



# 2022

ANNUAL AND  
SUSTAINABILITY REPORT



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## FACTS ABOUT THE SOLID FÖRSÄKRING SHARE

ISIN: SE0017082548  
 LEI code: 529900JIV2O9HEPWIN77  
 Ticker: SFAB  
 Total number of shares: 20,000,000  
 Trading lot 1 share

# HIGHLIGHTS 2022



## Highest technical result ever

The technical result increased 31 per cent to SEK 163.1 million, excluding non-recurring costs, which is the highest technical result in Solid Försäkring's history.



## Strong growth

Gross written premiums increased 14 per cent to SEK 1,152 million and premiums earned increased by 12 per cent year on year to SEK 1,100 million.

## Strategic acquisitions in Norway

At the end of the year, Solid Försäkring acquired Car Protect AS as part of an agreement to purchase assets and liabilities, with access on 1 January 2023. As a result of the acquisition, Solid Försäkring broadened its product portfolio geographically and strengthened its position in the Norwegian market.

## Strategic partnerships

During the year, Solid Försäkring concluded agreements including one with Collector Bank concerning the provision of payment protection insurance in Norway and Sweden, with Zmarta/Insplanet concerning distribution of Solid's roadside assistance insurance and with the credit market company Bliq concerning the distribution of payment protection insurance.



## Value-adding buy-back

On 26 October, Solid Försäkring initiated a programme to repurchase own shares to create additional value for shareholders.

## Dividend of SEK 2.85 per share proposed

The Board of Solid Försäkring proposes that the Annual General Meeting resolve on a dividend of SEK 2.85 per share, which is in line with the dividend target communicated in connection with the separate listing in 2021.



# Record year in uncertain times

2022 was our first year as an independent company and it was also a record year for the business, despite concern in the consumer markets. We reported our highest ever technical result and all financial objectives were attained or surpassed. This shows that, primarily as a result of the our diversified product strategy, our business model also works in times when the consumers' purchasing behaviour changes. At the same time, we are respectful of what awaits in 2023.

## Strategic partnerships and acquisitions

In 2022, we focused on working on various measures to increase the sale of insurance policies among our existing partners and also on signing new partnership agreements, thereby expanding our partner base. During the year, we concluded a number of important and strategic partnership agreements including ones with Collector Bank concerning the provision of payment protection insurance in Norway and Sweden, with Zmarta/Insplanet concerning distribution of Solid's roadside assistance and with the credit market company Bliq concerning the distribution of payment protection insurance.

In addition to our organic growth, we continuously evaluate the opportunity to acquire smaller players that can boost Solid Försäkring's strategic advantages or supplement our geographic coverage. At the end of the year, we also signed an agreement to acquire the assets and liabilities of Car Protect AS. Car Protect is a Norwegian insurance intermediary of car warranties with many years of experience in the Norwegian automotive market. As a result of the acquisition, which currently comprises a minor operation, we are broadening our product portfolio geographically and creating a greater foothold in the Norwegian market.

## Highest technical result ever

Gross written premiums increased 14 per cent in 2022 to SEK 1,152 million and premiums earned increased by 12 per cent to SEK 1,100 million. All segments contributed to the increase but it was primarily driven by the sharp increase in sales in the travel industry. The increase in the Assistance segment amounted to 37 per cent year on year, primarily as a result of sales of travel insurance, a 5 per cent sales increase in the Personal Safety segment, primarily as a result of growth within payment protection insurance in the Norwegian and Swedish markets, and a 4 per cent increase in sales in the Product segment, primarily driven by consumer electronics in Denmark, where we expanded our market shares during the year via the partnership with Power.

Operating expenses increased 11 per cent to SEK 713 million, mainly due to the impact of higher acquisition costs resulting from the increase in sales. However, the combined ratio improved to 86.7 per cent (88.2 adjusted for non-recurring costs), driven by stable and profitable underlying business, growth in premiums earned and good cost control.

It is also gratifying that the technical result increased 31 per cent to SEK 163.1 million, excluding non-recurring costs, which is the highest in Solid Försäkring's history.

## Proposals concerning value-creating buyback of shares and dividend

Solid Försäkring has a strong financial position. At the end of 2022, the SCR ratio was 167 per cent, corresponding to a decrease of 6 percentage points compared with the end of 2021. The decline in the SCR ratio was due to the repurchases of own shares that took place during the year and the adjustment to the solvency capital that was made due to the expected dividend of portions of earnings for 2022. This SCR ratio is comfortably above the target of at least 150 per cent.

This strong position represented a prerequisite for the Board of Directors' decision of 26 October to initiate a programme to repurchase own shares to create additional value for shareholders. At the end of the fourth quarter, 457,402 shares had been acquired at an average price of SEK 58.62 corresponding to a total value of SEK 26.8 million, which represents 2.3 per cent of the total number of shares and 45.7 per cent of the mandate resolved by the Extraordinary General Meeting on 29 September 2022. The repurchase programme may continue until the forthcoming Annual General Meeting (AGM) is held.

In addition to the aforementioned programme, the Solid Försäkring Board proposes that the AGM on 26 April resolve on a dividend of SEK 2.85 per share, which is in line with the dividend target communicated in connection with the separate listing. The assessment is that the level is balanced and provides scope for continuing to pursue the current

repurchase programme in spring 2023 and for proposing a new one to the forthcoming AGM as well as scope for evaluating potential acquisition opportunities.

## Stability and strong culture

We have a financially strong starting point entering 2023. At the same time, the consumer market is weak and we have entered an uncertain period. This makes it extra important to develop our long and close collaborations with existing partners and simultaneously to succeed in our continued initiatives to expand the partner base and, when opportunities arise, carry out acquisitions. I have a strong belief in our ability to achieve this, not least against the background of the strong sales and service culture represented by our employees. I also feel very confident that our important sustainability work, which is a natural part of our business model, is going in the right direction. Please read more about our sustainability work on page 18 -31 in this annual report.

I would like to thank our employees for your deep commitment during 2022. I am very proud of all of you and the work you perform and I look forward to further developing Solid Försäkring together along the path that we have set as an independent company!

Helsingborg, March 2023

Marcus Tillberg,  
CEO Solid Försäkring



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*I have a strong belief in our ability to achieve this, not least against the background of the strong sales and service culture represented by our employees.*



# Solid Försäkring's operations and business model

## A leader in niche insurance

Solid Försäkring ("Solid Försäkring" or "the company") is one of the leading niche insurance companies in the Nordic region in non-life insurance and sells insurance in the Product, Personal Safety and Assistance segments. The target group consists of private individuals but our insurance policies are primarily sold via our partners, such as retail chains, banks, credit institutions, travel agents and car dealerships that offer Solid Försäkring's non-life insurance for the products and services they sell.

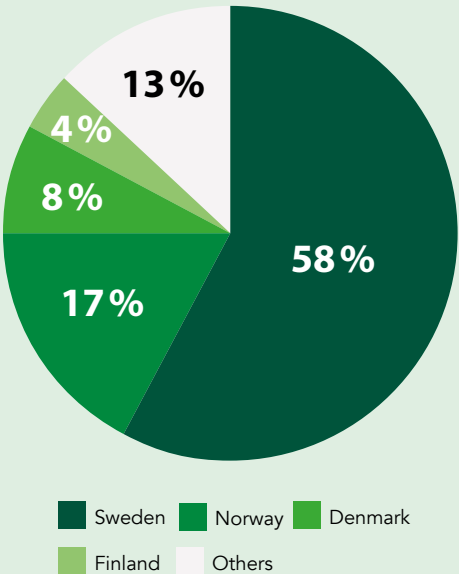
About 88 per cent of Solid Försäkring's product offering is brokered through partners, affiliated agents or independent insurance brokers and about 12 per cent takes place directly with customers.

Most of Solid Försäkring's partners offer insurance that covers the risk of loss of goods or malfunctions or damage to goods, that a service cannot be used, or damage or loss of baggage and other risks in conjunction with travel. However, the affiliated agents that our business collaborates with do not have their own licence to sell insurance, but operate instead under Solid Försäkring's licence and distribute the company's insurance as a supplement to a good or service connected to their primary operations.

The business's affiliated agents and other partners include credit institutions, banks, travel agents, retail chains and car dealerships. Products in Personal Safety are sold essentially only through partners while the insurance products in Product and Assistance (apart from travel insurance products) are partly sold directly to customers.

Solid Försäkring's distribution model and commercialisation process is primarily based on establishing partnerships in relevant product segments and includes contracts with partners. In most cases, procurements take place in competition with other insurance providers in which the partner commits itself to not provide similar insurance products for other insurance providers. This entails exclusivity in most cases, which means that the partner only offers its customers Solid Försäkring's products.

Gross written premiums, geographical specification



When the consumer has purchased or obtained insurance through any of our partners, we work with aftermarket potential. This involves the customer extending the insurance or purchasing additional insurance. The part of Solid's insurance that is sold directly to the customer mainly comprises aftermarket sales, which involves an offer to extend an insurance policy or an offer to sign an individual insurance policy with the same protection that the customer previously received through a compulsory group insurance.

Solid Försäkring's largest markets are Sweden, which accounted for 58 per cent of gross written premiums in 2022, as well as Denmark, Norway and Finland, which jointly accounted for 29 per cent, and Rest of Europe, which contributed 13 per cent.

FULL-YEAR  
2022

Gross written premiums

+14%

Premiums earned, net of reinsurance

+12%

Technical result

+43%

Technical result excl. non-recurring costs, 2021

+31%

Combined ratio

86.7%





# Insurance in three segments

Solid Försäkring divides its offering within niche insurance policies into three segments: Personal Safety, Product and Assistance.

Share of premium income



## Personal Safety

The Personal Safety segment includes income insurance, payment protection insurance (PPI) and accident insurance. Through Solid Försäkring's income insurance, policyholders are guaranteed to receive up to 80 per cent of their salary even if the person earns more than the limit under the national unemployment benefit level.

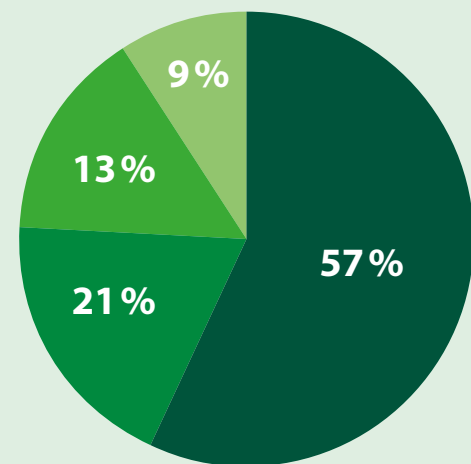
PPI is offered to customers in Sweden in the form of compulsory and voluntary group insurance. Individual insurance is distributed in the other Nordic countries served by Solid. PPI can in many cases be taken out when the policyholder has a loan or credit and means that the policyholder receives compensation corresponding to the cost of the loan or credit every month for up to 12 months. Com-

pulsory group insurance means that customers taking out a loan or a credit, with a creditor who distributes Solid Försäkring's PPI products, and who meet the conditions to be encompassed by the PPI product are automatically encompassed by compulsory group insurance without any extra cost for three months, for example, after taking out the loan or credit.

Accident insurance is distributed via Chubb European Group SE who is the insurance provider. Accident insurance means that the policyholder can receive compensation for costs in connection with an accidental injury.

The Personal Safety insurance policies are essentially distributed exclusively through partners such as banks and credit institutions.

Gross written premiums, geographical specification



Sweden Norway Denmark Finland

2022

Gross written premiums

**+5 %**

Premiums earned, net of reinsurance

**+2 %**

Gross profit

**+6 %**

Gross margin

**27.5 %**

## Product

Within the Product segment, Solid offers all-risk coverage insurance and elimination of deductibles for a wide range of product categories in the form of both individual insurance and group insurances (mainly compulsory group insurances). Solid has a particularly strong position in bicycles and consumer electronics in Sweden and Norway based on strong and far-reaching relationships with large

retail chains. In addition to bicycles and consumer electronics, we also offer all-risk coverage insurance and elimination of deductibles for such products as white goods, garden tools, glasses, watches and jewellery.

2022

Gross written premiums

**+4 %**

Premiums earned, net of reinsurance

**+6 %**

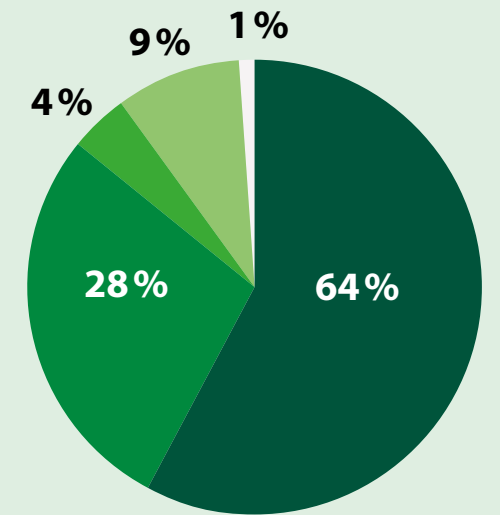
Gross profit

**+5 %**

Gross margin

**18.2 %**

Gross written premiums, geographical specification



Sweden Norway Denmark Finland Others

## Assistance

In the Assistance segment, Solid Försäkring offers roadside assistance, insurance associated with vehicle warranties, Självriskehjälpen ("Deductible help" for tax deductible expenses) and various insurance products for the travel industry.

Roadside assistance means that the policyholder can receive assistance, for example, when they have a punctured tire or breakdown, and compensation for a hire car and hotel. Solid Försäkring has a partnership with SOS International, which provides an easy contact channel via telephone. Roadside assistance is distributed through partners, such as car dealerships, car mechanics and stores, but also directly to customers.

Insurance associated with vehicle warranties means that Solid Försäkring provides

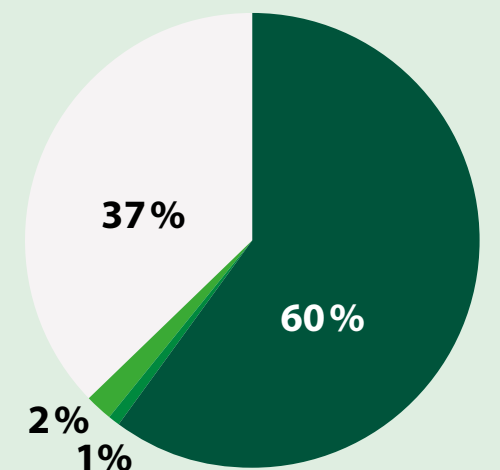
a concept for car dealerships under which they can offer customers buying a vehicle the opportunity to take out a warranty for that vehicle. At the same time, Solid Försäkring signs an insurance contract with the car dealership meaning that the dealership's risk for faults for which compensation can be paid under the issued warranty, according to the scope of the conditions of each warranty, is insured with Solid Försäkring. Car warranty insurance is currently distributed to car dealerships by affiliated agents.

Självriskehjälpen is a supplement to standard vehicle insurance and involves reducing or eliminating the deductible in the event of, for example, theft, accident or break-in. Självriskehjälpen is distributed through partners, such as car dealer-

ships, car mechanics and stores, but also directly to customers.

Solid Försäkring's travel insurance includes travel insurance and cancellation insurance distributed via travel agents and directly to consumers.

Gross written premiums, geographical specification



Sweden Norway Denmark Finland Others

2022

Gross written premiums

**+37 %**

Premiums earned, net of reinsurance

**+35 %**

Gross profit

**+47 %**

Gross margin

**22.3 %**



# Asset management

Insurance premiums are paid in advance, which means that there is a certain time interval between premium payments and claims payments. This results in the need for Solid Försäkring to invest insurance premiums.

The company has prepared guidelines for capital management that describe asset management and capital planning. Solid's finance function is responsible for asset management, and its duties include ensuring that suitable calculations and adjustments are made for determining solvency capital requirements and capital base as well as identifying and documenting different cases of the distribution of own-fund items. The company is also to follow a medium-term capital plan that includes taking into account planned capital issues, the maturity of own-fund items and the results of the forecasts that were made using the company's own risk and solvency assessment ("ORSA"). The capital plan is to be checked by the Board. Solid's Risk control function is to ensure that the follow-up and control of guidelines for asset management takes place, and compliance with guidelines.

