2021

Annual Report Movestic Livförsäkring AB

Contents

Comments from the CEO

The future is here

Yet another pandemic year, although different from 2020. When the pandemic initially took hold in the spring of 2020 it was, despite the fact that we relatively easily managed the transition to remote working and had well-functioning contingency plans in place, still a shock. A shock to employees and employers, to the healthcare system, to our economy, culture, and society as a whole. We had to adapt quickly and although we already had portable computers, VPN connections and Teams, the future looked very uncertain. In 2021, the pandemic has become our new reality and we have been able to focus fully on what is ahead of us without having to cope with external shocks.

Sustainable working life

We started the year by launching a new sickness insurance, Movestic Må väl. The product, which is a key component of our ESG work is designed to address the challenges we have observed on the modern labour market, involving more and longer-lasting absences due to mental ill-health. In addition to offering support during sickness and rehabilitation, and to aid the return to working life, Movestic Må väl also includes a service using biodata and digital advice aiming to prevent ill-health caused by stress in a personalised way. This service is now available to all customers who have a Movestic pension plan that includes a sickness benefit, and the need is unfortunately great. In the autumn, statistics from the Swedish Social Insurance Agency showed that sick leave due to mental ill-health, which had decreased during the pandemic, had again become more prevalent.

Open Insurance

We are currently in the fourth year of the major digital transformation that most businesses must complete to meet the growing expectations of more personalised products and simplicity from customers and partners. Large parts of our broker-led operation are now completely automated and digitalised. For our private customers, we have unique services like an entirely independent fund selection robot, MAIA, and a payment planner, where future retirees can plan, start, change and postpone their pension payments online. During the year we also added the option to select payments based on a fixed amount rather than payment period in the payment planner.

We will continue to develop new digital services for our customers, to make it easier for them to actively manage their pension, however the big change and added value to the customers cannot become reality until everyone in the industry agrees on how to work with Open Insurance. At present, it is difficult for customers to for example get a good overview of the overall risk level in their pension savings, or of the impact of their savings on sustainability. Available solutions are either incomplete, not provided in real-time, or unreliable. For the last three years, Movestic has pushed the issue of enabling each person to decide individually whether they want to share the overview provided by minPension with other pension providers.

The pension denial

The retirees of the future will be very different from the homogenous group for which the current retirement system was designed, which means that there is a huge need for more flexible and personalised solutions. The variation in retirement age is increasing, and more and more people wish to withdraw gradually from working life. But we do not want to work longer. A study we carried out in cooperation with Sifo shows that seven in ten Swedes want to retire before they reach 67, the new recommended retirement age. At the same time, we also live longer, why the system has to be reformed. To simply raise the retirement age without taking into account what people actually want risks reducing our trust in the pension system even further. We have to admit that private savings have a role to play. If we don't, it will again be those with the least resources who suffer, while those who have more and save more can choose how, where and when to retire.

Movestic puts a lot of effort into trying to understand the challenges our customers face, both in the longer and shorter term. It is clear that our customers are both willing and able to take more responsibility for their own retirement savings. Nowadays, retirement tends to be long, around 20 years on average. Many people don't have anyone to talk to regarding their savings once they leave working life behind. For these customers and for anyone approaching retirement, we spent the year putting together Movestic Frihet – advice and services to aid those moving from working life into retirement.

A year of positive results for many savers

After the stock exchange turbulence of 2020, 2021 turned out to be significantly more stable. We finally saw a reasonably big upwards trend on many markets, including the Swedish. Towards the end of the year, the upward trend slowed down, as interest rates also increased, but overall this was a good year for many savers. More customers than ever before logged in to Movestic's webpage to obtain knowledge and take control of their savings.

A sustainable, quality-assured fund offering

To enable our customers to adapt their savings to their individual needs and preferences, irrespective of whether they select investments independently, in consultation with an adviser, or using our fund selection robot MAIA, they must have a quality-assured and sufficiently broad range of funds to choose from. We are continuously evaluating and developing our fund offering. Any funds being made available to all Movestic customer must meet strict quality requirements and pass detailed evaluation.

In 2021, 33 new funds met our strict criteria. During the year, we also implemented the new EU regulation regarding information on the sustainability of our funds, according to the so called Disclosure Directive. 68 percent of the funds in Movestic's offering are Article 8 funds ('light green') and 9 percent are Article 9 funds ('dark green').

We maintained a high tempo throughout 2021 and have sharpened our offering within unit-link and custody insurance. We have a number of new products and services aimed at individual customers, as well as offers for employers on a modern labour market. Our operation is more sustainable, more digital, but also more personalised than ever before.

The beginning of 2022 has unfortunately been dark for Swedes, Europeans and the world as a whole with Russia's invasion of Ukraine. The development in the world's financial markets is of course secondary to the enormous humanitarian suffering that the Russian attack entails, above all for Ukrainians, but also in the longer term for many others, not least the inhabitants of Russia. Movestic has initially provided financial support to Save the Children and will review the need for other efforts due to the humanitarian situation in Ukraine. Our fund offering includes a small number of funds with direct exposure to Russia and few of our clients have been affected so far. We will continue to closely monitor economic developments and the continued impact on funds in our offering and other potential effects on the economy in 2022.

Linnéa Ecorcheville, CEO

This is Movestic

Our offering

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

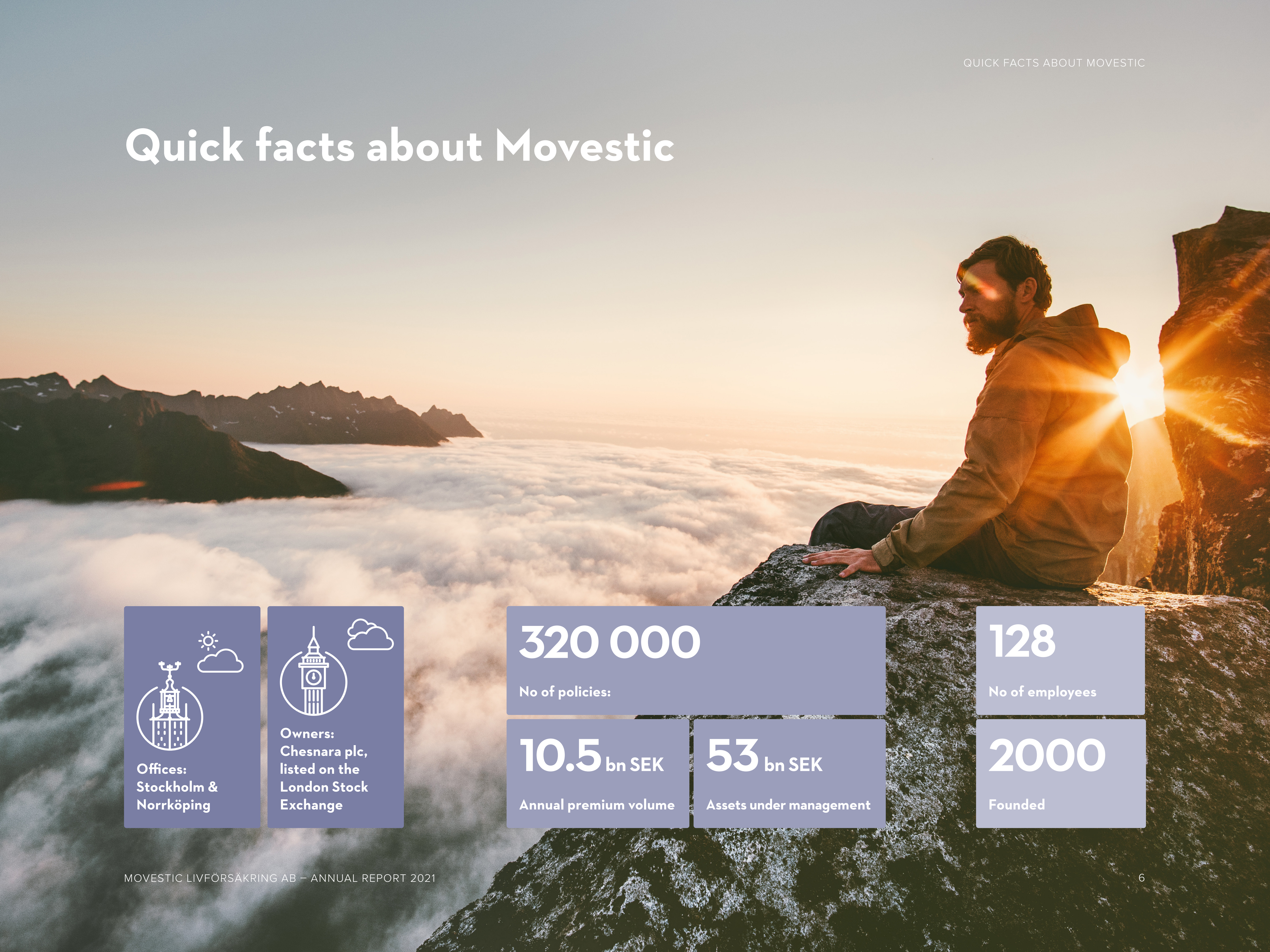
Our customers

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

Our owners

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

Chesnara



Quick facts about Movestic

Offices:
Stockholm & Norrköping

Owners:
Chesnara plc, listed on the London Stock Exchange

320 000
No of policies:

128
No of employees

10.5 bn SEK
Annual premium volume

53 bn SEK
Assets under management

2000
Founded

The year in brief

Q1

Launch of Movestic Må väl, a sickness insurance with a service using biodata and digital advice to prevent stress-related ill-health

Movestic classifies its fund offering according to the new EU regulations, 68% of the funds become light green and 9% of the funds dark green, respectively

Movestic launches a new offering in custody insurance

Q2

An updated version of Movestic's payment planner is launched, now with the opportunity to choose pension payments based on a fixed amount

Movestic gathers all insurance policies in a single insurance system

Q3

Movestic introduces more sustainability indicators in its selection of funds

New collaboration with The Swedish Association of HRM

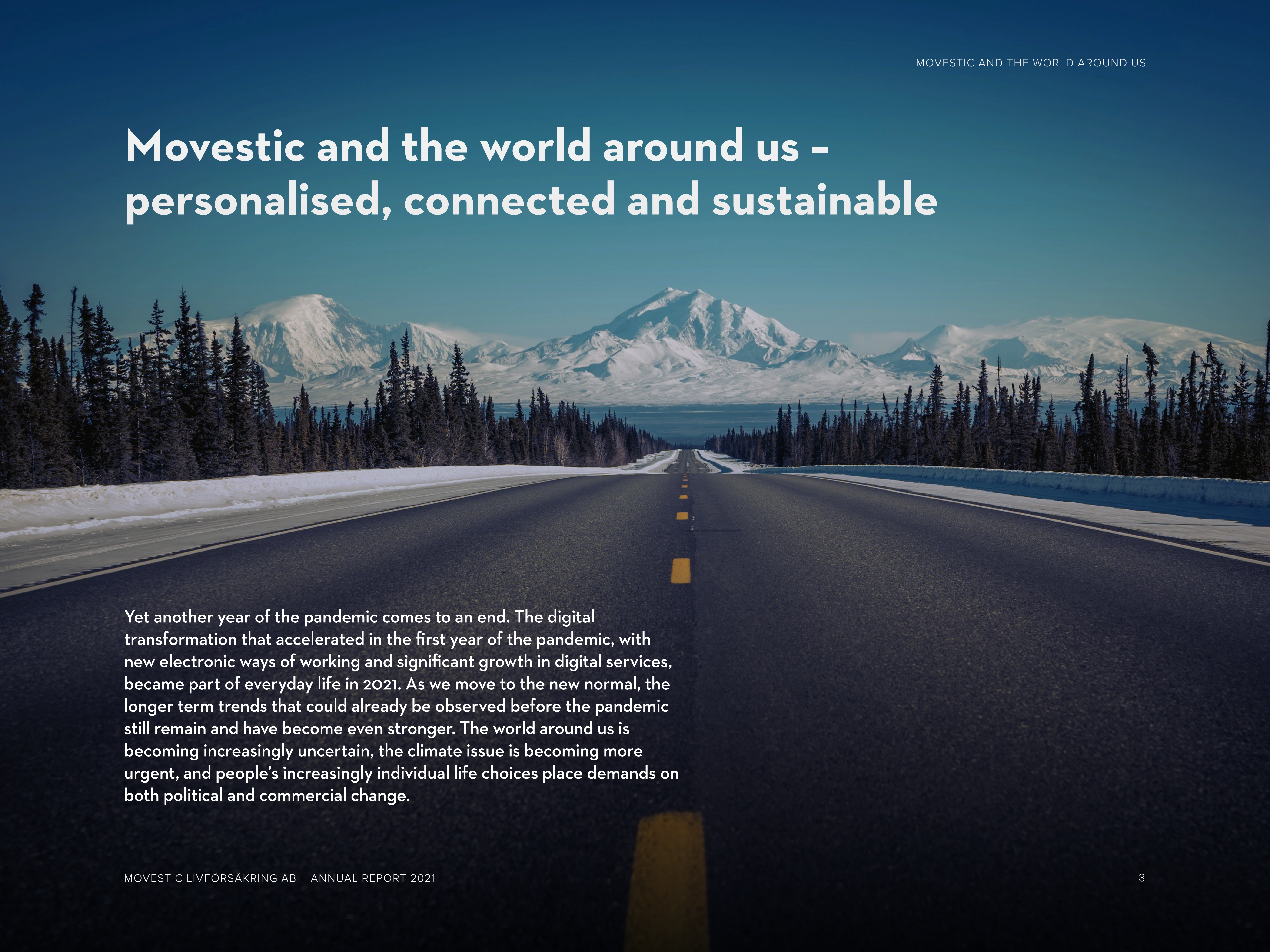
Updated offering for start-ups and SMEs

Q4

Movestic launches a new pension plan with updated risk regulations for digital subscription on the Movestic partner web

Collaboration with NyföretagarCentrum

Movestic and the world around us – personalised, connected and sustainable



Yet another year of the pandemic comes to an end. The digital transformation that accelerated in the first year of the pandemic, with new electronic ways of working and significant growth in digital services, became part of everyday life in 2021. As we move to the new normal, the longer term trends that could already be observed before the pandemic still remain and have become even stronger. The world around us is becoming increasingly uncertain, the climate issue is becoming more urgent, and people's increasingly individual life choices place demands on both political and commercial change.

