

# Storebrand Helseforsikring AS Annual Report

2022



# Annual Report 2022 Storebrand Helseforsikring AS

## ABOUT THE COMPANY

Storebrand Helseforsikring is 50 per cent-owned by Storebrand ASA and 50 per cent-owned by Ergo International AG. The company offers medical expense insurance in the corporate and retail markets in Norway and Sweden. Its head office is located at Professor Kohts vei 9, Lysaker, Bærum. The company conducts its business through the head office in Norway and the branch in Sweden.

## ACCOUNT OF THE FINANCIAL STATEMENT

(Numbers in brackets are comparable figures from 2021).

The annual accounts have been drawn up in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies which are in accordance with international accounting principles (IFRS), but with some adjustments. The result before tax expense was minus NOK 2.6 million (NOK 45.7 million).

Gross premium written was NOK 1 105.4 million (NOK 972.8 million), a 13.6 per cent increase compared with 2021. Premium income for own account was NOK 1 054.5 million (NOK 930.0 million). The largest growth in premium income is in Norway with 20 per cent. Increased premium income are due to higher sales and price adjustments. The demand for medical expense insurance in the market remains high and Storebrand Health has a leading market position in Norway in terms of written premiums. Health insurance have increased in popularity as an employee benefit.

Claims incurred for own account were NOK 882.1 million (NOK 706.4 million) for the year, an increase of 24.9 per cent in 2022. The claims ratio was 83.7 per cent (76.0 per cent), an increase of 7.7 percentage points in 2022. The frequency of use and thus costs to cover psychological treatments has risen in 2022. The company assumes that this is due to the Covid-19 pandemic. Notified increases in premium prices in both Norway and Sweden is implemented from 2023. The company is monitoring the claims development closely to ensure a sound profitability.

Insurance-related operating costs were NOK 180.1 million (NOK 185.6 million). The cost ratio was 17.1 per cent (20.0 per cent), a 2.9 percentage point decrease from the previous year. This year's decrease was expected because in 2021 the implementation of the new IT-system caused a temporary cost increase. The combined ratio was 100.7 per cent (95.9 per cent) in 2022.

Storebrand Helseforsikring achieved a financial return of 1.03 per cent (0.76 per cent) in the investment portfolio. At year end 2022 the investment portfolio consists of a bond fund issued by Storebrand Kapitalforvaltning AS.

The result of the non-technical account totalled to NOK 4.7 million (NOK 7.5 million) for the year. Currency fluctuations resulted in a total net currency result, including the effects of currency derivatives, of minus NOK 0.8 million (+ NOK 2.8 million). In 2022 the Swedish krone has weakened against the NOK. The result exchange rate changed from 1.002 to 0.9506 and the balance sheet exchange rate from 0.974 to 0.9454. The company has a conservative investment strategy, and the investment portfolio has low credit risk and short interest duration.

Total comprehensive result before tax ended at a loss of NOK 2.7 million (profit of NOK 45.7 million). The tax expense for 2022 was an income of NOK 1.1 million (cost of NOK 11.1 million). Total comprehensive loss after tax expense is minus NOK 1.6 million (NOK +34.6 million).

Pursuant to the Norwegian accounting legislation, the board confirms that the company meets the conditions for preparing the financial statements on the basis of a going concern assumption.

In the best judgment of the board, the annual financial statement for 2022 has been prepared in accordance with applicable accounting standards, and the information in the financial statement provides a fair and true picture of the company's assets, liabilities, financial standing and results. The board has no knowledge of events of material importance to the 2022 financial statement having occurred after the reporting date.

## RISKS

Storebrand Helseforsikring continuously follows up and governs the company's risks.

### BUSINESS RISK

Identification and management of business risk is an integral part of the company's managerial responsibilities. Systematic risk assessments are performed at the organization in relation to operational risks and adopted goals and strategies. These risk analyses are compiled into risk reports with associated risk-reducing measures that are presented to the company's board not less than yearly.

### FINANCIAL RISK

Storebrand Helseforsikring's securities portfolio is mainly exposed to Norwegian credit papers with a good credit rating and short interest

rate duration through the investment in the bond fund Storebrand Korte Renter SII. Assessment of price risk, interest rate risk, credit risk, counterparty risk and currency risk are central to management of the securities portfolio. The company conducts regular stress tests to analyze how any unusual market conditions affect the company's securities portfolio. The company checks that the risk level is always appropriate in terms of the company's ability to shoulder risk, and exposure is followed up against the limits set in the company's investment strategy.

#### **INSURANCE RISK**

Most of the insurance risk at Storebrand Helseforsikring is linked to the development in the cost and number of medical treatment. To reduce risk, agreements have been entered into with the largest suppliers of health services with which the company collaborates. To dampen the effect of major claims, the company has also written an 'excess of loss' reinsurance policy. The insurance risk is considered to be low to moderate, with the agreements that have been entered into.

#### **MACROECONOMIC SITUATION**

Storebrand Helseforsikring is affected by the uncertainty in the macroeconomic situation in the wake of the pandemic and the Russian invasion of Ukraine. Economic uncertainty has had little effect on Storebrand Helseforsikrings results so far, but increased inflation may have a negative effect on both costs and claims ratio. Storebrand Helseforsikring follows the macroeconomic situation closely and will implement measures if needed.

#### **CLIMATE RISK**

Storebrand Helseforsikring conducts a yearly assessment of climate risk in order to estimate the influence this risk has on the business financially, regulatory and reputation-wise. Climate risk often is divided into two categories: physical risk and transition risk. Physical climate risk is impacted by the extent and speed of climate change. The risk is that the insurance result may weaken if underwriting and pricing not sufficiently consider increased risk from climate changes. Transition risk is the main economic risk connected to the shift to the low emission society. The climate risk in Storebrand Helseforsikring AS is considered to be low because the health of the insured is only moderately influenced by the annual climatic changes.

#### **CAPITAL SITUATION**

Storebrand Helseforsikring AS had a total balance of NOK 880.9 million (NOK 868.8 million) at the end of 2022. Storebrand Health Insurance equity amounted to NOK 309.1 million (NOK 310.7 million), a decrease of NOK 1.6 million. It is decided not to pay a dividend for 2022.

The solidity in Storebrand Helseforsikring is good and the company had a solvency margin of 146 per cent (160 per cent) for 2022. The company's strategy is to hold a solvency margin of approximate 140 per cent.

The company is subject to the EU Solvency II regulations for insurance companies, that is implemented in Norwegian legislation through "Finansforetaksloven" and regulations and uses the standard model for solvency calculations.

#### **SUSTAINABILITY**

Storebrand Helseforsikring offers health insurance to private customers, business customers and public enterprises. We must be close to the customer and know them so well that we can always help them with what they need. Customers must be confident that we put their needs first.

Storebrand Helseforsikring must take sustainability into account, both through the products and services and through the collaboration with suppliers and partners. The work is based on these principles:

- We base our operations on the UN's sustainability goals.
- We are a responsible employer.
- We must take sustainability into account in all processes and decisions – from the boards and Group management, who have overall responsibility, to every manager and employee.
- We collaborate with customers, suppliers, authorities and partners in our work with sustainability.
- We are open about our sustainability work and about the results we achieve.

Storebrand Helseforsikring have the same principles related to sustainability as the Group as a whole. The Storebrand Group is open about the sustainability work and reports in accordance with several leading reporting standards, including the Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD) and CDP (formerly the Carbon Disclosure Project), in line with the expectations of a number of important stakeholders. Strategic ambitions, specific goals, reporting and communication about sustainability are important success criteria in the work. In addition, the Storebrand Group engage in international initiatives such as the Net Zero Asset Owner Alliance, the UN Principles for Sustainable Insurance (PSI) and Climate Action 100+ to collaborate with other like-minded players to find solutions to

<sup>1)</sup> <https://www.storebrand.no/en/sustainability/sustainability-library>

global sustainability challenges and set requirements to reach zero emission targets.

The sustainability report is integrated into the annual report of Storebrand ASA and follows GRI's (Global Reporting Initiative) standards for reporting. All information about the Group's sustainability work is easily available in Storebrand's sustainability library on our website.

## **PEOPLE, ORGANIZATION AND GOVERNING BODIES**

At the end of the year there were 30 employees, compared with 27 at the beginning of the year. 2 persons are employed at the branch in Sweden, an increase of 1 person from last year. The average age is 49 years and average length of service is 11 years. The company strives to have an equal spread of men and women through all areas and levels in the company. In 2022 67 per cent of the board members were women. The share of women in the company was 63 per cent and 33 per cent of the leaders were women.

The financial remuneration in Storebrand Helseforsikring will help to attract, develop and retain competent, motivated and adaptable employees who contribute to the long-term value creation in the company.

Throughout the year, Storebrand Helseforsikring have seen the high degree of commitment through the monthly employee surveys. The results from this will be used to create the best workplace for the good of the employees, the company and society.

The Storebrand Group's personnel department delivers services to Storebrand Helseforsikring. Storebrand Group's work with equality, personnel management, working environment and ethical regulations are described in more detail in the chapters People and Order in our house in Storebrand's annual report as well as its own report on equality and discrimination.