A large part of Solid's investment portfolio comprises interest-bearing securities. Most of the investment assets carry variable interest and are quoted in SEK.

A minor part of the portfolio comprises equities.

# Growth strategy

Solid Försäkring's growth strategy is based on four cornerstones: New partnerships, Increased conversion rate, Increase aftermarket potential, Acquisitions.

**New partnerships**

We endeavour to strengthen our Nordic presence and expand our customer base in existing product segments by entering into contracts with additional partners in selected markets. We also continue to develop and complement our product offering to create as attractive an offering as possible for both partners and consumers.

**Increased conversion rate**

An increased conversion rate means a higher number of customers who, after a purchase from a partner or one of our affiliated agents, choose to sign up for an insurance policy with Solid Försäkring. The conversion rate differs depending on the partner, type of insurance product and sales channel. In general, the conversion rate is lower for online purchases compared with purchases in physical stores for the consumer electronics product category. We continuously make improvements in existing business to make the process of signing and managing insurance policies as simple and efficient as possible for both partners and end customers.

**Increase aftermarket potential**

We work continuously to offer our customers extended insurance policies or the opportunity of signing additional insurance policies. This takes place partly by optimising our product offering and adapting our communication based on the target group and product. Solid also works with tools to analyse completed campaigns or targeted offers to customers.

**Acquisitions**

We evaluate attractive acquisition opportunities to accelerate growth. Such acquisition opportunities could aim to complement and improve the product offering, accelerate geographical expansion or increase the conversion rate.

Since 2015, Solid has completed four strategically important acquisitions. In 2015, Falck Sweden's bicycle insurance register in Sweden was acquired. In 2019, Solid completed an asset acquisition of 1228 Management, a car guarantee broker. In 2020, the acquisition of Sykkel Holding's bicycle insurance register in Norway was completed which, in practice, means that Solid Försäkring obtained the right to extend bicycle registers for Sykkel Holding's existing customers. In 2022, Car Protect AS was acquired as part of an agreement to purchase assets and liabilities, with access on 1 January 2023.

All completed acquisitions have made it possible for further business development, geographical expansion and an increased partner and customer base.

New partnerships 2022





Fairlo

collector bank

Acquisitions in 2022







# 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 2022 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, and the operations in Norway, Finland and Switzerland are conducted in the form of branches, while operations in other countries are conducted as cross-border operations.

Solid Försäkring was founded in 1993 and was granted authorisation from the Financial Supervisory Authority to conduct non-life insurance business. The company has been listed on Nasdaq Stockholm (Small Cap) since 1 December 2021.

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 eight 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 objectives 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.

- 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	2022
Annual growth in premiums earned	4-7 %	12 %
Combined ratio	< 90 %	86.7 %
Return on RoNAV (2)	> 14 %	15.6 %
SCR ratio	≥ 150 %	167 %
Dividend policy	> 50 %	5 0%

## 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 increased 14 per cent to KSEK 1,151,921 (1,013,421). Adjusted for currency effects, the increase was 11 per cent. All segments contributed to the increase but were primarily driven by the sharp increase in sales related to the travel industry in the Assistance segment. The increase in the Assistance segment amounted to 37 per cent year-on-year. In the Personal Safety segment, the increase was 5 per cent and was mainly attributable to payment protection insurance in the Norwegian and Swedish markets. In the Product segment, the increase was 4 per cent, and was primarily driven by the consumer electronics industry in Denmark where the company expanded its market share during the year through its partnership with Power that was launched in the latter part of 2021.

### Premiums earned, net of reinsurance

Premiums earned, net of reinsurance, increased KSEK 118,418, corresponding to 12 per cent, to KSEK 1,099,709 (981,291). Adjusted profit for currency effects, the increase was 10 per cent. All segments contributed to the growth, although it was mainly driven by the very strong performance in the Assistance segment for which the increase was 35 per cent. In the Product segment, premiums earned increased to 6 per cent and in the Personal Safety segment the increase amounted to 2 per cent.

## Claims incurred and operating expenses

Claims paid increased to KSEK 252,952 (232,902). Claims incurred, net of reinsurance increased to KSEK 240,558 (231,021). Adjusted for currency effects, the increase in claims incurred net of reinsurance was 2 per cent. The claims ratio margin in all segments improved year-on-year to 21.9 per cent (23.5).

Operating expenses increased 11 per cent to KSEK 712,799 (644,934). The increase was mainly due to higher acquisition costs primarily driven by higher sales, but also to a changed product and partner mix in the Assistance and Product segments. Adjusted for non-recurring costs in 2021, the increase was 12 per cent. Adjusted for currency effects, the increase was 8.5 per cent. Administrative expenses as a percentage of premiums earned amounted to 9.4 per cent for the full-year, which is lower than last year when the percentage was 10.2 per cent, adjusted for non-recurring costs.

The combined ratio improved to 86.7 per cent (88.2 adjusted for non-recurring costs), driven by stable and profitable underlying business, growth in premiums earned and good cost control.

## Technical result

The technical result increased KSEK 48,864, corresponding to 43 per cent, to KSEK 163,100 (114,236). Adjusted for non-recurring costs of SEK 10.4 million for the listing process in 2021, the increase was 31 per cent.

## Asset management and result of asset management

2022 was dominated by a turbulent world, particularly due to Russia’s invasion of Ukraine on 24 February. The capital markets were negatively affected during the year, which resulted in reduced market values for the company’s investment assets during the first three quarters of the year.

Solid Försäkring’s securities portfolio is listed primarily in Sweden and mainly comprises interest-bearing securities

with floating interest rates. The company’s strategy is to hold bonds until maturity. The percentage of equities comprises a limited share of the total portfolio.

The total value of the investment portfolio on 31 December amounted to KSEK 1,434,013, of which 6 per cent, or KSEK 91,318, consisted of shares and KSEK 738,831 consisted of other interest-bearing assets, mainly bonds at floating interest rates. Cash and cash equivalents in the portfolio amounted to KSEK 603,864, of which a corresponding KSEK 304,996 during the year was tied at a fixed interest rate with a 12 and a 3-month term. Net investments for the full-year amounted to KSEK 175,287, of which KSEK 154,810 refer to the bond portfolio and KSEK 20,477 to the equities portfolio.

The result of asset management for the full-year amounted to SEK -11,514 million (41,888) and total return to -0.6 per cent (3.6). The negative result comprised unrealised changes in the value of investment assets, which amounted to KSEK -38,459 (19,008) for the full-year, of which KSEK -14,237 was related to the equities portfolio and KSEK -24,222 was related to the bond portfolio. During the year, the company had a very good and stable liquidity situation.

The direct yield for asset management amounted to 1.8 per cent (1.4) and the total return to -0.6 per cent (3.6).

## Earnings

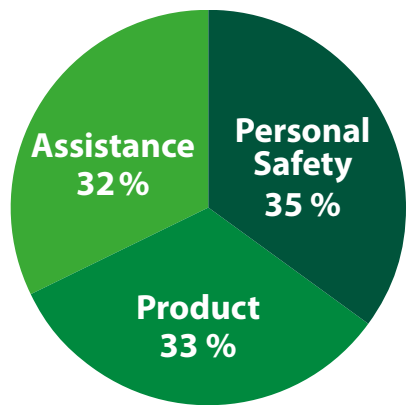
Operating profit before tax and appropriations amounted to KSEK 139,200 (151,365). Net profit amounted to KSEK 110,656 (119,980). The effective tax expense for the year was 20.5 per cent (20.6).

## 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 2022

Personal Safety

The segment includes payment protection insurance (PPI), income insurance and accident insurance. The Personal Safety segment accounted for 35 per cent of Solid Försäkring’s premiums earned in 2022.

During the year, the partner base was expanded with three new PPI partnerships. Partnership agreements were concluded with Fairlo in Q2, with Bliq in Q3 and with Collector Bank in Q4. Collector Bank, which specialises in financing solutions for private individuals and companies, will offer its retail customers the company’s tailored and modern payment protection insurance in Sweden and Norway. The launch of the partnership is scheduled for early 2024.

Gross written premiums for the segment rose 5 per cent compared with the year-earlier period. This increase was primarily driven by the performance of the Norwegian and Swedish markets, for which sales of payment protection insurance increased 8 per cent compared with last year.

Premiums earned, net of reinsurance increased 2 per cent to KSEK 381,037 (374,391) and costs for claims incurred, net of reinsurance, declined 17 per cent. Gross profit increased 6 per cent to KSEK 104,731 (98,937). The gross margin improved to 27.5 per cent (26.4), mainly due to the improved claims ratio.

Performance measure – Personal Safety (KSEK)	Jan–Dec 2022	Jan–Dec 2021	Change
Gross written premiums	389,753	369,547	5 %
Premiums earned, net of reinsurance	381,037	374,391	2 %
Claims incurred, net of reinsurance	-32,300	-39,039	-17 %
Acquisition costs*	-244,006	-236,415	3 %
Gross profit**	104,731	98,937	6 %
Gross margin***	27.5 %	26.4 %	+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

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 33 per cent of Solid Försäkring’s premiums earned in 2022.

The company is continuously developing existing partnerships, focusing on initiatives that increase the share of insurance. The cooperation with the consumer electronics chain Power which, during the latter part of 2021, was broadened to also include Denmark, resulted in the company increasing its market shares within the consumer electronics industry in Denmark in 2022. Sales within the Product segment in Denmark amounted to 9 percent in 2022 compared with 3 per cent in the preceding year.

Gross written premiums for the segment rose 4 per cent year on year, mainly driven by the performance of the consumer electronics industry in Denmark. Insurance sales in the eye-wear industry also performed well during the year. However, insurance sales in the Swedish consumer electronics market and insurance solutions related to the Swedish bicycle industry declined compared with last year.

Premiums earned, net of reinsurance, increased 6 per cent to KSEK 366,411 (346,577) Gross profit increased 5 per cent to KSEK 66,778 (63,323). The gross margin was 18.2 per cent (18.3).

Performance measures – Product (KSEK)	Jan–Dec 2022	Jan–Dec 2021	Change
Gross written premiums	375,701	361,090	4%
Premiums earned, net of reinsurance	366,411	346,577	6%
Claims incurred, net of reinsurance	-104,169	-103,545	1%
Acquisition costs*	-195,464	-179,709	9%
Gross profit**	66,778	63,323	5%
Gross margin***	18.2%	18.3%	-0.1 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 32 per cent of Solid Försäkring’s premiums earned in 2022.

During the year, the partner base was expanded within the segment through two new partnership agreements. Partnership agreements were concluded with AD Bildelar in the first quarter and in the second quarter with Insplanet, which is

part of the Zmarto Group, in respect of mediating the company’s roadside assistance.

In December, an agreement was signed to acquire Car Protect AS as a purchase of assets and liabilities. Car Protect is a Norwegian insurance intermediary of car warranties with many years of experience in the Norwegian automotive market. Solid Försäkring took over the operations on 1 January 2023.

The segment reported robust growth in premium income, premiums earned and gross profit in 2022, driven primarily by the trend for insurance solutions aimed at the travel industry.

Gross written premiums increased 37 per cent to KSEK 386,467 (282,784), primarily driven by the sharp increase in sales related to insurance solutions for the travel industry for which the increase was 118 per cent compared with the preceding year. Premiums earned, net of reinsurance increased 35 per cent to KSEK 352,261 (260,323) The increase in premiums earned, net of reinsurance, was primarily attributable to the company’s travel insurance products but also to insurance related to car warranties for which growth was 7 per cent.

Gross profit increased 47 per cent to KSEK 78,548 (53,326) mainly as a result of growth in premiums earned and relatively low claim costs. The gross margin improved to 22.3 per cent (20.5), primarily due to the claims ratio trend.

Performance measure – Assistance (KSEK)	Jan–Dec 2022	Jan–Dec 2021	Change
Gross written premiums	386,467	282,784	37%
Premiums earned, net of reinsurance	352,261	260,323	35%
Claims incurred, net of reinsurance	-104,089	-88,437	18%
Acquisition costs*	-169,624	-118,560	43%
Gross profit**	78,548	53,326	47%
Gross margin***	22.3%	20.5%	+1.8 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 802,416 (714,979) and Net Asset Value (2) to KSEK 785,422 (692,434). For the full-year 2022, annualised RoE (2)\*amounted to 14.6 per cent (18.4) and annualised RoNAV (2)\*\* to 15.6 per cent (20.3).

\*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 amounted to 167 per cent on 31 December, corresponding to a decrease of 6 percentage points compared with the end of December 2021 (173). The decline in the SCR ratio was due to the repurchases of own shares that took place during the year and the adjustment to the solvency capital that was made due to the proposed dividend of SEK 2.85 per share outstanding, a total of KSEK 54,958. Last year, no repurchases took place and no dividend was proposed to the AGM. The company has a stable Solvency II position and the company management team and the Board of Directors make the assessment that neither stability nor the capital situation will be compromised in the future. However, the company is closely following external developments and any impact from the ongoing war in Ukraine, rising inflation, higher interest rates and increased energy prices to quickly identify any changes in consumer behaviour that could impact the company’s insurance business and thus profitability and earnings.

Cash flow

Cash flow from operating activities amounted to KSEK 184,861 (163,056). Cash flow from investing activities amounted to KSEK -173,964 (173,275). During the year, investment assets were acquired for KSEK 356,262 and the value of divested and mature investment assets amounted to KSEK 182,084. The subordinated loan of KSEK 200,000 to Resurs Bank fell due for payment in April 2021. The repurchase programme commenced in October and as of 31 December the company had acquired 457,402 shares for a value of KSEK 26,811. Cash flow from financing activities amounted to KSEK -26,755 (-59,000). Cash and cash equivalents declined to KSEK 603,864 (613,139).

Technical provisions (reserves)

Gross provisions at year-end increased to KSEK 660,659 (615,900). Reinsurers’ share of technical provisions increased to KSEK 3,936 (3,811). 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 company’s 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 instills a sense of confidence among partners, authorities and other stakeholders.

Employees

The number of employees at year-end was 70 (68). 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 2022 is linked both to quantitative and qualitative goals. The company has ensured that all goals related to variable remuneration for 2022 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 remunera-



tion 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 27 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.

As a feature of Solid Försäkring's desire to reduce the climate footprint of the business, the company offers a workplace with many opportunities to hold digital meetings and participate in digital forums and the like.

To increase knowledge and understanding among the company's employees, Solid Försäkring has initiated work on a new sustainability training course. The sustainability course will focus on the entire sustainability area, with a content designed to increase understanding of the climate impact in relation to both private life and working life, and will have both a global and a local perspective. The training programme is expected to be ready in spring 2023 and will be mandatory for the company's employees.





