT OF CHANGES IN EQUITY

KSEK	Share capital	Fair value reserve	Retained earnings	Net profit for the year	Total equity
<b>Equity, 1 Jan 2020</b>	<b>30,000</b>	<b>-787</b>	<b>34,382</b>	<b>49,455</b>	<b>113,050</b>
Net profit for the year				43,372	43,372
Translation differences		-691			-691
<b>Comprehensive income for the year</b>		<b>-691</b>		<b>43,372</b>	<b>42,681</b>
Previous year's profit brought forward			49,455	-49,455	0
<i>Owner transactions</i>					
Shareholders' contributions			50,000		50,000
<b>Equity, 31 Dec 2020</b>	<b>30,000</b>	<b>-1,478</b>	<b>133,837</b>	<b>43,372</b>	<b>205,731</b>
<b>Equity, 1 Jan 2021</b>	<b>30,000</b>	<b>-1,478</b>	<b>133,837</b>	<b>43,372</b>	<b>205,731</b>
Net profit for the year				119,980	119,980
Translation differences		701			701
<b>Comprehensive income for the year</b>		<b>701</b>		<b>119,980</b>	<b>120,681</b>
Previous year's profit brought forward			43,372	-43,372	0
<i>Owner transactions</i>					
Option premiums received/repurchased			1,001		1,001
<b>Equity, 31 Dec 2021</b>	<b>30,000</b>	<b>-777</b>	<b>178,210</b>	<b>119,980</b>	<b>327,413</b>

## STATEMENT OF CASH FLOWS (INDIRECT METHOD)

KSEK	2021	2020
<b>Operating activities</b>		
Profit before tax	151,365	60,604
Adjustment for non-cash items*	-24,648	122,069
Income taxes paid	-13,894	-20,219
<b>Cash flow from operating activities before changes in working capital</b>	<b>112,823</b>	<b>162,454</b>
Change in operating receivables	11,035	-14,976
Change in operating liabilities	39,198	2,580
<b>Cash flow from operating activities</b>	<b>163,056</b>	<b>150,058</b>
<b>Investing activities</b>		
Acquisition of intangible assets	0	-11,933
Replacement of divested property, plant & equipment	255	825
Acquisition of investment assets	-223,199	-227,351
Disposal of investment assets	396,219	133,163
<b>Cash flow from investing activities</b>	<b>173,275</b>	<b>-105,296</b>
<b>Financing activities</b>		
Group contributions paid/received	-60,000	-62,000
Capital contribution received	0	50,000
Option premiums received/repurchased	1,000	0
<b>Cash flow from financing activities</b>	<b>-59,000</b>	<b>-12,000</b>
<b>Cash flow for the year</b>	<b>277,331</b>	<b>32,762</b>
Cash and cash equivalents at the beginning of the year	328,205	305,305
Exchange-rate differences in cash and cash equivalents	7,603	-9,862
<b>Cash and cash equivalents at end of year</b>	<b>613,139</b>	<b>328,205</b>
<b>*Adjustment for non-cash items</b>		
Depreciation of property, plant & equipment	997	997
Amortisation of intangible assets	9,007	8,825
Group contributions paid	0	60,000
Change in technical provisions	8,884	28,770
Realised gains/losses on property, plant & equipment	-255	-429
Realised gains/losses on investment assets	-8,291	-3,713
Unrealised gains/losses on investment assets	-19,008	6,529
Unrealised exchange-rate gains/losses	-15,982	21,090
<b>Total adjustment for non-cash items</b>	<b>-24,648</b>	<b>122,069</b>
<b>Direct yield</b>		
Interest paid from operating activities	-287	-132
Interest received from operating activities	0	0
Interest received from investing activities	9,700	13,948
Dividends received	3,561	1,521

The reported cash flows only include transactions involving cash inflows and outflows. The cash transactions are classified under operating activities, investing activities and financing activities. Cash and cash equivalents are bank deposits.



# NOTES

## Note 1 Accounting policies

### Company information

This Annual Report encompasses the 2021 financial year for Solid Försäkringsaktiebolag (publ), Corp. ID. No. 516401-8482, postal address PO Box 22068, SE-250 22 Helsingborg, Sweden. Solid Försäkring is public limited liability company with its registered office in Helsingborg, is listed on Nasdaq Stockholm and its major shareholder is Waldakt AB.

The Annual Report was approved for issue by the Board on 21 March 2022. The income statement and balance sheet will be adopted at the Annual General Meeting on 28 April 2022.

The Annual Report has been prepared in thousands of Swedish kronor (KSEK) unless otherwise stated.

### Statement of compliance

The insurance company's Annual Report has been prepared in accordance with the Swedish Annual Accounts Act for Insurance Companies (1995:1560), the Swedish Financial Supervisory Authority's regulations and general guidelines on Annual Accounts at Insurance Undertakings (FFFS 2019:23), including all applicable amendment regulations, and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

The Annual Report has been prepared in accordance with IFRS, on a statutory exemption basis. This means applying International Financial Reporting Standards and IFRIC interpretations, as adopted by the EU, to the extent possible within the framework of national laws and regulations, taking into account the relationship between accounting and taxation.

The accounting policies described below have been applied consistently to all periods presented in the company's financial statements, unless otherwise stated.

### Basis of preparation of the company's financial statements

The company's functional currency is the Swedish krona (SEK) and the financial statements are presented in this currency. Unless otherwise stated, all figures are rounded to the nearest thousand.

The financial statements have been prepared under the historical cost convention. Financial assets and liabilities are measured at amortised cost, apart from certain financial assets and liabilities which are measured at fair value. Financial assets and liabilities measured at fair value are classified as "financial assets and liabilities at fair value through profit or loss."

### Judgements and estimates in the financial statements

Preparation of financial statements in compliance with IFRS requires the company's management to make judgements, accounting estimates and assumptions which affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expense.

Estimates and assumptions are based on historical experience and a number of other factors that are considered reasonable in the prevailing circumstances. The results of these estimates and assumptions are used to determine the carrying amounts

of assets and liabilities which are not readily apparent from other sources. The actual outcome may differ from those estimates and assumptions.

The accounting estimates and assumptions are reviewed regularly. Changes in accounting estimates are recognised in the period that the change is made.

Assessments made by the company's management and key sources of estimation uncertainty when applying IFRS (with statutory exemption) that have a significant impact on the financial statements are described in more detail in Note 34 Significant estimates and judgements.

### Changed accounting policies

New accounting standards from the IASB applied to the 2021 financial year since Solid Försäkring was listed on Nasdaq on 1 December 2021.

### IFRS 8 Operating Segments

Operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision maker, the CEO, since this individual is responsible for allocating resources and assessing performance. The company uses the same valuation principles in its segment report according to IFRS 8 as in its financial statements.

### Earnings per share

Earnings per share are calculated in accordance with IAS 33. The calculation of earnings per share is based on net profit for the year attributable to the company's owners and the weighted average number of shares outstanding for the year. When calculating diluted earnings per share, earnings and the average number of shares are adjusted to take into account the effects of dilutive potential ordinary shares.

### Future regulatory changes

#### IFRS 17 Insurance Contracts endorsed by the EU in 2021

The insurance accounting standard IFRS 17 was published on 18 May 2017. In June 2020, the International Accounting Standards Board (IASB) decided to amend the standard. Under this decision, the amended standard will be applied from 1 January 2023. The EU endorsed the standard on 23 November 2021.

Since the company is no longer part of a listed group and is not a listed group itself after the separate listing on 1 December 2021, the company is not affected by IFRS 17 coming into effect on 1 January 2023. The company is monitoring developments in Sweden and the adjustments that may need to be made in the future.

The company has assessed that no other new or future IFRSs have a material impact on the company's reporting.

### Foreign currency

The annual report is presented in Swedish kronor (SEK), the company's presentation currency. Assets and liabilities in branches with a different functional currency from SEK are translated to the presentation currency using the exchange rate on the closing date. The income statement is translated at the average rate for each currency for the period. All gains and losses as a result of currency translation of monetary items are recognised net in profit or loss as exchange-rate gains/losses under the item Investment income or Investment charges.

## Revenue recognition

Solid Försäkring applies IFRS 15 Revenue from Contracts with Customers. The company's revenue from contracts with customers comprises sales of registrations in the company's bicycle register. The company recognises revenue when a performance obligation has been satisfied, which is when a service is delivered to the customers. Revenue comprises the amount that the company expects to receive as remunerations for services transferred.

## Principles applied for income statement items

### Premium income

Premium income is recognised as the total gross premium for direct insurance deposited with or that can be credited to the company for insurance contracts for which the insurance period commenced prior to the end of the financial year. If the contracted premium for the insurance period is divided into several partial payments, the entire premium is recognised from the start of the period.

Cancellations reduce premium income as soon as the amount is known. Premium income is recognised excluding tax and other public fees charged to the insurance premium.

### Premiums earned

The portion of premium income that is attributable to the current accounting period is recognised as premiums earned. The portion of income from insurance contracts that pertains to a period after the closing date is reserved in the premium reserve in the balance sheet and is calculated taking into account the term of the insurance contract.

### Outward reinsurance premiums

Outward reinsurance premiums comprise amounts paid during the financial year or amounts recognised as a liability to insurance companies that assumed reinsurance according to signed reinsurance contracts, including portfolio premiums. The premiums are allocated so that the cost is distributed to the period to which the insurance cover pertains.

### Claims incurred

Total claims incurred include claims paid during the period, changes in the provision for claims outstanding and claims-adjustment expenses. Claims paid includes payments to policyholders during the financial year based on incurred insurance claims, regardless of when the claim occurred.

### Operating expenses

All operating expenses are allocated in the income statement according to their function: acquisitions, administration, commission and profit-sharing in outward reinsurance, claims adjustment and investment charges. Administrative expenses include lease payments for the company's premises, vehicles and equipment, which are recognised straight-line as expenses in profit or loss based on contracted lease terms.

Operating expenses associated with claims adjustment are recognised as a portion of claims incurred in profit or loss. Operating expenses associated with the investment returns are recognised under non-technical account.

### Employee benefits

#### Personnel expenses

Personnel expenses, such as salaries, payroll overheads and variable remuneration, are recognised through profit or loss during the period in which the employee rendered service to the company. A provision for variable remuneration is recognised when the company has a legal or constructive obligation to make such payments as a result of the services in question having been rendered by the employees, and when the amount can be measured reliably.

### Pensions

The company primarily has defined-contribution pension plans, which are recognised through profit or loss during the period in which the employee rendered service to the company. A defined-contribution pension plan is a pension plan under which the company pays fixed fees to a separate legal entity. The company does not have a legal or informal obligation to pay additional contributions if this legal entity does not have sufficient assets to pay all employee benefits related to the employees' service in the current or prior periods.

### Termination benefits

A cost for remuneration in connection with the termination of personnel is recognised, at the earliest, when the company can no longer rescind the offer to the employees or when the company recognises costs for restructuring.

### Investment return

The allocated investment return is transferred from the non-technical account to the technical account. Refer also to Note 5 Allocated investment return transferred from non-technical account

### Investment income

Investment income relates to the return on investment assets and includes dividends on shares and participating interests, interest income, exchange-rate gains, reversed impairment and capital gains.

### Investment charges

Investment charges are expenses associated with investment assets. The item includes asset management expenses, interest expense, exchange-rate losses, depreciation, amortisation, impairment and capital losses.

### Realised and unrealised fair value changes

Capital gains on investment assets measured at fair value represent the positive difference between the selling price and cost. For interest-bearing securities, cost corresponds to amortised cost, while for other investment assets it corresponds to historical cost.

On disposal of an investment asset, previously unrealised fair value changes are recognised as adjustment items under unrealised gains on investment assets and unrealised losses on investment assets.

Capital gains on assets other than investment assets are recognised under other income.

Unrealised gains and losses are recognised on a net basis by asset class. Fair value changes arising from exchange-rate differences are recognised as exchange-rate gains or exchange-rate losses under the item investment return.

### Income from bicycle registrations

Income from contracts with customers encompasses income from registrations in the company's bicycle register, which means that the customer's deductible is reduced in the event of a claim. Solid Försäkring's performance comprises registering the customer in the register on the date of sale.

## Recognition of assets and liabilities

Assets are defined as resources controlled by the company as a result of past events and which are likely to generate future economic benefits. These are capitalised when it is probable that future economic benefits associated with the asset will flow to the company and when the value/cost of the resource can be measured reliably.

Liabilities are current obligations arising from past events, the settlement of which is expected to result in an outflow of resources from the company. A liability is capitalised when it is probable that an outflow of resources from the company will result from the settlement of a current obligation and the amount at which the settlement will take place can be measured reliably.

#### **Intangible assets**

The value of goodwill is assessed regularly and amortised over its estimated useful life at any given time. Other intangible assets are amortised systematically over their estimated useful lives.

Goodwill is amortised over seven years which is considered to represent the period during which the company expects to obtain economic benefits from the investment.

All intangible assets are amortised over 5-7 years.

#### **Goodwill**

Goodwill is the difference between the cost of acquisition and the fair value of the acquired identifiable assets, assumed liabilities and contingent liabilities. Goodwill is carried at cost less accumulated amortisation. Goodwill is allocated to cash-generating units and is tested for impairment at least annually. See also Note 12 Intangible assets.

#### **IT development**

IT development is capitalised as an intangible asset when the project meets all the criteria for capitalisation. These criteria include adequate assurance that each activity will generate economic benefits that exceed the costs. Completed development projects are recognised at the costs incurred, less accumulated amortisation and impairment losses. Amortisation is recognised through profit or loss and is applied on a straight-line basis over the project's expected useful life, which is 5-7 years.

#### **Impairment testing**

The company conducts annual goodwill impairment testing, in accordance with the accounting policy described above. The recoverable amounts for cash-generating units are determined by calculating the value in use. This calculation requires certain estimates to be made.

For other intangible assets, if the carrying amount is higher than the recoverable amount, the carrying amount is written down to the recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use.

#### **Leases**

As a lessee, lease expenses are recognised as an expense straight-line over the lease term, and thus no right-of-use assets and lease liabilities are recognised in the balance sheet. The company applies the exception in RFR 2 but not IFRS 16.

#### **Financial instruments**

Financial instruments recognised under assets in the balance sheet include shares and participating interests, bonds and other interest-bearing securities, subordinated loans, receivables attributable to direct insurance and to reinsurance, cash and bank balances, and accrued interest income. Liabilities from direct insurance and reinsurance, derivatives and other liabilities are recognised under liabilities and equity.

