gard

ANNUAL REPORT 2024

Supporting a sustainable ocean economy

gard

"Our mission is to help our Members and clients navigate uncertainty by providing the very best risk management solutions in the market."

Rolf Thore Roppestad, Gard CEO

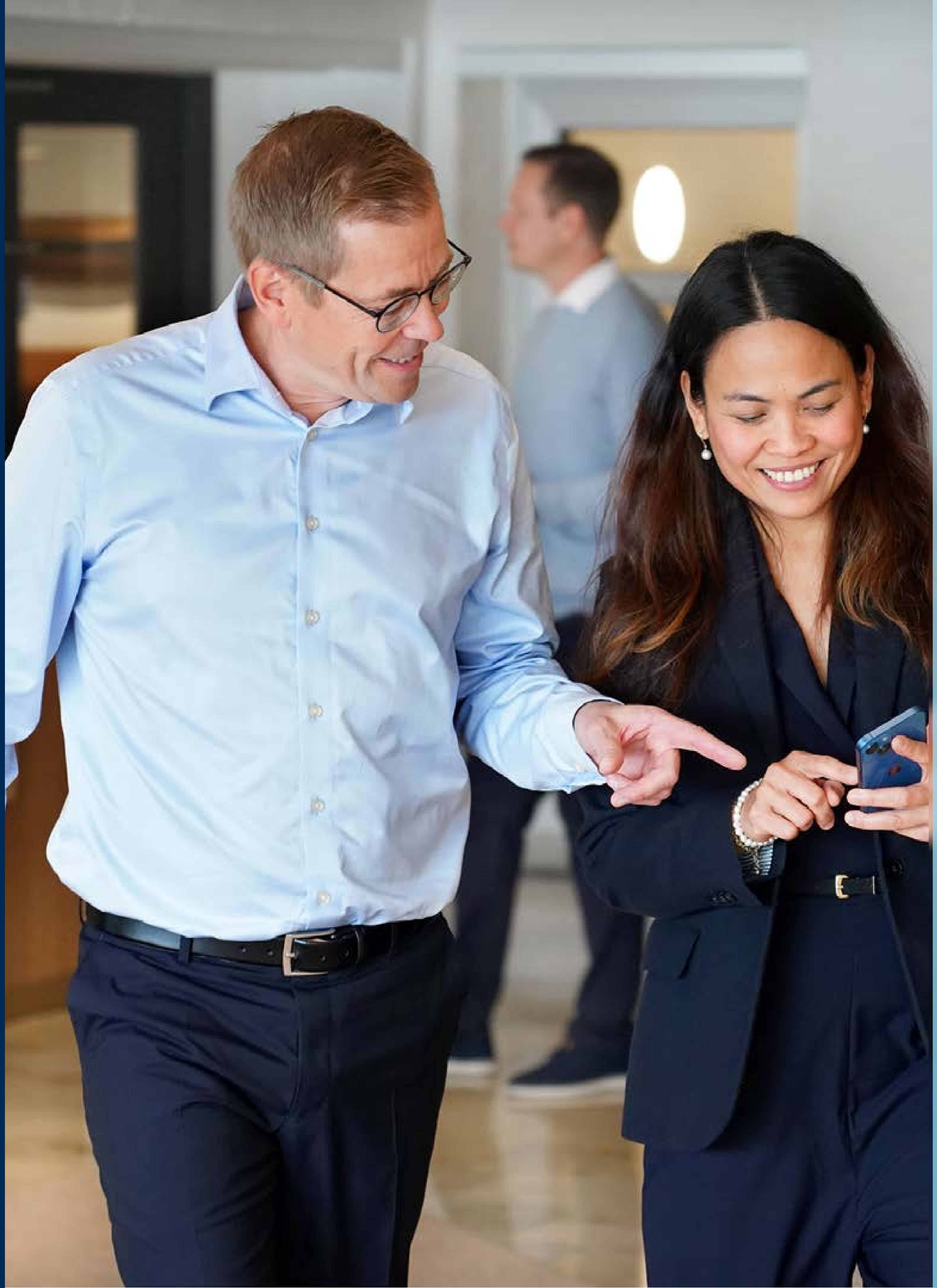
Contents

About this report

This annual report follows the Value Reporting Foundation's integrated reporting framework.

This framework enables us to share not only our financial results but also how our strategy, governance, and non-financial performance contribute to long-term value creation. The report has been externally verified to be in accordance with the content elements of the guidelines.

In the future, Gard may need to comply with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). We are preparing for this by gradually aligning our reporting framework with the EU standards. As a result, this year's report includes a separate chapter on Gard's Sustainability Statements, outlining our process for identifying relevant data and standards, along with our list of material Impacts, Risks and Opportunities (IROs). As previously, our annual report also includes a main chapter on Gard's overall performance and highlights in 2024, as well as a separate chapter outlining our financial statements.