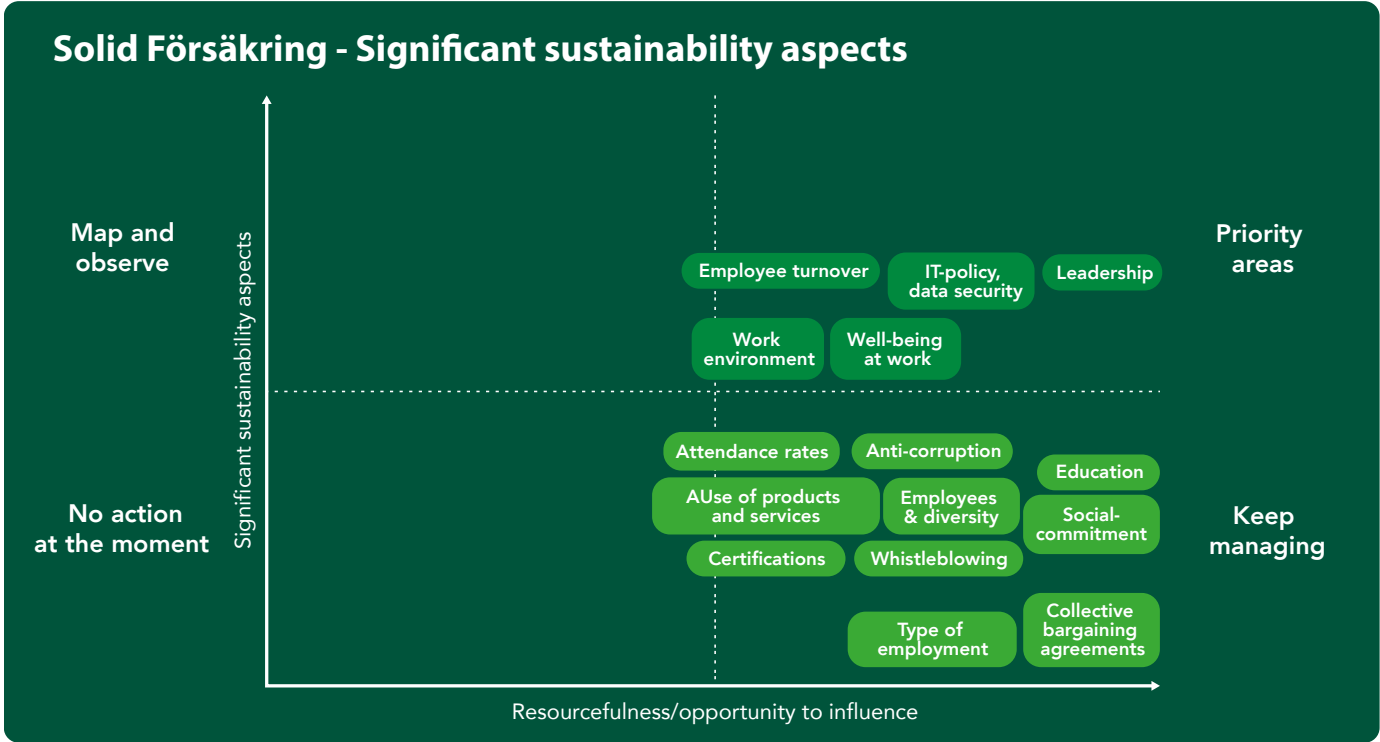
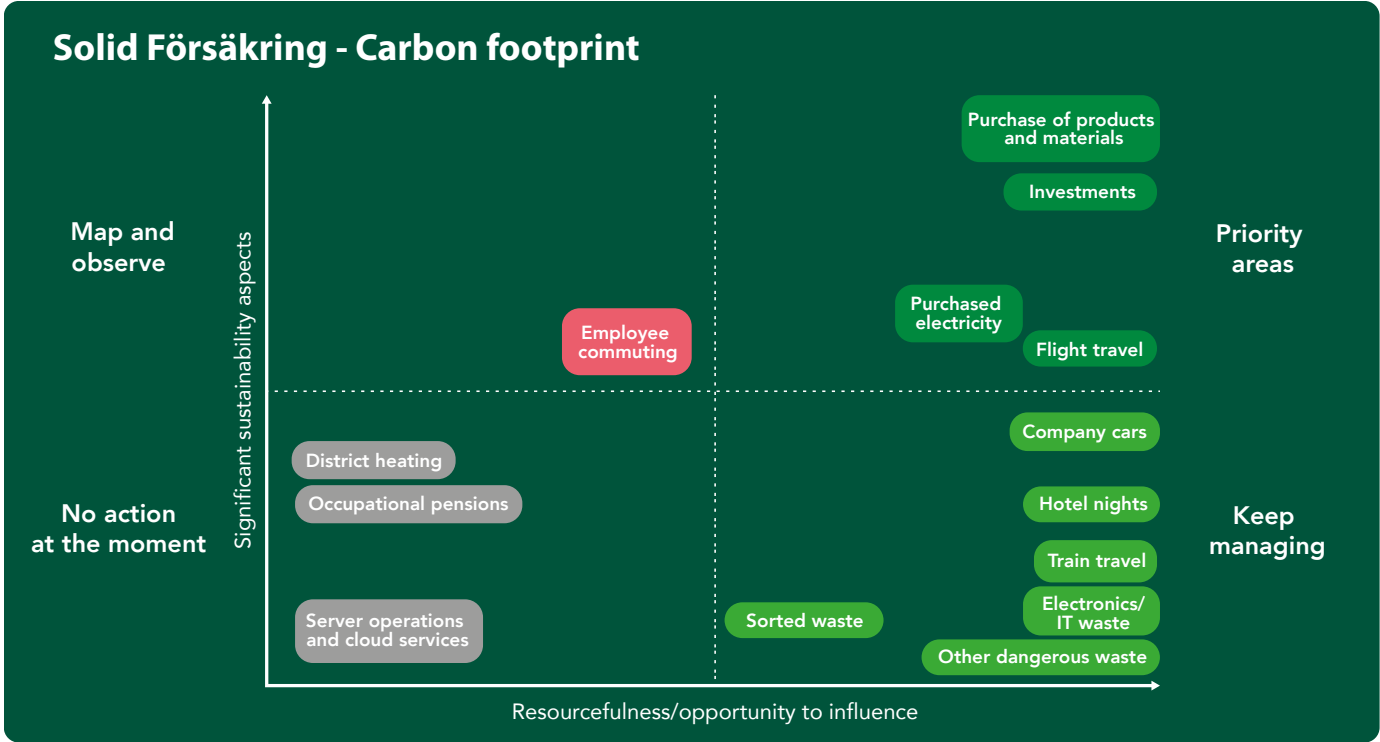
# Sustainability Report

## About the Sustainability Report

This is the Sustainability Report of Solid Försäkring (herein-after called "Solid Försäkring" or "the Company") for the 2022 financial year and also the company's first Sustainability Report as a listed company.

The Sustainability Report is based on a materiality analysis

carried out in spring 2022 that identified the most relevant sustainability aspects for the company and the most material sustainability topics within the areas that the company has an opportunity to affect. The materiality analysis clarifies the company's prioritised areas in relation to climate impact and the company's significant sustainability aspects; see photo below. The materiality analysis has been prepared in col-



laboration with Position Green and the company primarily uses Position Green's platform for reporting its sustainability data. Using an established platform such as Position Green ensures systematic management including high-quality data, increased traceability and follow-up over time.

The Sustainability Report also uses the company's governance documents as a starting point, which relate to a number of sustainability areas, such as the occupational health and safety and ethical issues.

### Business-driven sustainability work based on customer value

Solid Försäkring's 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.

### Underlying principles

Solid Försäkring's sustainability activities in the areas of environment, social responsibility and corporate governance is to be integrated throughout the company's value chain, with a focus on the areas in which the company can make the greatest difference. Sustainability activities are to be conducted by engaging stakeholders, such as owners, customers, employees, suppliers, investors, partners, industry and civil society organisations and authorities.

Solid intends to conduct its operations in accordance with the UN responsible business initiative, the Global Compact, and thereby comply with the ten principles covering human rights, labour, environment and anti-corruption. The Global Compact, together with the UN Sustainable Development Goals (SDGs), Solid's Code of Conduct and the company's guidelines and policies, constitute the framework for the company's sustainability efforts.

### Focus on sustainability efforts

The company focuses particularly on four areas – responsible non-life insurance, environment, employees/diversity/equality and social responsibility. The sustainability areas have been selected and identified through the materiality analysis and in dialogue with Solid Försäkring's stakeholders.

### Responsible non-life insurance

#### Environment

#### Employees/Diversity/Equal opportunities

#### Social responsibility

By focusing on these selected sustainability areas, Solid Försäkring has the objective of contributing to maximising the positive values that the operations generate for customers, partners, employees, owners, the 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 subject to regulatory requirements, which, in a number of ways, regulate and ensure compliance with human rights. The company's business is concentrated in the Nordic countries, within which there is clear national legislation that is based, inter alia, on European and international conventions. Accordingly, the company's exposure to risks linked to human rights is adjudged to be low. Accordingly, Solid Försäkring's opportunities to take responsibility and engage have been assessed to mainly entail the responsible provision of insurance and defending customer privacy, together with social involvement based on the needs that exist in society.

In 2022, Solid Försäkring applied to the Global Compact and was admitted as a participant. Global Compact's ten principles include human rights and labour. The Code of Conduct clarifies the company's position on matters such as anti-discrimination, labour, forced labour, child labour, political involvement, freedom of association and collective bargaining.





# THE GLOBAL GOALS

The UN 17 SDGs (Agenda 2030) is an action plan, with Sustainable Development Goals designed to create a sustainable society for people, the planet and welfare. Within the framework of Solid Försäkring's business, the following six UN SDGs have been identified as being possible for the company to influence and contribute to:



## 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. As an employer, Solid Försäkring works actively to ensure that it has sustainable employees. The company takes responsibility through, inter alia, sponsorship of sports clubs that create environments where children and young people can grow and develop.



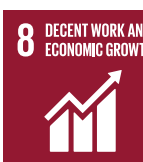
## Goal 4 Quality education for all

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 work to be a secure, inclusive and safe workplace and compliance with labour laws, regulations and principles is a matter of course.



## 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's responsibility as a business:

#### ...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 support 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.

## Responsible non-life insurance



### Sustainable insurance provision

Solid Försäkring's sustainability efforts are characterised by doing what is right on the basis of regulatory requirements and initiatives at the same time as the company wants to add value for policyholders and

contribute to a long-term sustainable social development. 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.

According to Solid Försäkring, responsible insurance provision is based on insurance terms and conditions with high transparency and clarity 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 2022, 100 per cent of relevant and active employees completed the compulsory IDD training programmes.

Solid Försäkring works continuously to improve the information provided to our customers 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 2022, the ratio was 0.24 per cent, which is far below the risk tolerance.

In relation to sustainable insurance provision, Solid Försäkring also focuses on making conscious choices when developing insurance solutions, so that they are based on a long-term sustainability perspective. The insurance solutions presented by Solid Försäkring must make it easy for private 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. Within the framework of Solid Försäkring's continuous efforts to provide sustainable insurance, partners



and suppliers are also trained in order to raise awareness of sustainability aspects in claims adjustment. By repairing a damaged product, primarily by reusing parts as far as possible, rather than replacing it with a new product, claims adjustment becomes effective, long-term and sustainable. In 2022, the breakdown between repairs and total damage was 64 per cent and 36 per cent, respectively, for claims in the Product segment.

Ethically responsible business

Ethical and responsible business is a collective term for Solid Försäkring’s undertakings in matters involving availability, responsibility for the supply chain and customer communication as well as customer privacy and anti-corruption.

Solid Försäkring’s 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, inter alia, safeguard the interests of the company’s shareholders, provide fair terms and conditions for the suppliers and their employees, and protect the customers’ privacy.

Of equal importance are Solid Försäkring’s customers, who must be able to understand the agreements that they enter into with the company and the undertakings that they entail. Solid Försäkring always strives for a balance between transparency and availability of information, which 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

Solid Försäkring’s legal responsibility is defined by the laws and ordinances in effect for insurance operations at a national and an EU-law level.

Solid Försäkring processes personal data in accordance with the General Data Protection Regulation (GDPR), the company’s data protection policy and internal guidelines and procedures. Solid Försäkring’s Data Protection Officer regularly checks the company’s processing of personal data and that it takes place in accordance with the aforementioned framework.

The company’s basic training in personal data processing is mandatory for all employees. In 2022, 100 per cent of the company’s active employees completed the training. Solid Försäkring conducts continuous work involving customer privacy and carefully monitors developments in Sweden and in the EU to ensure a high level of regulatory compliance.

In 2022, Solid Försäkring focused on changes related to the product approval process. As a result of this work, the process now includes a criterion that sustainability must be taken into account in connection with approval. The company has also decided to focus its sustainable investments so that Solid Försäkring’s policy for investments now include taking ESG into account, and that the company’s investments must be managed according to the advisory banks’ ESG metrics.

In 2023, Solid Försäkring will focus, inter alia, on preparations for changes to regulations concerning IT security under the DORA regulation and continued monitoring of changes in the framework for Solvency II and sustainability initiatives under the EU’s Green Deal.

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 is applied in respect of information flows 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 of Solid Försäkring, it should be easy to do things correctly. The company has therefore prioritised providing easy access to the latest versions of policies and guidelines together with continuous training to ensure the employees’ knowledge of relevant rules and regulations and ensure a high level of risk awareness. Solid Försäkring’s governance documents are easily available to employees via the company’s intranet, which was launched in 2022.

Zero tolerance of all forms of corruption

Corruption undermines democracy, distorts competition, impedes business on equal terms and benefits organised crime. Corruption also results in serious legal risks and reputation risk.

Solid Försäkring’s operations are exposed to corruption through, for example, fraud and bribery. Solid Försäkring has zero tolerance of all forms of corruption and this is regulated internally through the company’s anti-bribery policy and guidelines for the risk assessment of corruption. All parts of the company’s operations must act ethically, which is also a prerequisite for continuing to earn confidence. To enhance knowledge among the company’s employees, mandatory anti-bribery training is provided. In 2022, 100 per cent of the company’s active employees completed the training.

Code of Conduct provides fundamental guidelines

To ensure that Solid Försäkring conducts legally correct, fair and ethical operations, the company has a Code of Conduct that encompasses all employees and Board members. All employees have access to the Code of Conduct, including associated policies and guidelines. Solid Försäkring provides mandatory training in the Code of Conduct, which is to be implemented annually. In 2022, 100 per cent of the company’s active employees completed the training.

Solid Försäkring’s CEO and other members of the management team have the overriding responsibility for the operations’ preventive activities and for ensuring that resources, processes and control systems are in place. Solid Försäkring has three levels of control functions (the three lines of defence) to manage risks associated with money laundering and corruption risks and to ensure that the company’s transactions and business relations are conducted on an ethically correct basis.

Anonymous channel for whistleblowers

Solid Försäkring endeavours to maintain an open business climate characterised by high business ethics.

Via the whistleblower function, employees and others who in one way or another way find themselves in a work-related situation in relation to Solid Försäkring can report serious improprieties within the company. The whistleblower function is available via the company’s website and intranet. The whistleblower system is a confidential communication channel, which means that the informant can choose to be anonymous.

In 2022, no matter was reported via Solid Försäkring’s whistleblower function.

Solid Försäkring’s management of whistleblower matters is regulated in the company’s policy and guidelines. The company provides mandatory whistleblower training to its employees. In 2022, 100 per cent of the company’s active employees completed the training.

Anti-money laundering measures

The company’s Swedish insurance operations are not encompassed by money laundering regulations. However, the Norwegian business is encompassed by corresponding regulations in Norway. At Solid Försäkring, it is a high priority that all of the company’s employees have knowledge and are aware of the risk exposure to money laundering, regardless of the country they work in. As support and guidance in countering money laundering, the company arranges mandatory anti-money laundering training.

Compulsory and annual training programmes

- In 2022, 100 per cent of the relevant active employees completed the courses within the IDD framework
- In 2022, 100 per cent of the company’s active employees completed anti-bribery training
- In 2022, 100 per cent of the company’s active employees completed training in Solid Försäkring’s Code of Conduct
- In 2022, 100 per cent of the company’s active employees completed training in information security
- 100 per cent of the company’s active employees completed insider training in 2022
- In 2022, 100 per cent of the company’s active employees completed whistleblower training
- In 2022, 100 per cent of the company’s active employees completed anti-money laundering (AML) training
- In 2022, 100 per cent of the company’s active employees completed GDPR training

Responsible non-life insurance 2022

Percentage of written complaints in relation to claims during the reporting period	0.24%
Confirmed cases of corruption	0
Whistleblower cases	0
NPS for the reporting period	31

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>• Impaired profitability for the company due to higher claim costs as a direct consequence of extreme weather, and indirectly from climate change, such as an increase in diseases, pandemics and a changed health situation.</li><li>• Higher insurance premiums for the company’s customers</li><li>• More costly claims resulting from changes in claims adjustment, such as more costly replacement products</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	<ul style="list-style-type: none"><li>• Lower revenue for the company due, inter alia, to changed customer behaviour 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>



Environment



Conscious choices for the environment

The results of the materiality analysis carried out by the company show that the areas in which Solid Försäkring has its greatest climate impact, and also has an opportunity to impact, comprise purchases of products and material, investments, purchases of energy in the form of electricity and heating, business travel and the use of company cars. Solid Försäkring works with measures and by influencing its employees and customers to make climate-smart choices to reduce carbon emissions.

To increase knowledge and understanding among the company's employees, Solid Försäkring has initiated work on a new sustainability training course. The sustainability course will focus on the entire sustainability area, with a content designed to increase understanding of the climate impact in relation to both private life and working life, and will have both a global and a local perspective. The training programme is expected to be ready in spring 2023 and will be mandatory for the company's employees.