#### **Financial instruments — Recognition in and derecognition from the balance sheet**

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party under the instrument's contractual terms. A financial asset is derecognised from the balance sheet when the rights in the contract are realised, expire or the company loses control of them. The same applies to part of a financial asset.

A financial liability is derecognised from the balance sheet when the contractual obligation is discharged or extinguished in some other way. The same applies to part of a financial liability. A financial asset and a financial liability may be offset and the net amount recognised in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and the intention is either to settle on a net basis, or to simultaneously realise the asset and settle the liability. Purchases and sales of financial assets are recognised on the trade date (the date on which the company commits itself to purchase or sell the asset).

#### **Financial instruments - Classification and measurement**

Financial instruments are measured at their fair value. Derivatives and instruments classified as financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. A financial instrument is classified on initial recognition according to the purpose for which it was acquired, but also according to the options specified in IFRS 9.

Classification determines how a financial instrument is measured subsequent to initial recognition, as described below.

#### **Financial instruments - Assets at fair value through profit or loss**

Financial instruments in this category are regularly measured at fair value, with changes in fair value recognised through profit or loss. For financial instruments measured at fair value through profit or loss, both realised and unrealised changes in value are recognised under the income statement item "Non-technical account." For the 2019 financial year, the company has held bonds, other interest-bearing securities and shares measured at fair value through profit or loss.

#### **Financial instruments - liabilities at fair value through profit or loss**

Financial instruments in this category are regularly measured at fair value, with changes in fair value recognised through profit or loss. This category includes derivatives with a negative fair value. The company does not have any other liabilities measured at fair value through profit or loss.

#### **Financial instruments — Assets measured at amortised cost**

The measurement category of amortised cost primarily comprises subordinated loans, cash and bank balances, and receivables attributable to direct insurance and reinsurance that have fixed or fixable payments and that are not listed on an active market. Amortised cost is calculated based on the effective interest rate used at initial recognition. Accounts receivable are recognised at the amounts expected to be received, meaning after deductions for doubtful receivables.

#### **Financial instruments - Liabilities measured at amortised cost**

These are represented in the balance sheet by the items liabilities, direct insurance and reinsurance, and other liabilities.

### **Methods of determining fair value Financial instruments listed on an active market**

The fair value of financial instruments listed on an active market is determined on the basis of the asset's listed bid price on the closing date without additions for transaction costs (for example, brokerage) at the time of acquisition. A financial instrument is deemed to be listed on an active market if listed prices are readily available from a stock exchange, dealer, broker, trade association, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on commercial terms. Any future transaction costs on disposal are not taken into consideration. The fair value of financial liabilities is based on the listed selling price. Instruments that are listed on an active market are recognised under the items shares and participating interests, bonds and other interest-bearing securities.

### **Financial instruments not listed on an active market**

If the market for a financial instrument is not active, the fair value is determined by applying various measurement techniques. The measurement techniques used are based on market data as much as possible.

### **Financial instruments measured at fair value for disclosure purposes**

The fair value of subordinated loans at variable rates is measured at amortised cost, and the carrying amount is considered a reflection of the fair value. For bank deposits at variable interest rates, the carrying amount reflects the fair value. For other financial assets and liabilities with a remaining life of less than six months, the carrying amount is considered a reflection of the fair value.

### **Impairment of financial assets**

The company recognises a loss allowance on assets measured at amortised cost, which corresponds to the expected credit losses for the remaining term according to the simplified method. The expected credit losses are measured at a probability-weighted amount based on information on past events, current condition and future forecasts.

Impairment is reversed when there is verifying information that the impairment requirement no longer exists.

### **Property, plant & equipment**

Items of property, plant & equipment are recognised at cost less accumulated depreciation. Cost includes expenses directly attributable to the acquisition of an asset. Subsequent expenditure is added to the asset's carrying amount or recognised as a separate asset (whichever is more suitable) only when it is probable that the future economic benefits associated with the asset will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised from the balance sheet. All other types of repair and maintenance are recognised as an expense through profit or loss in the period in which they arise.

Depreciation of property, plant & equipment is applied on a straight-line basis for equipment for own use down to the estimated residual value over the useful life. Assets are depreciated over their estimated useful life of five years from the date of acquisition.

The carrying amount of property, plant and equipment is derecognised from the balance sheet on disposal, divestment or

when no future economic benefits are expected from its use or from disposal/divestment. Gains or losses arising from the disposal/divestment of property, plant and equipment comprise the difference between the sales price and the asset's carrying amount less direct selling expenses. Using a materiality rationale, the company reports immaterial gains or losses on disposal under operating expenses.

### **Impairment testing**

The carrying amounts of the company's assets are assessed at each closing date to determine whether there is any indication of impairment. If there is an indication of an impairment requirement, the recoverable amount of the asset is calculated in accordance with IAS 36.

If it is not possible to determine significantly independent cash flows to a specific asset, assets are grouped to the lowest level at which it is possible to identify significantly independent cash flows, known as cash-generating units, when testing for impairment. Impairment is recognised when the recoverable amount of an asset or a cash-generating unit (group of units) is less than its carrying amount. Impairment is charged to profit or loss. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. In calculating value in use, future cash flows are discounted at a discount rate that takes into account the risk-free interest rate and risks related to the specific asset.

### **Reversal of impairment**

Impairment of assets is reversed if there is an indication that the impairment no longer exists and there has been a change in the assumptions used in the calculation of the recoverable amount. Impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation where applicable, had no impairment been recognised.

### **Costs for insurance contracts**

Direct costs that have a clear connection with the signing of insurance contracts are recognised as an asset (gross). Direct costs mainly refer to fee & commission expense. Direct costs are subsequently allocated over the term of the insurance contract.

### **Contingency reserve**

The contingency reserve is recognised as an untaxed reserve. Changes are recognised through profit or loss. Calculation of the reserve is based on regulations from the Financial Supervisory Authority on standard regulations for the calculation of contingency reserves, FFFS 2013:8 and FFFS 2015:23. The regulations specify the maximum amount that may be allocated to the contingency reserve, based on premium income and the provision for claims outstanding in certain lines of insurance. The company calculates the provision ceiling on a regular basis.

At the end of the year; the company had not reached the maximum provision permitted.

### **Technical provisions**

Technical provisions consist of the Provision for unearned premiums and unexpired risks and the Provision for claims outstanding.

Provision for unearned premiums and unexpired risks comprises in the balance sheet provisions corresponding to the company's commitments for insurance cases, administration costs and other expenses for the remainder of the contract period for ongoing insurance contracts.

The provision for unearned premiums is calculated individually for each insurance contract. Premiums are earned using experience-based factors

calculated based on when claim and operating expenses arise in an insurance period. Consequently, premium earning is not pro rata for all products. In the case of one-year contracts, earning is pro rata. Due to the settlement of old contracts and foreign contracts, some of the contracts still have a term of more than one year. Compared with strictly straight-line recognition of earnings, costs during the first year of the insurance contract are assumed to be lower than for the remainder of the contract period, based on a one-year guarantee period for the products encompassed by the insurance policies.

A provision is made for unexpired risks if the premium level is deemed to be insufficient to cover expected claim and operating expenses. The change for the period in the provision for unearned premiums and unexpired risks is recognised through profit or loss. Changes attributable to the translation of the provision items to the exchange rate on the closing date are recognised as exchange-rate gains or exchange-rate losses under Investment income.

#### **Provision for claims outstanding**

is the estimated cost of future settlement of all claims incurred, including claims incurred but not reported (IBNR). The required provision is estimated using statistical methods for most claims. Individual assessments are made for larger claims and claims with complicated liability issues. Changes in claims outstanding for the period are recognised through profit or loss. Changes attributable to the translation of the provision items to the exchange rate on the closing date are recognised as exchange-rate gains or exchange-rate losses under Investment income.

#### **Tax**

Income tax comprises current tax and deferred tax. Income taxes are recognised through profit or loss except in cases where the underlying transaction is recognised directly in other comprehensive income or equity.

The company's foreign branches in Norway, Finland and Switzerland are taxed on the earnings in each country. In Sweden, the company is liable to pay tax on all its income, including earnings from its foreign branch offices. To the extent that the company pays tax in Sweden on its foreign income, a deduction is normally allowed for the foreign tax paid, in order to avoid double taxation.

Current tax is the amount of income tax payable or recoverable for the current year, calculated using tax rates enacted or substantively enacted on the closing date, and includes any adjustments relating to prior periods.

Deferred tax is based on temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax assets on deductible temporary differences and tax loss carryforwards are only recognised to the extent it is probable they will be utilised. The company did not have any deferred tax or temporary differences in 2020.

In June 2018, the Swedish parliament adopted new regulations on standard income on contingency reserves, which came into effect on 1 January 2019 and are to be applied to financial years beginning after 31 December 2018. The permanent standard income is calculated based on the government borrowing rate and the contingency reserve at the start of the tax year. The temporary standard income applies from the 2020 financial year and means that 6 per cent of the opening amount of the contingency reserve is to be taxed during year six, meaning up to and including the 2026 financial year.

## **Note 2 Risk disclosures**

### **Risk disclosures**

Solid Försäkring's operations involve assuming risk from policyholders. This Note describes the company's own risk and risk management.

It is of great importance for Solid Försäkring's risk-taking to be conducted under controlled conditions, and its risk management framework is an integral part of its operations. The risk management framework includes the company's functions, risk owners, strategies, policies, processes, risk appetite, tolerances, limits, controls and reporting procedures necessary for identifying, measuring, monitoring, managing and reporting risks. The company has standardised the process for identifying, assessing and reporting risk and it has been implemented in the organisation to create risk awareness, encourage risk culture and enhance the efficiency of risk management. The Board has established internal policies for the operations to support risk management. All policies are updated as necessary and revised at least annually.

The Board and CEO of Solid Försäkring are ultimately responsible for the company's risk management. This responsibility includes ensuring that independent functions are in place to manage the company's risks and the company's regulatory compliance and to report to the Board and management on how the company is operated in respect of this.

The company uses three lines of defence to manage its risks. The first line is the company's operational personnel, meaning the employees in the operations closest to the risks who identify and proactively work on risk awareness in the day-to-day business. Risk owners are primarily found in the first line.

The second line comprises the risk management, compliance and actuarial functions that independently manage risks, audit and control the company's operations and that provide support for the operational activities. These control functions regularly report to the CEO, Board and the Parent Company's Board committees.

The third line comprises the independent control function Internal Audit, whose task is to audit the activities of the first and second lines of defence to ensure internal control. The Internal Audit function reports continuously to the Board and the Parent Company's Board committees.

Solid Försäkring's Actuarial function reports to the Board annually or more frequently during preparation of the annual accounts.

The ongoing work on risk identification is conducted partly in connection with the Own Risk and Solvency Assessment (ORSA) process, mapping of the company's key processes, risk and incident reporting and the control functions' audits.

All identified risks are evaluated by the risk management function and the company's risk committee via a risk register which is a key tool in risk management, with an assessment of probability and consequences and the effect of the control environment. The risks are quantified and all risks are assigned a risk owner. This work is an important part of creating risk awareness and effective risk management.

The company's operations have the risk modules of insurance risk, market risk, counterparty risk, operational risk and other identified risk.

## Insurance risk

Insurance risk is the risk of a change in value due to deviations between actual and expected insurance costs. This means the risk that actual outcome deviates from the expected outcome due to, for example, a higher claims frequency, larger average claims costs, or one or more major claims. The company defines insurance risk as the single largest risk group.

Insurance risk primarily comprises premium and reserve level risk and disaster risk.

### Premium risk

Premium risk is the risk of losses due to, for example, incorrect pricing, risk concentration and taking out wrong or insufficient reinsurance. The company's insurance operations contain a well-balanced risk portfolio. The company's business mainly comprises a large number of insurance policies with low, individual risks. Concentration risk in the non-life insurance business is considered to be low in the company's overall portfolio since the insurance portfolio is highly diversified in terms of both products and geography.

Solid Försäkring manages and limits premium risk based on underwriting and reinsurance risk policies issued by the Board. These policies enable premium risk to be mitigated by decisions on the maximum retention for different types of insurance risks, the markets and new products that can be considered as a framework for premium rates and monitoring profitability.

The company regularly conducts a detailed review of the premium rate and the profitability of the underwriting arrangements. Changes in tariffs and premium levels are continuously monitored where necessary. To further limit premium risk, the company has taken out reinsurance in the risk portfolios with a higher risk exposure.

Reinsurers are selected based on factors including expertise and financial position and comply with the policies established by the company's Board. Solid Försäkring continuously reviews the entire reinsurance programme to ensure that adequate cover is in place.

### Reserve level risk

Reserve level risk refers to the risk of variations in the time and amount of claims payments. Provisions for unearned premiums is intended to cover the expected claim costs and operating expenses for the remaining term of valid

insurance contracts. As compensation is only paid after a loss has occurred, it is also necessary to make provisions for claims outstanding. Technical provisions are the total of unearned premiums and unexpired risks, and claims outstanding.

Technical provisions always include a certain element of uncertainty since provisions include an estimate of the size and frequency of future claim payments. The uncertainty of technical provisions is usually higher for new portfolios for which complete settlement statistics are not yet available and for portfolios in which final adjustment of claims takes place following a long period of time.

Solid Försäkring manages and minimises reserve level risk by means of the Board's policies on reserve level risk and technical provision risks and provisioning instructions that govern the calculation of technical provisions. Actuarial assumptions for determining the provisions for claims outstanding are based on historical claims and exposures known on the closing date.

The models used are clearly recognised actuarial models such as chain ladder or other loss development factor models. The outcome corresponds to a provision that covers the expected future payments for all claims incurred, even claims that have not yet been reported.

The provision for unearned premiums is calculated individually for each insurance contract. The computation uses experience-based factors, the starting point being how the claim costs are incurred over the period of insurance. A straight-line (pro rata) earnings model is used for insurance risks with a term of 12 months or less. A provision for unexpired risks is made if the provision for unearned premiums is deemed to be insufficient to cover the company's liabilities for the remaining terms of valid insurance contracts.

There is always some uncertainty associated with estimates of technical provisions. The estimates are based on facts relating to historical claims and assessments of future trends. Because the majority of the company's claims are short-term in nature (for most portfolios, claims are concluded within 2 to 12 months from the claim date), the risk of negative developments due to factors such as future claims inflation is reduced.