Personal lifestyle – personal pensions

The ways in which people choose to live and work are more differentiated today than ever before. We change jobs more often and the gig economy is gaining ground. As individuals, we have to make a lot of choices and take responsibility for our own financial situation, both here and now and in the future. The compensation level, i.e. the state pension as a proportion of the final salary, is expected to decrease in the future, unless we work longer or save more. The companies operating in the pension market and the Government have a joint responsibility for making sure that each person receives the information they need to take action here and now. To ensure that everyone, throughout their lives and irrespective of employment form, has a savings plan designed to achieve a pension that is high enough to fund the way in which they wish to live their life in retirement.

The pension denial

The so called 'reference age' for retirement is now 67 years, and will increase gradually for future generations, however only a quarter of all Swedes in employment want to work until they reach 67[1] . More than half want to retire no later than at the age of 65. The current pension system dates back to the early days of the industrialisation and the last major pension reform took place in the 1990s, when we lived and worked very differently to today. Change is required for our pension system to survive. This issue is also very politically topical, one example being the new reference age which was introduced to make the population remain within the workforce for longer. The challenge is that these changes do not tally with the way in which Swedes want to retire, which means that both the tension in the system and the low confidence in it remain. Private savings are an important complement to the general and occupational pensions, both to enable the individual to retire early and at a time that suits them, and to ensure pensions last long enough for society to remain functional.

Open Insurance – for the customer

The insurance industry has access to large amounts of data. There is an ongoing discussion, often referred to as Open Insurance, about how this data can be used and shared, and many new stakeholders are keen to get involved. The ability to share data is crucial for the future of the industry, however it is also vital that this is done with genuine concern for the customers' perspective. As the industry moves forward, this must be handled in a customer-centric manner, and with the aim to strengthen the position of the individual. The pension market has long been dominated by large stakeholders, unions and employer associations that control the pension solutions available to the individual. In a world where the responsibility for our future increasingly rests with each and every one of us, it is only reasonable that each person is given more ability to influence their situation, including the ability to utilise their own data. A possible way to ensure that Open Insurance is managed in a way that benefits the customers is to allow each individual to retrieve all data on their retirement savings, which is available on minpension.se, something which minPension currently does not allow.

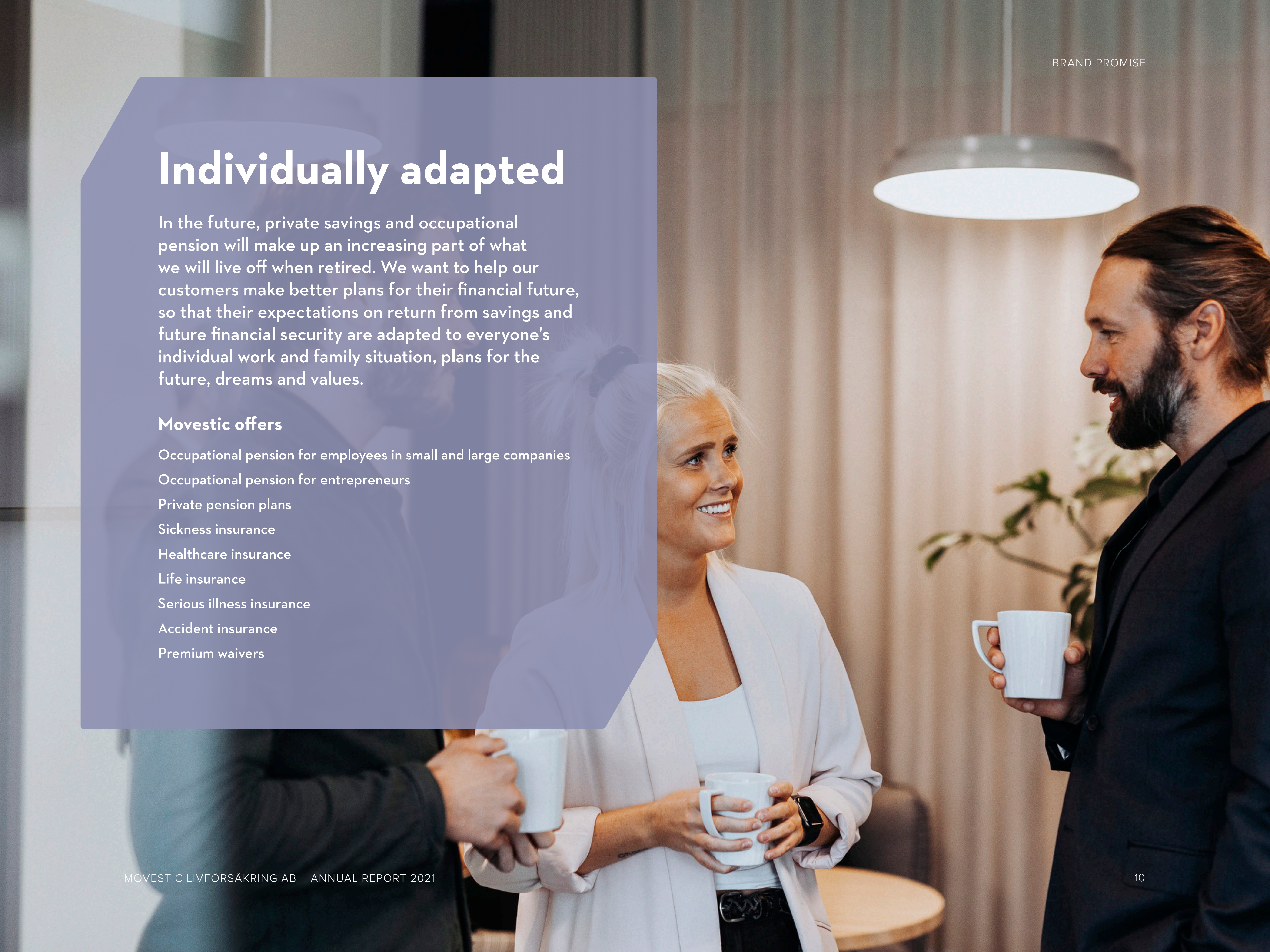
Climate change still in focus

The financial sector has been given a special task in the transition towards a more sustainable society with changed behaviours and more sustainable solutions. Comprehensive regulations for reporting and classification of sustainable investments are currently being implemented. It will become easier and clearer for both big and small investors to understand how they can contribute to this transition and make well-founded decisions. Climate change remains the most important sustainability issue and this is the matter primarily targeted by the new regulations. However, matters like ethics are also very present in the public debate and should be given more attention by investors, as both older and new, fast-growing companies are being challenged about the way they manage ethics and transparency.

A sustainable working life

The importance of a sustainable working life, with a good balance between work and leisure time, has long been high on the agenda, and since 2016, employers in Sweden are legally responsible for the psychosocial work environment. During the pandemic, new perspectives emerged, including the increased risk of isolation as many people worked remotely, often at home. The issue of sustainability at work is important, not only for our wellbeing here and now, but also for our ability to remain part of the workforce for longer. With an ageing population comes the need to keep people working for longer; a matter that has often been discussed. In the latter part of 2021, sickness leave due to mental ill-health increased again, after having decreased earlier in the pandemic. This is a challenge affecting all of us, but also an area where the insurance industry can help, by including services and measures to prevent ill-health in their insurance products.

[1] Movestic/Sifo: Karriär och Pension



Individually adapted

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

Movestic offers

Occupational pension for employees in small and large companies

Occupational pension for entrepreneurs

Private pension plans

Sickness insurance

Healthcare insurance

Life insurance

Serious illness insurance

Accident insurance

Premium waivers

Simple for you

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

Movestic offers

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

Independent advice from our robot adviser, MAIA

Digital occupational pension for business owners

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

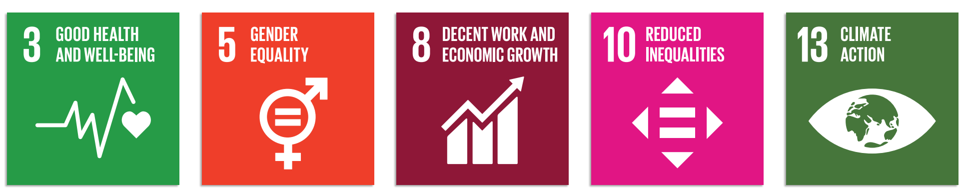
The ability to easily navigate between sustainable funds with different profiles

Active management and index funds

Insurance cover for life and health

Sustainability Report

The digital development enables new ways of working, greater transparency, more personalised products and services, and huge opportunities to build a more sustainable society. As an insurance company focusing on pensions and insurance cover for life and health, our responsibility is to contribute to a more sustainable development, both from a collective and individual perspective. The starting point for Movestic's sustainability efforts are five of the Sustainable Development Goals from the UN.



The pension industry is committed to fighting climate change by providing sustainable investment options. By investing in operations and industries that work towards a more sustainable future, we promote a development towards more sustainable solutions to the big, existential questions, like our future energy supply and food security.

To help our policyholders identify savings products with the right level and approach to sustainability for them, we have since 2015 assessed and rated all funds included in Movestic's offering on an annual basis. We are also working to broaden our fund offering by including funds that in novel ways contribute to a more sustainable society. This year's review included 138 funds that were available in Movestic's regular fund offering at the end of 2021. According to the Company's own traffic light model, 9 of 10 funds in Movestic's offering are now sustainable.

Movestic's sustainability efforts also focus on the individual person in a sustainable society, and on our customers' financial security, now and in the future. In an increasingly individualistic society, we as an insurance company have a responsibility for making sure the insurance products we provide become more and more tailored to the needs of the individual. We also have a responsibility to communicate in a simple and transparent way, to enable our customers to absorb the information and make well-informed decisions, to make advisory services generally available, and to make sure that more people get access to independent advice, free from conflicts of interest. It is also our responsibility to continuously monitor areas where conflicts of interest may arise.

Focus on the individual also involves focusing on our employees and on how we can create the conditions required for a long and sustainable working life, with focus on health, wellbeing, and work-life balance. We do this by offering health promotion, rehabilitation where needed, ongoing involvement in the development of the organisation, equality targets, and a focus on diversity. In 2021, a year when we swung between working remotely and in the workplace, we have continued to improve the psychosocial working environment of our employees.

During the autumn, Movestic introduced a new way of working that will be used in the future, which means that employees spend three days a week in the workplace and can choose to work from home on the remaining two, as long as they are still able to perform their duties to a high standard. This new way of working will be reviewed on an ongoing basis, and the impact on both employee health and the business operation will be monitored.

Movestic is also actively working to ensure that our employees have the ability to adapt to new working practices in the longer term, by providing further training in emerging areas, such as new technology, thereby contributing to the long-term development not only of the individual, but of the company, industry, and society as a whole.

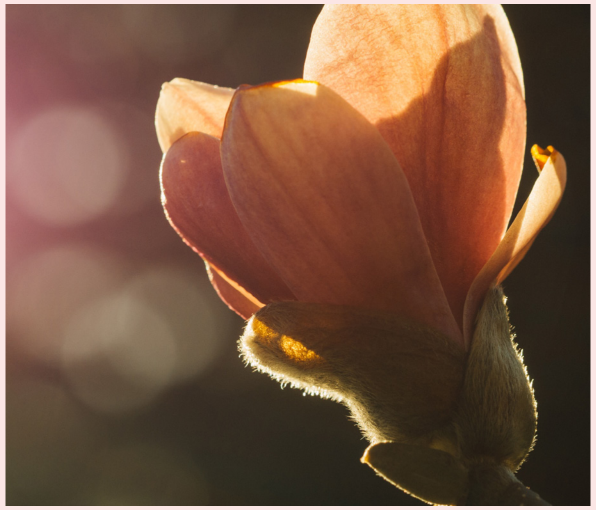
Sustainability is an integrated part of Movestic's investment reviews and should inform all development of new products and services.

Movestic's sustainability work is concluded in three focus areas:
1. **Responsible investments** with focus on the long-term sustainability of our society
2. **Financial security** for our customers, now and in the future
3. A long-term **sustainable working life** for our employees, and for society as a whole

Sustainability risks

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

Despite our high ambitions, there is a risk that we are unable to meet our customers' expectations, or our own high demands, in relation to the climate impact of our investment products, for example due to a lack of information, and this must always be monitored. Other important risk areas for Movestic include compliance and corruption. This is



Responsible investments
Investments with focus on long-term sustainability for the individual and for society

Sustainable working life
A working life that is sustainable in the longer term for both employees and society as a whole

Financially secure customers
Genuine concern for our customers to provide financial security today and in the future

why we work ceaselessly to ensure compliance with all legal requirements, and to prevent all instances of corruption. We also work proactively to identify any conflicts of interest. Compliance also involves a sustainability risk, relating to the way in which we manage personal data. Secure and correct management of personal data will be a key issue for any operation handling large amounts of data and is vital if we are to retain the trust of our customers. To safeguard the personal integrity of our customers by managing the data they have entrusted us with in a responsible way is a natural part of Movestic's administrative work, and something that will always be a priority.