## **CORPORATE GOVERNANCE AND COMPLIANCE**

Ethical practice at all levels in the organization is a prerequisite to preserve and continue to build trust with customers, authorities, shareholders and society in general. Their trust is built on both how the business is run and how each of the employees behaves. All employees must take mandatory courses in ethics, anti-corruption, privacy, information security and money laundering and terrorist financing every year.

### **PRIVACY AND DIGITAL TRUST**

In today's digital world, we experience an increasing risk of personal data going astray, being stolen or shared with unauthorized persons. The customers must be able to trust that their personal data is managed in a responsible manner. It requires good security measures, a well-established framework for personal protection and good compliance with this. In addition, the employees must know how personal data must be handled in a responsible manner, both in their daily work and in general in the business.

### **WORK AGAINST CORRUPTION**

Corruption is punishable in all countries where Storebrand Helseforsikring operates. It is also one of the main causes of poverty in many parts of the world. Potential corruption cases may weaken trust in the company but can also contribute to weakening trust in the finance and insurance industry in general. At the same time, corruption is destructive to healthy competition in all industries. Therefore, Storebrand Helseforsikring will work in a targeted manner against this form of crime.

Storebrand Helseforsikring has a zero tolerance for corruption and other financial fraud. The company continuously work to identify internal areas where the risk of corruption is high or higher than elsewhere in the business. Storebrand Helseforsikring also has a number of measures to prevent fraud. At the same time, the company works systematically with suppliers and partners to ensure that there is no corruption in the company's relationship with them, and that they have a conscious attitude towards fighting corruption in their business.

### **INFORMATION SECURITY**

The financial industry is thoroughly digitalised, and as a financial institution digital solutions and infrastructure are critical for society. Storebrand Helseforsikring manages large amounts of information for our customers. At the same time, the company is an attractive target for a number of threat actors because of the market position, the customers, suppliers, partners and employees.

Digital attacks are becoming increasingly sophisticated. In combination with a hybrid working life, this increases the risk of not detecting unwanted activity. If the company is hit by a cyber-attack, it can challenge customers' trust, lead to a temporary loss of services, and potentially have a high cost linked to the restoration of systems and data. Information security is therefore important for creating security and is a prerequisite for maintaining customers' trust, the company's reputation and competitiveness.

Information security is about ensuring that information is correct and available to those who must have access to the information, when they need it. Storebrand Helseforsikring works with information security by seeing people, processes and technology as a whole. In order for Storebrand Helseforsikring to be able to run a sustainable financial business and increase the innovation power in the years to come,

secure and stable IT solutions and infrastructure are a prerequisite. Storebrand Helseforsikring therefore continuously work with information security to manage risk and to strengthen our resilience. It further contributes to sustainable value creation for the company, the owners and customers.

#### **WORK AGAINST MONEY LAUNDERING AND TERRORIST FINANCING**

Storebrand Helseforsikring have a responsibility to avoid being abused in connection with the financing of terrorism, money laundering or other forms of financial crime. Customers, owners and society at large expect the company to take care of this responsibility in a good way.

Storebrand Helseforsikring work systematically and continuously to ensure that company is not used for money laundering, terrorist financing or other forms of financial crime. This means, among other things, that the company act consistently and in accordance with relevant legislation in matters relating to money laundering, terrorist financing and other forms of economic crime.

#### **RESPONSIBLE USE OF RESOURCES**

At Storebrand Helseforsikring, sustainability is an integral part of the business strategy. The company makes demands on suppliers and partners. And at the same time, wants to lead by example. Therefore, the company works to ensure that the operation of our business is as sustainable as possible. Storebrand Helseforsikring have committed to setting science-based targets for it's emissions, in line with the Paris Agreement.

#### **A SUSTAINABLE VALUE CHAIN**

Procurement is an area where Storebrand Helseforsikring can have a big impact by influencing our suppliers in a more sustainable direction. To make our business more efficient, the company have increased the use of outsourcing. This requires stricter procedures for monitoring working conditions, safeguarding human rights and handling environmental impacts in the value chain.

A key objective is to avoid agreements with suppliers where production processes or products violate international agreements, national legislation or internal guidelines. Through the company's own operations and purchasing operations, it must contribute to sustainable development, and to ensure that human rights and workers' rights are not violated. In order to be able to map risks related to human rights violations and the safeguarding of labour rights, Storebrand Helseforsikring has established group-wide routines in line with the Transparency Act to assess risks with suppliers and its own operations. In addition, Storebrand Helseforsikring work to maintain a high proportion of environmentally certified suppliers in order to safeguard climate-related objectives.

For all suppliers, we have defined specific climate targets for suppliers and partners:

- Our suppliers must have set short- and long-term emission reduction targets by 2025.
- All suppliers must be carbon neutral by 2025.

#### **WORKING ENVIRONMENT AND HSE**

Storebrand Helseforsikring has worked systematically for several years to prevent sickness absence and has placed great emphasis on employee health and satisfaction. The company had a sick leave rate in 2022 of 5.3 per cent, which are an increase of 1.2 percentage points compared to the previous year. Storebrand has been part of the IA collaboration (inclusive working life) since 2002, and the group's managers have over the years built up routines for following up employees with disease. All leaders in Norway must complete a mandatory HSE course.

Managers are encouraged to discuss ethics, ethical dilemmas, information security, financial crime and HSE in departmental meetings. This is followed up and further measures are taken if necessary. Storebrand Helseforsikring also believes that it is important that employees learn more about HSE in order to increase well-being and security for employees. In 2022, Storebrand therefore chose to shine a spotlight on HSE by bringing together a number of HSE-related activities in a separate HSE week.

No injuries to people, property damage, or accidents of significance reported in the company in 2022.

#### **INSURANCE FOR BOARD MEMBERS AND COMPANY MANAGEMENT**

The Board and senior executives are covered by the company's ongoing board liability insurance. This is placed with insurers with a solid rating.

Within the framework of the insurance coverage, the insurer will pay compensation for economic loss resulting from claims brought against the insured persons for personal management liability during the insurance period.

#### BOARD AND MANAGEMENT CHANGES

Heidi Skaaret took possession of the duty as chairman from Geir Holmgren in 2022. Ronald Helmut Kraule is replacing Silke Lautenschläger in the board from 01.01.2023.

#### PROSPECTS FOR THE FUTURE

Storebrand Helseforsikring is a major player in the health insurance market and has established a market-leading position in high-quality treatment covers. The market is still growing but is also characterized by high competition intensity, increased price pressure and increased frequency of claims payments. Storebrand Helseforsikring has a competitive advantage due to the quality of claims settlement, unlimited liability period, a comprehensive national and international network of high-quality hospitals, and agreements with specialist clinics, and owners with extensive industry experience.

At the end of the year, Storebrand Helseforsikring's total customer base was 232,000 customers. The most important sales channels in Norway were Storebrand's distribution network, Frende and brokers. The most important distribution channels in Sweden were SPP, Handelsbanken and brokered channels.

Both the retail and the corporate markets for health insurance have historically been profitable but since the Covid- pandemic the company sees a strong increase in claims. Greater pressure on margins means that one of the main challenges in the future will be to implement solutions that support cost-efficient and profitable operation, and which further strengthen the growth in volume. Storebrand Helseforsikring wants to meet the increased competition in the market with market-adapted products at the right price and level of quality for customers. The market is expected to grow at the present rate for both corporate and privately paid health insurance.

The board wishes to thank the company's customers for their constant feedback regarding improvements to the company's processes, other business contacts, and the employees for a good collaboration in 2022.

#### ALLOCATION OF PROFIT FOR THE YEAR

The 2022 result for Storebrand Helseforsikring AS was minus NOK 1.6 million (NOK +34.6 million). In the Board's opinion the company's equity is satisfactory and reasonable in view of the company's business activities. The Board proposes to the General Meeting the following allocation of profit (amounts in NOK million):

NOK million	2022
Dividend	0.0
Transferred to guarantee reserve	2.6
Transferred to other equity	-4.2
<b>Total</b>	<b>-1.6</b>

Lysaker, 16 March 2023

The Board of Storebrand Helseforsikring AS

Heidi Skaaret (sign.)  
Chairman

Ronald Helmut Kraule (sign.)

Per Lindberg (sign.)

Anja Berner (sign.)

Ketil Eilev Bøe (sign.)

Beate Palkin Berntsen (sign.)