## Trend in estimated claims, gross (KSEK)

Reporting year /Claims year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
2012	641,948										641,948
2013	615,703	576,694									1,192,397
2014	628,594	529,131	395,573								1,553,298
2015	629,288	526,803	433,376	461,389							2,050,855
2016	630,665	527,682	433,202	449,613	339,192						2,380,354
2017	630,810	528,921	432,533	448,307	338,125	240,756					2,619,452
2018	630,942	529,010	432,884	451,581	335,287	237,591	216,909				2,834,205
2019	630,944	529,013	432,891	452,839	336,199	236,756	210,774	212,542			3,041,958
2020	630,944	529,167	432,891	452,833	334,116	235,262	208,929	208,563	220,277		3,252,983
2021	630,946	529,203	432,968	452,827	334,505	234,665	207,026	206,285	214,982	225,030	3,468,437
<b>Total paid</b>	<b>630,946</b>	<b>529,203</b>	<b>432,968</b>	<b>451,863</b>	<b>333,904</b>	<b>235,108</b>	<b>206,313</b>	<b>198,238</b>	<b>201,641</b>	<b>189,694</b>	<b>3,409,877</b>
Claims provisions	0	0	0	965	601	-443	714	8,048	13,341	35,335	58,560
Claims provisions for prior years (claims before 2012)											0
Provision for claims adjustment											2,235
Total provision for claims outstanding											60,795

The company's exposure to currency risk before any hedging with derivatives is shown in the following table, which includes all assets and liabilities.

### Currency exposure 2021

KSEK	NOK	CHF	EUR	DKK	GBP	Other	Total
Assets	303,392	54,724	53,016	15,578	3,808	86	430,604
Liabilities	-302,176	-34,566	-51,347	-17,947	-2,385	-43	408,464
<b>Net exposure before financial hedging with derivatives</b>	<b>1,216</b>	<b>20,158</b>	<b>1,669</b>	<b>-2,369</b>	<b>1,423</b>	<b>43</b>	<b>22,140</b>
Derivatives, nominal value							0
Difference between assets and liabilities incl. nominal amount of currency hedges	1,216	20,158	1,669	-2,369	1,423	43	22,140
<b>Sensitivity to exchange-rate differences</b>							
Change in exchange rate +/- 20%	+/-243	+/-4,032	+/-334	+/-474	+/-285	+/-9	+/-5,376

### Currency exposure 2020

KSEK	NOK	CHF	EUR	DKK	GBP	Other	Total
Assets	271,309	57,905	51,291	7,998	3,241	56	391,800
Liabilities	-271,993	-39,093	-51,960	-5,891	-1,836	-23	-370,796
<b>Net exposure before financial hedging with derivatives</b>	<b>-684</b>	<b>18,812</b>	<b>-669</b>	<b>2,107</b>	<b>1,405</b>	<b>33</b>	<b>21,004</b>
Derivatives, nominal value							0
Difference between assets and liabilities incl. nominal amount of currency hedges	-684	18,812	-669	2,107	1,405	33	21,004
<b>Sensitivity to exchange-rate differences</b>							
Change in exchange rate +/- 20%	+/-137	+/-3,762	+/-134	+/-421	+/-281	+/-7	+/-4,742

### Disaster risk

Disaster risk is the risk that a single event would generate claims on a large number of policies. This risk is considered less likely since the insurance portfolio is well diversified. The company's largest proportion of insurance is individual product insurance policies for consumer goods, which do not have any exposure to natural disasters, such as hurricanes, flooding, hail, earthquakes or subsidence.

### Market risk

Market risk is the risk of loss or an adverse change in the financial position caused directly or indirectly by fluctuations in the market prices of assets and liabilities.

Losses in the investment portfolio may arise as a result of unfavourable changes in the level or volatility of interest rates, equity prices or currencies. The company's asset management, and also the company's investment strategy, must be characterised by risk-taking that is commensurate with the company's risk appetite and tolerance, and with compliance and efficiency ensured through regular monitoring.

### Currency risk

Currency risk refers to the sensitivity of the value of assets, liabilities and financial instruments to changes in the level of exchange rates or their volatility.

Solid Försäkring underwrites insurance primarily in the Scandinavian currencies, EUR and CHF. Currency risk is reduced by matching the technical provisions with investment assets in the corresponding currencies. Currency risk in the insurance operations is hedged by matching assets and liabilities. Currency exposure of investment assets is hedged in terms of both the nominal value and the interest return on individual investments.

The company is also exposed to translation risk. Translation risk refers to the currency risk arising on consolidation of the balance sheets of foreign operations that have a different functional currency from that of the parent company.

### Interest rate risk

Interest rate risk refers to uncertainty in the value of assets and liabilities and interest income and expense as a result of changes in market interest rates. A large proportion of the company's investments are in interest-bearing securities, which means that the company is exposed to the risk of changes in market interest rates. The company's technical provisions are recognised as non-discounted and as such are not affected by changes in discount rates. However, future claims payments are affected by normal inflation.

Since only a small proportion of the company's net portfolio can be considered to have longer payment patterns, this effect is expected to be small. Solid Försäkring's investments in bonds and interest-bearing securities are affected by changes in market interest rates and the associated risk is managed and minimised by the Board's instructions on investments and by monitoring the modified duration of these investments.

### Equity price risk

Equity price risk refers to the sensitivity of the value of assets, liabilities and financial instruments to changes in the volatility or market prices of equities. Solid Försäkring's equity investments are regulated in the investment policy, which specifies that they may not exceed SEK 200 million. The equities portfolio consists of Nordic equities and is managed in accordance with the mandate described in the company's investment policy.

### Spread risk

Spread risk is the risk of loss resulting from changes in credit spreads for fixed-income securities issued by banks or companies and fixed-income securities issued by governments. The company invests predominantly in Swedish government, municipal and corporate bonds.

### Concentration risk

The company's investment policy restricts permitted limits to individual counterparties for managing the concentration risk of the company's investments.

The table below shows the maturity structure of cash flows for financial assets and liabilities and technical provisions, net of reinsurance, on 31 December 2021.

**Maturity analysis 2021**  
KSEK

	Carrying amount	Payable on demand	<3 months	3-12 months	1-5 years	>5 years	Contractual due date
Financial assets incl. expected interest payments	1,377,887	732,788	91,169	119,662	377,028	81,308	1,401,955
Derivatives	0						0
Financial liabilities incl. expected interest payments	-164,266	0	-51,049	-55,245	-52,340	-78	-158,712
Derivatives	-660	0	0	-660	0	0	-660
Technical provisions, net of reinsurance	-612,090	0	-121,692	-365,075	-125,312	-11	-612,090

**Liquidity risk**

Liquidity risk is the risk of the company being unable to realise investments and other assets in order to discharge its financial obligations when they fall due, and liquidity risk is therefore considered minimal. To limit liquidity risk, investments in bonds, bills, commercial paper and equities are to be made in securities that are listed in a marketplace where conditions permit daily trading and high volumes in relation to the investment made. Total liquidity risk is governed by limits for each type of investment by a counterparty. Short and long-term liquidity are monitored on a monthly basis via the company's investment committee.

The company's liquidity risk is deemed to be low since liquid assets meet the company's commitments as the operations comprise non-life insurance with mainly short-term commitments.

**Counterparty risk**

Counterparty risk is the type of risk that is inherent in every type of contractual relationship and financial stability is mainly taken into consideration. Counterparty risk are limited using limits for individual counterparties and analyses of the counterparty's financial position.

The Company is exposed to counterparty risk in the receivables included in loans to Group companies, deposits in commercial banks, reinsurance and accounts receivable. Counterparty risk is managed and minimised by issued policies that set out the framework for assessing the counterparty's ability to discharge its obligations.

Deposits in commercial banks have been chosen based on the bank's credit rating. Counterparty risk to reinsurers is limited by only signing agreements with reinsurers that have a credit rating of BBB for short contractual periods or A or higher for long contractual periods.

The table below shows Solid Försäkring's overall exposure to counterparty risks.

**Exposure to counterparty risks**

KSEK	Gross exposure	31 Dec 2021 Value of collateral	Net exposure	Gross exposure	31 Dec 2020 Value of collateral	Net exposure
<b>Lending to corporates</b>						
Subordinated loans, intra-Group	0		0	200,000		200,000
Subordinated loans, other	29,252		29,252	29,682		29,682
<b>Total lending to corporates</b>	<b>29,252</b>	<b>0</b>	<b>29,252</b>	<b>229,682</b>	<b>0</b>	<b>229,682</b>
<b>Bonds</b>						
AAA/Aaa	20,654		20,654	19,570		19,570
A+/A1	0		0	6,006		6,006
A/A2	51,484		51,484	15,698		15,698
A-/A3	15,035		15,035	37,151		37,151
BBB+/Baa1	40,333		40,333	28,298		28,298
BBB/Baa2	90,543		90,543	64,477		64,477
BBB-/Baa3	44,958		44,958	48,680		48,680
BB+/Ba1	21,186		21,186	18,175		18,175
BB/Ba2	30,363		30,363	26,000		26,000
B+/B1	0		0	2,008		2,008
B/B2	1,024		1,024	11,895		11,895
unrated*	259,001		259,001	215,658		215,658
<b>Total bonds Cash and bank balances</b>	<b>574,581</b>	<b>0</b>	<b>574,581</b>	<b>493,616</b>	<b>0</b>	<b>493,616</b>
AA-/Aa3	296,071		296,071	124,525		124,525
A+/A1	1,469		1,469	1,969		1,969
A/A2	108,301		108,301	189,178		189,178
unrated**	207,298		207,298	12,533		12,533
<b>Total cash and bank balances</b>	<b>613,139</b>	<b>0</b>	<b>613,139</b>	<b>328,205</b>	<b>0</b>	<b>328,205</b>
<b>Total</b>	<b>1,216,972</b>	<b>0</b>	<b>1,216,972</b>	<b>1,051,503</b>	<b>0</b>	<b>1,051,503</b>

In the event credit ratings differ, the lowest is used.

\* Unrated securities comprise Swiss investment funds, Swedish and foreign corporate bonds

\*\* Deposits in Resurs Bank and Banque Cantonale de Fribourg.



## Operational risks

Operational risks refer to the risk of loss due to incorrect or non-appropriate internal processes and procedures, human errors, incorrect systems or external events, including legal risks and compliance risks. Operational risks are countered by internal control. The establishment of effective internal control is an ongoing process in the company, and this includes:

- the requirement for appropriate policies, guidelines and procedures for recurring work duties;
- a defined division of responsibilities and duties for employees;
- compliance with laws, regulations and provisions;
- IT support in the form of an accounting and finance system with built-in automated checks and controls;
- internal information and reporting systems, for example, to meet management's demands for information; and
- information security and physical safety to protect the company's assets and personnel.

As an important part of risk management, the company also regularly identifies and determines which processes in its operations are of material importance. In connection with this, the process owner, together with the other functions involved in the process, analyses whether activities exist for which there is a risk of significant losses. On the identification of any such activities, the necessary controls are implemented in the processes. The process analysis also includes the parts that relate to the company's capital management, for example, via the processes for setting provisions, investments and results. The company has also analysed the ORSA process, which is an annual process that investigates, for example, the company's capital requirements to cover the company's risks and makes an assessment of the capital requirements and capital management based on a future and stressed perspective.

Operational risks are divided into personnel risk, process risk, IT and systemic risk, and external risk, which includes legal risk and compliance risk.

## Other risks

### Strategic risks

Strategic risks arise in connection with major changes, both internal and external, and these risks are managed through efficient analysis and good planning prior to decisions. The company has a tradition of working in a changing environment where conditions constantly vary over time. The adaptability that the company possesses is a strength. The company has increasingly transitioned to selling insurance valid for a period of one year. This means that changes in conditions provide a quicker impact, which reduces strategic risk. Policy decisions that result in changes to consumer laws and tax legislation or other regulatory requirements that apply to the company may also pose a risk.

One of the company's pillars involves continuously taking account of changes in external factors, for example through regular external analysis meetings, that affect the markets in which it operates in order to minimise strategic risks. Insurance cycles, changes in customer behaviour and the competitive situation are considered.

### Reputational risk

The company is stable and has a good reputation. If serious rumours were to circulate about the company, it could result

in lower sales and fewer opportunities to partner with agents. The company has a highly functional organisation for managing mass media questions and clearly defined reporting procedures for handling customer complaints.

### Emerging risks

Emerging risks refers to the risks that the company could be exposed to in the future. The company works continuously to identify emerging risks and, when they appear, categorises them in the following sub-categories: Market risk, Counterparty risk, Insurance risk, Operational risks and Strategic risks.

### Sustainability risks

The company continuously works on sustainability risks and identifies and bases this work on categorising sustainability risks in the main risk categories described above. The company also categorises and identifies sustainability risks in the sub-categories of diversity and equality, social commitment, sustainable insurance and customer privacy.

### Sensitivity analysis, risk quantification

A significant factor affecting a non-life insurance company's profitability and risk is the ability to estimate future claims and administrative expenses as precisely as possible, thereby achieving correct pricing of insurance premiums.

The table below shows a sensitivity analysis for premium risk, claims and the combined ratio. Equity price risk and interest rate risk are also shown in the table.

Parameters	Level 2021	Change	Effect on profit before tax	
			2021	2020
Premiums	981,291	+/-1%	+/-9,813	+/-9,127
Claims level	-231,021	+/-1%	+/-2,310	+/-2,322
Combined ratio	89.3%	1% point	+/- 98	+/- 91
Equity price risk	78,788	-10%	-7,879	-9,821
Interest rate risk	574,581	-1%	-5,746	-4,936

## Note 3 Segment information

Solid has established three operating segments: Personal Safety, Product and Assistance. These operating segments are reported in a manner consistent with the internal financial reporting provided to the chief operating decision maker. For Solid, the chief operating decision maker is the CEO since this is the person who is responsible for allocating resources and evaluating results. The financial information reported to the CEO, used as a basis for allocating resources and assessing the company's results, as gross profit and gross margin specified by three product areas, which have also been determined as the company's three operating segments: Personal Safety, Product and Assistance. The company uses the same valuation principles in its segment report according to IFRS 8 as in its financial statements.