A risk that emerged during the pandemic is the risk of higher stress levels in employees working remotely, both due to the increased risk of becoming isolated and to the increased responsibility for managing themselves and their work. There is also a potential risk of additional stress caused by returning to workplaces, which involves many more social contacts and impressions within a short space of time, as well as the uncertainty brought by the pandemic as to where duties will be performed both in the short and longer term. Movestic is actively working to minimise these risks by holding an active dialogue with its employees, offering clear communication, and a gradual return to the workplace.

Sustainable investments

The financial sector has been given a special task in the transition towards a more sustainable society with changed behaviours and more sustainable solutions. Extensive regulations regarding reporting and classification of sustainable investments are currently being implemented. These will make it clearer and easier for both small and large investors to understand how they can contribute to this transition and make well-founded decisions.

New EU regulations concerning sustainable investments came into force in 2021. The new Disclosure Directive aims to improve transparency and make it easier for savers to find and compare environmentally sustainable investments.

Funds are classified based on how well sustainability risks are taken into account and integrated in the management approach. They are divided into three categories:

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

During the year, Movestic increased the number of sustainability certifications provided in its list of funds, adding EU classifications for Article 8 & 9, low CO2 risk, Svanen Certification, and norm-based screening.

Advocacy efforts

Sustainability is a permanent item on the agenda when Movestic meets fund managers. We continuously monitor and try to influence the funds included in our offering. This primarily involves actively trying to convince the fund companies to use their power to influence the companies in which they have invested to:

- Ensure that the board of directors, management team, and the company as a whole are characterised by diversity,
- Be active at AGMs and use the vote their ownership entitles them to,
- Hold a proactive sustainability dialogue with the companies in which they invest,
- Follow international norms relating to environmental protection, human rights, working conditions, and anti-corruption,
- Sign the UN's Principles for Responsible Investments, UN PRI.

Movestic's sustainability ranking

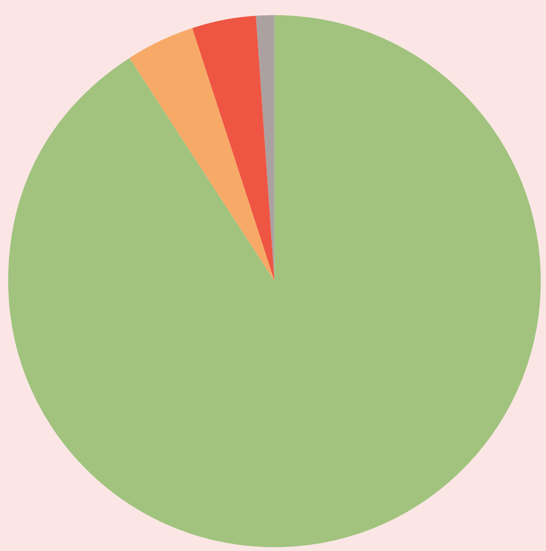
2021 became the fifth consecutive year that Movestic ranked the fund companies included on its fund marketplace. The results are published as an overview with the aim to make it easier for savers to make well-informed choices, and to enable them to combine saving for the future with having a positive impact on the environment and our society. During the year, the fund offering was extended to make it easier for our customers to create diversified savings portfolios. The fund offering includes share funds, interest funds, and hedge funds. Each category contains both actively and passively managed funds, with focus on different regions and sectors. In 2021, additional funds with a sustainability focus were added to the offering.

Continued positive trend and innovation

In the five years we have published our sustainability overview, the quality of the sustainability efforts among the funds in Movestic's fund offering has kept improving and is generally high. Over time, the quality of the sustainability efforts of the fund companies has improved, the proportion of funds given a green rating has increased from 47 percent in our first overview to the current 91 percent.

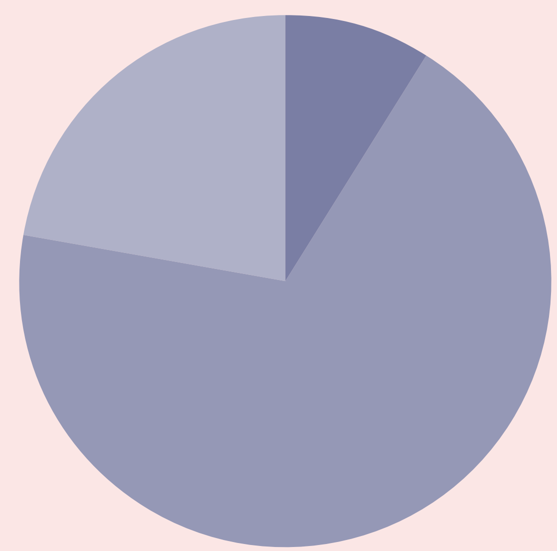
All fund companies represented in Movestic's fund offering have a sustainability policy in place, which is in most cases is also implemented in the funds themselves, sometimes with specific applications at fund level. They have integrated their sustainability efforts in their investment assessments and hold active dialogues with the companies in which they invest, to attempt to influence them. We

Movestic's sustainability ratings



- 91% Green
- 4% Orange
- 4% Red
- 1% No rating

EU Classification



- 9% Article 9
- 68% Article 8
- 22% Article 6

have noted that the fund companies increasingly make active efforts to influence, and over 80 percent make use of their right to vote at AGMs.

One of Movestic's basic criteria for including fund companies in its offering is that they must have signed the UN PRI. 100 percent of the funds in Movestic's fund offering have now sighed the UN PRI, thereby committing to following the six principles for responsible investments and agreeing to being subjected to annual assessments.

Many managers work actively with both reactive and proactive influencing, and both larger and smaller fund companies have got better at reporting and measuring the outcomes of the dialogues they hold with the companies. This is a positive development, as it both puts pressure on the companies to act and improves transparency for the customers.

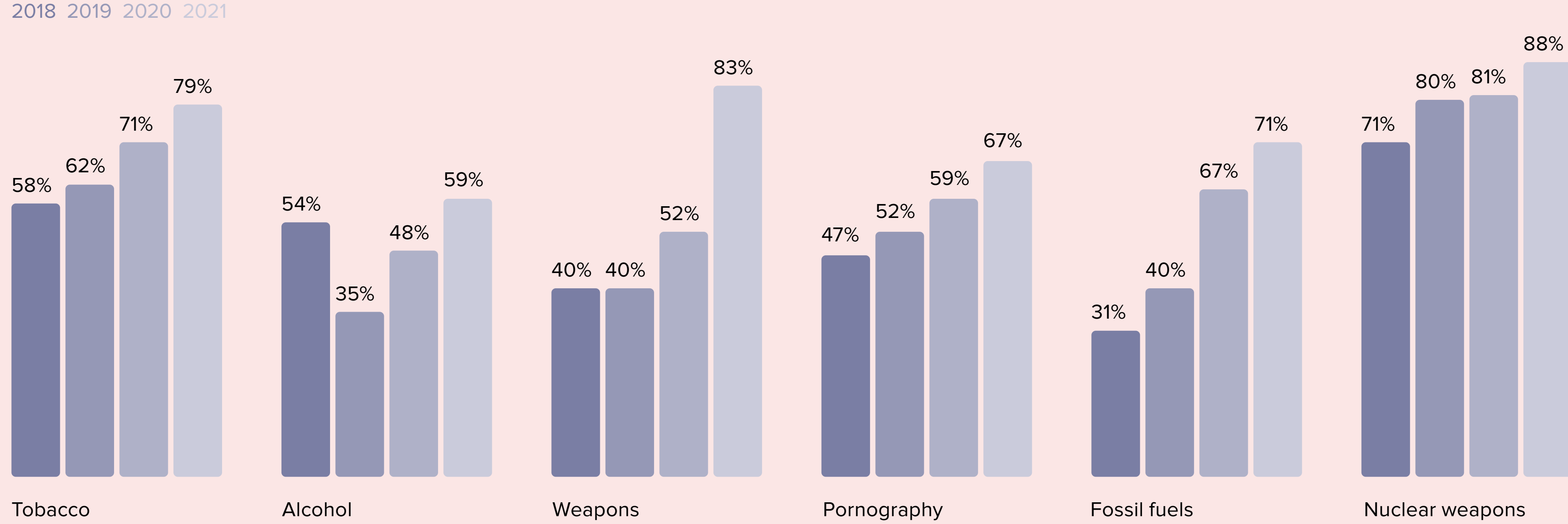
Another reason why Movestic's offering has become more sustainable is our focus on sustainability in the selection process for new funds.

All funds that were added during the year meet our basic criteria for sustainability work and promote either environmental or social characteristics, for which the manager has put in place sustainability requirements and will exclude sectors not considered sustainable, i.e. Article 8 funds. We have also added funds with sustainable investments as a goal, so called Article 9 funds, where the manager invests in companies making a positive impact on the environment or society. These can be companies with products that contribute to solving the climate issue, or companies working to prevent or solve social problems in society.

Exclusions still the most common approach

The traditional borders between including, excluding, and influencing companies are gradually disappearing. The managers now take more overall responsibility and use a variety of different approaches. The most commonly used approach to achieve sustainable investments is

Excluded sectors, all funds



still to exclude companies that operate in undesirable sectors when investments are made. This year's sustainability overview shows that more and more funds choose to exclude entire sectors from their investment sphere.

There is still a strong focus on climate-related matters and the proportion of funds choosing to exclude fossil fuels keeps increasing. Fossil fuels also represent the biggest change when it comes to excluding a specific sector over a 4-year period. In 2018, 31 percent of the funds claimed to exclude fossil fuels, in 2021 this share had increased further, and 71 percent of the funds now claim not to invest in fossil fuels.

Big focus on climate

In preparation for this year's sustainability report, we asked the fund managers to select the five most important global sustainability goals that they are actively working towards as part of their management activities. Goal 13, i.e. Climate Action, remains by far the most important sustainability goal among the fund managers.

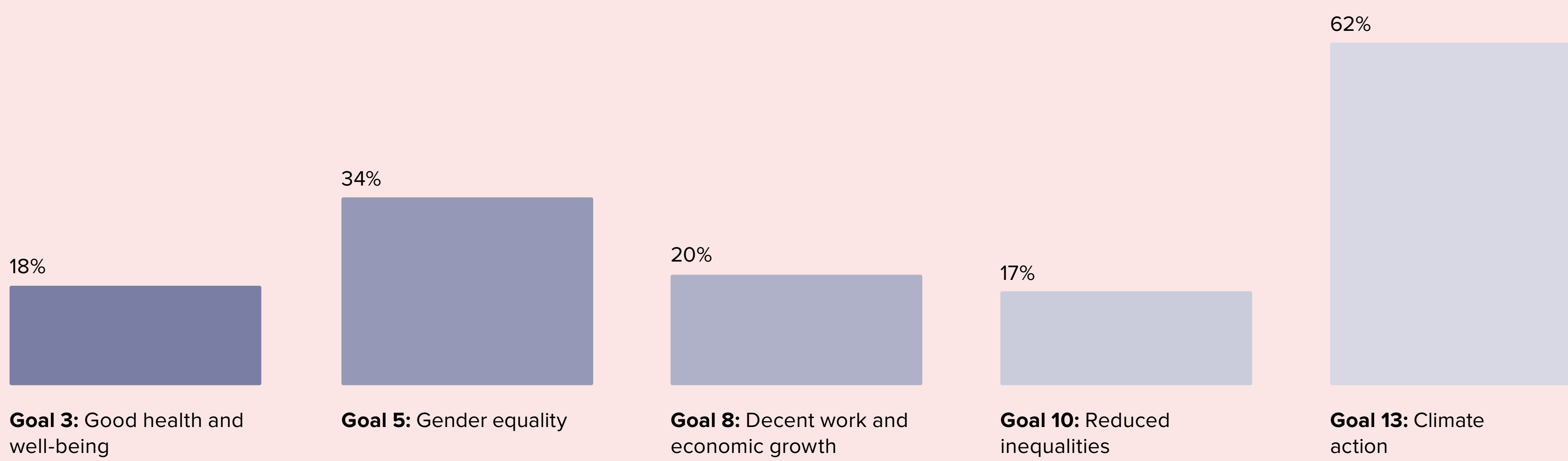
Memberships and information

In 2016, Movestic signed up to the UN Initiative for Responsible Investments, UNPRI. We use the six principles as a starting point and aim to be transparent about the work we do to implement these principles. One of Movestic's basic requirements when we choose which fund companies to include on our platform is that they must have signed the UNPRI. 100% of the fund companies in Movestic's offering have now signed the UNPRI, thereby committing to following the six principles for responsible investments and agreeing to being subjected to annual assessments.

Movestic represented in Insurance Sweden's reference group

Since the spring of 2019, Movestic is represented in Insurance Sweden's reference group for sustainability. The group is preparing a proposal for how the insurance industry can remain an important societal stakeholder in the sustainability area.

Proportion of funds working towards each goal



Sustainability in numbers

49%

Proportion female employees

Proportion women on Movestic's board of directors: 17%

100% Climate compensation for work-related travel

Movestic's CO2-impact 2021: 24 tonnes

Proportion women in Movestic's management team 60 %

Proportion female managers 48%

100%

Environmentally certified paper

Organic fruit and coffee

119 984 kWh

Energy consumption

42

Average age of employees

128

Number of employees (per 31 Dec 2021)

14

ENPS Employer Net Promoter Score

Sick leave: 2,54%

Proportion of employees utilising the fitness vouchers: 75%

Board of Directors' Report

The Board of Directors and the CEO of Movestic Livförsäkring AB, corp. ID 516401-6718, hereby submit the annual report for 2021, the company's twentieth financial year. Seat of the Board: Stockholm.