CHAPTER 01

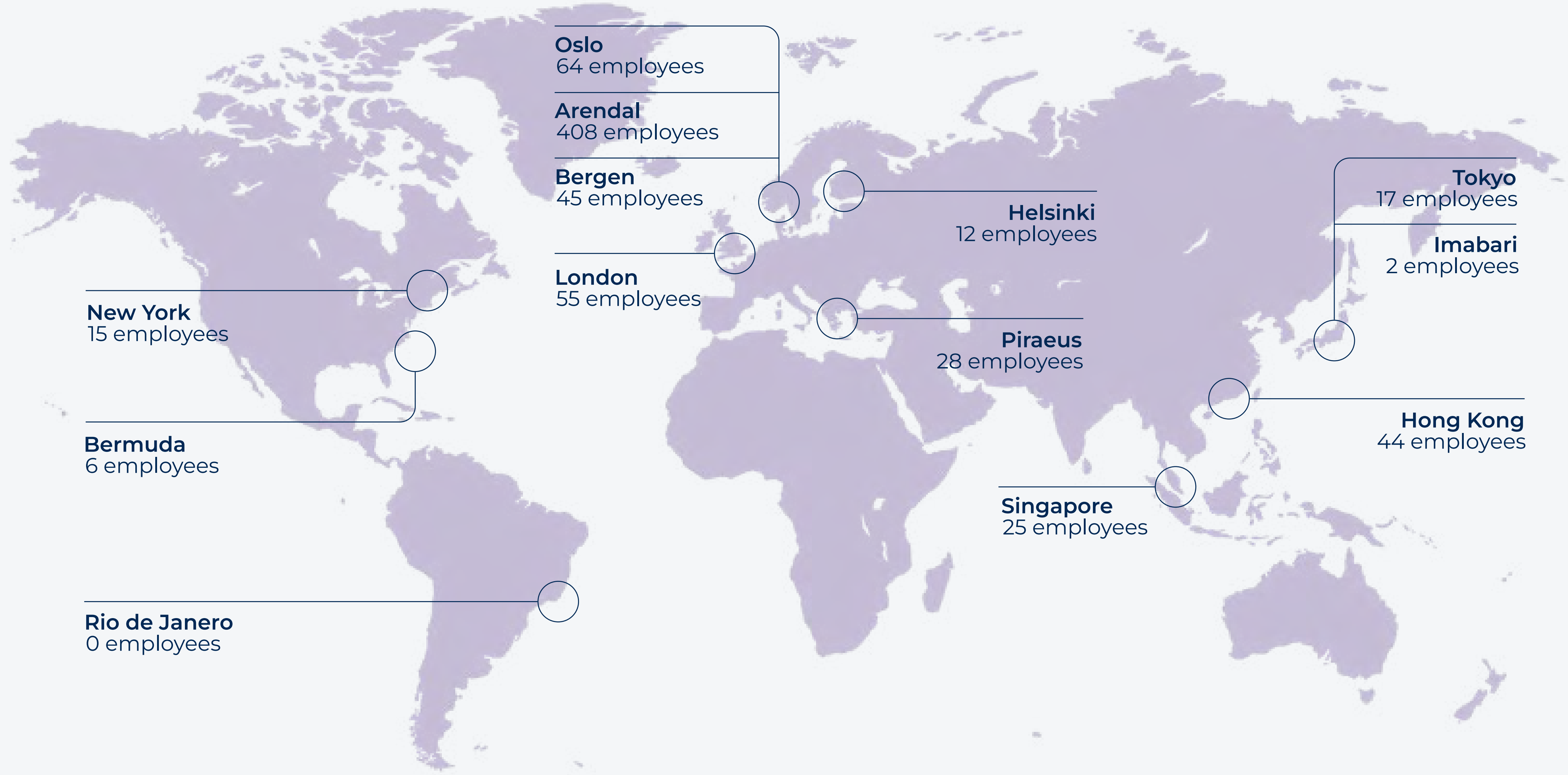
Executive summary

Gard at a glance

Gard is the world's leading provider of protection & indemnity (P&I), marine and energy insurance. Being a mutual association, our core purpose is to help Members and clients to navigate and manage maritime risks. We do that by providing a wide range of insurance covers, expert casualty and claims handling services, as well as proactive and data-driven loss prevention.

13 offices*/ 721 employees

* Gard established two additional offices in Denmark on 3 March 2025, one in Copenhagen and one in Aarhus.