Jan–Dec 2021

KSEK	Personal Safety	Product	Assistance	Not specified by segment	Total
Gross written premiums	369,547	361,090	282,784		1,013,421
Premiums earned, net of reinsurance	374,391	346,577	260,323		981,291
Claims incurred, net of reinsurance	-39,039	-103,545	-88,437		-231,021
Acquisition costs*	-236,415	-179,709	-118,560		-534,684
Gross profit**	<b>98,937</b>	<b>63,323</b>	<b>53,326</b>		<b>215,586</b>
Gross margin***	26.4%	18.3%	20.5%		22.0%
Administrative expenses				-110,250	-110,250
Allocated investment return transferred from non-technical account				8,900	8,900
<b>Technical result</b>					<b>114,236</b>
Result of asset management				41,888	41,888
Allocated investment return transferred to non-technical account				-8,900	-8,900
Other non-technical income				6,750	6,750
Other non-technical expenses				-2,609	-2,609
<b>Profit before tax</b>					<b>151,365</b>

Jan–Dec 2020

KSEK	Personal Safety	Product	Assistance	Not specified by segment	Total
Gross written premiums	378,459	361,733	211,288		951,480
Premiums earned, net of reinsurance	396,645	324,720	191,289		912,654
Claims incurred, net of reinsurance	-50,459	-108,720	-73,017		-232,196
Acquisition costs*	-248,121	-153,058	-77,399		-478,578
Gross profit**	<b>98,065</b>	<b>62,942</b>	<b>40,873</b>		<b>201,880</b>
Gross margin***	24.7%	19.4%	21.4%		22.1%
Administrative expenses				-93,974	-93,974
Allocated investment return transferred from non-technical account				9,014	9,014
<b>Technical result</b>					<b>116,920</b>
Result of asset management				12,049	12,049
Allocated investment return transferred to non-technical account				-9,014	-9,014
Other non-technical income				3,655	3,655
Other non-technical expenses				-3,006	-3,006
Appropriations				-60,000	-60,000
<b>Profit before tax</b>					<b>60,604</b>

\* Acquisition costs include brokerage commission and costs for direct sales, included in Note 7 Operating expenses.

\*\* Gross profit = premiums earned, net of reinsurance minus claims incurred net of reinsurance minus acquisition costs

\*\*\* Gross margin = gross profit as a percentage of premiums earned, net of reinsurance

Premiums earned, net of reinsurance in the Personal Safety segment for Solid Försäkring's largest partner amounted to KSEK 364,951 (387,900) for the full-year 2021.

## Note 4 Premiums earned, net of reinsurance

KSEK	2021	2020
Gross written premiums, geographical specification		
Sweden	646,602	615,509
Norway	170,667	176,392
Denmark	69,978	65,365
Finland	48,669	58,909
Rest of Europe	77,505	35,305
<b>Total gross written premiums</b>	<b>1,013,421</b>	<b>951,480</b>
Outward reinsurance premiums	-27,605	-19,922
Change in provision for unearned premiums and unexpired risks	-4,634	-18,890
Reinsurers' share of change in provision for unearned premiums and unexpired risks	109	-14
<b>Total premiums earned, net of reinsurance</b>	<b>981,291</b>	<b>912,654</b>

## Note 5 Allocated investment return transferred from the non-technical account

The allocated investment return is transferred from the non-technical account to the technical account and is calculated on the basis of average technical provisions, net of reinsurance. The transferred investment return is calculated as the average interest rate on the company's holdings of government, municipal and corporate bonds on the closing date. The interest rate for 2021 was 1.49 per cent (1.55).

## Note 6 Claims incurred, net of reinsurance

KSEK	2021			2020		
	Gross	Outward reinsurance	Net	Gross	Outward reinsurance	Net
Claims paid	-209,872	6,325	-203,547	-203,594	6,022	-197,572
Change in provision for claims incurred and reported	-3,437	-10	-3,447	-8,459	-171	-8,630
Change in provision for claims incurred but not reported (IBNR)	-997	0	-997	-1,057	0	-1,057
Operating expenses for claims adjustment	-23,030	0	-23,030	-24,988	51	-24,937
<b>Total claims incurred</b>	<b>-237,336</b>	<b>6,315</b>	<b>-231,021</b>	<b>-238,098</b>	<b>5,902</b>	<b>-232,196</b>

## Note 7 Operating expenses

KSEK	2021	2020
<b>Specification of income statement item operating expenses</b>		
Acquisition costs	-539,232	-486,015
Change in item Deferred acquisition costs	2,920	5,873
Administrative expenses	-110,250	-93,974
Operating expenses and profit-sharing in outward reinsurance	1,628	1,564
<b>Total income statement item operating expenses</b>	<b>-644,934</b>	<b>-572,552</b>
<b>Other operating expenses</b>		
Claims adjustment costs included in Claims paid	-23,030	-24,937
Financial management costs included in Investment charges	-1,200	-1,200
<b>Total other operating expenses</b>	<b>-24,230</b>	<b>-26,137</b>
<b>Total operating expenses</b>	<b>-669,164</b>	<b>-598,689</b>
<b>Total operating expenses by type of cost</b>	<b>2021</b>	<b>2020</b>
Direct and indirect personnel expenses	-53,216	-48,464
Premises costs	-3,221	-3,023
Depreciation/amortisation	-10,004	-9,822
Direct costs	-539,232	-486,015
Change in Deferred acquisition costs	2,920	5,873
Commissions and profit-sharing in outward reinsurance	1,628	1,564
Other costs	-68,039	-58,802
<b>Grand total operating expenses</b>	<b>-669,164</b>	<b>-598,689</b>

## Note 8 Result of asset management

KSEK	2021	2020
<b>Investment income</b>		
Dividends on shares and participating interests	3,561	1,521
Interest income, etc.		
Bonds and other interest-bearing securities	7,670	7,486
Other interest income *	4,061	7,676
Exchange gains (net)	1,468	76
Capital gains (net)	8,291	3,713
Other	17	43
<b>Total investment income</b>	<b>25,068</b>	<b>20,515</b>
<b>Unrealised gains on investment assets recognised through profit or loss</b>		
Swedish shares and participating interests	20,057	0
Bonds and other interest-bearing securities	0	0
<b>Total unrealised gains on investment assets (net gain per asset class)</b>	<b>20,057</b>	<b>0</b>
<b>Investment charges</b>		
Asset management expenses	-701	-605
Financial management costs	-1,200	-1,200
Other interest expense	-287	-132
<b>Total investment charges</b>	<b>-2,188</b>	<b>-1,937</b>
<b>Unrealised losses on investment assets recognised through profit or loss</b>		
Swedish shares and participating interests	0	-4,325
Bonds and other interest-bearing securities	-1,049	-2,204
<b>Unrealised losses on investment assets (net loss per asset class)</b>	<b>-1,049</b>	<b>-6,529</b>
<b>Result of asset management</b>	<b>41,888</b>	<b>12,049</b>

\* All Other interest income consists of interest income on assets measured at fair value.

## Note 9 Appropriations

KSEK	2021	2020
<b>Appropriations</b>		
Group contributions paid	0	-60,000
<b>Total appropriations</b>	<b>0</b>	<b>-60,000</b>

## Note 10 Taxes

Current tax expense	2021	2020
<b>KSEK</b>		
Tax expense for the period	-31,985	-17,150
Adjustment of tax attributable to prior years	600	-82
<b>Total recognised tax expense</b>	<b>-31,385</b>	<b>-17,232</b>

Reconciliation of effective tax	2021		2020	
	%	KSEK	%	KSEK
<b>Profit before tax</b>		<b>151,365</b>		<b>60,604</b>
Tax at prevailing tax rate	20.6	-31,182	21.4	-12,970
Non-deductible expenses	0.1	-85	0.2	-138
Non-taxable income	0.0	0	0.0	1
Tax attributable to effects of translating foreign branches	-1.5	2,207	5.8	-3,521
Tax attributable to settlement of foreign tax from branches (limit)	1.0	-1,417	0.0	0
Tax attributable to prior years	-0.5	600	0.2	-82
Standard income, permanent contingency reserve	0.3	-503	0.9	-522
Standard income, temporary contingency reserve	0.6	-1,005	0.0	0
<b>Recognised effective tax</b>	<b>20.6</b>	<b>-31,385</b>	<b>28.5</b>	<b>-17,232</b>

Standard income, temporary contingency reserve is calculated at 6 per cent of the opening amount of the contingency reserve and is recognised at one sixth between 2021 and 2026.

## Note 11 Earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to the company's shareholders by a weighted average number of ordinary shares outstanding for the period. The average number of shares between January and December 2021 amounted to 20,000,000 with a quotient value of SEK 1.5 (1.5). There was no dilutive effect as per 31 December 2021.

	2021	2020
Net profit for the year, KSEK	119,980	43,372
Average number of shares outstanding in the period	20,000,000	20,000,000
<b>Basic and diluted earnings per share*, SEK</b>	<b>6.00</b>	<b>2.17</b>

\* All periods have been calculated based on the current number of shares in Solid Försäkring, i.e. 20,000,000 shares. The number of shares increased from 30,000 to 20,000,000 due to a share split in August 2021.

## Note 12 Intangible assets

KSEK	31 Dec 2021		31 Dec 2020	
	Goodwill	Other intangible assets	Goodwill	Other intangible assets
Opening cost*	46,677	47,917	46,677	35,985
Investments for the year**	0	0	0	13,224
Divestments/disposals for the year	0	0	0	0
Exchange differences	0	885	0	-1,291
<b>Total cost at year-end</b>	<b>46,677</b>	<b>48,802</b>	<b>46,677</b>	<b>47,917</b>
Opening amortisation	-31,677	-32,078	-28,820	-26,140
Amortisation of divested/disposed intangible assets	0	0	0	0
Amortisation for the year	-2,857	-6,149	-2,857	-5,968
Exchange differences	0	-173	0	30
<b>Total accumulated amortisation at year-end</b>	<b>-34,534</b>	<b>-38,400</b>	<b>-31,677</b>	<b>-32,078</b>
<b>Carrying amount</b>	<b>12,143</b>	<b>10,402</b>	<b>15,000</b>	<b>15,839</b>
<i>Amortisation for the year is recognised in the lines below in the income statement</i>				
Operating expenses	-2,857	-6,149	-2,857	-5,968
<b>Total</b>	<b>-2,857</b>	<b>-6,149</b>	<b>-2,857</b>	<b>-5,968</b>

\* The item goodwill relates to an organisational restructuring in 2010 when the operations of the former subsidiary Nord Assurance & Services AB were taken over by the company, and the acquisition of a company that previously brokered the company's car guarantee products that took place in April 2019.

The item "Other intangible assets" refers to the value of the acquisition of the bicycle insurance operations of Falck Secure AB that took place on 1 April 2015.

\*\* The item "Other intangible assets" refers to the value of the acquisition of a Norwegian customer register of bicycle registrations that took place on 30 January 2020.

Goodwill impairment testing was conducted for the smallest identified cash-generating unit when preparing the annual accounts. The recoverable amount was determined by calculating the value in use for each asset. Management has compiled a forecast of annual future cash flows for the smallest cash-generating unit, based on historical experience and the company's own plans and estimates for the future.

The calculation is based on the budget for 2022 and a detailed forecast for the years 2023-2024. Cash flows have been discounted to the present value by applying inflation, the risk-free interest rate and the risk premium, which is estimated at 10 per cent. The recoverable amount for the cash-generating unit has been compared with the intangible assets. The impairment testing did not reveal any impairment.

The company's assets that are not financial instruments (there are no assets pertaining to deferred tax assets, post-employment benefits or rights arising under insurance contracts) are specified as follows:

Assets by geographic market	2021	2020
Sweden	13,237	20,469
Norway	9,308	10,370
<b>Total</b>	<b>22,545</b>	<b>30,839</b>

## Note 13 Investments in Group companies and associates

KSEK	31 Dec 2021	31 Dec 2020
<b>Subordinated loans</b>		
Amortised cost	0	200,000
Nominal value	0	200,000

## Note 14 Shares and participating interests

KSEK	31 Dec 2021	31 Dec 2020
<b>Shares and participating interests</b>		
Cost	61,379	100,952
Fair value	78,788	98,207

## Note 15 Bonds and other interest-bearing securities

KSEK	31 Dec 2021			31 Dec 2020		
	Nominal amount	Amortised cost	Fair value	Nominal amount	Amortised cost	Fair value
Corporate bonds	509,806	510,263	513,120	420,396	420,947	423,108
Swedish and foreign government and municipal securities	20,508	20,794	20,654	19,092	19,622	19,570
Other Swedish issuers	26,000	26,000	23,577	38,000	38,000	36,000
Other foreign issuers	46,706	49,162	46,482	44,099	44,095	44,620
<b>Total</b>	<b>603,020</b>	<b>606,219</b>	<b>603,833</b>	<b>521,587</b>	<b>522,664</b>	<b>523,298</b>

All securities are listed. Further information about financial instruments is provided in Note 33 Financial instruments.

## Note 16 Provision for unearned premiums and unexpired risks

KSEK	31 Dec 2021			31 Dec 2020		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
<b>Opening balance</b>	<b>532,931</b>	<b>3,447</b>	<b>529,484</b>	<b>538,318</b>	<b>3,460</b>	<b>534,858</b>
Insurance policies written during the period	1,013,421	27,714	985,707	951,480	19,908	931,572
Premiums earned during the period	-1,008,787	-27,605	-981,182	-932,590	-19,922	-912,668
Currency effects	17,540	23	17,517	-24,277	1	-24,278
<b>Closing balance</b>	<b>555,105</b>	<b>3,579</b>	<b>551,526</b>	<b>532,931</b>	<b>3,447</b>	<b>529,484</b>

## Note 17 Provision for claims outstanding

KSEK	31 Dec 2021			31 Dec 2020		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
OB Reported claims	49,437	220	49,217	42,940	416	42,524
OB Incurred but not reported claims (IBNR)	3,530	0	3,530	2,589	0	2,589
OB Provision for claims adjustment costs	1,866	0	1,866	1,710	0	1,710
<b>Total opening balance</b>	<b>54,833</b>	<b>220</b>	<b>54,613</b>	<b>47,239</b>	<b>416</b>	<b>46,823</b>
Settled claims from previous financial years	-21,940	-1,469	-20,471	-21,814	-1,774	-20,040
Changes in the expected cost of claims incurred in previous years (run-off result)	-8,332	1,481	-9,813	-9,200	1,756	-10,956
Provisions for the year	34,706	-22	34,728	40,529	-153	36,890
Currency effects	1,528	22	1,506	-1,921	-25	1,896
<b>Total closing balance</b>	<b>60,795</b>	<b>232</b>	<b>60,563</b>	<b>54,833</b>	<b>220</b>	<b>54,613</b>
CB Reported claims	53,817	232	53,585	49,437	220	49,217
CB Incurred but not reported claims	4,743	0	4,743	3,530	0	3,530
CB Provision for claims adjustment costs	2,236	0	2,236	1,866	0	1,866

### Actual claims compared with previous estimates

In 2021, Solid Försäkring's traditional business with insurance products in the Personal Safety, Product and Assistance business segments reported an improvement of SEK 9.8 million in estimated claims on previous claim years, including reinsurance compared with previous estimates.