Organisation and operation

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

The Company has a wholly owned subsidiary, Movestic Kapitalförvaltning AB, which operates under a fund operation license and is responsible for the management of seven funds within Movestic's offering. Movestic Fund Management S.A is a wholly owned subsidiary, currently in liquidation, which was previously responsible for the administrative management of the funds within a SICAV structure in Luxemburg. This structure was wound up in 2020, and all the funds it included were terminated. As a result of being wound up, Movestic Fund Management S.A. was put into liquidation, a process which is expected to be completed in the early part of 2022.

Eamonn Flanagan became a full member of the Company's Board of Directors in May 2021. Additionally, John Deane retired and therefore left the Board in November 2021. He was replaced by Steve Murray in January 2022.

On 31 December 2021 Movestic had 128 (120) employees. Of these, 49 (49) percent were female, and women made up 48 (52) percent of the managers. The average age of all employees was 42 (42) years. The proportion of women on the management team was 60 (60) percent, and 17 (20) percent of the board members were female.

Important events during the year

Trends

During the year, the investment markets were characterised by a strong upward trend on the global stock exchanges, while interest rates remained historically low.

The favourable development on the stock exchanges was reflected in the returns on the policyholders' investment assets.

In 2021, Movestic established extended partnerships with custodian institutions in the Swedish market and the business volume in this segment has increased significantly.

The transfer activity on the occupational pension market was very high during the year, which had a negative impact on the asset under management. A contributing factor is the implementation of regulations relating to transfer rights, see also *Regulations* below.

The Company continued its efforts to streamline processes and increase the use of automation. Growing demand for digital processes and improved accessibility have also made the Company intensify its work to develop services that are more flexible and easier to use, including personalised advisory services and a unique service which enables flexible payment patterns to pension recipients.

In 2021, Movestic Livförsäkring increased its fund offering by adding 32 new funds from both Swedish and global managers.

Continued focus on sustainability

The digital development enables new ways of working, more transparency, more personalised products and services, and major opportunities to build a more sustainable society. Movestic's responsibility, as an insurance company with focus on both pension plans and insurance products for life and health, is to contribute to a more sustainable development from both a collective and individual perspective.

Movestic's sustainability work can be divided into four focus areas: climate, health, ethics and governance, and community development. Our sustainability efforts aim to promote sustainable investments to enable a sustainable society, a sustainable working life for both the individual and society, and financial security for our customers, now and in the future.

During the year, the Company's unit-linked investment products were classified as so called Article 8 Products under EU's Sustainable Finance Disclosure Regulation, which means that they promote environmental or social characteristics when customers choose to invest in funds targeting these matters.

Sustainability and sustainability risks are an integrated part of Movestic's fund selection process. All fund companies whose funds are included in the Company's offering have signed the UN PRI – Principles for Responsible Investment – thereby committing to adhering to six principles for responsible investments, and to be subjected to annual reviews. As part of the fund selection process, Movestic takes into account the exclusion criteria applied by the fund companies, as well as their policies for sustainable investments.

In a society where saving in occupational pension plans is becoming increasingly important, and where more people make individual life choices, we as an insurance company are responsible for providing more personalised insurance cover. We also have a responsibility to communicate in transparent and simple ways, to enable our customers to absorb information and make well-founded decisions, to make investment advice more generally available and ensure that more people have access to responsible advice, and to regularly monitor all areas where conflicts of interest may arise.

Focus on the individual also means focusing on our employees and how we can provide them with opportunities for a long and sustainable working life with focus on health, wellbeing and work/life balance. We do this by providing health promotion programs, rehabilitation when required, continuous participation in the development of the organisation, equality targets and a diversity focus. We also strive to provide our employees with opportunities to adapt to new working practices, by providing further training within new areas, such as new technology, thereby aiding the long-term development of both the individual and the company, industry, and society as a whole. More information about our work with sustainability is available under the heading Sustainability Report on page 12.

Risks and risk management

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

The Covid-19 pandemic continued to require effective continuity-oriented risk management. During the year, the Company continued to apply its emergency plan and held regular emergency management meetings. With a clear focus on the wellbeing of the company employees, the emergency management group has continuously assessed both the current situation and potential future scenarios, to enable timely implementation of changes relating to e.g. working from home or the office.

During the pandemic, the Company's risk management system has provided a clear structure. It has also turned out to be dynamic and adaptable, as it has been partly updated based on the new experiences and insights gained by the Company as a result of the pandemic.

Movestic's risk management system includes policy documents, strategies, processes and routines designed to identify, evaluate, monitor, manage and report risks to which the Company is, or may become, exposed. The final responsibility for making sure the Company has an effective risk management system in place rests with its Board of Directors. Audit and Risk Committee helps the Board to review Movestic's financial reports, internal controls, and risk management system.

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

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

The second line of defence consists of the independent control functions, i.e. the Risk Management, Compliance and Actuarial functions. Together they are responsible for continuously developing and improving the Company's risk management.

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

Movestic is also continuing its efforts to maintain and develop an effective risk management system for the coming financial year. Information about the risks to which the Company is exposed, and how these are managed, can be found in Note 2.

Regulations

Solvency II

On January 1, 2016, the new solvency requirements for insurance companies within the EU, as set out in the Solvency II Directive, came into force. Movestic decided to apply the new regulations fully from the beginning, and to not take advantage of the interim regulations available to providers of occupational pension plans. The Company's capital requirements are determined according to the standard model.

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

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

Transfer rights

Rules relating to transfer rights were implemented during the year. The rules regarding fees connected to lapses and transfers of unit-link and custody contracts came into force on April 1, 2021. These rules concern transfer fees for unit-link and custody contracts taken out after July 1, 2007.

In July 2022, the transfer rights will be extended to include insurance contracts entered into before July 1, 2007. The extended transfer rights are not expected to have any additional impact on Movestic's holding, as the Company has not had any transfer right limitations in place, but will instead provide opportunities to reach more customers by making available an improved offering with high customer value.

Accounting

The insurance standard IFRS 17 was published on the 18th May 2017. It was adopted by the European Commission in November 2021 and will enter into force in the financial year of 2023. The standard will not be implemented by Movestic as a legal entity, as it contravenes Swedish legislation. Instead the implementation will be carried out by the parent company, Chesnara, and during 2021 Movestic intensified its efforts to prepare for and evaluate the IFRS 17 and the impact it will have on the Company's group reporting.

Sustainability report

At the UN Summit in 2015, the agenda for 2030 was adopted, including the goals for a sustainable and fair world. To achieve these goals requires major investments in infrastructure and technology, and for capital flows to be redirected towards sustainable investments. An action plan has been prepared by the EU Commission, setting out overall targets aimed at achieving transparency and comparability, rerouting of capital flows, and the integration of sustainability in risk management, to meet the 2030 agenda

Movestic currently prepares its sustainability report in accordance with the Swedish Annual Reports Act. A proposed new directive, the Corporate Sustainability Reporting Directive (CSRD), has been presented by the EU. This directive requires more companies to report more sustainability data and is proposed to enter into force in the financial year of 2023.

The EU regulation on sustainability-related disclosure came into force in March 2021. The regulation requires companies, including insurance undertakings, to inform their customers about their work with different sustainability matters via their website, in pre-purchasing information, and on annual statements.

Movestic monitors the developments in the regulatory area and preparations are underway as part of a cross-functional project.

Expected future developments

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

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

Result and financial position

The favourable development of the investment markets and the increased business volumes within the custody account segment had a positive effect on the performance of the assets under management, which on the balance day amounted to MSEK 53,399 (40,705). Income from investment contracts amounted to MSEK 555.1 (498.8).

The Company's risk operation continued to report a positive claims result, mainly as a result of termination of technical reserves for earlier claims years. The gross premium income was slightly lower than the previous year at MSEK 162.8 (192.3).

The consequences of Covid-19 have impacted the technical results to some degree, both as a result of claims directly attributable to the pandemic, and to higher levels of sick leave because other types of healthcare have been deprioritised. An extra provision was made in 2020 in the form of IBNER of SEK 19.0 million to cover future potential effects linked to the pandemic. In 2021, the provision amounted to SEK 19.4 million.

The Company's pre-tax result amounted to MSEK 131.9 (221.3), which was lower than the previous year, of which MSEK 61.6 relates to liquidation and wound-up of associated companies and subsidiaries.

In December 2021, MSEK 65 was paid in dividends to the parent company for the financial year of 2020.

As per the end of the year, the capital base according to the Solvency II directive amounted to MSEK 2 825 and the capital requirement amounted to MSEK 1 933.

Proposed appropriation of profits

SEK	2021
At the disposal of the general meeting of shareholders:	
Profit brought forward	886 593 864
Profit/loss for the year	131 880 526
Total	**1 018 474 390**
The Board of Directors proposes to:	
Pay to shareholders as dividends	38 000 000
Carry forward to new account	980 474 390

Board of Directors' statement about the proposed distribution of profits

The proposal regarding distribution of profits has been prepared in accordance with the rules on protection of the Company's restricted equity and the precautionary principle, as set out in the Swedish Companies Act, chapter 18, §4. The Board of Directors has taken into account:

1) The required size of the equity based on the nature, scope and risks of the operation and 2) the Company's consolidation requirements, liquidity, and general position. The Company's financial position does not give reason to believe anything other than that it can be expected to meet its commitments, both in the short and long term. The Board of Directors' view is that the Company's own funds are adequate considering the scope of the operation and the risks to which it is exposed.

Financial reports

Five-year summary

Amount in MSEK	2021	2020	2019	2018	2017
Result					
Premiums written, net of reinsurance, non-life operation	11,2	17,3	19,3	42,5	49,8
Premiums written, net of reinsurance, life operation	83,8	99,2	88,6	118,9	120,4
	95,0	**116,6**	**107,9**	**161,4**	**170,2**
Income from investment agreements	555,1	498,9	501,8	496,5	466,9
Investment income, net in the insurance operation	2,6	-8,7	2,3	-14,5	-10,2
Claims incurred, net of reinsurance, non-life operation	21,4	18,0	-13,6	-22,5	-33,5
Claims incurred, net of reinsurance, life operation	-54,3	-29,3	-20,8	-31,9	-26,4
	-32,9	**-11,2**	**-34,4**	**-54,4**	**-59,9**
Technical result of the non-life insurance operation	16,8	21,8	-17,4	-1,2	-9,6
Technical result of the life insurance operation	136,4	171,9	185,4	115,8	98,7
Profit/loss for the year	**131,9**	**218,4**	**141,7**	**108,4**	**114,2**
Financial position					
Investment assets, valued at actual value	821,1	465,3	876,6	602,3	556,9
Investment assets for which the policyholder bears the risk	53 399,3	40 705,3	40 000,6	31 825,4	32 033,2
Technical provisions, net of reinsurance	444,9	484,5	546,5	355,7	355,9
Technical provisions for which the policyholder bears the risk	53 399,5	40 704,6	39 985,2	32 036,5	32 235,3
Net asset value	1 140,0	1 073,1	930,7	822,0	745,1
-of which deferred tax	–	–	–	–	0,0
Capital base for the Company[1]	2 825	2 503,3	2 844,2	2 367,2	2 524,4
-of which Tier 1 capital	2 825	2 503,3	2 844,2	2 367,2	2 524,4
-of which Tier 2 capital	–	–	–	–	0,0
Minimum Own Funds requirement for the Company[1]	483	396	459,1	333,1	403,9
Solvency capital requirement for the Company[1]	1 933	1 584,0	1 836,0	1 332,3	1 615,6

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

KEY RATIOS	2021	2020	2019	2018	2017
Non-life insurance operation					
Claims ratio, %	-190,6	-104,0	70,5	53,0	67,2
Operating expenses ratio, %	141,2	78,0	119,6	49,8	55,9
Combined ratio, %[3]	-49,4	-26,0	190,1	102,7	123,1
Key ratios excl runoff business					
Claims ratio, %	28,3	18,2	57,0	–	–
Operating expenses ratio, %	50,2	36,7	32,6	–	–
Combined ratio, %[3]	78,4	54,9	89,6	–	–
Life insurance operation					
Management cost ratio, %	1,0	0,9	1,1	1,4	1,5
Asset management					
Direct return, % [2]	0,0	0,0	0,0	0,0	0,0
Total return, % [2]	0,0	2,6	18,4	-5,6	8,0
Financial position					
Consolidation, %	1 199,8	920,7	862,2	509,4	437,7

Income Statement

Amounts in KSEK

TECHNICAL ACCOUNT OF THE NON-LIFE INSURANCE OPERATION	**Note**	**2021**	**2020**
Premiums written (net of reinsurance)			
Premiums written (gross)		12 272	17 287
Premiums for ceded reinsurance		-454	992
Changes in Provisions for unearned premiums and unexpired risks		-460	150
Reinsurers' share of changes in Provisions for unearned premiums and unexpired risks		-136	-1 112
		11 222	**17 316**
Allocated investment returns transferred to technical account	5	–	–
Claims incurred (net of reinsurance)			
Claims paid	6		
Gross		-20 031	-32 066
Reinsurers' share		3 616	4 155
Changes in Provisions for claims outstanding			
Gross		45 361	57 588
Reinsurers' share		-7 561	-11 666
		21 385	**18 012**
Operating expenses	7	-15 841	-13 507
Technical result of the non-life insurance operation		**16 766**	**21 821**