Bjarke Thorøe (sign.)  
CEO

# Storebrand Helseforsikring AS

## Statement of Comprehensive income

### 1. JANUAR - 31. DESEMBER

NOK thousand	Note	2022	2021
<b>TECHNICAL ACCOUNTS</b>			
PREMIUMS			
Gross premiums earned		1,057,369	932,399
- Reinsurers' share		-2,902	-2,439
<b>Premium income for own account</b>	11,12	<b>1,054,467</b>	<b>929,961</b>
Other insurance related income		354	189
CLAIMS EXPENSES			
Incurred claims gross		-883,033	-707,231
- Reinsurers' share		952	806
<b>Claims expenses for own account</b>	5,12	<b>-882,081</b>	<b>-706,426</b>
INSURANCE RELATED OPERATING EXPENSES			
Sales expenses		-69.103	-63.998
Insurance related administration expenses (incl. commissions for reinsurance receivable)		-110.992	-121.561
<b>Insurance related operating expenses</b>	13,14,15,16	<b>-180.095</b>	<b>-185.559</b>
<b>Technical profit</b>		<b>-7.355</b>	<b>38.165</b>
<b>NON-TECHNICAL ACCOUNTS</b>			
NET INCOME FROM FINANCIAL ASSETS			
Interest and dividend etc from financial assets		6,635	4,848
Change in value on investments		-906	-2,184
Realised gain and loss on investments		-3,251	-5,262
<b>Net income from investments</b>	17	<b>2,478</b>	<b>-2,598</b>
Other income		3,003	9,773
Other expenses		-782	316
<b>Non-technical profit</b>		<b>4,699</b>	<b>7,491</b>
<b>Pre tax profit</b>		<b>-2,656</b>	<b>45,655</b>
Tax	18	1,053	-11,110
<b>Profit/loss for the year</b>		<b>-1,603</b>	<b>34,545</b>
OTHER COMPREHENSIVE INCOME ELEMENTS AND EXPENSES NOT TO BE RECLASSIFIED TO PROFIT/LOSS			
Change in actuarial assumptions		-36	41
Tax on other comprehensive income and expenses not to be reclassified to profit/loss		9	-10
<b>Total comprehensive income</b>		<b>-1,630</b>	<b>34,576</b>

# Storebrand Helseforsikring AS

## Statement of financial position

### 31 DECEMBER

NOK thousand	Note	2022	2021
<b>ASSETS</b>			
Intangible assets		101,234	120,033
<b>Total intangible assets</b>	19	<b>101,234</b>	<b>120,033</b>
FINANCIAL ASSETS AT FAIR VALUE			
Bonds and other fixed-income securities			
Financial derivatives	21	467,219	456,078
<b>Total financial assets at fair value</b>	8,10,20	<b>467,219</b>	<b>456,078</b>
RECEIVABLES			
Receivables in connection with direct business transactions			
- Due from policyholders	24	269,055	251,218
Other receivables	24	10,444	10,706
<b>Total receivables</b>		<b>279,498</b>	<b>261,924</b>
OTHER ASSETS			
Cash and cash equivalents	8,20	28,109	26,153
Pension assets	14	38	72
<b>Total other assets</b>		<b>28,148</b>	<b>26,225</b>
Prepaid costs and income earned not received		4,779	4,250
<b>Total prepaid costs and income earned not received</b>	24	<b>4,779</b>	<b>4,250</b>
<b>Total assets</b>		<b>880,878</b>	<b>868,511</b>

# Storebrand Helseforsikring AS

## Statement of financial position

31. DECEMBER

NOK thousand	Note	2022	2021
<b>EQUITY AND LIABILITIES</b>			
PAID IN CAPITAL			
Share capital		33,000	33,000
Share premium reserve		122,000	122,000
<b>Total paid in capital</b>		<b>155,000</b>	<b>155,000</b>
EARNED EQUITY			
Allocation to guarantee scheme		19,770	17,191
Other earned equity		134,345	138,554
<b>Total earned equity</b>		<b>154,115</b>	<b>155,745</b>
GROSS INSURANCE LIABILITIES			
Reserve for unearned premiums gross		395,920	354,860
Claims reserve gross	5	110,851	87,346
<b>Total insurance liabilities gross</b>	25	<b>506,771</b>	<b>442,207</b>
RESERVES FOR LIABILITIES			
Period tax liabilities	18	780	6,836
Deferred tax	18	6,817	8,677
<b>Total reserves for liabilities</b>		<b>7,598</b>	<b>15,513</b>
LIABILITIES			
Liabilities in connection with direct insurance	26	34,738	37,210
Financial derivatives	22	4	932
Allocation to dividends			18,000
Liabilities to related parties	27	499	423
Other liabilities	26	12,076	10,495
<b>Total liabilities</b>	20,26	<b>47,317</b>	<b>67,059</b>
Accrued expenses and received, unearned income		10,077	32,988
<b>Total accrued expenses and received, unearned income</b>	20,26	<b>10,077</b>	<b>32,988</b>
<b>Total equity and liabilities</b>		<b>880,878</b>	<b>868,511</b>

Lysaker, 16 March 2023

The Board of Storebrand Helseforsikring AS

Heidi Skaaret (sign.)  
Chairman

Ronald Helmut Kraule (sign.)

Per Lindberg (sign.)

Anja Berner (sign.)

Ketil Eilev Bøe (sign.)

Beate Palkin Berntsen (sign.)

Bjarke Thorøe (sign.)  
CEO

# Storebrand Helseforsikring AS

## Statement of cash flow

1 JANUARY - 31 DECEMBER

NOK thousand	2022	2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Paid-in premiums gross insurance	1,075,219	923,461
Paid-out claims gross insurance	-858,577	-724,300
Tax payable for the period	-6,853	-21,968
Net receipts/payments operations	-173,585	-141,028
<b>Net cash flow from operating activities before financial assets</b>	<b>36,204</b>	<b>36,165</b>
Net cash flow from financial assets	-9,591	-19,062
<b>Net cash flow from operating activities</b>	<b>26,613</b>	<b>17,103</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net receipts/payments – sale/purchase of fixed assets/intangible assets	-6,656	-24,969
<b>Net cash flow from investing activities</b>	<b>-6,656</b>	<b>-24,969</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	-18,000	
<b>Net cash flow from financing activities</b>	<b>-18,000</b>	<b>0</b>
Net cash flow for the period	1,957	-7,866
of which net cash flow for the period before financial assets	11,548	11,196
Net movement in cash and cash equivalent assets	1,957	-7,866
Cash and cash equivalent assets at the start of the period	26,153	34,018
<b>Cash and cash equivalent assets at the end of the periode</b>	<b>28,109</b>	<b>26,153</b>

# Storebrand Helseforsikring AS

## Statement of change in equity

NOK thousand	Share capital	Share premium reserve	Total paid in capital	Guarantee scheme	Other equity	Total retained earnings	Total equity
<b>Equity 01.01.21</b>	33,000	122,000	155,000	15,572	123,596	139,169	294,169
Profit					34,545	34,545	34,545
Change in guarantee reserve				1,619	-1,619	0	0
Change in pension experience adjustments					41	41	41
Tax on other comprehensive income					-10	-10	-10
Share dividend					-18,000	-18,000	-18,000
<b>Equity 31.12.21</b>	<b>33,000</b>	<b>122,000</b>	<b>155,000</b>	<b>17,191</b>	<b>138,554</b>	<b>155,745</b>	<b>310,745</b>
Profit					-1,603	-1,603	-1,603
Change in guarantee reserve				2,579	-2,579	0	0
Change in pension experience adjustments					-36	-36	-36
Tax on other comprehensive income					9	9	9
Share dividend							0
<b>Equity 31.12.22</b>	<b>33,000</b>	<b>122,000</b>	<b>155,000</b>	<b>19,770</b>	<b>134,345</b>	<b>154,115</b>	<b>309,115</b>

### SHAREHOLDERS:

NOK thousand	Number of shares	Nominal value	Share capital
Storebrand ASA	16,500	1	16,500
Ergo International AG	16,500	1	16,500
<b>Total share capital</b>	<b>33,000</b>		<b>33,000</b>

# Notes

## Storebrand Helseforsikring AS

### Note 01 | Accounting principles

The annual accounts have been prepared in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies which is in accordance with international accounting principles (IFRS), but with some adjustments.

#### IFRS 9

IFRS 9 Financial Instruments have replaced IAS39 and entered into force from 1 January 2018. For insurance-dominated groups and companies, IFRS 4 allows for the implementation of IFRS 9 to be deferred until implementation of IFRS 17. In the Norwegian Regulations on Financial Statements for General Insurance Companies it emphasized that IFRS 9 will have a mandatory implementation for the annual accounts from 1. January 2023 or later. The implementation of IFRS 9 is not expected to have a significant effect for the company because the financial assets are measured at fair value in profit/loss.

Classification and measuring after IAS 39 vs IFRS 9 per 31.12.2022:

#### IFRS 9 - FINANCIAL INSTRUMENTS TO AMORTISED COST AND FVOCI

NOK thousand	IAS 39 classification	IFRS 9 classification	Booked value	Fari value	Booked value	Fari value
			after IAS39 1.1.2022	after IFRS9 1.1.2022	after IAS39 31.12.2022	after IFRS9 31.12.2022
<b>Financial assets</b>						
Bank deposits	AC	AC	26,153	26,153	28,109	28,109
Accounts receivable and other short-term receivables	AC	AC	266,175	266,175	284,277	284,277
<b>Total financial assets</b>			<b>292,327</b>	<b>292,327</b>	<b>312,386</b>	<b>312,386</b>
<b>Financial liabilities</b>						
Other current liabilities	AC	AC	100,047	100,047	57,394	57,394
<b>Total financial liabilities</b>			<b>100,047</b>	<b>100,047</b>	<b>57,394</b>	<b>57,394</b>

#### IFRS9 - Financial instruments at fair value

NOK thousand	IAS 39 classification	IFRS 9 classification	Booked value	Fari value	Booked value	Fari value
			after IAS39 1.1.2022	after IFRS9 1.1.2022	after IAS39 31.12.2022	after IFRS9 31.12.2022
<b>Financial assets</b>						
Bonds and other fixed-income securities	FVP&L (FVO)	FVP&L	456,078	456,078	467,219	467,219
<b>Total financial assets</b>			<b>456,078</b>	<b>456,078</b>	<b>467,219</b>	<b>467,219</b>
<b>Financial liabilities</b>						
Financial derivatives	FVP&L (FVO)	FVP&L	932	932	4	4
<b>Total financial liabilities</b>			<b>932</b>	<b>932</b>	<b>4</b>	<b>4</b>

AC = amortised cost

FVP&L / FVP&L (FVO) – fair value in profit/loss

## 1.1 - CHANGES IN ACCOUNTING POLICIES

In 2021 no new accounting standards having any effect for the accounts, has been implemented for Storebrand Helseforsikring AS.