## Note 18 Receivables, direct insurance

KSEK	31 Dec 2021	31 Dec 2020
Receivables from policyholders	3,492	4,076
Receivables from agents	77,515	73,353
<b>Total receivables direct insurance</b>	<b>81,007</b>	<b>77,429</b>

## Note 19 Other receivables

KSEK	31 Dec 2021	31 Dec 2020
Tax assets	0	17,271
<b>Total other receivables</b>	<b>0</b>	<b>17,271</b>

## Note 20 Property, plant & equipment

KSEK	31 Dec 2021	31 Dec 2020
Cost at beginning of the year	4,985	5,381
Investments for the year	0	0
Divestments/disposals for the year	0	-396
<b>Total cost at year-end</b>	<b>4,985</b>	<b>4,985</b>
Accumulated depreciation at beginning of the year	-2,077	-1,080
Accumulated depreciation of divested/disposed assets	0	0
Amortisation for the year	-997	-997
<b>Total accumulated amortisation at year-end</b>	<b>-3,074</b>	<b>-2,077</b>
<b>Carrying amount</b>	<b>1,911</b>	<b>2,908</b>

## Note 21 Other assets

KSEK	31 Dec 2021	31 Dec 2020
Other assets	334	431
Tax account	0	1,606
<b>Total other assets</b>	<b>334</b>	<b>2,037</b>

## Note 22 Deferred acquisition costs

KSEK	31 Dec 2021	31 Dec 2020
Opening balance	193,484	198,124
Net change for the year	10,586	-4,640
<b>Closing balance, deferred acquisition costs</b>	<b>204,070</b>	<b>193,484</b>

## Note 23 Pledged assets for own liabilities

KSEK	31 Dec 2021	31 Dec 2020
<b>Policyholders' priority rights</b>		
Assets encompassed by policyholders' priority rights	1,296,131	1,150,416
Technical provisions, net	-612,089	-584,097
<b>Surplus from registered assets</b>	<b>684,042</b>	<b>566,319</b>

## Note 24 Change in equity

### Shares

The number of shares amounted to 20,000,000, with a quotient value of SEK 1.5. The quotient value is defined as share capital divided by the number of shares. The number of shares increased from 30,000 to 20,000,000 due to a share split in August 2021.

### Fair value reserve

This reserve includes translation differences on consolidation of the Company's foreign branches.

### Retained earnings

Retained earnings refers to profit or loss brought forward from previous years, remuneration received from warrants, less dividends.

### Changes in equity

A specification of changes in equity during the period is provided in the statement of changes in equity.

### Change in Fair value reserve

KSEK	31 Dec 2021	31 Dec 2020
<b>Translation reserve</b>		
Opening translation reserve	-1,478	-787
Translation differences, branches	701	-691
<b>Closing fair value reserve</b>	<b>-777</b>	<b>-1,478</b>

## Note 25 Untaxed reserves

KSEK	31 Dec 2021	31 Dec 2020
<b>Untaxed reserves</b>		
Contingency reserve	488,118	488,118
<b>Total untaxed reserves</b>	<b>488,118</b>	<b>488,118</b>

## Note 26 Liabilities, direct insurance

KSEK	31 Dec 2021	31 Dec 2020
<b>Liabilities to policyholders</b>		
Liabilities to agents	154,132	115,354
<b>Total liabilities, direct insurance</b>	<b>158,712</b>	<b>119,453</b>

## Note 27 Other liabilities

KSEK	31 Dec 2021	31 Dec 2020
<b>Premium tax</b>		
Liabilities to Parent Company	0	60,000
Tax liabilities	220	0
Other liabilities	3,366	2,178
<b>Total other liabilities</b>	<b>5,554</b>	<b>63,222</b>

## Note 28 Accrued expenses and deferred income

KSEK	31 Dec 2021	31 Dec 2020
<b>Accrued personnel expenses</b>		
Other accrued expenses	11,391	9,726
<b>Total accrued expenses and deferred income</b>	<b>19,528</b>	<b>16,913</b>

## Note 29 Disclosures on related parties

Solid Försäkringsaktiebolag is 28.9 per cent owned by Waldakt AB, and of the remaining owners, no individual owner has a holding of 20 per cent or more. Based on their direct or indirect holdings in Solid Försäkring, companies with a significant influence also have a significant influence over NetOnNet AB, with which Solid Försäkring had significant transactions during the period. Normal business transactions have taken place between Solid Försäkring and other related parties with significant influence, which are presented below. Operating expenses in the table refer to market-based remuneration paid for the distribution of insurance to related parties' customers. Disclosures for 2020 include the former parent company Resurs Holding AB (publ) and fellow subsidiary Resurs Bank AB (publ).

**Related-party transactions, significant influence**

KSEK	2021	2020
<b>Income and expenses</b>		
Premiums earned		1,812
Investment return, interest income		7,503
Shareholders' contributions		50,000
Group contributions		-60,000
Brokerage commission	-64,016	-286,060
Operating expenses		-19,651
<b>Total income and expenses</b>	<b>-64,016</b>	<b>-306,396</b>

KSEK	31 Dec 2021	31 Dec 2020
<b>Assets and liabilities</b>		
Receivables	5,059	39,388
Cash and bank balances		1,297
Accrued interest income		
Other loans		200,000
Liabilities	-21,072	-116,443
<b>Total assets and liabilities</b>	<b>-16,013</b>	<b>124,242</b>

**Related parties – Key individuals**

Marcus Tillberg	CEO
Lars Nordstrand	Chairman of Solid Försäkringsaktiebolag
Fredrik Carlsson	Board member of Solid Försäkringsaktiebolag
David Nilsson Sträng	Board member of Solid Försäkringsaktiebolag
Marita Odélius Engström	Board member of Solid Försäkringsaktiebolag, took office at the Extraordinary General Meeting on 28 June 2021
Lisen Thulin	Board member of Solid Försäkringsaktiebolag, took office at the Extraordinary General Meeting on 28 June 2021

Remuneration of related-party senior executives can be found in Note 30 Personnel.

## Note 30 Personnel

Average number of employees recalculated to FTEs	2021	2020
Women	35	35
Men	31	33
<b>Total</b>	<b>66</b>	<b>68</b>

Board members and senior executives	2021	2020
<b>Number of Board members on closing date</b>		
Women	2	0
Men	3	3
<b>Total</b>	<b>5</b>	<b>3</b>

CEO and other senior executives, number	2021	2020
Women	2	2
Men*	5	3
<b>Total</b>	<b>7</b>	<b>5</b>

\*of whom one is an external consultant

**Salaries, remuneration, social security contributions and pension costs**

KSEK	2021	2020
<b>Salaries and other remuneration</b>		
Salaries and remuneration, Board, CEO and other senior executives	-7,924	-6,009
Salaries and benefits, other employees	-27,488	-26,870
<b>Total salaries and other benefits</b>	<b>-35,412</b>	<b>-32,879</b>

**Social security contributions and pension costs**

Contractual and statutory social security contributions	-12,239	-10,858
Pension costs, Board, CEO and other senior executives	-1,525	-1,424
Pension costs, other employees	-2,769	-2,472
<b>Total social security contributions and pension costs</b>	<b>-16,533</b>	<b>-14,754</b>

<b>Total salaries, remuneration, social security contributions and pension costs</b>	<b>-51,945</b>	<b>-47,633</b>
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**Salaries and fees**

Board fees are decided by the general meeting of shareholders. Board fees are not paid to individuals employed by the company. Remuneration of the CEO and senior executives consists of a basic salary, other benefits and pension.

**Termination benefits**

In the event of early termination of employment of the CEO by the company, the CEO is entitled to 12 months' salary during the period of notice. In the event of early termination of employment of other senior executives by the company, the senior executive is entitled to two to six months' salary during the period of notice.



### Preparatory and decision-making processes

The remuneration of the CEO is determined by the Board. Remuneration of other senior executives is determined by the CEO, in some cases after consultation with the Chairman.

### Remuneration and other benefits 2021

KSEK	Basic salary/ Board fees	Variable remunerat ion	Other benefits *	Pensions	Total
Lars Nordstrand, Chairman	425				425
Fredrik Carlsson	272				272
David Nilsson Sträng	83				83
Lisen Thulin	175				175
Marita Odélius Engström	175				175
Marcus Tillberg, CEO	1,829	850	168	554	3,401
Other senior executives (5 individuals)	3,598		349	971	4,918
Other employees who can affect the company's risk level (3 individuals)	2,518		81	534	3,133
<b>Total</b>	<b>9,075</b>	<b>850</b>	<b>598</b>	<b>2,059</b>	<b>12,582</b>

### Remuneration and other benefits 2020

KSEK	Basic salary/ Board fees	Variable remunerat ion	Other benefits *	Pensions	Total
Lars Nordstrand, Chairman	250				250
Fredrik Carlsson	93				93
David Nilsson Sträng	93				93
Marcus Tillberg, CEO	1,708		154	546	2,408
Other senior executives (4 individuals)	3,332		379	878	4,589
Other employees who can affect the company's risk level (3 individuals)	2,397		73	522	2,992
<b>Total</b>	<b>7,873</b>	<b>0</b>	<b>606</b>	<b>1,946</b>	<b>10,425</b>

\* Refers to company car benefit

The Board of Solid Försäkring has adopted a remuneration policy that complies with FFFS 2019:23 regarding remuneration policies in management companies, exchanges, clearing organisations and institutions for the issuance of electronic money, and which are designed to create an overall regulatory framework regarding remuneration of all the company's employees. The Board has established a Remuneration Committee that is responsible for preparing material remuneration decisions, and the company has a control function that, when appropriate and at least annually, is to independently review how the company's remuneration corresponds to the regulations. The tasks of the Remuneration Committee include preparing the Board's resolutions on proposals for guidelines concerning remuneration of senior executives. The Remuneration Committee shall also follow and evaluate the programme for variable remuneration for the management team, the application of guidelines for remuneration for senior executives and the relevant remuneration structures and levels in the company. The Board shall prepare proposals for new guidelines at least once every four years, and submit the proposal to be resolved by the Annual General Meeting. The guidelines apply until new guidelines have been adopted by the general meeting.

The Chairman and members of the Board are paid the remuneration resolved by the Annual General Meeting. The Extraordinary General Meeting on 28 June 2021 resolved that until the next Annual General Meeting an annual fee of KSEK 500 was to be paid to the Chairman of the Board and KSEK 250 was to be paid to each of the other Board members. It was also decided that an annual fee of KSEK 100 was to be paid to the chairman of the Audit Committee and KSEK 50 was to be paid to the other two members of the Audit Committee, and that an annual fee of KSEK 100 was to be paid to the chairman of the Corporate Governance Committee and KSEK 50 was to be paid to the other two members of the Corporate Governance Committee. No fees shall be paid to members of the Remuneration Committee. In addition, it was resolved that Board members on the company's investment committee will receive an annual fee of KSEK 100.

### Guidelines for remuneration of senior executives

At the Extraordinary General Meeting held on 4 October 2021, it was resolved to adopt the guidelines for remuneration of the CEO and other members of the management team. The guidelines do not cover remuneration that has been resolved by the annual general meeting or remuneration through the incentive programme adopted by the general meeting on 4 October 2021.

Remuneration of the company's senior executives is resolved by the Board in consultation with the Remuneration Committee, in accordance with the Code. The Board has delegated to the CEO to negotiate remuneration of other employees who are members of management and senior executives, and executives responsible for the key functions, such as risk management, compliance and the actuarial function. Regardless of personnel category, the Board is always to decide on annual bonuses exceeding KSEK 300.

The main principle is that remuneration is to promote Solid Försäkring's business strategy, long-term interests and sustainability, as well as counteract unhealthy risk-taking. In addition, remuneration aims to enable competitive total remuneration to senior executives in the company.

Remuneration to the company's senior executives shall be market-based and consist of fixed salary, pension benefits and other benefits. Additionally, the general meeting can resolve on such matters as share and share-price-related remunerations.

For the company's CEO, pension premiums, including sickness insurance, are to be defined-contribution plans, and pension premiums for defined-contribution plans shall not exceed 30 per cent of the fixed annual cash salary of the CEO. Other senior executives are covered by an ITP plan in accordance with applicable collective agreement provisions. Other benefits can include life insurance, medical benefits insurance and company car benefit, which together must not exceed 10 per cent of the fixed annual salary.

From the company's side, the notice period for termination may be at most 12 months for the CEO and at most six months for other members of management. From the senior executive, the notice period for termination may be at most six months. No termination benefits are paid. However, remuneration for potential commitments to restrict competition could be issued, with the aim of compensating for any loss of income as a result of the commitment to restrict competition.

## Warrants

At the Extraordinary General Meeting of Solid Försäkring on 4 October 2021, it was resolved to issue warrants in the 2021/2025 series as part of a long-term incentive programme for the Company's CEO, other senior executives and key employees ("LTIP 2021"). LTIP 2021 was approved at the Extraordinary General Meeting of Resurs Holding on 2 November 2021.

LTIP 2021 comprises a maximum of 440,000 warrants and Solid Försäkring retains the subscription rights. The company has the right to transfer warrants to participants in LTIP 2021 and on 31 December 2021 LTIP 2021 comprised a total of 240,000 warrants that eight (8) senior executives and key employees at the company had acquired from the company at the market price calculated according to the Black & Scholes formula. The CEO participates in LTIP 2021/2025 and has acquired 80,000 warrants under the framework of the programme. Warrants that are not initially transferred to the participants or that are subsequently repurchased by the company may be transferred to future employees or employees who have been promoted.

Information about remuneration at Solid Försäkring's is published at <https://corporate.solidab.se/en/governance/remuneration-and-incentive-programmes/>

## Variable remuneration

Variable remuneration earned in 2021 is linked both to qualitative and to quantitative goals. The company has ensured that all goals related to variable remuneration for 2021 can be reliably measured and, in the company's assessment, the level of risk applied is well in proportion to the company's earnings capacity.