TECHNICAL ACCOUNT OF THE LIFE INSURANCE OPERATION	**Note**	**2021**	**2020**
Premiums written (net of reinsurance)			
Premiums written (gross)	3	152 274	187 087
Premiumtax		-6 815	-11 605
Premiums for ceded reinsurance		-61 666	-76 245
		83 793	**99 238**
Investment income	8	5 989	506
Unrealised gains from investments	9	22	94
Income from investment contracts	4	555 144	498 877
Claims incurred (net of reinsurance)			
Claims incurred and paid	6		
Gross		-81 458	-87 482
Reinsurers' share		29 350	39 106
Changes in Provisions for claims outstanding			
Gross		-4 012	33 931
Reinsurers' share		1 849	-14 807
		-54 271	**-29 252**
Changes in other technical provisions (net of reinsurance)			
Technical provisions for life insurance			
Gross		5 544	-647
Reinsurers' share		-1 171	-2 382
		4 373	**-3 028**
Operating expenses	7	-450 410	-380 578
Other technical expenses (net of reinsurance)		-4 784	-4 684
Investments, costs	8	0	-9 001
Unrealised losses from investments	9	-3 452	-253
Technical result of the life insurance operation		**136 403**	**171 919**

NON-TECHNICAL ACCOUNT	**Note**	**2021**	**2020**
Technical result of the non-life insurance operation		16 766	21 821
Technical result of the life insurance operation		136 403	171 919
Investment income	8	10 975	45
Investments, costs	8	-13 427	-33 427
Unrealised losses from investments	9	-13 793	-1 004
Unrealised gains from investments	9	33	363
Allocated investment returns transferred to the non-life operation	5	–	–
Impairment subsidiaries	10	-5 000	-9 441
Dividend associated companies		-	71 021
Result before appropriations and tax		**131 956**	**221 296**
Result before tax		**131 956**	**221 296**
Tax on the year's result	11	-88	-2 837
Deferred tax		12	-21
Profit/loss for the year		**131 881**	**218 438**
Total reported result			
Profit/loss for the year, according to income statement		131 881	218 438
Total comprehensive income for the year		**131 881**	**218 438**

Performance Analysis - Life insurance operation

		Direct insurance, Swedish risks						
Amounts in KSEK	**Total**	**Unit-linked**	**Fee-based traditional Insurance**	**Health Insurance**	**Premium exemption**	**Individual traditional Insurance**	**Group life & TGL**	**Direct Insurance of foreign risks**
Technical account for the life Insurance operation								
Premiums earned (net of reinsurance), note 1	83 793	2 261	824	29 680	5 777	17 220	28 009	22
Investment income	5 989	3 244	0	2 083	538	29	90	5
Unrealised gains from investments	22	0	0	17	4	0	1	0
Income from investment contracts	555 144	497 369	57 775	–	–	–	–	–
Claims incurred (net of reinsurance), note 2	-54 271	2 588	943	-24 471	-4 818	-8 512	-20 231	229
Changes in other technical provisions (net of reinsurance)	4 373	–	–	-230	33	-492	5 061	–
Operating expenses	-450 410	-354 448	-49 725	-20 591	-4 776	-8 664	-12 194	-13
Other technical expenses (net of reinsurance)	-4 784	-3 134	-918	-732	–	–	–	–
Unrealised losses from investments	-3 452	-2	-1	-2 618	-676	-36	-113	-6
Technical result for the life Insurance operation	**136 403**	**147 880**	**8 898**	**-16 862**	**-3 918**	**-455**	**623**	**237**
Technical provisions, gross								
Life Insurance provisions	19 551	–	–	7 469	821	9 543	1 718	0
Claims outstanding	426 902	181	66	308 232	96 609	4 569	15 694	1 552
	446 453	**181**	**66**	**315 700**	**97 430**	**14 112**	**17 412**	**1 552**
Technical provisions for life Insurances for which the policyholder bears the risk, gross								
Conditional dividends	12 098 137	–	12 098 137	–	–	–	–	–
Unit-linked commitments	41 301 186	41 301 186	–	–	–	–	–	–
	53 399 322	**41 301 186**	**12 098 137**	**–**	**–**	**–**	**–**	**–**

Performance Analysis - Life insurance operation (cont.)

		Direct insurance, Swedish risks						
Amounts in KSEK	**Total**	**Unit-linked**	**Fee-based traditional Insurance**	**Health Insurance**	**Premium exemption**	**Individual traditional Insurance**	**Group life & TGL**	**Direct Insurance of foreign risks**
Reinsurers' share of technical provisions								
Life Insurance provisions	8 022	–	–	2 986	491	4 334	211	0
Claims outstanding	239 153	101	37	172 493	61 580	2 699	1 025	1 218
	247 175	**101**	**37**	**175 479**	**62 072**	**7 033**	**1 236**	**1 218**
Note 1 Premiums earned (net of reinsurance)								
Premiums written, gross	145 459	2 896	1 055	60 327	17 482	33 775	29 796	128
Premiums for ceded reinsurance	-61 666	-634	-231	-30 647	-11 705	-16 555	-1 786	-106
	83 793	**2 261**	**824**	**29 680**	**5 777**	**17 220**	**28 009**	**22**
Note 2 Claims Incurred (net of reinsurance)								
Claims Incurred and paid								
Gross	-81 458	-495	-180	-26 468	-7 683	-19 393	-27 230	-9
Reinsurers' share	29 350	–	–	13 756	4 630	9 829	1 134	–
Changes to claims outstanding								
Gross	-4 012	3 275	1 193	-12 651	-5 015	984	7 110	1 093
Reinsurers' share	1 849	-191	-70	892	3 249	67	-1 245	-854
	-54 271	**2 588**	**943**	**-24 471**	**-4 818**	**-8 512**	**-20 231**	**229**

Foreign risks relate entirely to Norway.

Performance Analysis - Non-life insurance operation

Amounts in KSEK	Direct insurance, Swedish risks Sickness and accident
Technical account for the non-life Insurance operation	
Premiums earned (net of reinsurance) note 1	11 222
Allocated investment returns transferred from the financial account	–
Claims Incurred (net of reinsurance) note 2	21 385
Operating expenses	-15 841
Technical result of the non-life Insurance operation	**16 766**
Technical provisions, gross	
Provisions for unearned premiums and unexpired risks	3 088
Provisions for claims outstanding	280 876
	283 965
Reinsurers' share of technical provisions	
Provisions for unearned premiums and unexpired risks	94
Provisions for claims outstanding	38 255
	38 349
Note 1 Premiums earned (net of reinsurance)	
Premiums written, gross	12 272
Premiums for ceded reinsurance	-454
Changes in Provisions for unearned premiums and unexpired risks	-460
Reinsurers' share of changes in Provisions for unearned premiums and unexpired risks	-136
	11 222
Note 2 Claims Incurred (net of reinsurance)	
Claims Incurred and paid	
Gross	-20 031
Reinsurers' share	3 616
Changes in Provisions for claims outstanding	
Gross	45 361
Reinsurers' share	-7 561
	21 385

Balance Sheet Assets

Amounts in KSEK	Note	2021-12-31	2020-12-31
Intangible assets			
Other intangible assets	12	108 496	94 408
		108 496	**94 408**
Investment assets			
Investments in group companies and associated companies			
Shares and participations in group companies	13	17 064	17 064
Other financial investment assets			
Shares and participations	14	214	241
Bonds and other interest-bearing securities	15	799 366	443 630
Other financial investment assets	16	4 457	4 323
		821 101	**465 258**
Investments for the benefit of life policyholders, for which the policyholder bears the risk	17		
Assets with conditional dividends		12 098 137	3 701 838
Unit-linked assets		41 301 186	37 003 501
		53 399 322	**40 705 339**
Reinsurers' share of technical provisions			
Provisions for unearned premiums and unexpired risks	18	94	230
Life insurance provisions	19	8 022	9 193
Claims outstanding	20	277 408	282 987

Amounts in KSEK	Note	2021-12-31	2020-12-31
Receivables			
Receivables, direct insurance	21	23 901	81 679
Tax receivables	22	–	8 247
Deferred tax asset	22	399	387
Other receivables	22	15 511	35 356
		39 811	**125 669**
Other assets			
Tangible assets	23	2 758	3 217
Cash and bank		133 487	484 004
		136 245	**487 221**
Pre-paid expenses and accrued income			
Deferred acquisition costs	24	711 505	731 063
Other pre-paid expenses and accrued income	25	75 951	69 549
		787 456	**800 612**
TOTAL ASSETS		**55 577 956**	**42 970 918**

Balance Sheet Equity, provisions and liabilities

Amounts in KSEK	Note	2021-12-31	2020-12-31
Equity			
Share capital		13 000	13 000
Fund for development costs		108 496	94 408
Profit brought forward		886 594	747 245
Net profit for the year		131 881	218 438
		1 139 971	**1 073 090**
Technical provisions (gross)			
Unearned premiums and unexpired risks	18	3 088	2 628
Life insurance provisions	19	19 551	25 095
Claims outstanding	20	707 779	749 191
		730 419	**776 914**
Technical provisions for life insurances for which the policyholder bears the risk (gross)	27		
Conditional dividend		12 098 137	3 701 838
Unit-linked commitments		41 301 363	37 002 754
		53 399 500	**40 704 592**
Other provisions	28		
Provisions for pensions and similar commitments		5 782	5 611
Provisions for taxes		5 404	0
Other provisions		5 916	840
		17 102	**6 451**
Liabilities			
Liabilities, direct insurance	29	20 662	39 018
Liabilities, reinsurance		27 295	10 084
Other liabilities	30	196 818	314 521
		244 774	**363 622**
Accrued expenses and deferred income			
Reinsurers' share of deferred acquisition costs		804	1 226
Other accrued expenses and deferred income	31	45 385	45 023
		46 189	**46 248**
TOTAL EQUITY, PROVISIONS AND LIABILITIES		**55 577 956**	**42 970 918**

Statement of changes in equity

	Restricted equity		Non-restricted equity		Total equity
Amounts in KSEK	Share capital	Fund for development costs	Profit brought forward	Profit/loss for the year	
Opening balance 01-01-2020	**13 000**	**83 491**	**692 474**	**141 688**	**930 653**
Distribution of profit	–	–	141 688	-141 688	–
-Dividends	–	–	-76 000	–	-76 000
Provision for the year	–	10 917	-10 917	–	–
Profit/loss for the year	–	–	–	218 438	218 438
Closing balance 31-12-2020	**13 000**	**94 408**	**747 245**	**218 438**	**1 073 091**
Opening balance 01-01-2021	**13 000**	**94 408**	**747 245**	**218 438**	**1 073 091**
Distribution of profit	–	–	218 438	-218 438	–
-Dividends	–	–	-65 000	–	-65 000
Provision for the year	–	14 088	-14 088	–	–
Profit/loss for the year	–	–	–	131 881	131 881
Closing balance 31-12-2021	**13 000**	**108 496**	**886 595**	**131 881**	**1 139 971**

As per the 31 December 2021, the number of shares in Movestic Livförsäkring AB was 13,000 (13 000), with a quota value of 1,000 SEK. All shares carry one vote.

Notes

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

NOTE 1 – VALUATION AND ACCOUNTING PRINCIPLES
General information

The annual report for Movestic Livförsäkring AB, 516401-6718, relates to the financial year of 1 January–31 December 2021. The Company's address is Tegnergatan 2a, 103 99 Stockholm, Sweden. Movestic is a wholly owned subsidiary of Chesnara plc, Preston, UK (company no 4947166). Chesnara plc UK is the parent company for the group in which Movestic Livförsäkring is a subsidiary, and prepares the annual report for the group.

This annual report was approved for publication by the Board of Directors on the 25 March 2022.

Basis for the preparation of the report

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

Information regarding the preparation of financial reports

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

Important assumptions and judgements that affect the accounting

When financial reports are prepared it is assumed that the board of directors and company management make assumptions and judgements that affect the application of the accounting principles and the reported values of assets, liabilities, revenue, and costs. These judgements and assumptions are based on e.g. historical experiences and knowledge about the insurance industry. Assumptions that have had a significant impact on the financial reports for the financial year of 2021 are commented on below.

Classification, insurance contracts

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

Technical provisions

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

Pre-paid acquisition costs

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

Financial assets

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

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

IFRS 17, Insurance Contracts
In May 2017, The International Accounting Standards Board, IASB, published a new standard for recognition of insurance contracts, IFRS 17. This standard will replace the current standard, IFRS 4. It was adopted by the European Commission in November 2021 and will come into force for the financial year of 2023.

The aim of IFRS 17 is to establish a unified method for recognition of all types of insurance contracts, increase transparency about the earnings of insurance undertakings, and improve comparability between providers and countries. The definition of 'insurance contract' remains more or less unchanged from IFRS 4, whereas the rules for separation of investment and service components have changed.
Movestic will not implement IFRS 17 as a legal entity, as it contravenes Swedish law. The Swedish Financial Supervisory Authority has issued a clarification within FFFS 2019:23, which is currently out for consultation, clarifying that companies should not apply IFRS 17. This standard will, however, be implemented by Chesnara, the parent company. Movestic is monitoring developments within the regulatory area and has during the year intensified its efforts to prepare for and assess IFRS 17 and its impact on the Company's group reporting.

Current accounting principles

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

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

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

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

The reported values of assets are reassessed on each closing day. If there is an indication that depreciation is required, the asset’s recovery value is calculated. The recovery value is set to the highest of the asset’s expected net sales value and its value in use. The latter is determined based on the asset’s contribution to expected future cash flows. Depreciation is reported when an asset’s reported value is less than its recovery value. The depreciation is reported through the income statement.