### NEW STANDARDS AND CHANGES IN STANDARDS THAT HAVE NOT COME INTO EFFECT:

#### IFRS 17

IFRS 17 replaces IFRS 4 Insurance Contracts and introduces new requirements for the recognition, measurement, presentation and disclosure of issued insurance contracts. The standard was approved by the EU and is to be applicable from 1 January 2023. The purpose of the new standard is to establish uniform practices for the accounting treatment of insurance contracts.

IFRS 17 is a comprehensive and complex standard, with fundamental differences to the present standard for measuring liabilities and recognizing earnings. Insurance contracts must be recognized at the risk-adjusted present value of future cash flows, with the addition of unearned profit in a group of contracts (Contractual Service Margin = CSM). Loss-making contracts must be recognized immediately.

Storebrand Helseforsikring is classified as a medium-sized P&C insurance company in Norwegian regulation and can therefore choose to use IFRS 17 in the company accounts from 2023, or still use the calculation and measurements in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies as today. The Board of the company has chosen not to shift to IFRS 17 for 2023. A transition to IFRS 17 will be considered by the Board annually.

There are no other new or changed accounting standards that have not entered into force that are expected to have a significant effect on Storebrand Helseforsikring's consolidated financial statements.

## 1.2 - FINANCIAL INSTRUMENTS - GENERAL POLICIES AND DEFINITIONS

### RECOGNITION AND DERECOGNITION

Financial assets and liabilities are recognized in the statement of financial position from such time Storebrand Helseforsikring becomes party to the instrument's contractual terms and conditions. Normal purchases and sales of financial instruments are recorded on the transaction date. When a financial asset or a financial liability is initially recognized in the financial statements, it is valued at fair value. Initial recognition includes transaction costs directly related to the acquisition or issue of the financial asset or the financial liability if it is not a financial asset or a financial liability at fair value through profit or loss.

Financial assets are derecognized when the contractual right to the cash flow from the financial asset expires, or when the company transfers the financial asset to another party in a transaction by which all, or virtually all, the risk and reward associated with ownership of the asset is transferred.

Financial liabilities are derecognized in the statement of financial position when they cease to exist, i.e. once the contractual liability has been fulfilled, cancelled or has expired.

### RECEIVABLES

Loans and receivables are non-derivative financial assets with payments that are fixed or determinable and which are not quoted in an active market, except those that the entity intends to sell immediately or in the short term that are classified as held for turnover, and those that the company initial recognition designates as at fair value through profit.

### AT FAIR VALUE THROUGH PROFIT OR LOSS IN ACCORDANCE WITH THE FAIR VALUE OPTION (FVO)

A significant proportion of Storebrand's financial instruments are classified in the category of fair value through profit or loss because:

- the financial assets form part of a portfolio that is managed and reported on a fair value basis.

The instruments are measured at fair value and changes in value are recognised in the income statement.

### FINANCIAL LIABILITIES

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using an effective interest method.

### 1.3 - ACCOUNTING FOR THE INSURANCE BUSINESS

Storebrand Helseforsikring's insurance contracts are calculated in accordance with the Norwegian Regulations on Financial Statements for General Insurance Companies.

Insurance premiums are recorded as income according to the insurance period. Costs related to claims are recognised when the claims occur.

#### 1.3.1 - UNEARNED PREMIUMS (PREMIUM RESERVE)

Reserve for unearned premium concerns on-going policies that are in force at the time the financial statements were closed and is intended to cover the contracts' remaining risk period. Accrued entitlements are calculated on a pro rata basis and without any deduction for costs.

#### 1.3.2 - CLAIMS RESERVE

The claims reserve is a reserve for expected claims that have been reported, but not settled. In addition, claims reserves shall include a separate provision for future losses on claims that have not been settled.

#### 1.3.3 - GUARANTEE SCHEME

A required provision for non-life insurance companies. The reserve is intended to help ensure that the insured obtains settlement in relation to policies entered. The reserve is included in retained earnings. The guarantee applies only to Norwegian business and therefore not calculated guarantee reserve of the business in the Swedish branch.

### 1.4 - PENSION LIABILITIES FOR OWN EMPLOYEES

Storebrand Helseforsikring has a defined contribution pension scheme. The defined contribution pension scheme involves the company paying an annual contribution to the employees' collective pension savings. The future pension will depend upon the size of the contribution and the annual return on the pension savings. The company does not have any further work-related obligations after the annual contribution has been paid. No provisions are made for ongoing pension liabilities for these types of schemes. Defined contribution pension schemes are recognised directly in the financial statements.

Storebrand is a member of the Norwegian contractual early retirement (AFP) pension scheme. The Norwegian AFP scheme is regarded as a defined-benefit scheme, but there is insufficient quantitative information to be able to estimate reliable accounting obligations and costs

### 1.5 - INTANGIBLE ASSETS

The company's intangible assets comprise of IT systems.

Intangible assets with limited useful economic lives are measured at acquisition cost less accumulated amortisation and any write downs. The useful life and amortisation method are measured each year.

With initial recognition of intangible assets in the balance sheet, it must be demonstrated that probable future economic benefits attributable to the asset will flow to the company. The cost of the asset must also be measured reliably. The value of an intangible asset is tested for impairment when there are indications that its value has been impaired.

The depreciation shall begin when the asset is available for use, i.e. when it is available at place and in the condition required to function as planned by the management.

### 1.6 - TAX

The tax expense in the income statement comprises current tax and changes to deferred tax and is based on the accounting standard IAS12 Income Taxes. Tax is recognised in the income statement, except to the extent that it relates to items recognised in total comprehensive income. Deferred tax and deferred tax assets are calculated on the differences between accounting and tax values of assets and liabilities. Deferred tax is calculated on the basis of the company's tax loss carry forwards, deductible temporary differences and taxable temporary differences. Any deferred tax assets shall be recognized if it is considered probable that the tax asset will be recovered.

## 1.7 – FOREIGN CURRENCY

Figures for the Swedish branch are converted to Norwegian kroner by recalculating the income statement using the average exchange rate for the year in question and by converting the balance-sheet using the exchange rate at the end of the financial year. Any difference arising from the conversion is reflected in the ordinary profit.

### Note 02 | Important accounting estimates and judgments

In preparing the financial statements the management is required to make judgments, estimates and assumptions of uncertain amounts. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and expectations of future events and represent the management's best judgment at the time the financial statements were prepared. Actual results may differ from these estimates.

The most important estimates, in the sense that their ultimate realization could lead to material adjustments of recognized amounts, are the claims reserves. Estimates are made for expected payments for the period up to the renewal date for contracts in force (unearned premiums gross) and expected remaining payments for incurred but not finally settled claims (claims reserve). There is uncertainty connected to the frequency, size and late reporting of claims, and estimates changes may cause increases or reductions in reserves and corresponding changes in claims costs reported in the accounts.

### Note 03 | Risk management and internal control

The company's premium income and results are affected by external factors that gives uncertainty. The main external risk factors are the development of the financial markets and the cost development for medical treatment. Internal operational factors may also cause losses, e.g. errors in underwriting or claims payments.

Continuous monitoring and active risk management are core areas of the company's activities and organization. The basis for risk management is laid down in the Board's annual review of the strategy and planning process, which sets the risk appetite, risk targets and overriding risk limits for the operations. In the company, responsibility for risk management and internal control is an integral part of management responsibility.

#### **ORGANISATION OF RISK MANAGEMENT**

The company's organization of the responsibility for risk management follows a model based on three lines of defence. The model safeguards risk management responsibility in the company.

The boards of directors have the overall responsibility for limiting and following up the risks associated with the activities. The boards set annual limits and guidelines for risk-taking in the company, receive reports on the actual risk levels, and perform a forward-looking assessment of the risk situation.

Managers at all levels in the company are responsible for risk management within their own area of responsibility. Good risk management requires targeted work on objectives, strategies and action plans, identification and assessment of risks, documentation of processes and routines, prioritization and implementation of improvement measures, and good communication, information and reporting.