Due to the separate listing process in 2021, the CEO received a listing bonus of KSEK 850 in December 2021 according to a separate agreement. The criteria for payment of the listing bonus had been met when Solid Försäkring was listed on Nasdaq Stockholm on 1 December 2021. Other than this, the CEO does not receive any variable remuneration and thus has no performance criteria linked to this.

Other senior employees and employees who can affect the company's risk level received SEK 0 (0) in variable remuneration in 2021. Employees who are not other senior executives or other employees who can affect the company's risk level received variable remuneration of KSEK 434 (201) and fixed remuneration of KSEK 27,054 (26,669) in 2021. Variable remuneration for 2021 represented 1.6 per cent (0.8) of fixed remuneration.

The fixed/variable remuneration ratio must be commensurate with the individual's responsibility and authority. The company believes that there is an appropriate balance and has set a limit on variable remuneration in relation to fixed remuneration. All agreements that regulate variable remuneration have been capped to allow such a limit to be applied. Variable remuneration was paid to a total of 12 (nine) employees. All variable remuneration earned during 2021 has been or will be paid in cash in 2021 and 2022. There was no guaranteed variable remuneration in 2021 and it is the company's intention to continue to limit this type of remuneration.

## Note 31 Auditors fees and expenses

KSEK	2021	2020
<b>Mazars SA</b>		
Audit assignment, Swiss branch	372	406
<b>Ernst and Young AB</b>		
Audit assignment	1,769	1,089
Other services	634	42
Tax advisory services	713	617
<b>Total fees</b>	<b>3,488</b>	<b>2,154</b>

\* Of which KSEK 500 refers to non-recurring costs related to the separate listing process in 2021

Audit assignment comprises examination of the annual financial statements, accounting records and administration of the Board and CEO, other procedures required to be carried out by the company's auditors and advice or other assistance arising from observations made during the performance of such services.

## Note 32 Leases

KSEK	2021	2020
<b>Non-cancellable lease payments</b>		
Within one year	2,186	2,087
Between one and five years	1,739	3,827
<b>Total</b>	<b>3,925</b>	<b>5,914</b>
<b>Expensed lease payments</b>		
Leased premises	-2,316	-2,322
Cars	-1,227	-1,193
Machinery and equipment	-83	-68
<b>Total</b>	<b>-3,626</b>	<b>-3,583</b>

## Note 33 Financial instruments

The table below shows financial instruments measured at fair value, based on their classification in the fair value hierarchy.

The different levels are defined as follows:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Other observable inputs for assets or liabilities other than listed prices included in level 1 directly (i.e., price quotations) or indirectly

(i.e., derived from price quotations) (level 2).

- Inputs for assets or liabilities that are not based on observable market data (i.e., unobservable inputs) (level 3).

Note 1 Accounting policies provides details on the determination of fair value for financial assets and liabilities measured at fair value in the balance sheet.

KSEK	31 Dec 2021			31 Dec 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>						
Bonds and other interest-bearing securities	603,833			523,298		
Listed shares	78,788			98,207		
<b>Total</b>	<b>682,621</b>	<b>0</b>	<b>0</b>	<b>621,505</b>	<b>0</b>	<b>0</b>
<b>Financial liabilities at fair value</b>						
Derivatives		-660			-508	
<b>Total</b>	<b>0</b>	<b>-660</b>	<b>0</b>	<b>0</b>	<b>-508</b>	<b>0</b>

**Classification of assets and liabilities 31 Dec 2021**

KSEK	Amortised cost*	Fair value through profit or loss	Non-financial assets	Carrying amount
<b>Assets</b>				
Intangible assets			22,545	22,545
Shares and participating interests		78,788		78,788
Other interest-bearing securities		603,833		603,833
Reinsurer's share of technical provisions			3,811	3,811
Receivables, direct insurance and reinsurance	81,042			81,042
Property, plant & equipment			1,911	1,911
Cash and bank balances and other cash equivalents	613,193			613,193
Other assets			344	344
Prepaid expenses and accrued income		1,031	209,387	210,418
<b>Total assets</b>	<b>694,235</b>	<b>683,652</b>	<b>237,998</b>	<b>1,615,885</b>

KSEK	Amortised cost*	Fair value through profit or loss	Non-financial liabilities	Carrying amount
<b>Liabilities</b>				
Technical provisions, net of outward reinsurance			615,900	615,900
Liabilities, direct insurance and reinsurance	158,712			158,712
Derivatives		660		660
Other liabilities	5,554			5,554
Accrued expenses and deferred income			19,528	19,528
<b>Total liabilities</b>	<b>164,266</b>	<b>660</b>	<b>635,428</b>	<b>800,354</b>

**Classification of assets and liabilities 31 Dec 2020**

KSEK	Amortised cost*	Fair value through profit or loss	Non-financial assets	Carrying amount
<b>Assets</b>				
Intangible assets			30,839	30,839
Shares and participating interests		98,207		98,207
Other interest-bearing securities		523,298		523,298
Subordinated loans	200,000			200,000
Reinsurer's share of technical provisions			3,667	3,667
Receivables, direct insurance and reinsurance	77,493			77,493
Property, plant & equipment			2,908	2,908
Cash and bank balances and other cash equivalents	328,253			328,253
Other assets			19,383	19,383
Prepaid expenses and accrued income		1,214	196,447	197,661
<b>Total assets</b>	<b>605,746</b>	<b>622,719</b>	<b>253,244</b>	<b>1,481,709</b>

KSEK	Amortised cost*	Fair value through profit or loss	Non-financial liabilities	Carrying amount
<b>Liabilities</b>				
Technical provisions, net of outward reinsurance			587,764	587,764
Liabilities, direct insurance and reinsurance	119,453			119,453
Derivatives		508		508
Other liabilities	63,222			63,222
Accrued expenses and deferred income			16,913	16,913
<b>Total liabilities</b>	<b>182,675</b>	<b>508</b>	<b>604,677</b>	<b>787,860</b>

\* Assets and liabilities are recognised at amortised cost, which is a good approximation of fair value

## Note 34 Significant estimates and judgements

Preparation of financial statements requires the Board and management to make judgements, accounting estimates and assumptions which affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expense. Judgements and assumptions are based on such factors as historical experience and knowledge of the insurance industry. The actual outcome may differ from these estimates.

The company has made the following judgements in applying significant accounting policies:

- classification of financial instruments
- size of technical provisions

### Classification of financial instruments

The accounting policies in Note 1 define how assets and liabilities are to be classified in the different categories.

### Technical provisions

Technical provisions are based on estimates made and assumptions regarding future claim costs, which entails that there is always an element of uncertainty associated with estimates. Estimates are based on historic statistics regarding previous claim outcomes that are available when the annual accounts are prepared. The uncertainty associated with estimates is generally greater when estimating new insurance portfolios. Estimates of technical provisions include the following: amount of unpaid claims, claims trends, changes in legislation, judgements and the general economic climate.

The accounting estimates and assumptions are reviewed regularly. Changes to estimates are recognised in the period of the change if the change affects only that period. Changes are recognised in the period of the change and future periods if the change affects both.

## Note 35 Proposed allocation of profits

The following profit is at the disposal of the Annual General Meeting

KSEK	2021	2020
Fair value reserve	-777	-1,478
Retained earnings	178,210	133,837
Net profit for the year	119,980	43,372
<b>Total earnings</b>	<b>297,413</b>	<b>175,731</b>

The Board proposes that the profit of KSEK 297,413 be carried forward, of which KSEK -777 to the Fair value reserve.

## Note 36 Significant events after the end of the financial year

Russia invaded Ukraine on 24 February 2022. Apart from an enormous humanitarian impact, the invasion is expected to have major economic and financial consequences both globally and in Sweden. The West has agreed on a number of sanctions in response to Russia's invasion, some of which affect the financial markets. In Sweden, the Stockholm Stock Exchange was negatively affected following the news of the invasion. There is considerable volatility in the capital markets, which affects the market valuations of Solid Försäkring's investment portfolio. The company is closely monitoring developments to identify any early signs of potential changes in consumer behaviour, which in turn could effect the company's insurance operations.

## Signatures

The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with the generally accepted accounting policies and provides a true and fair view of the company's financial position and results, and that the Board of Directors' Report provides a fair review of the company's operations, financial position and results and describes the significant risks and uncertainties faced by the company.

The income statement and balance sheet will be presented for adoption at the Annual General Meeting on 28 April 2022.

Helsingborg, 21 March 2022

Marcus Tillberg  
CEO

Lars Nordstrand  
Chairman of the Board

Fredrik Carlsson  
Board Member

David Nilsson Sträng  
Board Member

Marita Odélius Engström  
Board Member

Lisen Thulin  
Board Member

Our auditor's report was submitted on 21 March 2022  
Ernst and Young AB

Jesper Nilsson  
Public Accountant

# Auditor's report

To the general meeting of the shareholders of Solid Försäkrings AB (publ), corporate identity number 516401-8482

## Report on the annual accounts

### Opinions

We have audited the annual accounts of Solid Försäkrings AB (publ) except for the corporate governance statement on pages 18 - 25 for the year 2021. The annual accounts of the company are included on pages 11-51 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 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Insurance Companies. Our opinions do not cover the corporate governance statement on pages 18-25. The statutory administration report is consistent with the other parts of the annual accounts.

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 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.

#### Provision for claims outstanding

Information on provisions for claims outstanding can be found in Note 1 Accounting policies, Note 2 Risk disclosures, Note 17 Provision for claims outstanding and in Note 34 Significant estimates and judgements.

Description	How our audit addressed this key audit matter
<p>Provision for claims outstanding amounts to 60 795 thousand SEK as of December 31, 2021, which constitutes 4% of the entity's total assets.</p> <p>Provisions for claims outstanding shall cover the expected future payments for all claims incurred, including the provision for damages not yet reported to the company, so-called IBNR provision.</p> <p>The provision for claims outstanding for non-life insurance is calculated using statistical methods or by individual assessments of individual claims. The provision for future commitments is calculated based on established actuarial valuation methods.</p> <p>Since the valuation requires management to make judgements of uncertain future outcome, we have assessed provision for claims outstanding as a key audit matter.</p>	<p>We have evaluated the entity's process for provisioning for claims outstanding and evaluated the methods and assumptions used. We have involved our internal actuarial specialists to challenge the methods and assumptions used in the valuation of the provision of claims outstanding.</p> <p>We have also considered the information presented in the disclosures provided in the annual report regarding provision for claims outstanding.</p>

### ***Other Information than the annual accounts***

This document also contains other information than the annual accounts and is found on pages 1-10 and pages 56-63. The remuneration report for the financial year 2021 also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of the Board of Directors and the Managing Director***

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act 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 and 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

### **Report on the audit of the administration and the proposed appropriations of the company's profit or loss**

#### *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 Solid Försäkrings AB (publ) for the year 2021 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.

### **The auditor's examination of the ESEF report**

#### *Opinion*

In addition to our audit of the annual accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Solid Försäkrings AB for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report 18c0410e932c0c2a108f288002d5b2bf34cf1458b9fc9d7e24f9123edcc76f has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### *Basis for opinion*

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of Solid Försäkrings AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.



#### *Auditor's responsibility*

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts.

#### *The auditor's examination of the corporate governance statement*

The Board of Directors is responsible for that the corporate governance statement on pages 18-25 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

Ernst & Young AB, Hamngatan 26, 111 47 Stockholm, was appointed auditor of Solid Försäkrings AB's by the general meeting of the shareholders on the 13 April 2021 and has been the company's auditor since 2013.

Helsingborg March 21, 2021

Ernst & Young AB

Jesper Nilsson  
Authorized Public Accountant

# Sustainability at Solid Försäkring

## About the Sustainability Report

This is Solid Försäkring's Sustainability Report for the 2021 financial year and also the company's first Sustainability Report as a listed company. In prior years, Solid Försäkring was part of the Sustainability Report of Resurs Holding, which encompassed Resurs Bank and Solid Försäkring. Accordingly, up to the separation from Resurs Holding and the IPO on 1 December 2021, sustainability efforts were organised at Group level and, in many cases, the Sustainability Report uses the Group-wide work as a starting point. For further information on how Resurs Holding's work was conducted in 2021, refer to [www.resursholding.com/en/sustainability/](http://www.resursholding.com/en/sustainability/)

The content of the Sustainability Report is based on the Group-wide materiality analysis implemented in 2017, which continues to guide the choices of the company's most significant sustainability issues. During 2022, the company will implement a new materiality analysis based on the prerequisites and the situation that the company finds itself in after the separate listing. The Resurs Group uses Position Green as the primary system for reporting sustainability data. This involves systematic management that ensures high-quality data, increased traceability and follow-up over time. This Sustainability Report should be read in the light of the fact that Solid Försäkring was involved in Group-wide sustainability efforts for 11 months of 2021.

Solid Försäkring's Sustainability Report comprises the formal Sustainability Report according to Chapter 6, Section 11 of the Annual Accounts Act. The Sustainability Report is included as a part of the company's Annual Report and is a part of the statutory Board of Directors' Report. The auditor's statement on the formal Sustainability Report is appended and is limited to an opinion on page 64 on whether the Sustainability Report has been prepared.

## General information about Solid Försäkring's operations

Solid Försäkring was founded in 1993 as part of the Resurs Group and was granted authorisation from the Financial Supervisory Authority to conduct non-life insurance business. The company was listed on Nasdaq Stockholm on 1 December 2021. The head office has been located in Helsingborg since the company was founded and now has 68 employees.

Solid Försäkring offers non-life insurance with a main focus on niche insurance. The non-life insurance operations are divided into three segments: Product, Personal Safety and Assistance. The company partners with leading retail chains in various sectors, banks, credit market companies, other financial institutions, travel agencies, car workshops and car dealerships, and has about 2.3 million customers across the Nordic region.

The target group for insurance products is comprised of private individuals who mainly purchase insurance through the company's partners when they buy a product or service. Solid Försäkring's partnerships are mainly long term.

In addition, Solid Försäkring conducts asset management, which is a separate function responsible for all of the company's investment assets.

Our fundamental idea for continuing to grow and strengthen our market position is to offer products that are easy for the end customer to understand. Solid Försäkring's business partners should be able to strengthen their relationship with the end customer through the company's products and it should be easy to sell more insurance policies connected to the products or services that are sold.