A sum corresponding to the activated intangible assets developed inhouse during the year has been paid into a special, tied fund, the Fund for Development Costs. This fund is returned to unrestricted equity in case of write-off, depreciation or sale

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

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

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

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

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

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

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

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

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

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

Financial instruments not listed on an active market
The valuation techniques used for unlisted instruments traded on non-active markets are initially based on the underlying company’s private holdings or raising of capital, which is public information. For currently managed unlisted assets, the valuation is based on trading volumes, based on

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

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

An insurer can only apply this temporary exemption if they have not previously applied IFRS 9, other than certain particular requirements, and its activities are predominantly connected with insurance. For an operation to be considered predominantly connected with insurance, based on the situation on the 31 December 2027, two criteria must be met:

- the reported value of its liabilities related to contracts covered by IFRS 4, including e.g. deposit components separated from insurance contracts, must be significant compared with the total value of its reported liabilities
- the percentage of its liabilities connected with insurance, including liabilities for investment contracts that are not derivatives and valued to their fair value through the income statement, relative to the value of its total liabilities should be greater than 90 percent, or between 80 and 90 percent if the company does not engage in a significant activity unconnected with insurance.

The calculations carried out as per the closing date of 31 December 2017 show that the total value of the liabilities connected with insurance, i.e. technical provisions including technical provisions for which the policyholder carries the risk (28,848,477 KSEK) relative to the total liabilities (29,394,543 KSEK) amounted to approximately 98 percent, of which around 30 percent related to liabilities from contracts covered by IFRS 4.

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

Liquid assets
Liquid assets consist of cash and bank balances.

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

- Computers and similar equipment, 3 years
- Other machines and inventories, 5 years

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

Deferred acquisition costs
Expenditure for acquisitions of both insurance and investment contracts is activated through the balance sheet. The amortization rate of defered acquisition cost for products with underwriting year, 2012 or later, both regular and single premium have a flat amortization period of 10 years for private pension and 5 years for endowment insurance. Prior to 2012 amortization rate is 10-14 years regardles of product. For occupational pension plans, the amortization period is 17 years.
For policies taken out in 2012 or later, a flat depreciation period of 10 years is applied for private pension and 5 years for endowment insurance. The reported value of the activated acquisition costs is reassessed on each balance day, based on expected future cash flows. Depreciation is reported when the value of an asset is less than the expected future earnings. The depreciation is recognised through the income statement.
Since 2020, the evaluation method for depreciation has been enhanced and a risk-based approach is now used. The activated acquisition costs are written down when the future profit margin is deemed to be insufficient, and if the profit margin per product or underwriting year differ from the profit margin of the portfolio as a whole.
The depreciation is recognised through the income statement.

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

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

Technical provisions
Technical provisions are made up of Provisions for unearned premiums and unexpired risks, Provisions for outstanding claims, and Life insurance provisions, and correspond to the Company's obligations according to existing insurance contracts.

The provisions for unearned premiums are intended to cover the expected claims and operating costs for the remaining lifetime of insurance contracts already entered. The provisions for unearned premiums and unexpired risks for direct insurance are calculated based on the actual allocation of premiums written (pro rata temporis)

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

Liability adequacy test
On each closing date, the company carries out a liability adequacy test. A test is carried out on whether or not the reported insurance contract obligations are adequate. This is done by estimating future cash flows relating to accepted insurance contracts. The future cash flows are discounted and

compared to the reported value of the provisions, reduced by associated pre-paid acquisition costs and intangible assets. Any deficits are reported through the income statement.

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

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

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

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

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

In the unit-linked operation, fees are deducted from the customers' investment contracts to cover the costs of administration, claims handling, asset management, etc. Fees deducted as a result of Movestic Livförsäkring meeting its commitments are debited on a monthly basis and consist of both fixed and variable fees, both based on the value of the managed assets. The fees are recognised and adjusted on an ongoing basis, as and when Movestic Livförsäkring meets its commitments. As per the closing day, there are no outstanding claims or liabilities related to these fees.

Movestic Livförsäkring receives fund rebates from the fund companies, based on the value of assets under management. These fund rebates are recognised and adjusted monthly after determination of the basis of the calculations. The fees are recognised and adjusted on an ongoing basis, as Movestic Livförsäkring meets its commitments. As per the closing day, there are no outstanding claims or liabilities related to these fees. Fund rebates benefiting the policyholder are reported net against fund rebates received.
Other fees, including transfer fees and fees relating to lapses, are recognised as the services are provided. Starting from April 2021, fees relating to transfers and lapses consist only of a fixed administration fee. Payments are debited through redemption of the policyholders' units.

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

Investment income from the insurance operation
The total investment income for non-life insurance is reported in the non-technical result. Part of the investment income is transferred from the result of the asset management to the technical result for the non-life insurance operation. The non-life insurance operation is allocated an investment income amounting to the average of the incoming and outgoing technical provisions for the non-life operation, net of reinsurance. The interest rate is equivalent to a risk-free interest rate, which is set at the rate of a 90-day treasury bill. Since 2018, investment income from asset management activities is not transferred to the technical result for the non-life insurance operation if the interest on state debt is negative.

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

Operational leasing
All leasing agreements are classified as operational and reported in accordance with the rules for operational leasing. Costs related to operational leasing agreements are reported in the income statement for the year, on a straight-line basis over the period of lease.
The Company has decided not to apply IFRS 16 as a legal entity, in accordance with the exemption rules in RFR2.

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

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

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

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

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

deductible temporary variations and deductions for losses are only shown if it is probable that they will lead to reduced tax payments in the future.

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

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

Note 2 - Risks and risk management

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

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

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

The second line of defence consists of the independent control functions, i.e. the Risk Management, Compliance and Actuarial functions. The second line of defence is responsible for monitoring, checking, reviewing and following up the risk management work of the first line of defence. It also supports the CEO and the Board of Directors in their responsibility to ensure that the Company has in place an effective risk management system.

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

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

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

The role of the *Compliance function* is to help the Company to follow legislation, regulations, good business practice or standards, as well as all internal rules relating to the licenced operation. This function shall also help the operation to identify and evaluate significant risks of non-compliance. The Compliance Function is independent of, and objective in relation to, the business operation, and therefore reports direct to the CEO. Reports to the CEO are submitted on a regular basis and a Compliance Report is prepared for each board meeting. The Compliance Officer also leads the work to ensure that the Company's internal rules are designed to comply with all legal requirements and other regulations.

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

The *Internal Audit function* is an independent auditing function that reports direct to Movestic's Board of Directors. Its task is to review and assess the Company's systems for governance, risk management and internal control, and to recommend improvements within these areas. The Internal Audit function is outsourced and regulated through a service contract.

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

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

Below is a sensitivity analysis for market risk:

Risk element, MSEK	Exposure	Risk parameter	Change	Effect on result	Effect on equity
Interest-bearing assets	799,4	Changed interest rates	1%	46,7	36,7
Shares and participations	2,1	Changed share prices	10%	0,0	0,0
Currencies	27,6	Changed exchange rates	10%	2,8	2,5

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

The Company invests mainly in liquid assets, with debt covering assets invested in other interest-bearing assets. The exposure to interest and credit risk is limited, as the assets are mainly short-term and only relate to instruments with high ratings, to reduce the risk of default.

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

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

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

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

Financial liabilities, MSEK	< 1 year	> 1 years
Provisions for policies for which the policyholders carry the investment risk	1 145	52 255
Technical provisions	125	583
Liabilities, direct insurance	21	–
Liabilities, reinsurance	27	–
Other liabilities	85	112
	1 402	**52 950**

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

Credit and Counterparty risk
Credit and counterparty risk is the risk that a counterparty is unable to fulfil its commitments to Movestic Livförsäkring.

The main exposure is towards financial institutions and relates to assets held in deposit accounts with banks. The credit risk for these financial assets is deemed to be low.

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

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

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

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

Credit exposure , MSEK	2021	2020
Investments		
Interest-bearing loans to associated companies Bonds and other interest-bearing securities[1]	799,4	443,6
Receivables, direct insurance		
Intermediaries	2,5	0,3
Receivables reinsurers (including reinsurer´s share of technical provisions)		
Reinsurers, credit rating AA-	285,5	292,4
Cash and bank		
Counterparty with credit rating AA-	133,5	484,0

[1] Pertains to holdings in investment fund

Insurance risk

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

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

Within the risk insurance operation, the Company is mainly exposed to the risk of increased mortality, disability or sickness from the insurance policies provided to groups and individuals. These risks are managed partly through reinsurance, by analysing the results per insurance segment and settlement outcomes, and by ensuring the correct pricing of risks. In 2021 the Company had reinsurance cover for insurance risks in the shape of a quota share agreement, with retention of on average 54%, as well as a catastrophe reinsurance agreement. The reinsurance program also includes financial reinsurance, which also covers commissions for the unit-linked operation until the end of 2019.

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

Concentration risk in the insurance portfolio

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

Concentration of Insurance risk

Benefits assured KSEK	Before reassurance	After reassurance
0-250	11%	9%
250-500	41%	54%
500-750	5%	5%
750-1000	13%	12%
Over 1 000	30%	20%
Totalt	100%	100%

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

Sensitivity analysis for insurance risk

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

Sensitivity analysis, KSEK	Pre-tax profit	Shareholders equity
5% increase in loss ratio	-35 387	-28 097
1% decrease in discount rate	-29 119	-23 121

Claims cost trend
The tables below show, per claims year, how the estimated claims costs changed as our knowledge about the claims increased. For each year in the period shown, i.e. 2016-2021, the claims cost developed positively compared to our initial estimates.

Claims cost development	2016	2017	2018	2019	2020	2021
Gross in MSEK per claims year						
Estimated final claims cost						
At the close of the claims year	384,6	357,9	327,7	218,2	183,7	145,2
One year later	280,8	265,6	214,6	156,7	146,0	
Two years later	245,7	258,4	210,0	133,2		
Three years later	237,7	229,0	202,9			
Four years later	207,2	215,1				
Five years later	200,7					
Current estimate of total claims cost	200,7	215,1	202,9	133,2	146,0	145,2
Cumulative payments	-147,9	-144,9	-114,9	-92,6	-56,2	-37,1
Current provisions	52,7	70,1	88,0	40,5	89,8	108,1
Provisions for previous claims years						258,4
Total provisions						707,7

Net in MSEK per claims year	2016	2017	2018	2019	2020	2021
Estimated final claims cost						
At the close of the claims year	123,3	126,4	107,7	107,4	118,7	80,0
One year later	77,1	22,9	117,0	60,2	91,1	
Two years later	65,1	124,1	112,2	52,6		
Three years later	115,0	108,1	106,2			
Four years later	90,4	99,1				
Five years later	87,2					
Current estimate of total claims cost	87,2	99,1	106,2	52,6	91,1	80,0
Cumulative payments	-54,1	-53,7	-49,6	-35,2	-39,4	-27,6
Current provisions	33,2	45,4	56,6	17,4	51,7	52,4
Provisions for previous claims years						173,7
Total provisions						430,4

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

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

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

Business risks
Business risks relate to large-scale, structural risk factors. Business risks are divided into the following sub-categories:
Strategic risk is the risk of losses due to the Company's general business strategy, business decisions, or a failure to act on changes in society or the industry.

Political risk is the risk of losses due to political or societal changes, such as changes to legislation or other external regulations.

Other business risks are risks that do not fit into either of the above categories, such as the risk of losses because of competition from other companies, or price pressures on a competitive or politically regulated market, which cannot be accommodated by reducing costs.

The Risk Management function assesses the business risks to which the Company is exposed on a regular basis, in collaboration with relevant business and operational managers. Business risks are measured, monitored and reported according to similar processes and principles as those used for operational risks, however, using an approach specially adapted to this particular risk category. Business risks are re-evaluated at least once a year, and follow-ups are carried out as required. Risks deemed to be particularly high are discussed and challenged by Movestic's leadership and the Risk Management function on a quarterly basis.

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

Note 3 - Premiums written

Total	2021	2020
Direct insurance, Sweden	164 524	204 240
Direct insurance, rest of the EEA	22	134
	164 546	**204 374**

Life insurance operation	2021	2020
Individual insurance	115 663	134 568
Group insurance	36 611	52 519
	152 274	**187 087**

All premiums related to risk insurance and are paid in installments.

Note 4 -Revenue from contracts with customer

	2021	2020
Policy based fees		
Administration fees	161 112	148 767
Transfer fees	5 929	19 517
Fund rebates	322 495	281 454
	489 536	**449 738**

Total income from investment contract 555 144 (498 877). Items not inlduded in revenue from contracts with customer are yield tax 65 632 (49 144) and other -23,6 (-5.1)

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

	2021	2020
Transferred investment income	–	–
Interest rate	-0,31%	-0,32%

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

Note 6 - Claims incurred

	2021			2020		
Claims incurred, non-life insurance operation	**Gross**	**Ceded**	**Net**	**Gross**	**Ceded**	**Net**
Claims paid	-17 899	3 616	-14 282	-29 806	4 155	-25 651
Cost of claims handling	-2 132	–	-2 132	-2 260	–	-2 260
	-20 031	**3 616**	**-16 413**	**-32 066**	**4 155**	**-27 910**

	2021			2020		
Claims incurred, life insurance operation	**Gross**	**Ceded**	**Net**	**Gross**	**Ceded**	**Net**
Claims paid	-75 805	29 350	-46 456	-82 482	39 106	-43 375
Cost of claims handling	-5 635	–	-5 635	-5 001	–	-5 001
	-81 458	**29 350**	**-52 109**	**-87 482**	**39 106**	**-48 376**

Note 7 - Operating expenses

Non-life insurance operation	2021	2020
Acquisition costs	-3 546	-7 867
Administrative costs	-12 363	-9 232
Commission and profit share from ceded reinsurance	68	3 592
	-15 841	**-13 507**

Life insurance operation		
Acquisition costs	-253 758	-222 041
Changes in Pre-paid acquisition costs	-18 927	-27 310
Administrative costs	-203 075	-169 194
Commission and profit share from ceded reinsurance	25 351	48 966
	-450 410	**-380 578**
Claims handling costs [1]	-7 061	-6 450
Total operating expenses	**-473 312**	**-400 535**

Total cost per type of expense		
Personnel costs	-154 793	-133 741
Costs of premises	-9 283	-7 221
Depreciations	-16 852	-11 493
Capital yield tax [2]	-65 632	-49 144
Other [3]	-226 743	-198 936
	-473 312	**-400 535**

Fees and remunerations to auditors		
Ernst and Young AB		
Auditing fees	**-1 321**	**-1 311**

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

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

Note 8 - Investment income, life insurance operation

Income	2021	2020
Interest income	-3	56
Dividend	–	71 022
Realised gains		
Bonds and other interest-bearing securities	13 721	
Shares and participations	1 985	495
Exchange-rate gains	1 260	-
	16 964	**71 572**

Costs		
Interest costs	-13 427	-13 699
Realised losses		
Bonds and other interest-bearing securities	–	-20 714
Shares and participations	–	-3 981
Exchange-rate losses	–	-4 033
	-13 427	**-42 428**

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

Note 9 - Unrealised gains and losses from investments

	2021	2020
Value increases		
Shares and participations	55	3
Bonds and other interest-bearing securities	–	454
	55	**457**
Value decreases		
Shares and participations	–	-1 257
Bonds and other interest-bearing securities	-17 245	–
	-17 245	**-1 257**

Note 10- Impairment subisdiaries

	2021	2020
Impairment of Subsidaries [1]	-5 000	-9 441

[1] In 2021, Movestic Kapitalförsökring received a shareholder contribution corresponding to SEK 5 million from Movestic Livförsäkring to improve the company's capital adequacy. A write-down corresponding to the shareholder contribution has been made.