#### **INDEPENDENT CONTROL FUNCTIONS**

Independent control functions are in place for risk management within the unit (Chief Risk Officer), for compliance with the regulations, that the insurance liabilities are calculated correctly (Actuary). The independent control functions are organised directly under the companies' managing director and report to the company's board.

The internal audit shall provide the Boards with confirmation concerning the appropriateness and effectiveness of the company's risk management, including how well the various lines of defence are working.

## Note 04 | Operational risk

Operational risk is the risk of financial loss, damaged reputation or sanctions related to violations of internal or external regulations as a result of ineffective, insufficient or defective internal processes or systems, human error, external events or rules and guidelines not being followed.

The purpose of operational risk management is to avoid operational incidents that impact customers, result in serious operational disruptions, violations of regulations and/or direct financial loss.

The company seeks to reduce operational risk through an effective system for internal control. Risks are followed up through the management's risk reviews, with documentation of risks, measures and the follow-up of incidents. In addition, Internal Audit carries out independent checks through audit projects adopted by the Board.

Contingency and continuity plans have been prepared to deal with serious incidents in business-critical processes.

Cyber risk is becoming an increasingly more important operational risk. The threat landscape for cybercrime broadened in 2022 due to, among other things, organized crime and heightened geopolitical tensions. As a result of this situation, Storebrand Helseforsikring had an elevated level of preparedness during parts of 2022.

Stable and secure technology and infrastructure are vital to the business and for reliable financial reporting. Errors and disruptions may impact both customer and shareholder trust. In a phase of the transition to cloud-based technology services, greater attention is being paid to the complexity and integrations in existing solutions. Cloud-based services and infrastructure have good inbuilt security solutions and reduce the risk associated with self-developed systems and, in the long term, outdated infrastructure. For those parts of the technology services that have been outsourced, risk-based follow-up of providers has been established with the aim of managing the risk associated with the IT systems' development, management, operation and information security.

## Note 05 | Insurance risk

Insurance risk occurs when the company receives a fixed amount, premium, to compensate for an insurance event described in the insurance agreement with the customer. Claims expenses can be both higher and lower than paid premiums. For Storebrand Helseforsikring most insurance risk will be associated with developments in the cost of medical treatment which has a direct effect on the company's claims expenses. To reduce this risk, agreements have been entered with the largest health services providers with which the company has working relationships. Storebrand Helseforsikring has also entered into a reinsurance agreement with Munich Re, which is the company's reinsurer, to offset the effect of large claims. The company has "excess of loss" protection for 80 per cent of all claims paid above NOK 550,000 per person per year.

### DEVELOPMENTS IN INSURANCE CLAIM PAYMENTS:

NOK thousand	2017	2018	2019	2020	2021	2022	Sum
Calculated gross cost of claims							
At end of the policy year	412,098	449,922	512,984	561,249	654,524	825,395	
- one year later	403,414	446,495	512,688	544,233	645,821		
- two years later	403,544	446,310	511,925	544,911			
- three years later	403,721	446,242	511,926				
- four years later	403,646	446,162					
- five years later	403,559						
Calculated amount 31.12							
Total disbursed to present	403,464	446,052	511,750	544,141	643,052	732,055	3,280,514
Claims reserve *)	95	110	177	770	2,775	93,348	97,274
Claims reserve for claims from prior years (before 2017)							393
<b>Total trend in claims disbursed *)</b>							<b>97,667</b>

\*) Excluding claims handling costs which amounts to NOK 13,184 thousand in 2022

\*) Business in SEK is recalculated to NOK with the exchangerate per 31.12.2022

Note  
06

## Financial market risk

Market risk is the risk of incurring losses on open positions in financial instruments due to changes in market variables and/or market conditions within a specified time horizon. Therefore, market risk is the risk of price changes in the financial markets, including changes in interest rates, and in the currency, equity, property or commodity markets, affecting the value of the company's financial instruments. Storebrand continuously monitors market risk using a range of evaluation methods. The potential for losses in the investment portfolio on a one-year horizon is calculated and the portfolios are stress tested pursuant to the statutorily defined stress tests as well as internal models.

Storebrand Helseforsikring's portfolio consists of interest-bearing investments and is therefore mainly exposed to changes to the interest rate markets. The duration of the portfolio is 0.58. The low duration, together with active follow-up of the portfolio's credit risk means that the exposure to market risk is deemed to be low.

Note  
07

## Liquidity risk

Liquidity risk is the risk that the company will not have sufficient liquidity to meet its payment obligations when they fall due, or that the company will not be able to sell securities at acceptable prices. Storebrand Helseforsikring's insurance liabilities are usually known long before they fall due, but a solid liquidity buffer is still important for handling unforeseen events.

At the same time company-specific liquidity strategies have been drawn up in line with statutory requirements. These strategies specify limits and measures for ensuring good liquidity and a minimum allocation to assets that can be sold at short notice. The strategy defines limits for allocations to various types of assets and means that Storebrand Helseforsikring generally has money market investments which can be sold if necessary.

Note  
08

## Credit risk

Storebrand Helseforsikring has risk of loss associated with a counterparty does not meet their debt obligations. The risks include losses related to lack of contractual non-performance by counterparties to derivative financial instruments.

The table below shows the bond funds underlying investments.

Maximum limits for credit exposure to individual debtors and for overall credit exposure within rating categories are set by the Board. Particular attention is paid to diversification of credit exposure to avoid concentrating credit risk on any particular debtors or sectors. Changes in the credit rating of debtors are monitored and followed up.

### CREDIT RISK BY COUNTERPARTY

Bonds and other fixed-income securities at fair value

Category of issuer or guarantor

NOK thousand	AAA	AA	A	BBB	Total
	Fair value	Fair value	Fair value	Fair value	Fair value
Government and government guaranteed bonds		7,116	489		7,605
Corporate bonds	138,199	43,704	174,778	67,155	423,836
Structured notes				2,035	2,035
Asset backed securities	27,048			2,427	29,475
<b>Total interest-bearing securities 2022</b>	<b>165,247</b>	<b>50,820</b>	<b>175,267</b>	<b>71,616</b>	<b>462,951</b>
Non-interest bearing securities managed by Storebrand					4,269
<b>Total 2022</b>					<b>467,219</b>
Total interest-bearing securities 2021	142,798	54,345	208,455	50,175	456,078

## COUNTERPARTIES

NOK thousand	AAA Fair value	AA Fair value	A Fair value	BBB Fair value	Total Fair value
Derivatives			195		195
Of witch derivatives in bond funds, managed by Storebrand			195		195
<b>Total derivatives excluding derivatives in bond fund 2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total derivatives excluding derivatives in bond fund 2021					0
Bank deposits		28,109	4,286		32,395
Of witch bank deposits in bond funds, managed by Storebrand			4,286		4,286
<b>Bank deposit 2022<sup>1)</sup></b>	<b>0</b>	<b>28,109</b>	<b>0</b>	<b>0</b>	<b>28,109</b>
Bank deposit 2021	0	26,153	0	0	26,153
Rating classes are based on Standard & Poor's ratings.					
<sup>1)</sup> of which tied-up bank deposits (tax deduction account)					
		1,253			

Note  
09

## Climate risk

Storebrand Helseforsikring conducts a yearly assessment of climate risk in order to estimate the influence this risk has on the business financially, regulatory and reputation-wise. Climate risk often is divided into two categories: physical risk and transition risk. Physical climate risk is impacted by the extent and speed of climate change. Transition risk is the main economic risk connected to the shift to the low emission society. The climate risk in Storebrand Helseforsikring AS is considered to be low because the health of the insured is only moderately influenced by the annual climatic changes.

Note  
10

## Valuation of financial instruments at fair value

The Investment Manager conducts a comprehensive process to ensure that financial instruments are valued as closely as possible to their market value. Bond funds are generally valued based on prices obtained from Nordic bond pricing

The Investment Manager continuously performs checks to ensure the quality of market data obtained from external sources. Such checks involve comparing multiple sources and checking and assessing the reasonableness of abnormal changes.

The Investment Manager categorises financial instruments valued at fair value on three different levels, which are described in more detail below. The levels express the differing degrees of liquidity and different measurement methods used. The company has established valuation models to gather information from a wide range of well-informed sources with a view to minimising the uncertainty of valuations.

### LEVEL 1: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF QUOTED PRICES FOR IDENTICAL ASSETS IN ACTIVE MARKETS

Bonds, certificates or equivalent instruments issued by national governments are generally classified as level 1. The Company has no such investments.

### LEVEL 2: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF OBSERVABLE MARKET INFORMATION NOT COVERED BY LEVEL 1

This category encompasses financial instruments that are valued on the basis of market information that can be directly observable or indirectly observable. Market information that is indirectly observable means that the prices can be derived from observable related markets. Bonds and equivalent instruments are generally classified in this level.

The company's investments are primarily in this category.

### LEVEL 3: FINANCIAL INSTRUMENTS VALUED ON THE BASIS OF INFORMATION THAT IS NOT OBSERVABLE IN ACCORDANCE WITH LEVEL 2.

Equities classified as level 3 are primarily investments in unlisted/private companies as well as funds consisting of these.

The company has no such investments.