## Business-driven sustainability work that builds customer value

Responsible insurance provision is based on transparency and clarity concerning the terms and conditions associated with an insurance policy as well as responsible distribution, marketing and claims adjustment. The foundation of our work is that sustainably not only involves doing what is right but is also about increasing value for customers and contributing to the long-term sustainable development of society, in which the operations are characterised in all respects by corporate, social and environmental responsibility.

The most significant sustainability aspects are identified in a dialogue with the company's primary stakeholders – partners, customers, employees, owners and investors. These aspects are Employees/Diversity/Equal Opportunities, Responsible non-life insurance, Social responsibility, Environment, Customer Privacy and Anti-corruption. By focusing on these sustainability areas, the objective is to contribute to maximising the positive values that the operations generate for customers, partners, employees, owners, industry and society at large. The company's responsibilities also include minimising the operation's risks through proactive sustainability efforts, robust processes, regulatory compliance and high business ethics.

## Respect for human rights is fundamental

Solid Försäkring is active in a market that is governed by a number of laws and regulations that in many ways emphasise human rights. With a business concentrated to the Nordic countries, there is clear national legislation that is based on European and international conventions. Accordingly, the company's exposure to risks linked to human rights is adjudged to be low. Solid Försäkring's opportunities to take responsibility and influence mainly entail the responsible provision of insurance and defending customer privacy, together with social involvement based on the needs that exist in society.

Since 2018, the Resurs Group has been affiliated to the Global Compact, whose ten principles include human rights and labour standards. The Code of Conduct clarifies the company's position on matters such as anti-discrimination, labour standards, forced labour, child labour, political commitment, freedom of association and collective bargaining.

# SUSTAINABLE DEVELOPMENT GOALS

**Solid Försäkring believes that the company has the greatest opportunity to influence and contribute to the following six UN Sustainable Development Goals:**



## **Goal 3 Good health and well-being;**

Good health is a fundamental prerequisite for people's opportunities to reach their full potential and contribute to social progress. Solid Försäkring takes responsibility through, inter alia, sponsorship of sports clubs that

create environments where children and young people can grow and develop.



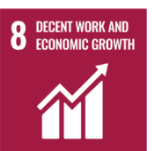
## **Goal 4 Quality education for all;**

Solid Försäkring works for an inclusive society, which is channelled in initiatives that support young people's education and entry into the labour market.



## **Goal 5 Gender equality;**

Solid Försäkring conducts dedicated work to develop workplaces that are characterised by gender equality, equal opportunity and diversity.



## **Goal 8 Decent work and economic growth;**

Solid Försäkring wants to contribute to job opportunities and growth in the countries in which the company operates.

Fundamental features are a secure,

inclusive and safe workplace and that labour laws, regulations and principles are complied with.



## **Goal 10 Reduced inequalities;**

For Solid Försäkring, it is a matter of course to offer an inclusive workplace where we embrace differences and where all employees have equal terms and conditions and opportunities for individual professional development. All

employees should feel that there are good opportunities to grow with their work assignments.



## **Goal 12 Sustainable consumption and production;**

Solid Försäkring bases its non-life insurance operations on transparency and clarity in respect of the terms and conditions associated with an insurance policy

as well as responsible distribution, marketing and claims adjustment.

## **Solid Försäkring WANTS TO:**

**...inspire sustainable choices**

Solid Försäkring wants to encourage a sustainable lifestyle and make it possible for people to take decisions that promote more sustainable development.

**...be a responsible company that supports customers, partners and society**

Solid Försäkring's commitment to sustainability is prioritised, with a desire to have a positive impact on partners, customers and society.

## **Solid Försäkring's responsibilities**

**...as an employer**

Solid Försäkring works actively with gender equality, equal treatment, diversity, a good work environment, development opportunities, participation and a sense of meaning.

**...as a company in the region**

Solid Försäkring works for an inclusive society, where everyone has an opportunity to utilise their potential. Solid Försäkring wants to contribute to health and participation and to focus on supporting young and new job applicants in the labour market.

**...as a company in the industry**

Solid Försäkring conducts long-term and responsible work with a focus on the customer. Environmental aspects and human rights are other important areas that are considered in all decisions.



## **Employees/Diversity/Gender equality**

### **Sustainable employees lay the foundation for development and profitability**

For Solid Försäkring, it is a matter of course to offer a gender equal, healthy workplace characterised by many opportunities for individual professional development.

Although to a large extent 2021 was affected by the coronavirus pandemic, its impact on daily operations was less severe than the preceding year. Due to the pandemic, caring for employees' jobs and health were in focus again in 2021, and the company worked actively to reduce the risk of contagion.

The pandemic also entailed special leadership challenges. It is necessary to be able to communicate regardless of location, to cooperate across functional borders and to coach employees to lead themselves. For Solid Försäkring, it is a matter of course to offer a gender equal, healthy workplace characterised by many opportunities for individual professional development.

The separate listing process dominated the daily work of many of the company's employees during the year. The intensive listing

processes placed rigorous demands on the skills and capabilities of both employees and managers. It is with pride for the considerable commitment shown by employees during the process, that the company was listed on Nasdaq Stockholm on 1 December.

### Employee satisfaction and well-being

In Winningtemp, the digital employee survey tool, all employees can report in real time their experiences of, inter alia, their work situation, management and commitment, thus helping to identify signals of ill health and stress in the workday. The objective is that the employees' overall impression of the work environment should exceed Winningtemp's index (a comparative index of the organisations that use the tool). For 2021, the Winningtemp index was 7.4 on a ten-point scale and Solid Försäkring achieved a temperature of 7.9 (8.0), based on a response rate of 75 per cent (78).

The target for the attendance rate in the company is at least 96 per cent. For 2021, the outcome for employee attendance at Solid Försäkring was 96 per cent (95). There is a rehabilitation programme for cases of reduced fitness for work or a return to work after long sick leave. Employees must receive assistance and support through early, coordinated rehabilitation measures in order to regain their fitness for work with the aim of being able to return fully or partially to work. During 2021, the focus of the health-promoting initiatives was on stimulating to physical activity such as Wellify and walking step competitions since many employees still worked from home.

### Continual training through digital channels

All Solid Försäkring employees have access to online-based training that includes both compulsory training programmes in the Code of Conduct, anti-corruption, money laundering and environment, and compulsory training in insurance regulations. During the year, the offering was supplemented with training programmes in remote management and working.

The portal also provides managers, HR and course owners with a statistical basis to ensure that employees take part in the training courses during the year.

### Internal mobility builds culture

All employees should feel that there are good opportunities to grow with their work duties at Solid Försäkring, and the employees are therefore encouraged to actively apply for new roles in Solid Försäkring. This has generally resulted in high internal mobility, with 38 per cent (24) of advertised positions filled by internal resources in 2021.

### Diversity and gender equality generates customer value

Employees with diverse backgrounds, genders and experiences enrich the business in many ways, making Solid Försäkring a more creative, profitable and efficient organisation. In the company's view, if the diversity of society is reflected in the make-up of the workforce, additional valuable customer benefit can be created.

The company aims to have a 40/60 per cent gender balance in its operations. In 2021, the average share of female employees was 53 per cent (53) and the average share of female managers was 44 per cent (45).

The company has zero tolerance for discrimination and sexual harassment. Counteracting this and supporting an inclusive workplace in every way must be a given. The annual salary survey is intended to identify and establish that salaries are determined on objective grounds. The survey did not show any non-objective salary differences between men and women for comparable professional groups in 2021.

### Significant risks connected to Solid Försäkring's diversity and gender equality efforts

Identified risk	Consequence for	Management of risks
Unfair distribution of salaries and benefits.	<ul style="list-style-type: none"> <li>• Employees' commitment and willingness to develop.</li> <li>• The company's work environment.</li> <li>• The company's brand and credibility as an employer and insurance company.</li> </ul>	<ul style="list-style-type: none"> <li>• HR specialist for checking the distribution of salaries and benefits based on policies and guidelines</li> <li>• Remuneration policy</li> <li>• Wages and salaries guidelines</li> <li>• Guidelines for diversity and equal treatment</li> <li>• Guidelines concerning discrimination and victimisation, incl. action plan</li> </ul>
Shortcomings in diversity and equal opportunities	<ul style="list-style-type: none"> <li>• Employees' commitment and willingness to develop.</li> <li>• The company's work environment.</li> <li>• The company's brand and credibility as an employer and insurance company.</li> </ul>	<ul style="list-style-type: none"> <li>• Guidelines for diversity and equal treatment</li> <li>• Guidelines concerning discrimination and victimisation, incl. action plan</li> <li>• Gender equality targets</li> <li>• Training initiatives, such as work environment training</li> </ul>
Risks concerning social conditions, primarily labour standards, health and safety, discrimination and victimisation	<ul style="list-style-type: none"> <li>• Employees' commitment and willingness to develop.</li> <li>• The company's work environment.</li> <li>• The company's brand and credibility as an employer and insurance company.</li> </ul>	<ul style="list-style-type: none"> <li>• Work environment training for managers</li> <li>• The company's Code of Conduct</li> <li>• Guidelines concerning discrimination and victimisation, incl. action plan</li> <li>• Guidelines for diversity and equal treatment</li> <li>• Whistleblower function</li> <li>• Possibility to report risks that is available to all employees</li> </ul>

Number of employees	Average 2021	Share
Women	36	53%
Men	32	47%
Total no. of employees	68	100%

Share of women managers, average 2021	44%
Share of women in management team at year-end	29%
Share of women on the Board at year-end	40%

Specification of age	< 30 years of age	30-50 years of age	> 50 years of age
Solid Försäkring	13%	58%	29%
Management team	0%	57%	43%
Board	0%	20%	80%



## Responsible non-life insurance

### Sustainable insurance provision

Working with sustainability does not only involve doing what is right but is also about increasing value for customers and contributing to the long-term sustainable development of society. Insurance is based on confidence – if this confidence is tarnished, the company may be jeopardised.

Since the insurance industry comprises an important societal function, an extra layer of checks is required. Insurance distribution requires authorisation and is supervised by the Swedish Financial Supervisory Authority. Good order and internal controls are necessary, together with robust internal systems and processes. Solid Försäkring's task as an insurance provider includes safeguarding its employees' skills and expertise and ensuring that the company's insurance distribution is based on an impartial and personal analysis of customer needs.

Responsible insurance distribution is based on transparency and clarity concerning the terms and conditions associated with an insurance policy as well as responsible distribution, marketing and claims adjustment. All relevant employees are required to annually undergo compulsory training programmes in accordance with the requirements of Insurance Distribution Directive (IDD). In 2021, 100 per cent of relevant employees completed the compulsory

### Significant risks connected to Solid Försäkring's insurance provision

Identified risk	Consequence for	Management of risks
Increased claim costs due to effects of climate change	<ul style="list-style-type: none"> <li>Lower profitability for the company</li> <li>Higher insurance premiums for the company's customers</li> </ul>	<ul style="list-style-type: none"> <li>Reinsurance</li> <li>Business environment analysis, and trends and forecasts</li> <li>Continuous stress and scenario tests</li> </ul>
Impact on new sales of new and amended regulations	<ul style="list-style-type: none"> <li>Lower revenue for the company results in weaker earnings and a lower dividend to the company's shareholders</li> <li>Internal work processes and division of responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>Business environment analysis, regulatory monitoring and trends and forecasts</li> <li>Continuous stress and scenario tests</li> </ul>
Outsourced claims adjustment operations (weaker quality in adjustment; for example, more total damage in relation to repairs, non-compliance with terms and conditions, rules and regulations)	<ul style="list-style-type: none"> <li>Increased claim costs due to weaker quality in claims adjustment, which negatively affects the company's profitability</li> <li>The company's brand</li> </ul>	<ul style="list-style-type: none"> <li>Continuous spot checks and audits of outsourced operations</li> <li>Continuous follow-up of customer complaints</li> <li>Code of Conduct for Suppliers</li> </ul>

IDD training.

Solid Försäkring works continuously to improve the information provided to our customers in conjunction with claims matters in order to maintain confidence in the insurance solutions that are offered. It is important that the insurance terms and conditions are straightforward and easy to understand by both the customers and the claims adjusters so that claims adjustment is performed correctly and the number of complaints is minimised. The company's risk tolerance in terms of the number of complaints in relation to the number of claims is 0.80 per cent. During 2021, the ratio was 0.26 per cent, which is far below the risk tolerance.

Sustainable insurance provision involves using a long-term sustainability perspective to make conscious choices when developing insurance solutions, which makes it easy for individuals and companies to make decisions that protect the environment and contribute to sustainability. Solid Försäkring works actively to keep its costs low, thereby being able to offer affordable insurance that creates value for our customers.

The core operation of the insurance industry is understanding, managing and underwriting risks. Solid Försäkring depends on the confidence that people have in our industry and the insurance companies' ability to meet their obligations. Through risk prevention, risk reduction and by spreading and distributing risk over several individuals, the insurance industry helps to protect society, promote innovation and support economic development. These are important contributions to a well-functioning and sustainable society.

Preventing claims is one of the most important things that Solid Försäkring can do, both for customers' security and finances and to help protect the planet's resources from overconsumption.

Sustainable insurance is also about training business partners and suppliers and creating awareness of sustainability aspects in claims adjustment. By repairing a damaged product, preferably with reused parts, rather than replacing it with a new product, claims adjustment becomes effective, long-term and sustainable. During 2021, the breakdown between repairs and total damage was 63 per cent and 37 per cent, respectively, for claims in the Product segment that the company can influence.



## Environment

### Social responsibility

#### Social responsibility – both large and small

Solid Försäkring assumes social responsibility as a player in the insurance industry and works for an inclusive society, where everyone has an opportunity to utilise their potential. All aspects of the operations that Solid Försäkring conducts are to be characterised by corporate, social and environmental responsibility. Through partnerships and commitments, Solid Försäkring contributes value for society with a particular focus on supporting young and new job applicants in the labour market.

#### Voluntary work impacted by the pandemic

Every year, Solid Försäkring's employees spend eight hours doing volunteer work in the neighbourhood. The focus shall primarily be to support young and new job applicants in the labour market. This could involve offering youths, in cooperation with the non-profit association Drivkraft, such services as mentoring activities and help doing homework. The aim for 2022 is to inspire the employees to increased social commitment when the fading of the pandemic will hopefully provide scope for physical meetings again, thus facilitating this type of activity.