Note 11 - Tax on the year's result

Yield tax	**2021**	**2020**
Yield tax for the year	-65 632	-49 144

Tax on profit/loss for the year		
Current tax		
Tax cost for the period	–	-2 837
Tax relating to earlier periods	-88	0
	-88	**-2 837**
Deferred tax		
Deferred tax relating to temporary variations	12	-21
	12	**-21**

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

	2021	**2020**
Profit/loss for the year before tax	131 956	221 296
- of which business subjected to yield tax	156 778	154 273
- of which business subjected to income tax	-24 822	67 022
Profit/loss for income tax purposes	-24 822	67 022
Tax based on a nominal tax rate	5 113	-14 343
Non-taxable income	83	68
Non-tax deductible costs	-383	-377
Liquidation associated companies	–	15 199
Impairment, subsidiary	-1 030	-2 020
Adjustment net interest deduction	-1 736	-1 363
Tax loss carryforward not activated	-2 047	–
Tax relating to previous periods	-88	–
Deferred tax	12	-21
Reported tax cost	**-76**	**-2 858**

Total tax losses not activated amounts to 9,936,014 (0) KSEK.

Reported tax assets and liabilities	**2021**	**2020**
Current tax assets	399	387
All changes in deferred tax assets for the year have been reported on the income statement		

Applied tax rates		
Tax rates for calculation of income tax	20,6%	21,4%
Yield tax on pension funds, pension plans	15,0%	15,0%
Yield tax on pension funds, asset insurance	30,0%	30,0%
Average government borrowing rate for tax purposes, pension plans	0,5%	0,5%
Government borrowing rate for tax purposes, asset insurance	1,51%	1,51%

Note 12 - Other intangible assets

	2021	**2020**
Accumulated acquisition value		
Opening acquisition value	308 340	303 638
Purchases	29 974	36 721
Disposals	–	-32 019
Closing acquisition value	**338 314**	**308 340**
Accumulated amortization according to plan		
Depreciation	-213 933	-235 361
Write downs	-15 886	-10 591
Disposals	–	32 019
Closing accumulated amortizations and depreciations	**-229 818**	**-213 933**
Closing net value	**108 496**	**94 408**

Note 13 - Investments in group companies and associated companies

	Corp.ID	Seat of the board	Number	Share of equity, %	2021 Book value	2020 Book value
Shares in group companies						
Movestic Kapitalförvaltning AB	556760-8780	Stockholm	1 400	100	12 100	12 100
Movestic Fund Management S.A.	B 213 292	Luxemburg	1 000	100	4 964	4 964
					17 064	**17 064**

Note 14 - Shares and participations

	2021-12-31		2020-12-31	
	Acquisition value	Actual value	Acquisition value	Actual value
Shares and participations				
Sweden	24	26	66	66
Europe	106	188	135	175
	130	**214**	**201**	**241**
-of which listed	**130**	**214**	201	241

Note 15 - Bonds and other interest-bearing securities

	2021-12-31		2020-12-31	
	Acquisition value	Actual value	Acquisition value	Actual value
Securities issued by:				
The Swedish Government	702 339	697 572	431 357	443 625
Other issuers	101 998	101 794	4	5
	804 337	**799 366**	**431 362**	**443 630**

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

Note 16 - Other financial investment assets

	2021-12-31		2020-12-31	
	Acquisition value	Actual value	Acquisition value	Actual value
Company-owned endowment policies	6 880	4 457	6 224	4 323
	6 880	**4 457**	**6 224**	**4 323**

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

Note 17 - Assets covered by the policyholders' beneficiary rights

	2021-12-31	2020-12-31
Interest-bearing securities [1]	412 697	412 712
Investment assets for which the policyholders bear the investment risk [2]	53 399 322	40 705 339
	53 812 019	**41 118 051**

[1] Assets corresponding to the sum of best estimation of future cash flows according to FRL 2010:2043 incl SFS 2015:700, 5 chapter §§6,7 and 9-12, and a risk margin in accordance with §13. Interest bearing securities not included statutory balance sheet.

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

Note 18 - Provisions for unearned premiums and unexpired risks

	2021-12-31			2020-12-31		
	Gross	Ceded	Net	Gross	Ceded	Net
Opening balance	2 628	-230	2 397	2 778	-1 343	1 435
Change to provisions	460	136	596	-150	1 112	962
Closing balance	**3 088**	**-94**	**2 994**	**2 628**	**-230**	**2 397**

Note 19 - Life insurance provisions

	2021-12-31			2020-12-31		
	Gross	Ceded	Net	Gross	Ceded	Net
Opening balance	25 095	-9 193	15 902	24 448	-11 575	12 874
Change to provisions	-5 544	1 171	-4 373	647	2 382	3 029
Closing balance	**19 551**	**-8 022**	**11 529**	**25 095**	**-9 193**	**15 902**

Note 20 - Outstanding claims

	2021-12-31			2020-12-31		
	Gross	Ceded	Net	Gross	Ceded	Net
Opening balance	749 191	-282 987	466 204	842 323	-310 155	532 168
Exchange rate changes	-63	-132	-195	-1 613	694	-919
Change to provisions	-41 349	5 712	-35 637	-91 519	26 473	-65 047
Closing balance	**707 780**	**-277 408**	**430 372**	**749 191**	**-282 987**	**466 203**
Specification, closing balance						
Non-life insurance operation						
Reported but not settled claims (RBNS)	153 812	-23 304	130 508	180 404	-27 852	152 552
Incurred but not reported claims (IBNR)	127 065	-14 951	112 114	145 833	-17 963	127 869
	280 876	**-38 255**	**242 622**	**326 237**	**-45 816**	**280 421**
Life insurance operation						
Reported but not settled claims (RBNS)	296 969	-167 155	129 814	278 859	-162 073	116 787
Incurred but not reported claims (IBNR)	129 933	-71 998	57 935	144 094	-75 099	68 995
	426 903	**-239 153**	**187 750**	**422 953**	**-237 172**	**185 782**
Total outstanding claims	**707 779**	**-277 408**	**430 371**	**749 191**	**-282 987**	**466 203**

Note 21 - Receivables, direct insurance

	2021-12-31	2020-12-31
Receivables, policyholders	21 435	81 378
Receivables, intermediaries	2 465	301
Closing balance	**23 901**	**81 679**

Note 22 - Other receivables

	2021-12-31	2020-12-31
Deferred tax assets	399	8 634
Other receivables	15 511	35 356
of which receivables, goup companies	4 906	23 056
Closing balance	**15 911**	**43 990**

Note 23 - Tangible fixed assets

	2021-12-31	2020-12-31
Accumulated acquisition value		
Opening acquisition value	17 382	16 335
Purchases	935	1 047
Disposals	-6 462	0
Closing acquisition value	**11 855**	**17 382**
Accumulated depreciation according to plan		
Opening depreciation	-14 165	-12 847
Depreciation for the year	-1 394	-1 318
Disposals	6 462	–
Closing depreciation according to plan	**-9 097**	**-14 165**
Closing net value	**2 758**	**3 217**

Note 24 - Deferred acquisition costs

Deferred acquisition costs, investment contracts

	2021-12-31	2020-12-31
Opening acquisition cost	1 819 127	1 711 236
Activation for the year	105 473	107 891
Closing acquisition cost	**1 924 600**	**1 819 127**
Opening amortization	-1 090 563	-955 363
Amortization for the year	-124 401	-123 173
Depreciation for the year[1)]	–	-12 028
Closing amortization and depreciation	**-1 214 964**	**-1 090 563**
Closing net value, investment contracts	**709 636**	**728 564**

The amortization rate of defered acquisition cost for products with underwriting year, 2012 or later, both regular and single premium have a flat amortization period of 10 years for private pension and 5 years for endowment insurance. Prior to 2012 amortization rate is 10-14 years regardles of product. For occupational pension plans, the amortization period is 17 years.

Deferred acquisition costs, insurance operation

	2021-12-31	2020-12-31
Closing net value, insurance operation	1 869	2 500
Total closing net value	**711 505**	**731 063**

Note 25 - Other deferred costs and accrued income

	2021-12-31	2020-12-31
Accrued income from investment contracts	8 487	60 853
Other deferred costs	67 464	8 696
Closing balance	**75 951**	**69 549**

Note 26 - Appropriation of profit

SEK 1 018 475 570 is at the disposal of the general meeting of shareholders. The Board of Directors proposes to distribute SEK 38 000 000 as dividend to the shareholders and that SEK 980 475 570 is carried forward to new account.

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

Conditional dividends

	2021-12-31	2020-12-31
Opening balance	3 701 838	3 678 865
Payments received	7 100 040	475 311
Payments made	-939 061	-585 052
Value change, including dividends	2 306 769	170 535
Other changes	-71 449	-37 821
Closing balance	**12 098 137**	**3 701 838**

The conditional dividends relate to custody account commitments.

Unit-linked

	2021-12-31	2020-12-31
Opening balance	37 002 754	36 306 335
Payments received	3 307 893	3 262 857
Payments made	-6 228 274	-3 278 887
Value change, including dividends	7 381 277	903 416
Other changes	-162 287	-190 966
Closing balance	**41 301 363**	**37 002 754**

Of the total number of unit-linked contracts and contracts with conditional dividends, 77304 (153 343) KSEK was uninvested as per the 31-12-2021. These have been reduced by management and risk fees amounting to 211 218 (221 698) KSEK.

Note 28 - Other provisions

Provisions for pensions and similar commitments

	2021-12-31	2020-12-31
Endowment policies [1)]	4 457	4 323
Special payroll tax [1)]	1 326	1 288
Tax liabilites	5 404	–
Other provisions	5915	840
Closing balance	**17 103**	**6451**

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

Note 29 - Liabilities, direct insurance

	2021-12-31	2020-12-31
Liabilities, policyholders	9 790	28 615
Liabilities, intermediaries	10 873	10 404
	20 662	**39 018**

Note 30 - Other liabilities

	2021-12-31	2020-12-31
Liabilities, VAT	604	390
Debts to suppliers	6 880	14 215
Employees' taxes (PAYE)	12 852	11 054
Other interest-bearing liabilities	173 822	283 307
Premium taxes	-210	3 315
Other liabilities	2 871	2 239
	196 818	**314 521**

Other interest-bearing liabilities, 173 822 (283 307) KSEK, consist entirely of liabilities to reinsurers. The Company has taken out a quota share reinsurance agreement to cover its unit-linked operation, which includes a financial reinsurance section. This section states that the reinsurer pays its share of the up-front commission, which is then repaid over a period of five to eight years. This liability is adjusted on a quarterly basis, with repayment, including interest. The interest is calculated according to an agreed model based on market interest rates.

Note 31 - Other accrued costs and deferred income

	2021-12-31	2020-12-31
Accrued personnel costs	34 312	32 779
Accrued commission costs	6 741	9 001
Other accrued costs	4 332	3 243
	45 385	**45 023**

Note 32 - Contingent liabilities

Contingent liabilities for costs associated with the liquidation of funds in the Sicav managed by the subsidiary Movestic Fund Management. The Company has accepted liability for payment of any costs associated with the discontinuation of funds included in the Sicav when the subsidiary Movestic Fund Management is wound up.

Note 33 - Average number of employees, salaries and remunerations

	2021			2020		
Average number of employees	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Sweden	63	61	124	59	57	116

	2021			2020		
Gender distribution of the Company management	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Board of Directors	5	1	6	4	1	5
Other leading positions	5	5	10	5	5	10
Total	**10**	**6**	**16**	**9**	**6**	**15**

Salaries, other remunerations and social security contributions	2021	2020
Board of Directors and CEO	5 504	6 723
Other employees	82 627	73 898
Total	**88 131**	**80 621**
Social security contributions	57 866	49 110
of which pension contributions	22 100	17 854

Information about salaries, remunerations and other benefits

Salaries and remuneration
No remuneration for being a member of the Board is paid to Company employees. The remuneration to the CEO and persons in other leading positions consists of a basic salary, variable remuneration, other benefits and pension.

Variable remuneration
Variable remuneration is paid as salary.