Easier to travel right

Solid Försäkring works to inform its employees that their choices of travel, both while in service and when commuting to and from the workplace, have an effect on climate impact.

To increase awareness of the impact of business travel, the company uses a travel booking system in which the employees can see the climate impact of a specific journey. The company's guidelines for travel make it clear that business travel must be planned and implemented so that the environmental impact is minimised. The environmental impact includes energy consumption, carbon emissions and air pollution.

The company's guidelines for company cars stipulate that certain environmental requirements, such as type of fuel, second-hand value and low fuel consumption, shall be assigned

high priority in procurement processes. As per 31 December 2022, 15 of a total of 17 company cars were electric or hybrid models, representing a decrease by one diesel-driven car since the beginning of 2022.

Commuting by our employees

Restrictions due to the pandemic were removed in early 2022, which resulted in the company's employees starting to commute to their workplace to a great extent than in 2021. In spring 2022, Solid Försäkring joined the Sustainable Business Travel 2.0 project, which is financed by the Swedish Energy Agency and is being monitored by researchers from Lund University and Sweden's national centre for research and education on public transport. This project focuses on supporting and coaching companies in the transition to more sustainable travel and on increasing the proportion of digital meetings, which directly results in a decrease in the company's carbon emissions.

Within the framework of the project, a survey of travel habits was implemented, in which the company's employees were asked to complete a questionnaire about commuting to and from the workplace. The results of the questionnaire have given rise to an action plan designed to encourage the company's employees to choose sustainable travel alternatives, such as cycling, walking or public transport to and from the workplace. The measures will be implemented in 2023; during the current year, the employees will be asked to complete a follow-up questionnaire. The project will continue until the end of 2024.

Digital meetings and teleworking

As a feature of Solid Försäkring's desire to reduce the climate footprint of the business, the company offers a workplace with many opportunities to hold digital meetings and participate in digital forums and the like.

The company also adopts a stated approach that up to 40 per cent of total work may be performed remotely, depending on the employee's duties and the requirements of the operations. For those employees who are able to work remotely, the assessment is that commuting, and thus their environmental impact, will decline.

Environmental statistics 2022

Commuting		
Total CO <sub>2</sub> e from employee commuting	5,670.27	tons CO <sub>2</sub> e

Company cars		
Total CO <sub>2</sub> e company cars, Scope 1	3.09	tons CO <sub>2</sub> e
Total CO <sub>2</sub> e company cars, Scope 3	1.79	tons CO <sub>2</sub> e

Business travel		
Total CO <sub>2</sub> e emissions from flights book via a travel agency, Scope 3	3,232.56	kg
Total CO <sub>2</sub> e emissions from rail travel, Scope 3	0.01239	kg
Total indirect CO <sub>2</sub> e emissions from hotel accommodation, Scope 3	0.52	tons

Electronics/IT waste		
Number of printer toners replaced	19	
Total amount of electronics/IT waste	93	kg

Electricity consumption		
Electricity consumption for the year	55,000	kWh
Total CO <sub>2</sub> e emissions (market-based, Scope 2)	1.27	tons CO <sub>2</sub> e
Total CO <sub>2</sub> e emissions (location-based, Scope 2)	0.33	tons CO <sub>2</sub> e

District heating consumption		
Total district heating consumption (kWh)	83,000	kWh
Total CO <sub>2</sub> e, Scope 2	5.73	tons CO <sub>2</sub> e

Purchases of products and materials		
Total CO <sub>2</sub> e emissions from purchases of copying paper	0.95	kWh
Total CO <sub>2</sub> e emissions from purchases of mobile telephones	0.73	tons CO <sub>2</sub> e
Total CO <sub>2</sub> e emissions from purchases of computers	1.5	tons CO <sub>2</sub> e

Risks associated with environment and climate

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>Follow-up of business travel</li><li>Carbon follow-up</li></ul>
Climate risk due to, for example, 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, or climate events that could, inter alia, have an impact on the company's investments.	<ul style="list-style-type: none"><li>The company's operations in the longer term through, inter alia, lost revenue, increased, claim costs, loss of reputation, potential increases in customer credit losses and any decline in the market value of investments.</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. The company's Investment Committee monitors risklimits, set by the Board of Directors, connected to the investment portfolio</li><li>Continuous stakeholder dialogues and business environment analysis</li></ul>





Employees/Diversity/Equal Opportunities



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 that offers many opportunities for individual professional development, regardless of position in the company.

In the autumn of 2022, all managers in the company took part in a project started with a view to relaunch and reemphasise our core values DO IT.

DO IT is an acronym for:

**Driven** - We are inquisitive, dedicated and consistently encourage each other to take the next step, the next challenge.

**Open** - We capitalise on opportunities by approachable and receptive.

**Innovative** - We try out new ways by utilising our creativity and imagination.

**Trustworthy** - We earn trust by keeping our promises and delivering the right quality

It has been important to focus on our Solid spirit **Always Improving** -We are constantly evolving. We have the willingness to succeed, the courage to dare and the stamina to cross the finishing line.

Two employees were appointed as the cultural ambassadors of the year. These are two employees who have gone above and beyond and who, in a natural way, embody our values on a daily basis.

Employee satisfaction and well-being

The first employee questionnaire as an independent company was implemented during the autumn.

The idea moving forward is that the employee questionnaire will be carried out twice annually. The employee questionnaire has been incorporated in the HR system that was implemented during the year. The questionnaire included an Employee Satisfaction Index (ESI) measurement and an eNPS (Employee Net Promotor Score) as well as questions in the following areas:

- Goals and expectations
- Our values
- Development
- Leadership
- Work situation/work environment
- Psychosocial work environment

During previous measurements, the response rate has been about 75 per cent. The questionnaire had a response rate of 88 per cent in 2022, which represented a positive increase.

Since an ESI of 70–80 is regarded as high, it is gratifying to obtain an ESI of 77. The Employee Satisfaction Index is used

as an overall performance indicator to measure and describe the rate at which the employees are, generally speaking, satisfied with their work situation. NMI is also used to measure employee commitment over time.

eNPS is a an accepted measurement and a valuable indicator of how committed and loyal a company's employees are over time. The eNPS scale goes from -100 to +100. An eNPS of +10 per cent and above is regarded as a positive result. Our eNPS from the questionnaire was 36, which is an improvement from the most recent survey in November 2021, when the eNPS for the entire company was 27.

In 2022, the company's sickness absence rate was 4.6 per cent. Of this 4.6 per cent, long-term absence accounted for 55 per cent. In the event of repeated short-term absence, Solid Försäkring actively utilises caring discussions with the aim of avoiding long-term periods of sick leave. In the event of longer sick leave, active rehabilitation efforts are conducted, which include work adaptations wherever possible. Occupational health services are engaged as necessary.

The company has suitable premises for its operations, as shown in the occupational health and safety inspection carried out during the year. Several areas of improvement were highlighted, although most of these were remedied immediately and others are being corrected under ongoing action plans.

An occupational health and safety committee and a group for trade union information were started in 2022. The health and safety representative, trade union representative, CEO and Head of HR & Sustainability participate in the occupational health and safety committee and a trade union information group.

In autumn 2022, we completed a health challenge on the theme of sustainable employees. This initiative included a classic walking step contest, as well as various challenges connected to well-being, sleep, diet and exercise. 66 per cent of the company's employees participated in the health challenge.

Continual training through digital channels

During the spring, Solid Försäkring newly launched its trainingportal – Insight. A process is under way to update courses to focus solely on the company's operations. All employees have access to the portal and are required to complete a number of compulsory courses annually, including training programmes concerning insurance regulations and the Code of Conduct. The Compliance function and Head of HR & Sustainability ensure that employees complete the compulsory training programmes.

Internal mobility builds culture

All employees should feel that Solid Försäkring offers many opportunities to grow with their work duties and internal mobility is encouraged wherever possible.

There were a number of examples of internal mobility during the year in connection with both changes of position and ones advertised as temporary positions.

In 2022, employees who had previously left Solid Försäkring to seek employment elsewhere decided to re-apply to work at the company.

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.

The company aims to have an even gender balance in its operations with a distribution of 40/60. In 2022, the average share of female employees was 55 per cent and the average share of female managers was 31 per cent.

There is zero tolerance for discrimination and sexual harassment in the company. Counteracting this and supporting an inclusive workplace in every way must be a given.

This year, the annual salary survey was performed in collaboration with AoN. This work started with an evaluation,

whereby all managers participated in assessing the positions for which they were responsible. Following this, a salary survey in the AoN's BAS system was implemented. The salary survey is an important feature of work to conduct active measures, which the employer is obliged to take.

The salary survey is carried out annually in order to map and analyse:

- Regulations and standard practices, such as salaries and other terms of employment that are applied by the employer, and
- Salary differences between men and women who conduct work that may be considered the same or comparable.

No non-objective salary differences were identified in 2022.

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>Head of HR &amp; Sustainability for the management and follow-up of 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>Plan for active measures</li><li>Training initiatives, such as occupational health and safety 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>Systems support for risk and incident reporting is available for all employees on the company's intranet.</li></ul>



## Employee statistics 2022

Number of employees	Average 2022	Share
Women	38	55 %
Men	31	45 %
Total number of employees	69	100 %

Share of women managers, average 2022	31 %
Share of women in management team at year-end	43 %
Share of women on the Board at year-end	40 %

Age distribution	< 30 years of age	30-50 years of age	> 50 years of age
Solid Försäkring employees	14 %	55 %	30 %
Management team	0 %	71 %	29 %
Board of directors	0 %	20 %	80 %

Employee turnover – permanent employees	18.65 %
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Sickness absence	
Total sickness absence	4.65 %
Sickness absence, short-term	2.07 %
Sickness absence, long-term	2.57 %
Total sickness absence, women	2.30 %
Total sickness absence, men	2.35 %

Number of active employees who participated in the offered performance review.	96 %
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Employee questionnaire	
Response rate	88%
ESI	77
eNPS	36

Forms of employment	
Permanent employees	98.55 %
Temporary employees	1.45 %
Consultants - worked more than 80% for Solid for certain periods	2

Collective bargaining agreements	
Share of employees covered by collective bargaining agreements	88.57 %
Number of employees entitled to choose if they want to be represented by a trade union	100 %

Sustainable employees	
Reported work-related injuries	0
Number of active employees who participated in targeted activities during the autumn	66 %

Volunteers	
Number of employees who chose to make an effort as a volunteer	2

## Social responsibility



### Social responsibility – both large and small

Solid Försäkring assumes social responsibility by working for a positive and inclusive society, where everyone has an opportunity to utilise their potential. Solid Försäkring aims to be a business that is characterised in all respects 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.

### Volunteer work

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.

Among other things, the employees were offered, in collaboration with the non-profit organisation Driving Force, an opportunity to participate in mentorship activities, as well as to help young people with their homework. In the autumn of 2022, the previous collaboration with Driving Force was re-instigated after a break during the pandemic. The collaboration will continue during 2023 when company employees will be able to participate in homework help and in mentoring young people.

### Community engagement

Solid Försäkring's presence in the local community is manifested in the form of conscious and long-term sponsorship of, inter alia, sports clubs, Team Rynkeby and the Childhood Cancer Fund.

### Involvement in the business environment

2022 was characterised by an uncertain world, with Russia's invasion of Ukraine as the centre-piece. Since July 2022, Solid Försäkring has participated on a monthly basis in supporting the Helsingborg-based initiative Support for Ukraine, which sends supplies to the needy in Ukraine.

### About the Sustainability Report

This is Solid Försäkring's second Sustainability Report as a separately listed company. The content of the Sustainability Report is based on current governance documents concerning sustainability and the company's materiality analysis that was implemented during spring 2022 (see page 18).

Solid Försäkring's Sustainability Report has been prepared in accordance with Chapter 6, Section 10 of the Swedish Annual Accounts Act. The auditor's statement on the formal

Sustainability Report is appended and is limited to an opinion on page 72 on whether the Sustainability Report has been prepared.

For the reporting of sustainability data, the company primarily uses Position Green's platform. This involves systematic management that ensures high-quality data, increased traceability and follow-up over time.

### Stakeholder dialogues

For Solid Försäkring as a company, it is important to keep abreast of matters related to the business environment and stakeholders that impact the business and its development.

The stakeholders that have been identified as being most important to the company are customers, employees, partners, owners and public authorities.

The table below is a summary of the company's most important stakeholder groups and how dialogues are held with them, as well as the issues that are central in the dialogue.

Stakeholder group	Formats for dialogues	Matters on the agenda
Customers	Customer meetings	Digital services, such as My Pages
	Customer service	Issues concerning invoices and fees
	Social media	Customer experience
	Customer surveys	Responsible insurance advice
Employees	Materiality analysis	Values, governance and management
	Daily meetings and discussions	Occupational health and safety
	Performance reviews	Skills development and career
	Leaders' forums	Diversity and equal treatment
	Intranet	Sustainability work
	Introduction of employees	Community responsibility and contributions to sustainable development
	Employee questionnaire	Sustainable employees
	Personnel meetings	Training programmes
Partners		Sustainability Committee
	Correspondence (email, telephone, Teams, etc.)	New ordinances and regulations that influence the services used and distributed by partners via Solid Försäkring
	Customer meetings	IT integration
Owners	Strategic partnerships	Partner portal
	Materiality analysis	Economic performance
	Investor meetings	Sustainable growth and return
	General meetings	Risk management and financial stability
	Presentation of the Interim Report	Sustainability activities
Society	Annual and Sustainability Report	
	Public authorities	Supervision
		Reporting

### Materiality analysis

The materiality analysis implemented in spring 2022 identified the most relevant sustainability aspects for the company and the most material sustainability topics within the areas that the company has an opportunity to affect. The materiality analysis clarifies the company's prioritised areas in relation to climate impact and the company's significant sustainability aspects; see diagram on page 18.

### Governance of Solid Försäkring's sustainability work

Due to Solid Försäkring's operations, it is subject to regulatory requirements concerning ethical business behaviour and also has a responsibility for the operations' impact on people, society and the environment.

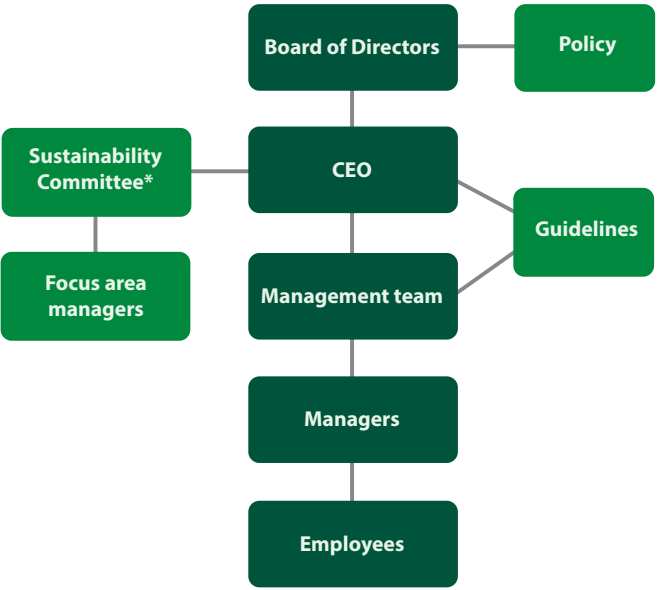
The company complies with the laws in force in the countries where it conducts operations, such as competition regulations, environmental legislation, labour market laws and collective bargaining agreements that impact the operations. Solid Försäkring respects international conventions concerning human 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.

Organisational structure of sustainability efforts



\* The sustainability committee is led by the Head of HR & Sustainability on behalf of the CEO.

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. The Sustainability Committee 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 led by the company's Head of HR & Sustainability and comprises senior executives and the Risk and Compliance functions. The Head of HR & 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 also provides guidance to 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 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, actuarial functions and the information security function 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 role of the Head of HR & Sustainability is to drive, develop and follow up work involving sustainability, diversity and health. The Head of HR & 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 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 for Suppliers
- Guidelines for assessment of corruption



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

The year was dominated by a turbulent world with rising inflation, interest-rate hikes, higher energy prices and Russia's

ongoing invasion of Ukraine. The volatility and turbulence in the financial markets impacted Solid Försäkring's investment portfolio during the year and both the equities and bond portfolios noted lower market values. The company is continuing to closely monitor developments in the external environment and any impact to identify any signs of potential changes in consumer behaviour that could affect the company's insurance operations.