NOK thousand	Level 1	Level 2	Level 3	Fair value	
	Quoted prices	Observable assumptions	Non-observable assumptions	2022	2021
<b>Bonds and other fixed income securities</b>					
Bond fund		467,219		467,219	
<b>Total bonds and other fixed income securities 2022</b>		<b>467,219</b>		<b>467,219</b>	
Total bonds and other fixed income securities 2021		0			456,078
<b>Derivatives:</b>					
- Currency derivatives		-4		-4	
<b>Total derivatives 2022</b>		<b>-4</b>		<b>-4</b>	
Total derivatives 2021		-932			-932

Note  
11

## Premium income per country

### BREAKDOWN BETWEEN OPERATIONS IN NORWAY AND SWEDEN:

NOK thousand	Norway		Sweden		Total	
	2022	2021	2022	2021	2022	2021
Gross premiums written	534,422	439,922	570,963	532,925	1,105,386	972,847
Gross premium earned	511,082	424,656	546,287	507,743	1,057,369	932,399
Reinsurers' share	-2,030	-1,734	-872	-705	-2,902	-2,439
<b>Earned premium for own account</b>	<b>509,052</b>	<b>422,922</b>	<b>545,415</b>	<b>507,039</b>	<b>1,054,467</b>	<b>929,961</b>

Note  
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## Technical result

NOK thousand	2022	2021
<b>Gross business</b>		
Written premiums	1,105,386	972,847
Earned premiums	1,057,369	932,399
Losses incurred	-883,033	-707,231
<b>Technical result gross</b>	<b>174,336</b>	<b>225,168</b>
<b>Ceded business</b>		
Earned premiums	-2,902	-2,439
Losses incurred	952	806
<b>Technical result ceded</b>	<b>-1,950</b>	<b>-1,633</b>
<b>For own account</b>		
Earned premiums	1,054,467	929,961
Losses incurred	-882,081	-706,426
<b>Technical result for own account</b>	<b>172,386</b>	<b>223,535</b>
<b>Losses incurred gross</b>		
Incurred this year	-891,224	-727,088
Incurred in previous years	8,191	19,856
<b>Total for the financial year</b>	<b>-883,033</b>	<b>-707,231</b>

Note  
13

## Insurance-related sales and administration expenses

NOK thousand	2022	2021
Personnel expenses	56	56
Commissions	68,994	63,883
Other sales expenses	54	60
<b>Total insurance-related sales expenses</b>	<b>69,103</b>	<b>63,998</b>
Personell expenses	25,319	22,122
Other insurance-related operating expenses	85,673	99,438
<b>Total insurance-related operating expenses</b>	<b>180,095</b>	<b>185,559</b>

Note  
14

## Pension expenses and liabilities

Storebrand's employees in Norway have a defined-contribution pension scheme. In a defined-contribution scheme, the company allocates an agreed contribution to a pension account. The future pension depends upon the amount of the contributions and the return on the pension account. When the contributions have been paid, the company has no further payment obligations relating to the defined-contribution pension and the payment to the pension account is charged as an expense on an ongoing basis. For regulatory reasons, there can be no savings in the defined-contribution pension for salaries that exceed 12G (G = National Insurance Scheme basic amount). Storebrand has pension savings in the savings product Extra Pension for employees with salaries exceeding 12G.

The premiums and content of the defined-contribution pension scheme are as follows:

- Saving starts from the first krone of salary.
- Savings rate of 7 per cent of salary from 0 to 12 G (the National Insurance basic amount "G" was NOK 111,477 at 31 December 2022)
- In addition, 13 per cent of salary between 7.1 and 12 G is saved.
- Savings rate for salary over 12 G is 20 per cent.

The Norwegian companies participate in the Joint Scheme for Collective Agreement Pensions (AFP). The private AFP scheme provides a lifelong supplement to an ordinary pension and is a multi-employer pension scheme, but there is no reliable information available for inclusion of this liability on the statement of financial position. The scheme is financed by means of an annual premium that is defined as a percentage of salaries from 1 G to 7.1 G, and the premium rate was 2.6 per cent in 2022 and 2.5 per cent in 2021.

Employees who were on sick leave and partially disabled during the transition to the defined-contribution pension, remain in the defined-benefit pension scheme. There are also pension liabilities for the defined-benefit scheme related to direct pensions for certain former employees and former board members.

The pension plan for employees at SPP in Sweden follows the plan for bank employees in Sweden (BTP).

SPP has a defined-contribution occupational pension known as BTP1. All new employees were enrolled in this pension agreement from and including 1 January 2014. In BTP1, the employer pays a premium for pension savings that is calculated based on pensionable salary up to 30 times the "basic income amount" (inkomstbasbelopp). The insurance includes retirement pension with or without mortality inheritance, disability pension and children's pension. The premium is calculated independently of age and is calculated primarily based on the monthly salary. The premium is paid monthly in two parts, a fixed part that is 2.5 per cent of the pensionable salary up to and including 7.5 times the "basic income amount". The optional part of the premium is 2 per cent of salary up to and including 7.5 times the "basic income amount" and 30 per cent of salary between 7.5 and 30 times the "basic income amount".

## RECONCILIATION OF PENSION ASSETS AND LIABILITIES IN THE STATEMENT OF FINANCIAL POSITION

NOK thousand	2022	2021
Present value of insured pension benefit liabilities	54	107
Pension assets as fair value	-184	-179
Net pension liability/surplus for the insured schemes	-130	-72
Upper limit pension funds	91	
<b>Net pension liabilities in the statement of financial position</b>	<b>-38</b>	<b>-72</b>

Provision for employment taxes are included in the gross obligation.

## BOOKED IN THE STATEMENT OF FINANCIAL POSITION

NOK thousand	2022	2021
Pension assets	38	72
Pension liabilities		

## CHANGES IN THE NET DEFINED BENEFIT PENSION LIABILITY IN THE PERIOD

NOK thousand	2022	2021
Net pension liability at 01.01.	72	94
Interest on pension liabilities	2	2
Experience adjustments	-54	-25
<b>Net pension liability at 31.12.</b>	<b>19</b>	<b>72</b>

## CHANGES IN THE FAIR VALUE OF PENSION ASSETS IN THE PERIOD

NOK thousand	2022	2021
Fair value of pension assets at 01.01	144	125
Expected return	4	2
Experience adjustments	1	17
<b>Net pension assets at 31.12</b>	<b>149</b>	<b>144</b>

Expected premium payments (defined benefit) in 2023	2,600
Expected AFP early retirement scheme payments in 2023	455

**PENSION ASSETS ARE BASED ON THE FINANCIAL ASSETS HELD BY STOREBRAND LIFE INSURANCE COMPOSED AT 31.12:**

	2022	2021
Real estate	14%	13%
Bonds at amortised cost	43%	39%
Mortgage loans and other loans	16%	15%
Equities and units	5%	13%
Bonds	20%	19%
Other short term financial assets	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The table shows the percentage asset allocation of pension assets at year-end managed by Storebrand Life Insurance.

	2022	2021
The book (realised) investment return on assets	0.5%	4.5%

**NET PENSION COST BOOKED TO PROFIT AND LOSS ACCOUNT, SPECIFIED AS FOLLOWS**

NOK thousand	2022	2021
Net interest expenses/expected return	-2	-1
<b>Total defined benefit pension schemes</b>	<b>-2</b>	<b>-1</b>
The period's payment to contribution scheme/AFP ')	3,745	3,343
<b>Net pension expenses booked to profit and loss account in the period</b>	<b>3,744</b>	<b>3,343</b>

**OTHER COMPREHENSIVE INCOME (OCI) IN THE PERIOD**

NOK thousand	2022	2021
Loss (profit) – change to the discount rate	-55	-25
Loss (profit) – experienced DBO	1	
Loss (profit) – experienced pension funds	-1	-17
Upper limit pension funds	91	
<b>Remeasurements loss (gain) in the period</b>	<b>36</b>	<b>-41</b>

**MAIN ASSUMPTIONS USED WHEN CALCULATING NET PENSION LIABILITY AT 31.12.:**

	2022	2021
Discount rate	3.8 %	2.0 %
Expected earnings growth	3.5 %	2.3 %
Expected annual increase in social security pensions	3.5 %	2.3 %
Expected annual increase in pensions in payment	0.0 %	0.0 %
Disability table	KU	KU
Mortality table	K2013BE	K2013BE

**FINANCIAL ASSUMPTIONS:**

The financial assumptions have been determined on the basis of the regulations in IAS 19. Long-term assumptions such as future inflation, real interest rates, real wage growth and adjustment of the basic amount are subject to a particularly high degree of uncertainty. A discount rate determined by reference to covered bonds (OMF) is used. Based on observed market and volumes the Norwegian covered bond market, in Storebrands perception, must be defined as a deep market.

In determining the economic assumptions, company-specific factors, including increase in direct wages, also will be considered.

#### ACTUARIAL ASSUMPTIONS:

In Norway standardised assumptions on rates of mortality and disability as well as other demographic factors are prepared by Finance Norway. With effect from 2014 a new mortality basis, K2013, has been introduced for group pension insurance in life insurance companies and pension funds. Storebrand has used the mortality table K2013BE (best estimate) in the actuarial calculations at 31 December 2022.