#### Important role as sponsor and partner in society

Solid Försäkring's presence in the local community also manifests itself in the form of conscious and long-term sponsorship, such as sports clubs, Team Rynkeby and Childhood Cancer Fund. The focus is on societal investment and partnerships that match the company's overriding agenda.

Notable among Solid Försäkring's other commitments is the internal sponsorship fund through which employees are given the opportunity to apply for sponsorship of local associations or organisations. Solid Försäkring is also a member of Techella, a regional network that highlights female talent in IT and Tech.

#### Conscious choices for the environment

The negative environmental impact caused by the operations mainly occurs in conjunction with business travel, the use of company cars, mailings and the purchasing of energy in the form of electricity and heating. Solid Försäkring works with measures and by influencing its employees and customers to make climate-smart choices to reduce carbon emissions.

As in the preceding year, the continued pandemic gave rise to far less travel compared with prior years, which contributed to reduced carbon emissions. Meanwhile, Solid Försäkring continued its efforts to increase awareness of the fact that the choice of travel makes a difference. This applies to both travel conducted while at work and the employees' travel to and from work.

The company also attaches great importance to increasing the employees' knowledge and facilitating conscious environmental choices in everyday life and that all employees undergo mandatory environmental training. In 2021, 92 per cent of the employees completed this environmental training.

#### Easier to travel right

Using the online system for travel bookings that was introduced in 2020, employees can see the climate impact of both modes of travel and hotel stays. Due to the pandemic, however, the impact of the system has not yet become apparent, since travel has been limited. There are also well-established guidelines stating that train travel is the recommended means, and the booking of flights must be approved by an immediate superior.

In 2021, to also reduce the climate impact of the employees' car journeys, Solid Försäkring introduced electric cars as an option in the choice of company cars. The fossil-driven vehicles are being phased out as employees change cars. As per 31 December 2021, 11 of a total of 15 company cars were electric or hybrid models.

#### Digital meetings and teleworking

One of the most effective ways of reducing climate impact is to replace travel with digital meetings, both internally and externally.

The pandemic has hastened a process that had already begun. To facilitate teleworking and simultaneously enable effective meetings, Solid Försäkring has invested in various technical solutions for digital meetings.

#### Significant environmental and climate risks

Identified risk	Consequence for	Management of risks
Climate risk – The company's direct impact.	<ul style="list-style-type: none"> <li>• Damage to the company's brand and credibility as an employer and insurance company unless the company contributes to reducing GHG emissions that lead to climate change.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability policy, and guidelines within the following areas:                             <ul style="list-style-type: none"> <li>- Travel and company cars</li> </ul> </li> <li>• Survey of business travel</li> <li>• Carbon follow-up</li> </ul>
Climate risk due to, inter alia, amended legislation, changes in demand for products and services, changes in customer behaviours or other structural changes that occur in order to adjust to a climate-neutral economy.	<ul style="list-style-type: none"> <li>• The company's operations in a longer term through, inter alia, lost revenue, increases in claim costs, loss of reputation and potential increases in customer bad debts/customer losses.</li> </ul>	<ul style="list-style-type: none"> <li>• The company's Risk Committee identifies, oversees and works proactively with both potential risks and with the follow-up of already identified risks and decided actions.</li> <li>• Continuous stakeholder dialogues and business environment analysis.</li> </ul>

The company also adopts a stated approach that up to 40 per cent of total work may be performed remotely for the predominant part of the operations. Accordingly, it is expected that commuting and its environmental impact will be further reduced.

## Ethically responsible business

### Responsibility that extends over borders

Ethical and responsible business unites Solid Försäkring's undertakings in matters involving availability, responsibility for the supply chain and customer communication as well as customer privacy and anti-corruption. The Starting point is an insight that no chain is stronger than its weakest link and thus the responsibility that this entails.

To a considerable extent, assuming responsibility for the supply chain in an insurance company involves ensuring the suppliers' delivery quality and continuity, cost-effectiveness, risk management, regulatory compliance and information security. The final agreement must fulfil Solid Försäkring's demands and safeguard the interests of the company's shareholders, while the terms and conditions must be fair to the suppliers and their employees, and protect the customers' privacy.

At the other end of the system, there are customers who must understand the agreements they conclude with Solid Försäkring and the undertakings that they entail. Solid Försäkring always strives for a balance between transparency and availability, where the information is sufficiently comprehensive to ensure that the customers are aware of responsibilities and consequences, without being complicated and inaccessible.

### Continuous development of rules and regulations

The continuous work on customer privacy is governed by national legislation and EU regulations. Solid Försäkring carefully monitors developments to ensure solid regulatory compliance. The company also trains its employees continuously with the aim that all of them will have completed basic training in personal data processing. The focus during the year was on updating policies and information disclosure, reviewing purchasing and supplier agreements and developing methods and improving processes to facilitate GDPR work.

Focus in 2022 will be on such activities as preparing for changes in regulations, for example, sustainability-related changes in the Solvency II framework, changes related to the product approval process under the IDD framework and analysis and potential ESG adjustments to the company's investment assets.

### Risk minimisation with increased knowledge, good governance and control

Solid Försäkring works proactively on risk and incident management to ensure the right level of protection in respect of information and personal data in all parts of the operations. In parallel, there are control systems that identify transactions that deviate from the normal, together with internal authorisation levels for handling information and executing services.

As an employee, it must always be easy to do what is right and therefore we have prioritised providing smooth access to the latest versions of policies and guidelines together with continuous training to ensure the employees' knowledge of rules and regulations and secure a high level of risk awareness. According to the training plan, all active employees must undergo online GDPR training. In 2021, 95 per cent of the employees completed this training.

### Zero tolerance of all forms of corruption

Corruption undermines democracy, distorts competition, impedes business on equal terms and benefits organised crime. Corruption results in serious legal risks and rumour-related risks. Solid Försäkring's operations are exposed to corruption through, for example, fraud and bribery. For Solid Försäkring, it is essential that all parts of the operations act ethically, which is also a prerequisite for earning continued confidence.

### Code of Conduct provides fundamental guidelines

The company's CEO and other members of the management team have the overriding responsibility for the preventive work and for ensuring that resources, processes and control systems are in place. Solid Försäkring's position is established in the Code of Conduct, which applies to all employees and Board members. All employees have access to the Code of Conduct, including associated policies and guidelines. Solid Försäkring has three levels of control functions, the three lines of defence, to manage the risk of money laundering and other corruption risks and to ensure that the company's transactions and business relations are conducted on an ethically correct basis. Training in the Code of Conduct is mandatory and, in 2021, 95 per cent of the employees completed this training.

### Anonymous channel for whistleblowers

Employees and others who in some other way find themselves in a work-related situation can report serious improprieties via the whistleblower function. The informant can choose to be anonymous and can thus never be traced. After an initial assessment of whether or not the matter is covered by the criteria for a whistleblower case, the matter becomes subject to an investigation. Whistleblowing training is mandatory and, in 2021, 92 per cent of the employees completed this training.

In 2021, no matter was reported via Solid Försäkring's whistleblower function.

### Knowledge is central in the fight against corruption

It is vital that the employees have knowledge and are aware of exposure to the risk of money laundering and other forms of corruption and the procedures that apply for reporting centrally. As support and guidance for how to counter corruption and how to identify warning signs, there are a number of online courses in the e-learning portal, several of which are compulsory for all employees.

### Compulsory and annual training programmes

- In 2021, 100 per cent of the employees completed the courses within the IDD framework.
- In 2021, 95 per cent of the employees completed GDPR training.
- In 2021, 95 per cent of the employees completed Solid Försäkring's Code of Conduct training.
- In 2021, 92 per cent of the employees completed anti-bribery training.
- In 2021, 92 per cent of the employees completed whistleblowing training.

## Governance of Solid Försäkring's sustainability work

Solid Försäkring's operations demand ethical business behaviour and responsibility for the operations impact on people, society and the environment.

The starting point is to comply in all respects with the various countries' laws and regulations, such as competition

regulations, environmental legislation, labour market laws and collective bargaining agreements that could impact the operations. Solid Försäkring respects international conventions concerning human rights, which serve as lodestars for its own operations.

The company's sustainability policy and guidelines, together with underlying policies, establish frameworks and a direction for sustainability efforts.

The shared corporate culture is based on the company's values – Driven, Open, Innovative and Trustworthy – which are well rooted in the operations.

### **Sustainability governance and responsibilities**

The Board of Directors has the ultimate responsibility for sustainability efforts in the company and is required to ensure that policies are adopted for efficiently managing sustainability risks in the operations. The Board is required to work to ensure that sustainability issues are integrated in the formulation of goals, strategies, follow-up and evaluation of the operations. The Board also adopts the company's Sustainability Report as part of the Annual Report each year.

The CEO is required to regularly evaluate whether the company checks and manages its sustainability risks efficiently and appropriately.

Solid Försäkring's Sustainability Committee is a link between the operational and strategic sustainability efforts and is responsible for initiating, driving and following up the operational sustainability efforts with the aim of ensuring compliance with the company's long-term undertakings. The committee prepares matters concerning the focus areas, orientation and activities required to achieve decided sustainability targets, prior to them being addressed and decided by the Board of Directors. The committee is headed by the company's Head of HR and Sustainability and comprises senior executives and the Risk and Compliance functions.

The Head of HR and Sustainability is also responsible for coordinating, supporting and following up sustainability activities to ensure that they are reported in accordance with national legislation and voluntary international standards.

Managers in the company have an operational responsibility to implement the guidelines. This entails responsibility for ensuring that adopted approaches and focus areas are defined, implemented and followed up in each area and function.

### **Code of Conduct – Solid Försäkring's overriding governance instrument**

Solid Försäkring's Code of Conduct clarifies, inter alia, the company's views on business ethics, working conditions, diversity, gender equality and equal opportunities. The Code of Conduct must also guide all employees, regardless of function and role in the company, so that they act ethically and in a way that inspires confidence among partners, customers, public authorities and other stakeholders.

### **Governance; anti-corruption**

Solid Försäkring works on the basis of a model with three lines of defence, whose aims include countering money laundering and terrorism financing, managing other corruption risks in the operations and ensuring that the company's transactions and business relations are conducted on an ethically correct basis. The first line of defence focuses on the risks that could arise in the business operations.

The second line of defence comprises the company's compliance, risk management and actuarial functions, which operate independently and conduct continuous controls of

the operations.

The third line of defence comprises the internal audit, which independently examines the company's operations and evaluates how the other control functions manage and assess risks.

### **Governance; customer privacy**

Solid Försäkring has a data protection officer who checks compliance with data protection laws and reports to the CEO and the Board. The area also overlaps with other control functions in the second and third lines of defence.

### **Governance; responsible insurance provision**

Responsible insurance distribution is based on transparency and clarity concerning the terms and conditions associated with an insurance policy as well as responsible distribution, marketing and claims adjustment.

The insurance industry fulfils an important function in society, which means that the players in the industry have a huge responsibility to conduct their business operations based on applicable rules and according to the supervisory authorities. Insurance distribution requires authorisation and is supervised by the Swedish Financial Supervisory Authority. The company's task as an insurance provider involves safeguarding its employees' skills and expertise and ensuring that the company's insurance distribution is based on an impartial and personal analysis of customer needs.

The core operation of the insurance industry is understanding and managing risks. As an insurance provider, we are dependent on the confidence people have in our industry and in the insurance companies' ability to meet their obligations. By carrying out preventive risk reduction measures and spreading and distributing risk between several individuals, the insurance industry can help protect society, promote innovation and support economic development. This is an important contribution to a well-functioning and sustainable society.

Through, inter alia, monthly spot checks, this work is examined on the basis of prevailing criteria and rules and regulations.

The control functions and internal audit regularly check various parts of the processes connected to insurance provision.

### **Governance; environment**

The company will be part of environmentally sustainable development and will reduce its environmental impact. To reduce its environmental impact, Solid Försäkring will implement processes to consider and reduce its impact in all parts of the operations and set targets and take actions to reduce any impact caused by the operations.

Solid Försäkring's sustainability policy comprises the foundation for the company's environmental activities and it is adopted annually by the Board. Sustainability data is reported in Position Green and to management and the Board.

### **Governance; employees, diversity and gender equality**

Solid Försäkring is required to work actively with gender equality, equal treatment, diversity, a good work environment, development opportunities, participation and a sense of meaning. The company shall work for an inclusive society, where everyone has



an opportunity to utilise their potential. Solid Försäkring's Code of Conduct clarifies the company's position on matters such as anti-discrimination, labour standards, forced labour, child labour, political commitment, freedom of association and the right to collective bargaining agreements. The Head of HR and Sustainability is to drive, develop and follow up work involving sustainability, diversity and health. The Head of HR and Sustainability also works on remuneration and benefits. The responsibilities of this role mainly include overseeing remuneration levels, conducting an annual analysis of salaries and formulating policies and guidelines for salaries, pensions, benefits and company cars.

### **Governance; social responsibility**

The Sustainability Committee is responsible for driving, following up and reporting the company's sustainability efforts. This responsibility also includes work to continuously develop and broaden the orientation of the company's social responsibility and creating new partnerships and networks within relevant areas.

### **Selection of policies and guidelines:**

- Sustainability policy
- Policy for governance, management and control of risks
- Code of Conduct
- Whistleblowing policy
- Anti-bribery policy
- Policy on anti-money laundering and terror financing (Norway)
- Insider policy
- Policy for information security
- Policy for complaint handling
- Remuneration policy
- Data protection policy
- Sustainability guidelines
- Guidelines for diversity and equal treatment
- Guidelines concerning victimisation
- Guidelines concerning salaries
- Travel guidelines
- Guidelines concerning work environment
- Code of Conduct

## **Auditor's report on the statutory sustainability statement**

To the general meeting of the shareholders of Solid Försäkrings AB (publ), corporate identity number 516401-8482

### *Engagement and responsibility*

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2021 on pages 56-63 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.

Helsingborg 21 March 2022

Ernst & Young AB

Jesper Nilsson  
Authorized Public Accountant

## About Solid Försäkring

Solid Försäkring is a non-life insurance company focusing on niche insurance, with the Nordic region as its core market. The operations in Norway, Finland and Switzerland are conducted by branches, and operations in other countries are conducted as cross-border operations. The non-life insurance operations are divided into three segments: Product, Personal Safety and Assistance. The company partners with leading retail chains in various industries and the banking sector, has about 2.3 million customers across the Nordic region and has its head office in Helsingborg.