The Extraordinary General Meeting held on 29 September resolved, in accordance with the Board's proposal, to authorise the Board to acquire the company's own shares on one more occasions up until the next Annual General Meeting. The repurchase programme commenced on 26 October.

The acquisition of own shares may occur of at most as many shares as are needed so that the company's holdings of own shares at any given time do not exceed five per cent of all shares in the company. The purpose of the authorisation to acquire own shares is to create a tool for the Board to continuously during the year adapt and improve the company's capital structure and thereby create additional value for shareholders. The intention is for the repurchased shares to later be cancelled by resolutions of upcoming Annual General Meetings.

On 2 December, Solid Försäkring announced it had signed an agreement to acquire Car Protect AS as a purchase of assets and liabilities. Car Protect is a Norwegian insurance intermediary of car warranties with many years of experience in the Norwegian automotive market. Solid Försäkring took over the operations on 1 January 2023.

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

Significant events after year-end

No significant events took place after the end of the year.

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 conclude agreements with new partners, to expand the existing partnerships in current and new markets and to further develop our offering by simplifying, improving and enhancing the efficiency of the process from taking out insurance to renewal and claims – for both partners and consumers.

Focus in 2023 will therefore be directed to further measures to automate and enhance the efficiency of customer communication, marketing, digital extension and payment solutions.

Information about the Solid share

Solid Försäkringsaktiebolag's (Solid) share was listed on Nasdaq Stockholm (Small Cap) under the ticker SFAB and its ISIN is SE0017082548.

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 on 31 December 2022 was SEK 65.85.

The largest directly registered shareholders on 31 December 2022	Percentages of share capital
Waldakt AB	28.9 %
Investment AB Spiltan	8.1 %
Avanza Pension	4.9 %
Swedbank Robur Fonder	4.2 %
Nordnet Pensionsförsäkring	3.0%
Protector Forsikring ASA	2.9%
Solid Försäkringsaktiebolag	2.3 %
Swedbank Försäkring	2.3%
Traction	2.0 %
Catea Group AB	1.7 %
	60.4 %

At the end of the year, 457,402 shares had been acquired by the company at a value of SEK 26,811,024, which corresponds to 2.3 per cent of the total number of shares and 45.7 per cent of the mandate as resolved by the Extraordinary General Meeting on 29 September. The repurchase programme will continue for the period remaining until the Annual General Meeting (AGM) is held.

Dividend

According to the 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 from and including the 2022 financial year. The Board of Solid Försäkring proposes that the AGM resolve on a dividend of SEK 2.85 per share.

Proposed appropriation of profits

The following profit is at the disposal of the Annual General Meeting (SEK):

Fair value reserve	-614,582
Retained earnings	271,435,128
Net profit for the year	110,655,566
Total	381,476,112

The Board of Directors proposes that profit at the disposal of the AGM be appropriated so that (SEK):

a dividend of SEK 2.85 be paid to the shareholders per share outstanding	54,958,038
to be carried forward	326,518,074
of which, -614,582 to Fair value reserve	
	381,476,112

The dividend amount and the retained earnings to be carried forward have been calculated on the number of shares outstanding as per 10 March 2023. No dividends are paid on Solid Försäkring's holdings of treasury shares, with the extra number determined on the record date of the dividend. Solid Försäkring's holdings of treasury shares amounted to 716,478 on 10 March 2023.





# Five-year overview

KSEK, unless otherwise stated	2022	2021	2020	2019	2018
Earnings					
Gross written premiums	1,151,921	1,013,421	951,480	939,135	915,331
Premiums earned, net of reinsurance	1,099,709	981,291	912,654	898,481	828,678
Allocated investment return transferred from non-technical account	16,748	8,900	9,014	10,678	7,594
Claims incurred, net of reinsurance	-240,558	-231,021	-232,196	-222,941	-226,211
Technical result for insurance operations	163,100	114,236	116,920	103,676	88,475
Net profit for the year	110,656	119,980	43,372	49,455	14,335

Financial position					
Investment assets measured at fair value	830,149	682,621	821,505	739,462	718,203
Technical provisions, net of reinsurance	656,723	612,089	584,097	581,681	549,786
Net asset value	902,968	815,531	693,849	601,168	552,038
Own funds	886,589	793,763	664,488	574,253	538,279
Eligible capital base to meet solvency capital requirement	828,067	797,379	661,968	569,635	538,760
Eligible capital base to meet minimum capital requirement	823,970	792,259	652,976	560,741	535,017
Solvency Capital Requirement (SCR)	494,422	461,754	446,189	455,303	376,926
Minimum Capital Requirement (MCR)	147,600	130,604	123,744	121,519	116,868
SCR ratio	167%	173%	148%	125%	143%
MCR ratio	558%	607%	528%	461%	458%

Performance measures	2022	2021	2020	2019	2018
Results for non-life insurance operations					
Claims ratio	21.9%	23.5%	25.4%	24.8%	27.3%
Expense ratio	64.8%	65.7%	62.7%	64.8%	62.9%
Combined ratio	86.7%	89.3%	88.2%	89.6%	90.2%
Results for asset management					
Direct yield	1.8%	1.4%	1.5%	1.9%	1.8%
Total return	-0.6%	3.6%	1.3%	3.4%	0.5%
Financial position					
Solvency ratio	80.0%	82.7%	74.4%	65.7%	62.0%
Equity	414,850	327,413	205,731	113,050	63,920
Equity (2)*	802,416	714,979	589,392	496,711	444,652
NAV (2)*	785,422	692,434	558,553	469,009	430,431
Return on equity (2), RoE (2) %*	14.6%	18.4%	8.0%	10.5%	2.9%
Return on equity excl. intangible assets, RoNAV (2) %*	15.6%	20.3%	9.8%	12.1%	3.7%

\* 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 regulations. 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.

### Capital base

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 (MRC) 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) less 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").

This Corporate Governance Report has been prepared pursuant to the Swedish Annual Accounts Act and the Swedish Corporate Governance Code (the Code).

## 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 governance documents. 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 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 2021 when Solid Försäkring was listed on Nasdaq Stockholm. The Code is available at [www.bolagstyrning.se](http://www.bolagstyrning.se). 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 2022 was 20,000,000.

**Shareholders (ownership exceeding 10%) as per 31 December 2022**

Shareholders	Number of shares	Shareholding, per cent
Waldakt Aktiebolag	5,788,555	28.94%

## General meetings of shareholders

General meetings of shareholders are 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 AGMs.

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.

Resolutions passed at the 2022 Annual General Meeting included:

- Adoption of income statement and balance sheet.
- Resolution on the allocation of the company's earnings as stated in the adopted balance sheet.
- Resolution concerning discharge of members of the Board and the CEO from personal liability
- Adoption of the fees to be paid to the Board of Directors and auditors.
- Re-election for a term until the next AGM of Board members Lars Nordstrand, Fredrik Carlsson, David Nilsson Sträng, Marita Odélius Engström and Lisen Thulin. Lars Nordstrand was re-elected as Chairman of the Board.
- Election of auditor.

An Extraordinary General Meeting was held on 29 September 2022. At the Extraordinary General Meeting, it was resolved to authorise the Board of Directors to decide on the acquisition of own shares.

Solid Försäkring's forthcoming Annual General Meeting will be held on 26 April 2023.

## 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. The composition of the Nomination Committee must normally be announced no later than six months prior to the AGM. 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 2023 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 2023 AGM, the Nomination Committee comprises: Martin Bengtsson appointed by Waldakt AB (the Bengtsson family) (28.9 per cent of the votes); Wilhelm Börjesson appointed by Investment AB Spiltan (8.1 per cent of the votes), Joakim Skoglund appointed by Traction (2.0 per cent of the votes), Oskar Börjesson appointed by Livförsäkringsbolaget Skandia Ömsesidigt (1.4 per cent of the votes) 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.

## The Board of Directors

After a general meeting, the Board of Directors is the highest decision-making body of the Company and the highest executive body. The Board's assignments are primarily governed by the Swedish Companies Act. The work of the Board 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 Board 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.

The Board's evaluation for 2022 was implemented through interviews with two Board members. A Board evaluation was also performed via the Boardclic system. The Board's evaluation was also presented to 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 2023 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 2022

Name	Function	Elected	Independence	Audit Committee	Remuneration Committee	Corporate Governance Committee	Attendance Board meetings	Presence at Committee meetings	Total fee 2022	Own and related parties' number of shares on 31 Dec
Lars Nordstrand*	chairman	2014	yes	•	•	•	16/16	12/12	600,000	14,499
Fredrik Carlsson	Board member	2012	yes	•	•		16/16	7/7	450,000	33,725
David Nilsson Sträng	Board member	2019	yes				16/16		249,996	0
Marita Odélius Engström**	Board member	2021	yes			•	16/16	5/5	350,004	2,340
Lisen Thulin**	Board member	2021	yes	•		•	16/16	10/10	350,004	500

\* Chairman since 2019.  
\*\* Elected at the Extraordinary General Meeting on 28 June 2021

Board of Directors 2022



Lars Nordstrand

- Born in 1951.
- Chairman of the Board since 2019

**Education and professional experience:** Bachelor's degree in Humanities from Uppsala University. B.Sc. in Teacher Education and studies in economics, business administration and political science from Umeå University. Former CEO of Moderna Försäkringar and Movestic Livförsäkring AB. Chairman of the Board of Anticimex försäkringar AB, EAL Insurance AB and Euro Accident Livförsäkring AB. Board member of Movestic Livförsäkring AB and Nordnet Pensionsförsäkring AB. Deputy Board member of Försäkringsbranschens Arbetsgivareorganisations Service Aktiebolag.

**Other significant appointments:** Chairman of the Board of Akademikerförsäkring and Nordnet Pensionsförsäkring AB. Board member of Masama AB, Resurs Bank AB and Resurs Holding AB.



Fredrik Carlsson

- Born 1970.
- Member of the Board since 2012.

**Education and professional experience:** MBA from Nijenrode University, The Netherlands Business School. B.Sc. in Business Administration from the School of Business, Economics and Law at the University of Gothenburg. Former Global Head of Research, SEB Enskilda, Head of Equities, Second AP Fund, Bank of America/Merrill Lynch and HSBC.

**Other significant appointments:** CEO of Sönera Carlsson Family Office AB. Chairman of Svolder Aktiebolag and Sten A Olssons Pensionsstiftelse. Board member of Resurs Bank Aktiebolag, Resurs Holding AB and Torsten och Wanja Söderbergs Stiftelser (Foundations).



Marita Odélius Engström

- Born in 1961.
- Board member since 2021.

**Education and professional experience:** MSc in Economics and Business Administration. Authorised Public Accountant. Former CEO of Fora AB. Group CFO and Head of Process & Synergies, Skandia Nordic.

**Other significant appointments:** Board member of Resurs Bank Aktiebolag and Resurs Holding AB and Board member of Movestic Livförsäkrings AB.



David Nilsson Sträng

- Born 1980.
- Member of the Board since 2019.

**Education and professional experience:** B.Sc. in Engineering, Industrial and Product Design from Halmstad University. Former CEO of SmartRefill i Helsingborg AB. Chairman of Hetch AB. Board member of Digimail Sverige AB, SmartRefill i Helsingborg AB and Invest in Skåne AB. Deputy board member of Interia design AB.

**Other significant appointments:** CEO of Hetch AB. Chairman of Get AI Sweden AB and Noboto Innovation AB. Board member of Blackhane Holding AB, Della8 AB, Hetch AB, Helsingborgs IF AB, Invest Tech Loop 1, Tech loop Capital AB and Techning AB.



Lisen Thulin

- Born 1970.
- Board member since 2021.

**Education and professional experience:** Master's degree and Master of Business Administration from Stockholm University. Board member of Bliwa Livförsäkring and Modernac.

**Other significant appointments:** CEO of Akademikertjänst I.A.S Aktiebolag and Aktiebolaget Akademikerförsäkring i Stockholm. Board member of Nordnet Pensionsförsäkring AB.



Board committees

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 governance documents. 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 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.

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. Additionally, the Audit Committee's tasks include, following consultation with the Corporate Governance Committee, ensuring that the Company complies with the 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, in so far as that the Nomination Committee is not assigned this task, the Committee is to assist in the preparation of proposals to 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 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 governance 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), Patrik Jönsson (CIO) and Kristina Bagge (Head of HR & Sustainability).

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 remuneration 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.

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	2,954	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	400	10,000
Johan Hähnel**	Head of IR	2021	2021	16,455	0
Kristina Bagge	Head of HR & Sustainability	2022	2022	0	40,000

\* 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.





## Management Team 2022



### Marcus Tillberg

- Born 1975.
- CEO since 2013

**Education:** B.Sc. in Business Administration from Valdosta State University.

**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 AB.

**Other ongoing assignments:** Deputy Board member of Kerstin Tillberg AB.



### Sofia Andersson

- Born 1967.
- Chief Financial Officer since 2016

**Education:** Master of Business Administration at Gothenburg School of Business, Economics and Law.

**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.

**Other ongoing assignments:** Deputy Board member of Masken Förvaltnings AB.

**Previous appointments:** Deputy Board member of Boka Chalet AB.



### Anneli Liljeros

- Born 1968.
- Chief Commercial Officer since 2015

**Education:** Studies in Service Management at ÄHU (Ängelholms Högre Utbildningar)/Halmstad University.

**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.

**Previous appointments:** Deputy Board member of Liljeros Consulting AB.



### Robert Olsson

- Born 1977.
- Head of Operations since 2015

**Education:** Various leadership and insurance courses within TryggHansa. High school diploma in economics at Malmö Borgarskola.

**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 TryggHansa Försäkringar as head of engine damage. Robert also held the position of Group Manager and claims adjuster at TryggHansa Försäkringar.



### Patrik Jönsson

- Born in 1973.
- Chief Information Officer since 2021

**Education:** M.Sc. in Electrical Engineering from the Faculty of Engineering at Lund University.

**Experience:** Patrik Jönsson has a Master's degree of Science in Electrical Engineering and has a solid background within the IT industry. Patrik has substantial leadership experience and has previously held the position of IT Manager at companies such as Ecolean AB, STR, Order Nordic AB and EG Sverige.

**Other ongoing assignments:** Deputy Board member of Masken Förvaltnings AB.

**Previous appointments:** IT Manager of the Swedish National Association of Driver Trainers.



### Jonatan Heberlein

- Born 1989.
- Head of Legal since 2021

**Education:** M.Sc. in Commercial Law from Linköping University.

**Experience:** Jonatan Heberlein has an M.Sc. in Commercial Law and has previous experience as corporate lawyer at Resurs Holding, with a special focus on Solid Försäkring. In addition, Jonatan has previous experience from the insurance industry as Account Executive and Specialist Broker Liability at Aon Sweden AB and as Client Advisor, Liability and Legal of Marsh AB.

**Other ongoing assignments:** Deputy board member of J H Fastighets AB.

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



### Johan Hähnel

- Born 1965.
- Head of IR since 2021

**Education:** B.Sc. in Marketing and Economics from Stockholm University.

**Experience:** Johan Hähnel has a B.S.C in Marketing and Economics and has 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 Manager at ACQ Bure. Johan previously worked as IR Manager at BHG Group, Internationella Engelska Skolan and MedCap among others, and global information director at EQT Partners.

**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:** Board Chairman 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.



### Kristina Bagge

- Born 1974.
- Head of Human Resources and Sustainability since 2022

**Education:** Programme for personnel and labour science, Linköping university.

**Experience:** Kristina Bagge has long-standing experience of being HR manager. Kristina was formerly HR manager of the city management administration of the City of Helsingborg, at Nordvästra Skånes Vatten och Avlopp AB and at Sweden Water Research from the start, and took part in the development of follow-up, control and accountancy procedures.

**Previous appointments:** Human Resources Manager of the city management administration in the City of Helsingborg.



## 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 governance 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), the information security 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 to 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 examines the 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 examination of the self-assessment are reported at least once annually to the Audit Committee and the Board.