The actuarial assumptions in Sweden follow the industry's mutual mortality table DUS14 adjusted for corporate differences. The average employee turnover rate is estimated to be 4 per cent p.a.

#### Note 15

### Remuneration of senior employees and elected officers of the company

The Managing Director is a member of Storebrand's pension scheme. At the end of the employment relationship the Managing Director has six months' notice. The company is under no obligation to give the Managing Director any special compensation payment at the end of the employment relationship.

NOK thousand	Ordinary salary	Bonus for the year	Other benefits <sup>1)</sup>	Total remuneration for the year	Pension accrued for the year	Loan <sup>2)</sup>	No. of shares owned <sup>3)</sup>
<b>Senior employees</b>							
Bjarke Thorøe	2,560		140	2,700	396	3,499	
<b>Total 2022</b>	<b>2,560</b>		<b>140</b>	<b>2,700</b>	<b>396</b>	<b>3,499</b>	<b>0</b>
Total 2021	2,444	486	149	3,079	392	3,499	

1) Comprises company car, telephone, insurance, concessionary interest rate, other taxable benefits.

2) Employees can borrow up to NOK 7.0 million at a subsidised interest rate. Excess loan amounts will be subject to market terms.

3) he summary shows the number of shares owned by the individual, as well as his or her close family and companies.

The Company has no obligations towards the Chairman upon termination or change of job. Members of the Board receive no other compensation than remuneration. Company pays directors' liability insurance for its directors.

NOK thousand	Remuneration
Board of Directors	154
<b>Total 2022</b>	<b>154</b>
Total 2021	146

#### Note 16

### Remuneration paid to auditors

NOK thousand	2022			2021
	Norge	Sverige	Sum	Sum
Statutory audit	567	99	666	426
Other services			0	14
<b>Total</b>	<b>567</b>	<b>99</b>	<b>666</b>	<b>440</b>

The amounts above is including VAT.

Note 17 | Net financial income

NOK thousand	Divident/inte- rest income etc.	Net gains and losses on investments	Net re- valuation on investments	Total
Net income on bonds and other fixed-income securities at fair value	6,635		-1,833	4,802
Net income from derivatives		-3,251	928	-2,323
<b>Total gains and losses on financial assets at fair value 2022</b>	<b>6,635</b>	<b>-3,251</b>	<b>-906</b>	<b>2,478</b>
Total gains and losses on financial assets at fair value 2021	4,848	-5,262	-2,184	-2,598

Note 18 | Tax

TAX EXPENSES IN PROFIT AND LOSS

NOK thousand	2022	2021
Payable tax <sup>1)</sup>	798	13,257
Change in deferred tax	-1,851	-2,147
<b>Total tax expenses</b>	<b>-1,053</b>	<b>11,110</b>

<sup>1)</sup> PAYABLE TAX IN THE BALANCE SHEET

NOK thousand	2022	2021
Payable tax in profit and loss account	798	13,257
Prepaid taxes	-9,195	-6,421
Tax receivables	9,177	
<b>Payable tax in the balance sheet</b>	<b>780</b>	<b>6,836</b>

CALCULATION OF DEFERRED TAX ASSETS AND DEFERRED TAX ON TEMPORARY DIFFERENCES AND LOSSES CARRIED FORWARD

NOK thousand	2022	2021
<b>Tax increasing temporary differences</b>		
Pension assets	38	72
Security reserve	32,065	38,479
<b>Total tax increasing temporary differences</b>	<b>32,104</b>	<b>38,551</b>
<b>Tax reducing temporary differences</b>		
Fixed assets and intangible assets	-4,124	-6,042
Financial assets	-3,474	-2,568
Allocations	-1,350	-1,260
<b>Total tax reducing temporary differences</b>	<b>-8,948</b>	<b>-11,129</b>
<b>Net deferred tax assets/deferred tax before losses carried forward</b>	<b>23,156</b>	<b>-9,870</b>
<b>Temporary differences not eligible for deferred tax</b>	<b>4,112</b>	<b>28,681</b>
<b>Net basis for deferred tax/tax assets</b>	<b>27,268</b>	<b>6,025</b>
<b>Net deferred tax asset/liability</b>	<b>6,817</b>	<b>34,706</b>

## RECONCILIATION OF EXPECTED AND ACTUAL TAX CHARGE

NOK thousand	2022	2021
Ordinary pre-tax profit	-2,656	45,655
Expected tax on income at nominal rate	664	-11,414
Tax effect of:		
permanent differences	-89	-174
skattefunn (Norwegian tax incentive scheme)		1,031
temporary differences not eligible for deferred tax	478	-553
<b>Tax charge</b>	<b>1,053</b>	<b>-11,110</b>
Effective tax rate	39.6 %	24.3 %

Note  
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## Intangible assets

NOK thousand	IT- systems	
	2022	2021
Acquisition cost 01.01	237,406	206,707
Additions in the period:		
Purchased separately	6,656	30,698
Acquisition cost 31.12		
<b>Acquisition cost 31.12</b>	<b>244,062</b>	<b>237,406</b>
Accumulated depreciation & write-downs 01.01	-117,372	-85,840
Writedown		-5,729
Amortisation in the period	-25,456	-25,804
<b>Accumulated depreciation &amp; write-downs 31.12</b>	<b>-142,828</b>	<b>-117,372</b>
<b>Book value 31.12</b>	<b>101,234</b>	<b>120,033</b>

The intangible assets consist of IT systems. In 2018, the decision was made to invest in a new insurance system from the Danish provider TIA Technology. The system satisfies the requirements for activation in accordance with IAS 38.57 with all the demands fulfilled and will be amortized over the expected economic lifespan, which has been set at 7 years. Tia was implemented in June 2021. Other IT-systems are depreciated over a period of 5 years.

Note  
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## Classification of financial assets and liabilities

NOK thousand	Loans and receivables	Fair value, held for sale	Fair value	Liabilities at amortised cost	Total
<b>Financial assets</b>					
Bank deposits	28,109				28,109
Bonds and other fixed-income securities			467,219		467,219
Accounts receivable and other short-term receivables	279,498				279,498
<b>Total financial assets 2022</b>	<b>307,607</b>	<b>0</b>	<b>467,219</b>		<b>774,827</b>
Total financial assets 2021	288,077	0	456,078		744,155
<b>Financial liabilities</b>					
Derivatives		4			4
Other current liabilities				57,390	57,390
<b>Total financial liabilities 2022</b>		<b>4</b>		<b>57,390</b>	<b>57,394</b>
Total financial liabilities 2021		932		99,115	100,047

Note  
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## Bonds and other fixed-income securities

NOK thousand	2022 Fair value	2021 Fair value
Bond fund	467,219	456,078
<b>Total bonds and other fixed-income securities</b>	<b>467,219</b>	<b>456,078</b>
Modified duration	0.58	0.63
Average effective yield	4.05%	1.11%

The effective yield for each security is calculated using the observed market price. Weighted effective yields for the whole portfolio is calculated on the basis of each security's share of the market value.

Note  
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## Derivatives

### Nominal volume:

Financial derivatives are linked to underlying amounts which are not reported in the statement of financial position. In order to quantify a derivative position, reference is made to such underlying amounts described as the underlying nominal principal, nominal volume and the like. Nominal volume is arrived at differently for different classes of derivatives and provides some indication of the size of the position and risk the derivative creates.

Gross nominal volume mainly gives an indication of the amount, while net nominal volume gives an impression of risk positions. However nominal volume is not a measure which necessarily provides a comparison of the risk represented by different types of derivatives. Unlike gross nominal volume, the calculation of net nominal volume also takes into account which direction of market risk exposure the instrument represents by differentiating between long (asset) positions and short (liability) positions.

For currency derivatives, a long position results in a positive change in value if the relevant exchange rate strengthens against the NOK.