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

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

The latest available information from the FPK comes from the published part-year report for the first half of 2021. According to this, the collective level of consolidation amounted to 135 percent (123), calculated based on distributable assets relative to commitments to policyholders. Assets under management amounted to 17,9 billion SEK (16,3 billion SEK). The number of employers included was 100 and the number of insured persons was 26,000 as per December 2020.

The fees paid by the Company for this scheme for 2021 amounted to 4 912 KSEK (4 337 KSEK). The fees for 2022 are expected to be in line with the fees for 2021.

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

Final payment
The CEO is entitled to salary during notice period of 6 month if the Company terminates the employment. Additionally, the CEO has a serverance pay of 12 months after the notice period.

Remuneration policy
The Board of Directors has adopted a Remuneration Policy. The policy states that the Board determines the remuneration to the CEO and sets targets and levels of variable remunerations for persons in leading positions. The Board also determines whether the targets set in relation to the variable remuneration have been met. The board member responsible for preparing decisions about variable remuneration is the CEO of Chesnara. Where required, matters can be referred to the remuneration committee of the parent company, Chesnara plc. The Board can decide that no variable remuneration should be paid.

There are two different models for variable remuneration:

1. The CEO and some holders of leading positions have a long-term incentive program, made up of two parts. The first part is the development of the Company's financial position measured as EcV (Economic Value) and cash generation. The results are adjusted for any capital injections and the variable remuneration is limited to certain maximum amounts, set for each position-holder concerned. The calculation models consider the fact that the result is affected by the main risks to which the operation is exposed.

The second part is based on target-related performance at company, department or individual level, where both financial and non-financial criteria are considered.

Variable remuneration based on target related performance results in no more than four months' salary. The total variable remuneration can amount to no more than 60 percent of the fixed annual salary.

2. The category 'other holders of leading positions' includes some persons without any variable remuneration, and others that are covered by an incentive program based on achieved targets. These persons can receive a maximum of 50% of their fixed salary for the year in which the variable remuneration was earned. The intention is that the targets should be designed in such a way that they lead to long-term improvement in the Company's performance.

For these members of the leadership team, target-achievement is assessed based on set criteria after the end of the year.

For specially regulated personnel with variable remunerations in excess of 100 KSEK, payment of 60 percent of the variable remuneration set by the Board should be deferred for a period of three years. The deferred portion can be paid pro rata once a year during the period of deferral, starting no earlier than one year after the variable remuneration was agreed.

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

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

Remuneration to holders of leading positions 2021

	CEO [1]	Other holders of leading positions	Other board members	Total	Totalt
Salaries/director's fees	3 856	12 252	–	350	16 458
Variable remuneration	1 155	1 548	–	–	2 703
- of which provisions for variable renumeration 2020	2 326	3 802	–	–	6 128
Benefits	144	339	–	–	483
Pension contributions	1 135	4 902	–	–	6 037
Social contributions	1 849	5 555	–	–	7 404
	8 139	**24 596**	**–**	**350**	**33 085**

Remuneration to holders of leading positions 2020

	CEO [1]	Other holders of leading positions	Other board members	Total	Totalt
Salaries/director's fees	3 927	10 764	–	405	15 096
Variable remuneration	2 269	2 382	–	–	4 651
- of which provisions for variable renumeration 2019	2 269	3 748	–	–	6 017
Benefits	122	358	–	–	480
Pension contributions	1 151	3 911	–	–	5 062
Social contributions	2 226	5 064	–	–	7 290
	9 695	**22 479**	**–**	**405**	**32 579**

[1] To the former CEO, Lars Nordstrand, who held the post of CEO until the 31 March 2017, variable remuneration of 147 (570) KSEK was paid.

Remunerations and benefits relating to 2021 and 2020, distributed between the categories persons in leading positions, employees who could affect the Company's risk level, and other employees are detailed below.

Registered remunerations 2021

	Average no of employees	Salaries/ director's fees	Variable remuneration [1]	Benefits	Pension contributions	Social contributions	Total
Holders of leading positions	9	16 458	2 703	483	6 037	7 404	33 086
Employees who could affect the Company's risk level [2]	2	1 981	–	32	507	746	3 266
Other employees	113	63 371	2 480	1 625	15 557	26 612	109 645
Total	**124**	**81 810**	**5 183**	**2 140**	**22 101**	**34 762**	**145 997**

Registered remunerations 2020

	Average no of employees	Salaries/ director's fees	Variable remuneration [1]	Benefits	Pension contributions	Social contributions	Total
Holders of leading positions	8	15 096	4 651	480	5 062	7 290	32 579
Employees who could affect the Company's risk level [2]	2	1 967	–	32	423	720	3 142
Other employees	106	55 569	1 283	1 543	12 369	23 245	94 009
Total	**116**	**72 632**	**5 934**	**2 055**	**17 854**	**31 255**	**129 730**

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

Changes to liabilities for variable remuneration

	2021	2020
Opening balance	14 466	14 881
Remuneration earned during the year	10 284	9 732
Paid remunerations, earned in previous years	-5 341	-6 255
Adjusted unpaid earned remunerations	-5 140	-3 892
Closing balance	**14 269**	**14 466**
-of which deferred remunerations	3 985	4 734

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

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

Financial assets per the 2020-12-31	Financial assets reported at actual value in the income statement	Loans and customer re-ceivables	Reported value	Actual value	Temporary exception from IFRS 9 Financial instrument, actual value [1]: Financial assets with contractual cashflows SPPI [2]	Other financial assets [3]
Shares and participations	241	–	241	241	–	241
Bonds and other inter-est-bearing securities	443 630	–	443 630	443 630	–	443 630
Assets for conditional dividends	3 701 838	–	3 701 838	3 701 838	–	3 701 838
Unit-linked assets	37 003 501	–	37 003 501	37 003 501	–	37 003 501
Other financial investment assets	4 323	–	4 323	4 323	–	4 323
Receivables, direct insurance	–	81 679	81 679	81 679	81 679	–
Other receivables	–	35 356	35 356	35 356	35 356	–
Cash and bank	–	484 004	484 004	484 004	484 004	–
Accrued income	–	60 397	60 397	60 397	60 397	0
Total	**41 153 531**	**661 436**	**41 814 968**	**41 814 968**	**661 436**	**41 153 531**

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

Financial assets per the 2020-12-31	Level 1	Level 2	Level 3	Total
Shares and participations	241	–	–	241
Bonds and other interest-bearing securities	443 630	–	–	443 630
Assets for conditional dividends	3 701 838	–	–	3 701 838
Unit-linked assets	37 003 501	–	–	37 003 501
Other financial investment assets	4 323	–	–	4 323
Total	**41 153 531**	**–**	**–**	**41 153 531**

[1] Information is given to stimulate the categorisation used in IFRS9, as the Company is applying the temporary exemption from implementation of IFRS9 Financial Instruments.

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

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

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

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

Financial liabilities as per the 2020-12-31	Financial liabilities reported at actual value in the income statement	Other financial liabilities	Reported value	Actual value
Conditional dividends	3 701 838	–	3 701 838	3 701 838
Unit-linked contracts	37 002 754	–	37 002 754	37 002 754
Liabilities, direct insurance	–	39 018	39 018	39 018
Liabilities, reinsurance	–	10 084	10 084	10 084
Other liabilities	–	314 521	314 521	314 521
Accrued costs	–	45 023	45 023	45 023
Total	**40 704 591**	**408 645**	**41 113 237**	**41 113 237**

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

Financial liabilities as per the 2020-12-31	Level 1	Level 2	Level 3	Total
Conditional dividends	3 701 838	–	–	3 701 838
Unit-linked contracts	37 002 754	–	–	37 002 754
Total	**40 704 591**	**–**	**–**	**40 704 591**

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

Level 1
Valued at listed rates on an active market.

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

Level 3
Assets classified as level 3 are unlisted and the valuation of the assets is based on unobservable data such as transaction prices from trading on the OTC market or through company-specific information via company management and financial reports.

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

Note 35 - Leasing

	2021	2020
Current leasing agreements		
within one year	9 342	9 842
more than one year, but within five years	22 023	31 778
more than five years	1 519	1 697

The total leasing cost for the year amounted to 32 884 (43 317) KSEK.

Note 36 - Information on affiliated companies

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

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

Transactions between Movestic Livförsäkring AB and affiliated companies
Service purchases of 7,1 (6.6) MSEK relate to an annual management fee payable to the parent company.

The Company has entered into agreements with its subsidiary, Movestic Kapitalförvaltning AB, concerning rental of office premises and sales of administrative services, 1.9 (2.7) MSEK in 2021. No group contributions were paid from Movestic Kapitalförvaltning AB to the parent company Movestic Livförsäkring AB in 2021.

The subsidiary Movestic Fund Management in Luxembourg is put into liquidation, no sales of administrative services during 2021 SEK 0.0 (0.5) million. Funds in Movestic Sicav have been closed down and the capital moved to new funds in Sweden. No fund rebate received from Movestic Sicav during the year 0 (SEK 23 million).

Associate Modernac S.A. was liquidated in 2020 with a net result of SEK 71 million has been obtained.
No other transactions involving key persons in leading positions occurred than those specified in Note 33.

Overview of transactions with affiliated companies

	Year	Sales of services to affiliated companies	Purchases of services from affiliated companies	Group contribu-tions	Income from invest-ment contract	Other	Claims on affiliates as per December 31	Debts to affiliates as per December 31
Parent company								
Chesnara plc	2020	–	6 557	–	–	–	–	–
Chesnara plc	2021	–	7 106	–	–	–	–	–
Subsidiaries								
Movestic Kapitalförvaltning AB	2020	2 657	–	–	–	–	23 056	–
Movestic Kapitalförvaltning AB	2021	1 952	–	–	–	–	4 906	–
Movestic Fund Management	2020	563	–	–	–	–	–	–
Movestic Fund Management	2021	0	–	–	–	–	-	–
Movestic SICAV	2020	–	–	23 202	–	–	–	–
Movestic SICAV	2021	–	–	–	–	–	–	–
Associated companies								
Modernac S.A.	2020	–	–	–	–	71 021	–	–
Modernac S.A.	2021	–	–	–	–	–	–	–

Note 37 - Events after the closing day

Due to the Russian invasion of Ukraine and the uncertain geopolitical development in Europe, as well as the accompanying effects on investment markets and the economy, Movestic is closely following the development, in particular the continued impact on funds in Movestic's offering special exposure to the area. Movestic has a small number of funds in the fund offering that are currently affected and maintain a close dialogue with affected partners and customers.

Further a decision has been taken by the Board to terminate all variable remuneration besides for CEO remuneration. These changes will enter into force during 2022.

STOCKHOLM, OF MARCH 2022

David Brand
Chairman of the board

Eamonn Flanagan

David Rimmington

Linnéa Ecorcheville
CEO

Steven Murray

Anders Larsson

Our Auditor’s Report was submitted on the 2022
Ernst & Young AB
(Signature on the Swedish original)

Daniel Eriksson
Authorised public account

Auditor's report

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

Report on the annual accounts

Opinions

We have audited the annual accounts of Movestic Livförsäkring AB for the year 2021. The annual accounts of the company are included on pages 24-52 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Insurance Companies and present fairly, in all material respects, the financial position of the company as of December 31, 2021, and its financial performance for the year then ended in accordance with the Annual Accounts Act for Insurance Companies.

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

Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the company in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Measurement of technical provisions

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

Description

As of December 31, 2021, technical provisions amounted to 707 779 KSEK. Technical provisions are to cover the expected future payments for all incurred claim, including claims not yet reported to the company, called provision for IBNR. The technical provisions are calculated using statistical methods and through individual assessment of specific claims. The provision for the future commitments is calculated using actuarial methods. Measurement of technical provisions has been considered a key audit matter due to the size of the balance sheet item and as the valuation requires management to make estimate and assumptions.

How our audit addressed this key audit matter

As part of our audit we have assessed the company's governance and internal control related to the provisioning process. Moreover, we have assessed the appropriateness in methods and assumptions used and have made an independent analysis of the technical provisions. Our review has included assessing the additional IBNR provision made as a result of Covid-19. We have performed our audit procedures on technical provisions with the support of our internal actuaries.

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

Measurement of deferred acquisition costs

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

Description

As of December 31, 2021, deferred acquisition costs amounted to 711 505 KSEK. The balance sheet item consists of capitalized expenditures related to insurance- and investment contracts. The expenditures are to be depreciated over the period estimated to generate a profit margin which at least covers the acquisition costs. The depreciation schedule should take expected annulments into consideration. An impairment test is performed annually on homogeneous insurance contracts to assess whether the conditions for capitalization are met. Measurement of deferred acquisition costs has been considered a key audit matter due to the size of the balance sheet item and as the valuation requires management to make estimate and assumptions.

How our audit addressed this key audit matter

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

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

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

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 3-23. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Insurance Companies. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

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

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Movestic Livförsäkring AB for the year 2021 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

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

Ernst & Young AB, Hamngatan 26, 111 47 Stockholm, was appointed auditor of Movestic Livförsäkring AB by the general meeting of the shareholders on the May 28, 2021 and has been the company's auditor since the May 8, 2019.

Stockholm March 28, 2022
Ernst & Young AB

Daniel Eriksson
Authorized Public Accountant

Auditor's report on the statutory sustainability statement

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

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2021 on pages 12–18 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinions

A statutory sustainability statement has been prepared.

Stockholm 28 March 2022
Ernst & Young AB

Daniel Eriksson
Authorized Public Accountant

Movestic Livförsäkring AB
Org.nr. 516401-6718
Box 7853
103 99 Stockholm
Besöksadress: Birger Jarlsgatan 57 B
www.movestic.se