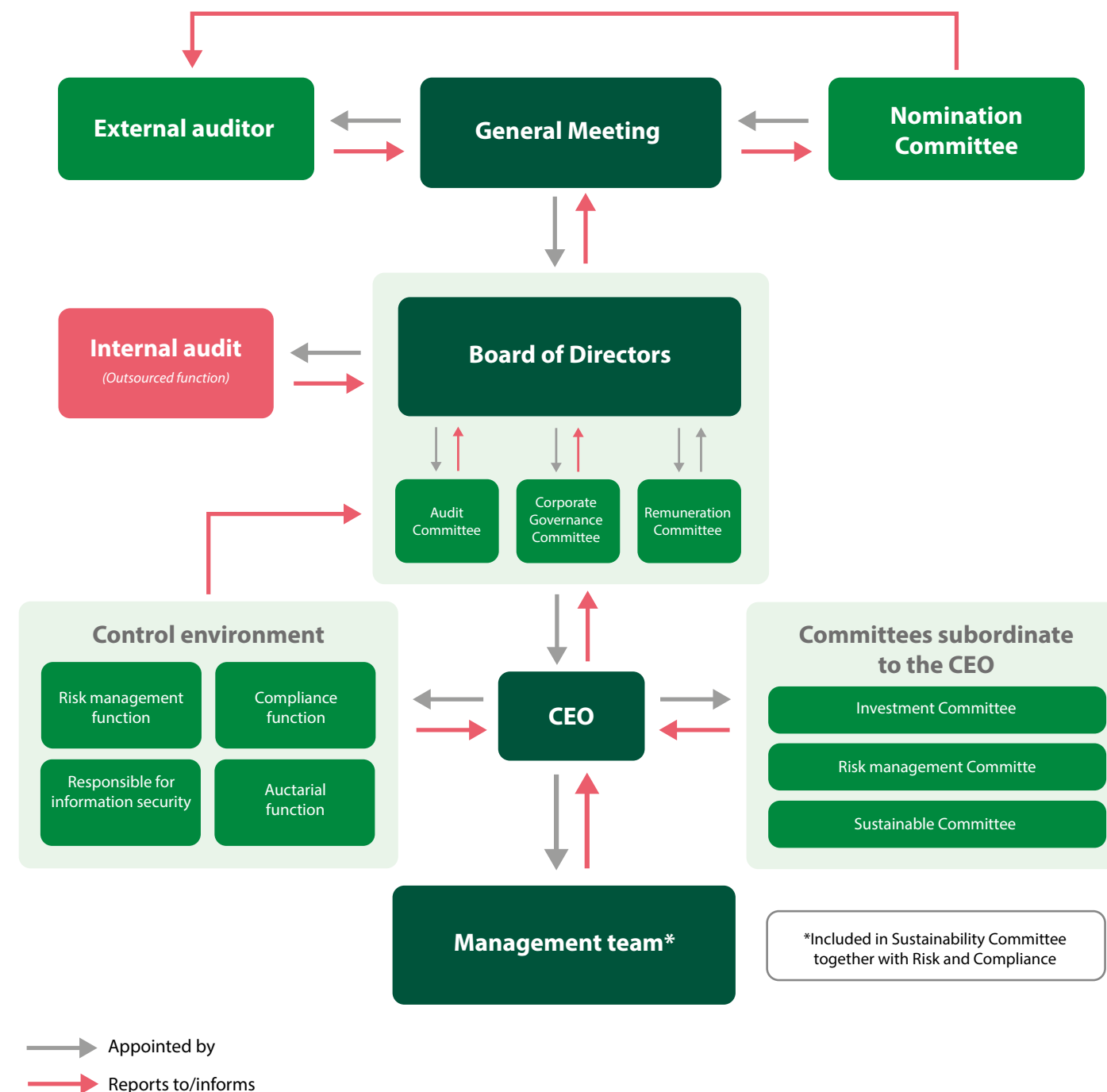
## Monitoring, evaluation and reporting

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, information security 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 2022, the auditor participated in three meetings of the Audit Committee during which, inter alia, the 2021 Annual Report and the quarterly report on the third quarter of 2022 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, unless otherwise stated	Note	2022	2021
<b>Technical account of non-life insurance operations</b>			
<b>Premiums earned, net of reinsurance</b>			
Premium income		1,151,921	1,013,421
Outward reinsurance premiums		-22,871	-27,605
Change in Provision for unearned premiums and unexpired risks		-29,419	-4,634
Reinsurers' share of Change in provision for unearned premiums and unexpired risks		78	109
<b>Total premiums earned, net of reinsurance</b>	4	<b>1,099,709</b>	<b>981,291</b>
<b>Allocated investment return transferred from the non-technical account</b>	5	16,748	8,900
<b>Claims incurred, net of reinsurance</b>	6		
Claims paid, net of outward reinsurance		-252,952	-232,902
Reinsurers' share of Claims paid		11,116	6,325
Change in Provision for claims outstanding, net of outward reinsurance		1,308	-4,434
Reinsurers' share of Change in provision for claims outstanding		-30	-10
<b>Total claims incurred, net of reinsurance</b>		<b>-240,558</b>	<b>-231,021</b>
Operating expenses	7	-712,799	-644,934
<b>Technical result for non-life insurance operations</b>		<b>163,100</b>	<b>114,236</b>
<b>Non-technical account</b>			
<b>Result of asset management</b>	8		
Investment income		29,819	25,068
Unrealised gains on investment assets		0	20,057
Investment charges		-2,874	-2,188
Unrealised losses on investment assets		-38,459	-1,049
<b>Result of asset management</b>		<b>-11,514</b>	<b>41,888</b>
Allocated investment return transferred to technical account	5	-16,748	-8,900
Other non-technical income		9,296	6,750
Other non-technical expenses		-4,934	-2,609
<b>Profit before appropriations and tax</b>		<b>139,200</b>	<b>151,365</b>
Appropriations		0	0
<b>Profit before tax</b>		<b>139,200</b>	<b>151,365</b>
Tax on profit for the year	9	-28,544	-31,385
<b>Net profit for the year</b>		<b>110,656</b>	<b>119,980</b>
Basic and diluted earnings per share, SEK	10	5.54	6.00

## Statement of comprehensive income

	Note	2022	2021
Net profit for the year		110,656	119,980
Items that will be reclassified to profit or loss			
Translation differences for the year, foreign operations		162	701
<b>Comprehensive income for the year</b>		<b>110,818</b>	<b>120,681</b>

## Earnings analysis

KSEK	Total 2022	Swedish risks							Foreign risks
		Morbidity and accident	Motor vehicle liability	Household and home-owner	Other property	Legal expenses	Assistance	Income and severance pay	
Technical result for non-life insurance operations									
Premiums earned, net of reinsurance*	1,099,709	217,649	135,640	208,604	2,580	266	72,920	3,860	458,190
Allocated investment return transferred from non-technical account	16,748	44	3,673	2,844	58	3	983	156	8,987
Claims incurred, net of reinsurance*	-240,558	-18,660	-33,342	-54,923	-2,318	0	-39,015	135	-92,435
Operating expenses	-712,799	-159,249	-81,275	-119,603	-834	-21	-26,715	-321	-324,781
Technical result for non-life insurance operations	163,100	39,784	24,696	36,922	-514	248	8,173	3,830	49,961
Run-off result	3,108	-181	151	808	57	0	63	1,527	683
Provision for unearned premiums and unexpired risks	599,376	0	138,753	97,866	1,563	113	29,932	2,173	328,976
Provision for claims outstanding	61,283	1,774	9,100	8,117	683	0	8,133	2,927	30,549
Technical provisions, net of outward reinsurance	660,659	1,774	147,853	105,983	2,246	113	38,065	5,100	359,525
Reinsurers' share of provision for unearned premiums and unexpired risks	3,657	0	0	3,657	0	0	0	0	0
Reinsurers' share of provision for claims outstanding	279	0	0	0	0	0	0	0	279
Reinsurer's share of technical provisions	3,936	0	0	3,657	0	0	0	0	279

\* Notes on earnings analysis

<b>Premiums earned, net of reinsurance</b>									
Gross written premiums	1,151,921	217,641	152,618	220,838	2,393	229	74,745	3,535	479,922
Outward reinsurance premiums	-22,871	0	0	-20,853	0	0	-524	0	-1,494
Change in provision for unearned premiums and unexpired risks	-29,419	8	-16,978	8,541	187	37	-1,301	325	-20,238
Reinsurers' share of change in provision for unearned premiums and unexpired risks	78	0	0	78	0	0	0	0	0
<b>Total premiums earned, net of reinsurance</b>	<b>1,099,709</b>	<b>217,649</b>	<b>135,640</b>	<b>208,604</b>	<b>2,580</b>	<b>266</b>	<b>72,920</b>	<b>3,860</b>	<b>458,190</b>
<b>Claims incurred, net of reinsurance</b>									
Claims paid									
- net of outward reinsurance	-252,952	-18,408	-32,856	-64,505	-2,049	0	-38,692	-1,165	-95,277
- reinsurers' share	11,116	0	0	7,433	0	0	0	0	3,683
Change in provision for claims outstanding									
- net of outward reinsurance	1,308	-252	-486	2,149	-269	0	-323	1,300	-811
- reinsurers' share	-30	0	0	0	0	0	0	0	-30
<b>Total claims incurred, net of reinsurance</b>	<b>-240,558</b>	<b>-18,660</b>	<b>-33,342</b>	<b>-54,923</b>	<b>-2,318</b>	<b>0</b>	<b>-39,015</b>	<b>135</b>	<b>-92,435</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	385,456	376,508	-32,436	-280,891	0
Motor, other classes	152,618	135,640	-33,343	-85,370	0
Fire and other damage to property	379,897	390,928	-113,771	-228,208	-13,343
Legal expenses	229	266	0	-23	0
Assistance	230,186	215,300	-72,230	-117,904	1,636
Other classes	3,535	3,860	136	-403	0
<b>Total</b>	<b>1,151,921</b>	<b>1,122,502</b>	<b>-251,644</b>	<b>-712,799</b>	<b>-11,707</b>

## Balance sheet

KSEK	Note	31 Dec 2022	31 Dec 2021
<b>Assets</b>			
<b>Intangible assets</b>	11		
Goodwill		9,285	12,143
Other intangible assets		7,709	10,402
<b>Total intangible assets</b>		<b>16,994</b>	<b>22,545</b>
<b>Investment assets</b>			
Other financial investment assets			
shares and participating interests		91,318	78,788
bonds and other interest-bearing securities		719,286	574,581
subordinated loans		19,545	29,252
<b>Total investment assets</b>	12	<b>830,149</b>	<b>682,621</b>
<b>Reinsurer's share of technical provisions</b>			
Unearned premiums and unexpired risks	13	3,657	3,579
Claims outstanding	14	279	232
<b>Total reinsurer's share of Technical provisions</b>		<b>3,936</b>	<b>3,811</b>
<b>Receivables</b>			
Receivables, direct insurance	15	83,588	81,007
Receivables, reinsurance		212	35
Other current receivables		9	10
Other receivables	16	1,775	0
<b>Total receivables</b>		<b>85,584</b>	<b>81,052</b>
<b>Other assets</b>			
Property, plant & equipment	17	914	1,911
Cash and bank balances		603,864	613,139
Client accounts		48	54
Other assets	18	6,193	334
<b>Total other assets</b>		<b>611,019</b>	<b>615,438</b>
<b>Prepaid expenses and accrued income</b>			
Accrued interest income		4,677	1,031
Deferred acquisition costs	19	228,874	204,070
Other prepaid expenses and accrued income		6,822	5,317
<b>Total prepaid expenses and accrued income</b>		<b>240,373</b>	<b>210,418</b>
<b>Total assets</b>		<b>1,788,055</b>	<b>1,615,885</b>

## Balance sheet, cont'd

KSEK	Note	31 Dec 2022	31 Dec 2021
<b>Equity and liabilities</b>			
<b>Equity</b>	21		
Restricted equity			
Share capital		30,000	30,000
Unrestricted equity			
Fair value reserve		-615	-777
Retained earnings		271,435	178,210
Net profit for the year		110,656	119,980
<b>Total equity</b>		<b>411,476</b>	<b>327,413</b>
<b>Untaxed reserves</b>	22		
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	13	599,376	555,105
Claims outstanding	14	61,283	60,795
<b>Total technical provisions (net of outward reinsurance)</b>		<b>660,659</b>	<b>615,900</b>
<b>Liabilities</b>			
Liabilities, direct insurance	23	188,892	158,712
Liabilities, reinsurance		1,258	0
Derivatives		0	660
Other liabilities	24	15,662	5,554
<b>Total liabilities</b>		<b>205,812</b>	<b>164,926</b>
<b>Other accrued expenses and deferred income</b>	25	<b>21,990</b>	<b>19,528</b>
<b>Total equity and liabilities</b>		<b>1,788,055</b>	<b>1,615,885</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 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
Owner transactions					
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>
<b>Equity, 1 Jan 2022</b>	<b>30,000</b>	<b>-777</b>	<b>178,210</b>	<b>119,980</b>	<b>327,413</b>
Net profit for the year				110,656	110,656
Translation differences		162			162
<b>Comprehensive income for the year</b>		<b>162</b>		<b>110,656</b>	<b>110,818</b>
Previous year's profit brought forward			119,980	-119,980	0
Owner transactions					
Repurchased own shares			-26,811		-26,811
Option premiums received/repurchased			56		56
<b>Equity, 31 Dec 2022</b>	<b>30,000</b>	<b>-615</b>	<b>271,435</b>	<b>110,656</b>	<b>411,476</b>



STATEMENT OF CASH FLOWS (INDIRECT METHOD)

KSEK	2022	2021
Operating activities		
Profit before tax	139,200	151,365
Adjustment for non-cash items*	55,784	-24,648
Income taxes paid	-30,518	-13,894
Cash flow from operating activities before changes in working capital	164,466	112,823
Change in operating receivables	-18,555	11,035
Change in operating liabilities	38,950	39,198
Cash flow from operating activities	184,861	163,056
Investing activities		
Replacement of divested property, plant & equipment	214	255
Acquisition of investment assets	-356,262	-223,199
Disposal of investment assets	182,084	396,219
Cash flow from investing activities	-173,964	173,275
Financing activities		
Group contributions paid/received	0	-60,000
Option premiums received/repurchased	56	1,000
Repurchased own shares	-26,811	0
Cash flow from financing activities	-26,755	-59,000
Cash flow for the year	-15,858	277,331
Cash and cash equivalents at the beginning of the year	613,139	328,205
Exchange-rate differences in cash and cash equivalents	6,583	7,603
Cash and cash equivalents at end of year	603,864	613,139
*Adjustment for non-cash items		
Depreciation of property, plant & equipment	997	997
Amortisation of intangible assets	5,830	9,007
Change in technical provisions	30,297	8,884
Realised gains/losses on property, plant & equipment	-214	-255
Realised gains/losses on investment assets	-5,100	-8,291
Unrealised gains/losses on investment assets	38,459	-19,008
Unrealised exchange-rate gains/losses	-14,485	-15,982
Total adjustment for non-cash items	55,784	-24,648
Direct yield		
Interest paid from operating activities	-341	-287
Interest received from operating activities	2,136	0
Interest received from investing activities	11,822	9,700
Dividends received	3,016	3,561

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 2022 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 20 March 2023. The income statement and balance sheet will be adopted at the Annual General Meeting on 26 April 2023.

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 31 Significant estimates and judgements.

Changed accounting policies

No other new or revised accounting standards from the IASB had any material impact on the company’s financial position, earnings or disclosures.

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 11 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 financial year, the company has held shares, bonds, other interest-bearing securities and accrued income 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 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.

**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 carrying amount of bank balances with floating interest is deemed to reflect 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**

The 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 during the year.

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, information security and actuarial functions that independently manage risks, audit and control the company's operations and that provide support for the operating activities. These control functions regularly report to the CEO, Board and the 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 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.

In 2022, the company identified one area in which it decided to minimise risk by using reinsurance. Global excess of loss cover was taken out for the company's travel insurance in order to reduce exposure to large and disaster claims in this product segment.

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.