NOK thousand	Gross nominal volume	Gross booked value financial assets	Gross booked value financial liabilities	Net booked financial assets/liabilities	Amounts that can, but are not presented net in the balance sheet			Net amount
					Financial assets	Financial liabilities		
Currency derivatives	155,664	75,498	75,502					-4
<b>Total derivatives 2022</b>	<b>155,664</b>	<b>75,498</b>	<b>75,502</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>-4</b>
Total derivatives 2021	158,908	77,924	78,856	0	0	0		-932

## Note 23 | Currency exposure

### Financial assets and liabilities in foreign currencies

NOK thousand	Balance sheet items excl. currency derivatives	Currency derivatives	Net position	
			Net sales	in NOK
SEK	-138,248	75,498	-58,393	-55,207
<b>Total net position foreign currency 2022</b>				<b>-55,207</b>
Total net position foreign currency 2021				-45,321

## Note 24 | Receivables due from policyholders and other receivables

NOK thousand	2022	2021
Receivables due from policyholders	269,055	251,218
Pre-paid commissions	4,779	4,250
Other receivables	10,444	10,706
<b>Book value 31.12</b>	<b>284,277</b>	<b>266,175</b>

### AGE DISTRIBUTION FOR ACCOUNTS RECEIVABLE, ETC 31.12 (GROSS)

NOK thousand	2022	2021
Receivables not fallen due	247,748	219,130
Past not distributed	21,306	32,088
<b>Gross accounts receivable/receivables from reinsurance</b>	<b>269,055</b>	<b>251,218</b>

## Note 25 | Technical insurance reserves

NOK thousand	2022	2021
Gross insurance liabilities		
Book value 01.01	442,207	435,000
Change in premium and claims reserves	72,648	25,583
Exchange rate changes	-8,084	-18,376
<b>Book value 31.12.</b>	<b>506,771</b>	<b>442,207</b>

## ASSETS AND LIABILITIES

NOK thousand	2022	2021
Receivables concerning insurance contracts	269,055	251,218
<b>Total assets</b>	<b>269,055</b>	<b>251,218</b>
Premium reserve	395,920	354,860
Claims reserve	110,851	87,346
- of which IBNS	97,667	76,957
- of which settlement expenses	13,184	10,389
Liabilities in connection with direct insurance	34,738	37,210
<b>Total liabilities</b>	<b>541,508</b>	<b>479,416</b>

Note  
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### Other current liabilities

NOK thousand	2022	2021
Liabilities in connection with direct insurance	34,738	37,210
Accounts payable	5,424	6,066
Governmental fees and tax withholdings	5,585	4,151
Other current liabilities	1,565	701
Accrued expenses	10,077	32,988
<b>Book value 31.12</b>	<b>57,390</b>	<b>81,115</b>

Note  
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### Information about close associates

Storebrand Helseforsikring is a joint venture company owned by Storebrand ASA (50%) and Ergo International AG (50%).

Transactions with related parties are included among the products and services offered by the companies to external customers. The transactions are entered into on commercial terms. For the Storebrand companies this includes occupational pensions, medical/personal injury insurance, leasing of premises, investment management, purchase and sale of services. Munich Re is Storebrand Helseforsikring's reinsurer.

NOK thousand	2022					2021				
	Purchase of services	Commissi- on costs	Net reinsu- rance cost	Receiva- bles	Liabilities	Purcha- se of services	Commissi- on costs	Net rein- surance cost	Receiva- bles	Liabilities
Munich Re			1,950		499			1,633	36	423
Ergo International Ag										9,000
Storebrand ASA	67									9,000
Storebrand Asset Management ASA										
Storebrand Bank ASA	190					112				
Storebrand & SPP Business Services NUF	10,737					7,128				236
Storebrand Livsfor- sikring AS	5,182	20,837			743	3,541	18,800		294	303
SPP Pension & Försäkring AB		19,323					8,567			
Storebrand Forsikring AS	1,328					742			288	738
<b>Total</b>	<b>17,504</b>	<b>40,161</b>	<b>1,950</b>	<b>0</b>	<b>1,243</b>	<b>11,523</b>	<b>27,367</b>	<b>1,633</b>	<b>582</b>	<b>19,699</b>

## Note 28 | Capital adequacy and solvency

Storebrand Helseforsikring AS is an insurance company subject to the European solvency regime Solvency II.

The solvency margin and the coverage of the minimum capital requirement are the key ratios in Solvency II. Companies that fall below 100 per cent solvency margin will be put under stricter supervision, and it is forbidden to have less capital than the minimum capital requirement.

The solvency margin over is the quotient between the company's solvency margin capital at the company's solvency capital requirements. The solvency margin capital that the company arrived at by first allocating regulatory capital between three groups basis capital and a residual category of supplementary capital in line with solvency II Regulation, then applying rules for how much of each category of capital that can be used. Storebrand Helseforsikring AS is financed with capital belonging to Group 1 without limitations and Group 3. Group 3 capital can't be used in the calculation of the minimum capital requirement. An overview of the company's basis capital is given below.

Solvency is calculated with the standard model under Solvency II, and the distribution of the capital requirement of the different risk modules included is shown below.

## SOLVENCY CAPITAL

NOK thousand	Total	31.12.22			31.12.21	
		Tier 1 Unlimited	Tier 1 Limited	Tier 2	Tier 3	Total
Share capital	33,000	33,000				33,000
Share premium	122,000	122,000				122,000
Reconciliation reserve	54,293	54,293				42,337
Deferred tax assets	14,900				14,900	17,547
<b>Total solvency capital</b>	<b>224,193</b>	<b>209,293</b>			<b>14,900</b>	<b>214,884</b>
<b>Total solvency capital available to cover the minimum capital requirement</b>	<b>209,293</b>					<b>197,337</b>

## SOLVENCY CAPITAL REQUIREMENT AND -MARGIN

NOK thousand	2022	2021
Market	11,374	11,370
Counterparty	3,193	4,728
Health	169,131	146,816
Operational	31,633	27,548
Diversification	-10,508	-11,537
Loss Absorbing tax effect	-51,206	-44,731
<b>Total solvency requirement</b>	<b>153,617</b>	<b>134,194</b>
<b>Solvencymargin</b>	<b>145.9 %</b>	<b>160.1 %</b>
<b>Minimum capital requirement</b>	<b>62,626</b>	<b>54,201</b>
<b>Minimum margin</b>	<b>334.2 %</b>	<b>364.1 %</b>

## DIFFERENCE PROVISIONS STATUTORY ACCOUNTS AND SOLVENCY II BALANCE

NOK thousand	2022	2021
<b>Technical provisions statutory accounts</b>	<b>506,771</b>	<b>442,207</b>
Future premium payments	-253,375	-219,130
Risk margin	11,824	10,294
Expected margin in future premiums	-9,013	-19,071
Discounting	-7,643	-6,363
<b>Technical provisions solvency II value</b>	<b>248,564</b>	<b>207,937</b>

Future premium payments on policies in force reduces reserves for solvency, which is based on cash flows. Accounts receivable on the asset side is reduced by the same amount, so that the net assets are not affected.

Risk margin shall ensure that insurance companies can be refinanced in the case of insolvency and are included only reserves for solvency purposes.

Expected margin in future premiums reduces premium provisions for solvency purposes.

Future cash flows relating to technical provisions have been discounted as a requirement after Solvency II. This decreases the allocations.

Note 29 | Number of employees

	2022	2021
Number of employees at 31.12.	30	27
Average number of employees	29	27
Fulltime equivalent positions at 31.12.	30	27
Average number of fulltime equivalents	28	27

## **WORDS AND EXPRESSIONS**

### **INSURANCE PROFIT AND LOSS**

Premium income less cost of claims and operating costs.

### **RISK PROFIT AND LOSS**

Premium income less cost of claims.

### **COST RATIO**

Operating costs as a percentage of accrued premiums.

### **CLAIMS RATIO**

Claims paid as a percentage of accrued premiums.

### **COMBINED RATIO**

Cost ratio plus claims ratio.

### **OWN ACCOUNT**

Amounts added/subtracted for re-insurance.

### **REINSURANCE**

Transfer of part of the risk to another insurance company.

### **INSURANCE-RELATED ALLOCATIONS [NON-LIFE INSURANCE]**

For a more detailed description of insurance-related allocations and accrual of premiums and claims, see note 1 - Accounting principles.

### **DURATION**

Average remaining period of an income stream from interest-bearing securities. Modified duration is calculated on the basis of the duration and reflects value sensitivity to underlying interest rate changes.



To the General Meeting of Storebrand Helseforsikring AS

## *Independent Auditor's Report*

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### *Opinion*

We have audited the financial statements of Storebrand Helseforsikring AS (the Company), which comprise the statement of comprehensive income as at 31 December 2022, the statement of financial position, statement of cash flow and statement of change in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Our opinion is consistent with our additional report to the Audit Committee.

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### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other 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 opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 5 years from the election by the general meeting of the shareholders on 7 March 2018 for the accounting year 2018.

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*Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap*

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The business has been largely unchanged compared to last year. There have been no regulatory changes, transactions or events of significant importance for the 2022 annual accounts that have derived new focus areas.

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Valuation of claim provisions</b>  We have had enhanced focus on claim provisions because it has been identified as a material estimate in the financial statement. The estimate involves management using professional judgement to estimate the expect costs for cases that have been reported but not settled, and cases that have occurred but have not yet been reported to the company. Use of model, relevant assumptions and data quality are imperative for correct estimation of claim provisions in the financial statement. Small adjustments in the assertions may have significant impact on the claim provisions.  Refer to note 2, 5 and 25 in the financial statement where management has a more detailed description of claim provisions.	  In our audit we have considered design and tested effectiveness of established controls related to the claims handling process and the process for estimating the claim provisions in the financial statement. This included testing of controls related to review of assumptions and method, data quality, claims handling and IT- controls relevant for financial reporting. Those controls we elected to base our audit on, was working efficiently.  We have assessed and challenged management's judgements of the valuation of claim provisions. Among procedures performed we evaluated the use of models, assumptions, and sample tested parts of the data input.  We have also assessed and concluded that the notes in the financial statement, covering claim provisions, are appropriate and adequate.

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## Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap*

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## *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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## *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 internal control relevant to the 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 management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Oslo, 16 March 2023

**PricewaterhouseCoopers AS**

Thomas Steffensen  
State Authorised Public Accountant

*Note: This translation from Norwegian has been prepared for information purposes only*