Trend in estimated claims, gross (KSEK)

Reporting year /Claims year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
2013	576,694										576,694
2014	529,131	395,573									924,704
2015	526,803	433,376	461,389								1,421,568
2016	527,682	433,202	442,118	346,687							1,749,689
2017	528,921	432,533	440,812	345,620	240,756						1,988,642
2018	529,010	432,884	444,086	342,782	237,591	216,909					2,203,263
2019	529,013	432,891	445,344	343,694	236,756	210,774	212,542				2,411,014
2020	529,167	432,891	445,338	341,611	235,262	208,929	208,563	220,277			2,622,039
2021	529,203	432,968	445,332	342,000	234,665	207,026	206,285	214,982	225,030		2,837,491
2022	529,203	432,968	445,456	342,014	234,638	207,127	204,995	212,230	225,747	233,169	3,067,546
Total paid	529,203	432,968	444,407	341,385	235,189	206,443	198,324	202,584	211,119	206,920	3,008,542
Claims provisions	0	0	1,049	629	-551	684	6,672	9,645	14,628	26,249	59,004
Claims provisions for prior years (claims prior to 2013)											0
Provision for claims adjustment											2,279
Total provision for claims outstanding											61,283

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.

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 exposure 2022

KSEK	NOK	CHF	EUR	DKK	GBP	Other	Total
Assets	323,743	50,870	66,248	45,089	2,145	144	488,239
Liabilities	-322,562	-29,681	-63,447	-43,214	-1,586	-99	-460,589
Net exposure before financial hedging with derivatives	1,181	21,189	2,801	1,875	559	45	27,650
Derivatives, nominal value							0
Difference between assets and liabilities incl. nominal amount of currency hedges	1,181	21,189	2,801	1,875	559	45	27,650
Sensitivity to exchange-rate differences							
Change in exchange rate +/-20%	+/-236	+/-4,238	+/-560	+/-375	+/-112	+/-9	+/-5,530

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
Net exposure before financial hedging with derivatives	1,216	20,158	1,669	-2,369	1,423	43	22,140
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
Sensitivity to exchange-rate differences							
Change in exchange rate +/-20%	+/-243	+/-4,032	+/-334	+/-474	+/-285	+/-9	+/-5,376

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.

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.

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



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.

Maturity analysis 2022

KSEK	Carrying amount	Payable on demand	<3 months	3-12 months	1-5 years	More than 5 years	Contractual due date
Financial assets incl. expected interest payments	1,522,538	735,339	133,998	88,307	596,736	57,765	1,612,145
Financial liabilities incl. expected interest payments	-205,812	0	-89,157	-63,412	-53,201	-42	-205,812
Technical provisions, net of reinsurance	-656,723	0	-134,223	-402,668	-119,825	-7	-656,723

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.

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.

The table below shows the maturity structure of cash flows for financial assets and liabilities and technical provisions, net of reinsurance, on 31 December 2022.

Exposure to counterparty risks

KSEK	31 Dec 2022			31 Dec 2021		
	Gross exposure	Value of collateral	Net exposure	Gross exposure	Value of collateral	Net exposure
Lending to corporates						
Subordinated loans	19,545		19,545	29,252		29,252
Total lending to corporates	19,545	0	19,545	29,252	0	29,252
Bonds						
AAA/Aaa	10,498		10,498	20,654		20,654
AA-/Aa3	24,782		24,782	0		0
A+/A1	15,732		15,732	0		0
A/A2	82,919		82,919	51,484		51,484
A-/A3	14,831		14,831	15,035		15,035
BBB+/Baa1	71,011		71,011	40,333		40,333
BBB/Baa2	85,165		85,165	90,543		90,543
BBB-/Baa3	69,175		69,175	44,958		44,958
BB+/Ba1	30,202		30,202	21,186		21,186
BB/Ba2	0		0	30,363		30,363
BB-/Ba3	40,297		40,297	0		0
B/B2	1,086		1,086	1,024		1,024
unrated*	273,588		273,588	259,001		259,001
Total bonds	719,286	0	719,286	574,581	0	574,581
Cash and bank balances						
AA-/Aa3	382,825		382,825	296,071		296,071
A+/A1	0		0	1,469		1,469
A/A2	0		0	108,301		108,301
A-/A3	118,323		118,323	0		0
unrated**	102,716		102,716	207,298		207,298
Total cash and bank balances	603,864	0	603,864	613,139	0	613,139
Total	1,342,695	0	1,342,695	1,216,972	0	1,216,972

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
- 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 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.

**Reputation 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.

Sensitivity analysis

Parameters	Level 2022	Change	Effect on profit before tax 2022	Effect on profit before tax 2021
Premiums	1,099,709	+/-1%	+/-10,997	+/-9,813
Claims level	-240,558	+/-1%	+/-2,406	+/-2,310
Combined ratio	86.7%	+1 percentage point	+/-110	+/-98
Equity price risk	91,318	-10%	-9,132	-7,879
Interest rate risk	719,286	-1%	-7,193	-5,746

**Sustainability risks**  
Sustainability risks are an integrated part of the company’s risk management framework. The company continuously works on sustainability risks and bases this work on identifying and 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, sustainable insurance distribution, the environment and climate.

**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.

KSEK	Personal Safety	Product	Assistance	Not specified by segment	Total
Gross written premiums	389,753	375,701	386,467		1,151,921
Premiums earned, net of reinsurance	381,037	366,411	352,261		1,099,709
Claims incurred, net of reinsurance	-32,300	-104,169	-104,089		-240,558
Acquisition costs*	-244,006	-195,464	-169,624		-609,094
Gross profit**	104,731	66,778	78,548		250,057
Gross margin***	27.5%	18.2%	22.3%		22.7%
Administrative expenses				-103,705	-103,705
Allocated investment return transferred from non-technical account				16,748	16,748
Technical result					163,100
Result of asset management				-11,514	-11,514
Allocated investment return transferred to non-technical account				-16,748	-16,748
Other non-technical income				9,296	9,296
Other non-technical expenses				-4,934	-4,934
Profit before tax					139,200

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**	98,937	63,323	53,326		215,586
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
Technical result					114,236
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
Profit before tax					151,365

\* 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, for the full-year 2022 amounted to KSEK 369,652 (364,951) for Solid Försäkring’s largest partner in the Personal Safety segment, and to KSEK 129,455 (58,830) for Solid Försäkring’s largest partner in the Assistance segment.

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.

Note 4 Premiums earned, net of reinsurance

KSEK	2022	2021
Gross written premiums, geographical specification		
Sweden	671,998	646,602
Norway	190,402	170,667
Denmark	92,135	69,978
Finland	50,661	48,669
Rest of Europe	146,725	77,505
Total gross written premiums	1,151,921	1,013,421
Outward reinsurance premiums	-22,871	-27,605
Change in provision for unearned premiums and unexpired risks	-29,419	-4,634
Reinsurers’ share of change in provision for unearned premiums and unexpired risks	78	109
Total premiums earned, net of reinsurance	1,099,709	981,291

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 2022 was 2.64 per cent (1.49).



## Note 6 Claims incurred, net of reinsurance

KSEK	2022			2021		
	Gross	Outward reinsurance	Net	Gross	Outward reinsurance	Net
Claims paid	-229,614	11,116	-218,498	-209,872	6,325	-203,547
Change in provision for claims incurred and reported	1,018	-30	988	-3,437	-10	-3,447
Change in provision for claims incurred but not reported (IBNR)	290	0	290	-997	0	-997
Operating expenses for claims adjustment	-23,338	0	-23,338	-23,030	0	-23,030
<b>Total claims incurred</b>	<b>-251,644</b>	<b>11,086</b>	<b>-240,558</b>	<b>-237,336</b>	<b>6,315</b>	<b>-231,021</b>

## Note 7 Operating expenses

KSEK	2022	2021
<b>Specification of income statement item operating expenses</b>		
Acquisition costs	-630,783	-539,232
Change in item Deferred acquisition costs	18,631	2,920
Administrative expenses	-103,705	-110,250
Operating expenses and profit-sharing in outward reinsurance	3,058	1,628
<b>Total income statement item operating expenses</b>	<b>-712,799</b>	<b>-644,934</b>
<b>Other operating expenses</b>		
Claims adjustment costs included in Claims paid	-23,338	-23,030
Financial management costs included in Investment charges	-1,200	-1,200
<b>Total other operating expenses</b>	<b>-24,538</b>	<b>-24,230</b>
<b>Total operating expenses</b>	<b>-737,337</b>	<b>-669,164</b>
<b>Total operating expenses by type of cost</b>	<b>2022</b>	<b>2021</b>
Direct and indirect personnel expenses	-53,449	-53,216
Premises costs	-3,023	-3,221
Depreciation/amortisation	-6,827	-10,004
Direct costs	-630,783	-539,232
Change in Deferred acquisition costs	18,631	2,920
Commissions and profit-sharing in outward reinsurance	3,058	1,628
Other costs	-64,944	-68,039
<b>Grand total operating expenses</b>	<b>-737,337</b>	<b>-669,164</b>

## Note 8 Result of asset management

KSEK	2022	2021
<b>Investment income</b>		
Dividends on shares and participating interests	3,016	3,561
Interest income, etc.		
Bonds and other interest-bearing securities	13,386	7,670
Other interest income *	5,249	4,061
Exchange gains (net)	3,050	1,468
Capital gains (net)	5,100	8,291
Other	18	17
<b>Total investment income</b>	<b>29,819</b>	<b>25,068</b>
<b>Unrealised gains on investment assets recognised through profit or loss</b>		
Swedish shares and participating interests	0	20,057
Bonds and other interest-bearing securities	0	0
<b>Total unrealised gains on investment assets (net gain per asset class)</b>	<b>0</b>	<b>20,057</b>
<b>Investment charges</b>		
Asset management expenses	-1,333	-701
Financial management costs	-1,200	-1,200
Other interest expense	-341	-287
<b>Total investment charges</b>	<b>-2,874</b>	<b>-2,188</b>
<b>Unrealised losses on investment assets recognised through profit or loss</b>		
Swedish shares and participating interests	-14,237	0
Bonds and other interest-bearing securities	-24,222	-1,049
<b>Unrealised losses on investment assets (net loss per asset class)</b>	<b>-38,459</b>	<b>-1,049</b>
<b>Result of asset management</b>	<b>-11,514</b>	<b>41,888</b>

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

## Note 9 Taxes

<b>Current tax expense</b>		
KSEK	2022	2021
Tax expense for the period	-28,520	-31,985
Adjustment of tax attributable to prior years	-24	600
<b>Total recognised tax expense</b>	<b>-28,544</b>	<b>-31,385</b>

Reconciliation of effective tax	2022		2021	
	%	KSEK	%	KSEK
<b>Profit before tax</b>		<b>139,200</b>		<b>151,365</b>
Tax at prevailing tax rate	20.6	-28,675	20.6	-31,182
Non-deductible expenses	0.1	-154	0.1	-85
Non-taxable income	0.0	0	0.0	0
Tax attributable to effects of translating foreign branches	-2.2	3,018	-1.5	2,207
Tax attributable to settlement of foreign tax from branches (limit)	0.9	-1,200	1.0	-1,417
Tax attributable to prior years	0.0	-24	-0.5	600
Standard income, permanent contingency reserve	0.4	-503	0.3	-503
Standard income, temporary contingency reserve	0.7	-1,006	0.6	-1,005
<b>Recognised effective tax</b>	<b>20.5</b>	<b>-28,544</b>	<b>20.6</b>	<b>-31,385</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 10 Earnings per share

Earnings per share are calculated in accordance with IAS 33. Basic earnings per share are calculated by dividing the earnings attributable to the company's shareholders by an average number of ordinary shares outstanding for the period. The average number of shares is a weighted number of shares for the period after the repurchase of own shares. The average number of shares between January and December 2022 amounted to 19,962,107 (20,000,000) with a quotient value of SEK 1.5 (1.5). There was no dilutive effect as of 31 December 2022.

	2022	2021
Net profit for the year, KSEK	110,656	119,980
Average number of shares outstanding in the period	19,962,107	20,000,000
<b>Basic and diluted earnings per share, SEK</b>	<b>5.54</b>	<b>6.00</b>

## Note 11 Intangible assets

KSEK	31 Dec 2022		31 Dec 2021	
	Goodwill	Other intangible assets	Goodwill	Other intangible assets
Opening cost*	46,677	48,802	46,677	47,917
Investments for the year	0	0	0	0
Divestments/disposals for the year	0	0	0	0
Exchange differences	0	398	0	885
<b>Total cost at year-end</b>	<b>46,677</b>	<b>49,200</b>	<b>46,677</b>	<b>48,802</b>
Opening amortisation	-34,534	-38,400	-31,677	-32,078
Amortisation of divested/disposed intangible assets	0	0	0	0
Amortisation for the year	-2,858	-2,973	-2,857	-6,149
Exchange differences	0	-118	0	-173
<b>Total accumulated amortisation at year-end</b>	<b>-37,392</b>	<b>-41,491</b>	<b>-34,534</b>	<b>-38,400</b>
<b>Carrying amount</b>	<b>9,285</b>	<b>7,709</b>	<b>12,143</b>	<b>10,402</b>
<i>Amortisation for the year is recognised in the lines below in the income statement</i>				
Operating expenses	-2,858	-2,973	-2,857	-6,149
<b>Total</b>	<b>-2,858</b>	<b>-2,973</b>	<b>-2,857</b>	<b>-6,149</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 completed on 1 April 2015 and a Norwegian customer register of bicycle registrations that took place on 31 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 2023 and a detailed forecast for the years 2024-2025. 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	2022	2021
Sweden	9,285	13,237
Norway	7,709	9,308
<b>Total</b>	<b>16,994</b>	<b>22,545</b>

## Note 12 Investment assets

KSEK	31 Dec 2022		31 Dec 2021	
	Fair value	Carrying amount	Fair value	Carrying amount
Equities	91,318	91,318	78,788	78,788
Corporate bonds	668,679	668,679	513,120	513,120
Swedish and foreign government and municipal securities	10,498	10,498	20,654	20,654
Other Swedish issuers	19,545	19,545	23,577	23,577
Other foreign issuers	40,109	40,109	46,482	46,482
<b>Total</b>	<b>830,149</b>	<b>830,149</b>	<b>682,621</b>	<b>682,621</b>

All securities are listed. Further information about financial instruments is provided in Note 30 Financial instruments.

## Note 13 Provision for unearned premiums and unexpired risks

KSEK	31 Dec 2022			31 Dec 2021		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
<b>Opening 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>
Insurance policies written during the period	1,151,921	22,949	1,128,972	1,013,421	27,714	985,707
Premiums earned during the period	-1,122,501	-22,871	-1,099,630	-1,008,787	-27,605	-981,182
Currency effects	14,851	0	14,851	17,540	23	17,517
<b>Closing balance</b>	<b>599,376</b>	<b>3,657</b>	<b>595,719</b>	<b>555,105</b>	<b>3,579</b>	<b>551,526</b>

## Note 14 Provision for claims outstanding

KSEK	31 Dec 2022			31 Dec 2021		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
OB Reported claims	53,816	232	53,584	49,437	220	49,217
OB Incurred but not reported claims (IBNR) OB	4,743	0	4,743	3,530	0	3,530
Provision for claims adjustment costs	2,236	0	2,236	1,866	0	1,866
<b>Total opening balance</b>	<b>60,795</b>	<b>232</b>	<b>60,563</b>	<b>54,833</b>	<b>220</b>	<b>54,613</b>
Settled claims from previous financial years	-24,550	-5,632	-18,918	-21,940	-1,469	-20,471
Changes in the expected cost of claims incurred in previous years (run-off result)	-3,108	5,679	-8,787	-8,332	1,481	-9,813
Provisions for the year	26,350	-78	26,428	34,706	-22	34,728
Currency effects	1,796	78	1,718	1,528	22	1,506
<b>Total closing balance</b>	<b>61,283</b>	<b>279</b>	<b>61,004</b>	<b>60,795</b>	<b>232</b>	<b>60,563</b>
CB Reported claims	54,403	279	54,125	53,816	232	53,585
CB Incurred but not reported claims	4,601	0	4,601	4,743	0	4,743
CB Provision for claims adjustment costs	2,279	0	2,279	2,236	0	2,236

### Actual claims compared with previous estimates

In 2022, Solid Försäkring's traditional business with insurance products in the Personal Safety, Product and Assistance business segments reported an improvement of SEK 3.1 million in estimated claims on previous claim years, including reinsurance compared with previous estimates.

## Note 15 Receivables, direct insurance

KSEK	31 Dec 2022	31 Dec 2021
Receivables from policyholders	2,958	3,492
Receivables from agents	80,630	77,515
<b>Total receivables direct insurance</b>	<b>83,588</b>	<b>81,007</b>

## Note 16 Other receivables

KSEK	31 Dec 2022	31 Dec 2021
Tax assets	1,775	0
<b>Total other receivables</b>	<b>1,775</b>	<b>0</b>

## Note 17 Property, plant & equipment

KSEK	31 Dec 2022	31 Dec 2021
Cost at beginning of the year	4,985	4,985
Investments for the year	0	0
Divestments/disposals for the year	0	0
<b>Total cost at year-end</b>	<b>4,985</b>	<b>4,985</b>
Accumulated depreciation at beginning of the year	-3,074	-2,077
Accumulated depreciation of divested/disposed assets	0	0
Depreciation for the year	-997	-997
<b>Total accumulated depreciation at year-end</b>	<b>-4,071</b>	<b>-3,074</b>
<b>Carrying amount</b>	<b>914</b>	<b>1,911</b>

## Note 18 Other assets

KSEK	31 Dec 2022	31 Dec 2021
Other assets	316	334
Tax account	5,877	0
<b>Total other assets</b>	<b>6,193</b>	<b>334</b>

## Note 19 Deferred acquisition costs

KSEK	31 Dec 2022	31 Dec 2021
Opening balance	204,070	193,484
Net change for the year	24,804	10,586
<b>Closing balance, deferred acquisition costs</b>	<b>228,874</b>	<b>204,070</b>

## Note 20 Pledged assets for own liabilities

KSEK	31 Dec 2022	31 Dec 2021
<b>Policyholders' priority rights</b>		
Assets encompassed by policyholders' priority rights	1,438,690	1,296,131
Technical provisions, net	-656,723	-612,089
<b>Surplus from registered assets</b>	<b>781,967</b>	<b>684,042</b>

## Note 21 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	31 Dec 2022	31 Dec 2021
<b>KSEK</b>		
<b>Translation reserve</b>		
Opening translation reserve	-777	-1,478
Translation differences, branches	162	701
<b>Closing fair value reserve</b>	<b>-615</b>	<b>-777</b>



## Note 22 Untaxed reserves

KSEK	31 Dec 2022	31 Dec 2021
Untaxed reserves		
Contingency reserve	488,118	488,118
<b>Total untaxed reserves</b>	<b>488,118</b>	<b>488,118</b>

## Note 23 Liabilities, direct insurance

KSEK	31 Dec 2022	31 Dec 2021
Liabilities to policyholders	5,661	4,580
Liabilities to agents	183,231	154,132
<b>Total liabilities, direct insurance</b>	<b>188,892</b>	<b>158,712</b>

## Note 24 Other liabilities

KSEK	31 Dec 2022	31 Dec 2021
Premium tax	1,628	1,968
Tax liabilities	0	220
Other liabilities	14,034	3,366
<b>Total other liabilities</b>	<b>15,662</b>	<b>5,554</b>

## Note 25 Accrued expenses and deferred income

KSEK	31 Dec 2022	31 Dec 2021
Accrued personnel expenses	7,904	8,137
Other accrued expenses	14,086	11,391
<b>Total accrued expenses and deferred income</b>	<b>21,990</b>	<b>19,528</b>

## Note 26 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. No business transactions of significant importance took place with related parties during the period.

### Related parties – Key individuals

Marcus Tillberg	CEO
Lars Nordstrand	Chairman
Fredrik Carlsson	Board member
David Nilsson Sträng	Board member
Marita Odélius Engström	Board member
Lisen Thulin	Board member

Remuneration of related-party senior executives can be found in Note 27 Personnel.

## Note 27 Personnel

Average number of employees recalculated to FTEs	2022	2021
Women	36	35
Men	32	31
<b>Total</b>	<b>68</b>	<b>66</b>

Board members and senior executives	2022	2021
Number of Board members on closing date		
Women	2	2
Men	3	3
<b>Total</b>	<b>5</b>	<b>5</b>

### CEO and other senior executives, number

Women	3	2
Men*	5	5
<b>Total</b>	<b>8</b>	<b>7</b>

\*of whom one is an external consultant 2021 and 2022

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

KSEK	2022	2021
Salaries and other remuneration		
Salaries and remuneration, Board, CEO and other senior executives	-10,351	-7,924
Salaries and remuneration, other employees	-24,541	-27,488
<b>Total salaries and other remuneration</b>	<b>-34,892</b>	<b>-35,412</b>

### Social security contributions and pension costs

Contractual and statutory social security contributions	-12,593	-12,239
Pension costs, Board, CEO and other senior executives	-1,957	-1,525
Pension costs, other employees	-2,534	-2,769
<b>Total social security contributions and pension costs</b>	<b>-17,084</b>	<b>-16,533</b>

<b>Total salaries, remuneration, social security contributions and pension costs</b>	<b>-51,976</b>	<b>-51,945</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 2022

KSEK	Basic salary/ Board fees	Variable remuneration	Other benefits *	Pensions	Total
Lars Nordstrand, Chairman	600				600
Fredrik Carlsson	450				450
David Nilsson Sträng	250				250
Lisen Thulin	350				350
Marita Odélius Engström	350				350
Marcus Tillberg, CEO	2,334		200	603	3,137
Other senior executives (6 individuals)	5,289		528	1,354	7,171
Other employees who can affect the company's risk level (3 individuals)	2,525		97	491	3,113
<b>Total</b>	<b>12,148</b>	<b>0</b>	<b>825</b>	<b>2,448</b>	<b>15,421</b>

### Remuneration and other benefits 2021

KSEK	Basic salary/ Board fees	Variable remuneration	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>

\* 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 Annual General Meeting on 28 April 2022 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”). The LTIP 2021 was approved at the Extraordinary General Meeting of Resurs Holding on 2 November 2021 (Solid Försäkring was still a wholly owned subsidiary of Resurs Holding AB at the time of the Extraordinary General Meeting).

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 2022 LTIP 2021 comprised a total of 280,000 warrants that nine (9) 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 2022 is linked both to qualitative and to quantitative goals. The company has ensured that all goals related to variable remuneration for 2022 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.

Other senior employees and employees who can affect the company’s risk level received SEK 0 (0) in variable remuneration in 2022. Employees who are not other senior executives or other employees who can affect the company’s risk level received variable remuneration of KSEK 519 (434) and fixed remuneration of KSEK 24,022 (27,054) in 2022. Variable remuneration for 2022 represented 2.2 per cent (1.6) 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 eight (12) employees. All variable remuneration earned during 2022 has been or will be paid in cash in 2022 and 2023. There was no guaranteed variable remuneration in 2022 and it is the company’s intention to continue to limit this type of remuneration.

Note 28 Auditors fees and expenses

KSEK	2022	2021
Mazars SA		
Audit assignment, Swiss branch	478	372
Ernst and Young AB		
Audit assignment	1,970	1,769
Other services*	122	634
Tax advisory services	315	713
Total fees	2,885	3,488

\* 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 29 Leases

KSEK	2022	2021
Non-cancellable lease payments		
Within one year	2,508	2,186
Between one and five years	6,867	1,739
Total	9,375	3,925
Expensed lease payments		
Leased premises	-2,342	-2,316
Cars	-1,292	-1,227
Machinery and equipment	-88	-83
Total	-3,722	-3,626

Note 30 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 2022			31 Dec 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value						
Bonds and other interest-bearing securities Listed	738,831			603,833		
shares	91,318			78,788		
Total	830,149	0	0	682,621	0	0
Financial liabilities at fair value						
Derivatives		0			-660	
Total	0	0	0	0	-660	0

Classification of assets and liabilities 31 Dec 2022

KSEK	Amortised cost*	Fair value through profit or loss	Non-financial assets	Carrying amount
Assets				
Intangible assets			16,994	16,994
Shares and participating interests		91,318		91,318
Other interest-bearing securities		738,831		738,831
Reinsurer’s share of technical provisions			3,936	3,936
Receivables, direct insurance and reinsurance	83,800			83,800
Property, plant & equipment			914	914
Cash and bank balances and other cash equivalents	603,912			603,912
Other assets			7,977	7,977
Prepaid expenses and accrued income		4,677	235,696	240,373
Total assets	687,712	834,826	265,517	1,788,055
KSEK	Amortised cost*	Fair value through profit or loss	Non-financial liabilities	Carrying amount
Liabilities				
Technical provisions, net of outward reinsurance			660,659	660,659
Liabilities, direct insurance and reinsurance	190,150			190,150
Other liabilities	15,662			15,662
Accrued expenses and deferred income			21,990	21,990
Total liabilities	205,812	0	682,649	888,461



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>

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

Note 31 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 32 Proposed allocation of profits

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

KSEK	2022	2021
Fair value reserve	-615	-777
Retained earnings	271,435	178,210
Net profit for the year	110,656	119,980
<b>Total earnings</b>	<b>381,476</b>	<b>297,413</b>

The Board proposes that the profit of KSEK 381,476 be appropriated so that KSEK 54,958 (SEK 2.85 per share) be allocated to shareholders and KSEK 326,518 be carried forward, of which KSEK -615 to the Fair value reserve.

Note 33 Significant events after the end of the financial year

No significant events took place after the closing date.

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 26 April 2023.

Helsingborg, 20 March 2023

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 20 March 2023  
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 36-45 for the year 2022 and the statutory sustainability report on pages 18-31 for the year 2022. The annual accounts of the company are included on pages 12-71 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 2022 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 36-45. 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 14 Provision for claims outstanding and in Note 31 Significant estimates and judgements.

Description	How our audit addressed this key audit matter
<p>Provision for claims outstanding amounts to 61 283 thousand SEK as of December 31, 2022, which constitutes 3% 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 1-11. The other information also includes the remuneration report and were obtained before the date of this auditor’s report. 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 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### *Basis for opinions*

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the company in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

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

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### *Auditor's responsibility*

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- ▶ has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- ▶ in any other way has acted in contravention of the Companies Act, the Insurance Business Act, the Annual Accounts Act for Insurance Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally

accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

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

#### *Opinion*

In addition to our audit of the annual accounts, 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 2022.

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

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

#### *Basis for opinion*

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of 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 validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

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

The Board of Directors is responsible for that the corporate governance statement on pages 36-45 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.

### **The auditor's opinion regarding the statutory sustainability report**

The Board of Directors is responsible for the statutory sustainability report on pages 18-31, and that it is prepared in accordance with the Annual Accounts Act.

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

A statutory sustainability report has been prepared.

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 28 April 2022 and has been the company's auditor since 2013.

Helsingborg March 20, 2023

Ernst & Young AB

Jesper Nilsson  
Authorized Public Accountant

# GRI content index

Statement on use	Solid Försäkring has report the information stipulated in this GRI context index for 1 January 2022–31 December 2022 with reference to the GRI standards.		
GRI 1 is used	GRI 1: Foundation 2021		
GRI Standard	Disclosure	Location	Comments
GRI 2: General Disclosures 2021	2-1 Organizational details	Board of Directors' Report, p.12-17	
	2-2 Entities included in the organisation's sustainability reporting	Landskronavägen 23, Helsingborg, Sweden	
	2-3 Reporting period, frequency and contact point	January – December 2022 Annually Head of HR & Sustainability kristina.bagge@solidab.se "	
	2-4 Restatements of information		There are no restatements of information in the report
	2-5 External assurance	Auditor's report, p. 72	
	2-6 Activities, value chain and other business relationships	p. 22	
	2-7 Employees	p. 28	
	2-8 Workers who are not employees	p. 26	
	2-9 Governance structure and composition	p 30, corporate governance report, p. 36-45	
	2-10 Nomination and selection of the highest governance body	Corporate governance report, p. 36-45	
	2-11 Chair of the highest governance body	Corporate governance report, p. 36-45	
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance report, p. 36-45	
	2-13 Delegation of responsibility for managing impacts	Corporate governance report, p. 36-45	
	2-14 Role of the highest governance body in sustainability reporting	p. 28, corporate governance report, p. 36-45	
	2-15 Conflicts of interest	Corporate governance report, p. 36-45	
	2-16 Communication of critical concerns	Corporate governance report, p. 36-45	
	2-17 Collective knowledge of the highest governance body	Corporate governance report, p. 36-45	
	2-18 Evaluation of the performance of the highest governance body	Corporate governance report, p. 36-45, Auditor's report p. 72	
	2-19 Remuneration policies	p. 15, 16, 27, 37	
	2-20 Process to determine remuneration	p. 15, 16, 27, 37	
	2-21 Annual total compensation ratio		Reported in the Remuneration Report published on <a href="https://corporate.solidab.se/sv/wp-content/uploads/sites/3/2023/03/ersattningsrapport-2022-solid-forsakring.pdf">https://corporate.solidab.se/sv/wp-content/uploads/sites/3/2023/03/ersattningsrapport-2022-solid-forsakring.pdf</a>
	2-22 Statement on sustainable development strategy	p. 21	
	2-23 Policy commitments	p. 31	
	2-24 Embedding policy commitments	p. 31	
	2-25 Processes to remediate negative impacts	p. 23, 24, 27, 31 and corporate governance report p. 36-45	
	2-26 Mechanisms for seeking advice and raising concerns	p. 23, 24, 27 and corporate governance report, p. 36-45	
	2-27 Compliance with laws and regulations	p. 22	
	2-28 Membership associations	p. 19	Examples of other memberships Insurance Sweden, Chamber of Commerce and Industry of Southern Sweden
	2-29 Approach to stakeholder engagement	p. 29	
	2-30 Collective bargaining agreements	p. 28	

GRI Standard	Disclosure	Place	Comments
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 18	
	3-2 List of material topics	p. 18	
	3-3 Management of material topics	Sustainability Report, p. 18-31	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	p. 23, 24	
	201-3 Defined benefit plan obligations and other retirement plans	p. 18, 31, 41	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 22, 30	
	205-2 Communication and training about anti-corruption policies and procedures	p. 22, 23, 31	
	205-3 Confirmed incidents of corruption and actions taken	p. 22	
GRI 301: Material 2016	301-1 Materials used by weight or volume	p. 25	
	301-3 Reclaimed products and their packaging materials	p. 25	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	p. 25	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 25	
	305-2 Energy indirect (Scope 2) GHG emissions	p. 25	
	305-3 Other indirect (Scope 3) GHG emissions	p. 25	
GRI 306: Waste 2020	306-3 Waste generated	p. 25	
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	p. 21, 22, 23	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 28	
GRI 402: Labour/Management	402-1 Minimum notice periods regarding operational changes	p. 28 and applicable legislation and collective agreements	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 26 and applicable legislation	
	403-2 Hazard identification, risk assessment, and incident investigation	p. 26 and applicable legislation	
	403-3 Occupational health services	p. 26	
	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 26, 28 and applicable legislation and collective agreements	
	403-5 Worker training on occupational health and safety	p. 21, 24, 29	
	403-6 Promotion of worker health	p. 26, 28	
	403-8 Workers covered by an occupational health and safety management system	All	
	403-9 Work-related injuries	p. 28	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 22, 23	Not reported in hours but in mandatory training courses
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 26, 28	Employees are supported ahead of any changes through employee reviews, coaching and training
	404-3 Percentage of employees receiving regular performance and career development reviews	p. 28	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 26, 27, 28	
	405-2 Ratio of basic salary and remuneration of women to men	p. 27	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 23	Falls under whistleblower function, no cases reported in 2022
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	p. 28	





## ABOUT SOLID FÖRSÄKRING

Solid Försäkring is a non-life insurance company founded in 1993. Solid Försäkring focuses on niche insurance, with the Nordic region as its core market. The non-life insurance operations are divided into three segments: Product, Personal Safety and Assistance.

Solid Försäkring has a large customer base of private customers in the Nordic region, which are primarily sourced through partnerships with leading retail chains within several different industries and banks, credit market companies and other financial institutions, travel agencies, car dealerships and car repair shops.

Solid Försäkringsaktiebolag shares are listed on Nasdaq Stockholm.