Gross written premium

USD 1,193m

Result

USD 143.9m

Combined ratio

95.5%

Standard and Poor's rating

A+ with stable outlook

Market share

20.2%
P&I

7.6%
M&E

Business sustainability score from Ecovadis

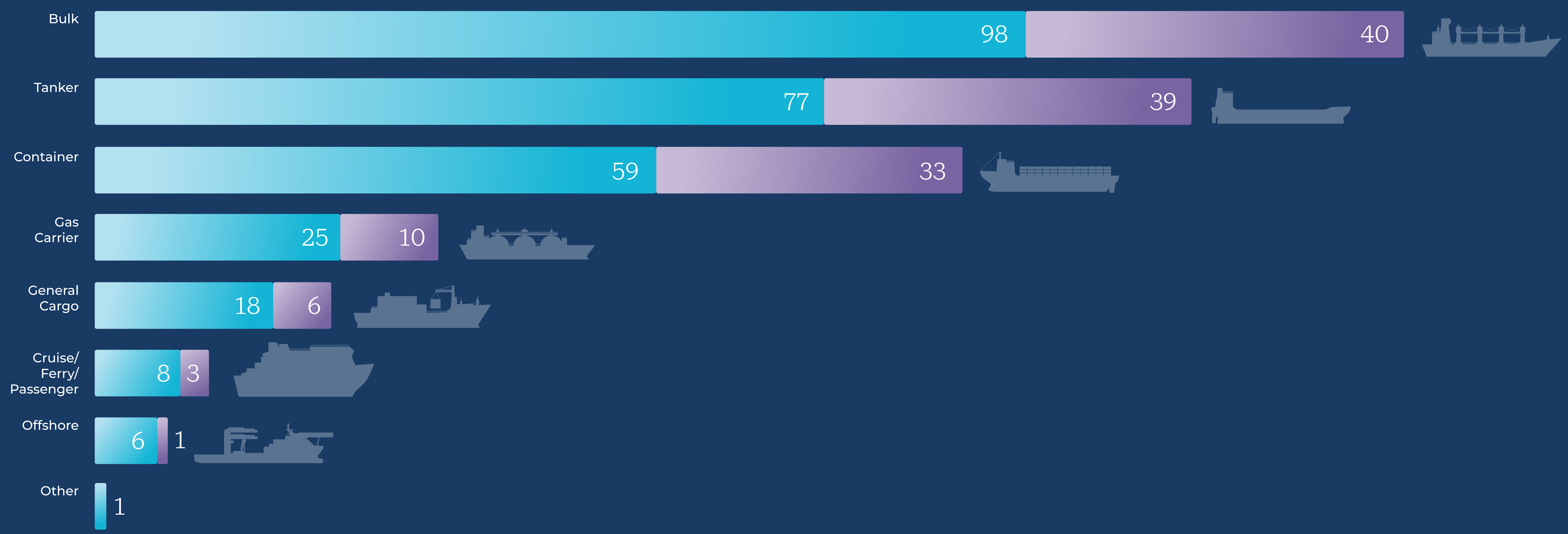
Gold rating

All numbers are on ETC basis as at 31 December 2024.

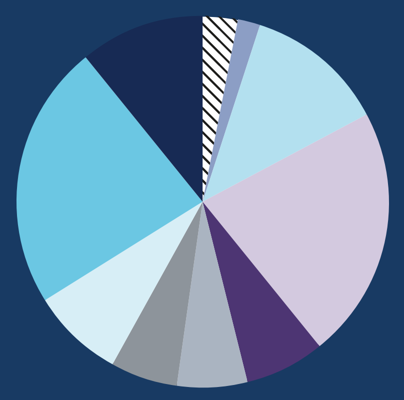
What we insure and where we insure it

P&I Mutual **293** million gross tonnes (total)

Hull & Machinery **133** million gross tonnes (total)

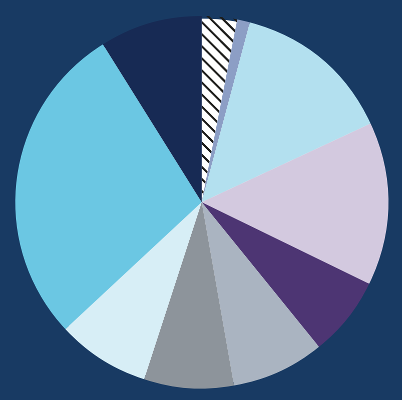


P&I Mutual



Norway	11%	Americas	7%
Greece	23%	Asia	22%
Singapore	8%	Europe	12%
Germany	6%	Scandinavia	2%
Japan	6%	Other	3%

Hull & Machinery



Norway	9%	Americas	7%
Greece	28%	Asia	14%
Singapore	8%	Europe	14%
Germany	8%	Scandinavia	1%
Denmark	8%	Other	3%

Gard leadership team

Rolf Thore Roppestad
Chief Executive Officer

Rolf Thore has been Gard CEO since January 2014. Prior to this, he was jointly responsible for the Gard group's Underwriting activities.

Bjørnar Andresen
Chief Underwriting Officer

Bjørnar is responsible for the group's underwriting activities worldwide across all lines of business.

Line Dahle
Chief Customer Officer

Line oversees the Loss Prevention department, Sustainable Business, Customer Support, Analytics, the Product Team, CX and Communication.

Kristian Dalene
Chief Investment Officer

Kristian is responsible for the group's Investments and Reinsurance. He is also Managing Director in Gard's Bermuda office.

Christen Guddal
Chief Claims Officer

Christen is responsible for the group's various Claims departments. He also oversees the Managing Directors in Gard's regional offices.

Lars Lislegard-Bækken
Chief Operating Officer

Lars oversees the Group Legal department, Strategy Realisation, Human Resources, Corporate Relations, Industry Liaison, as well as Property & Service.

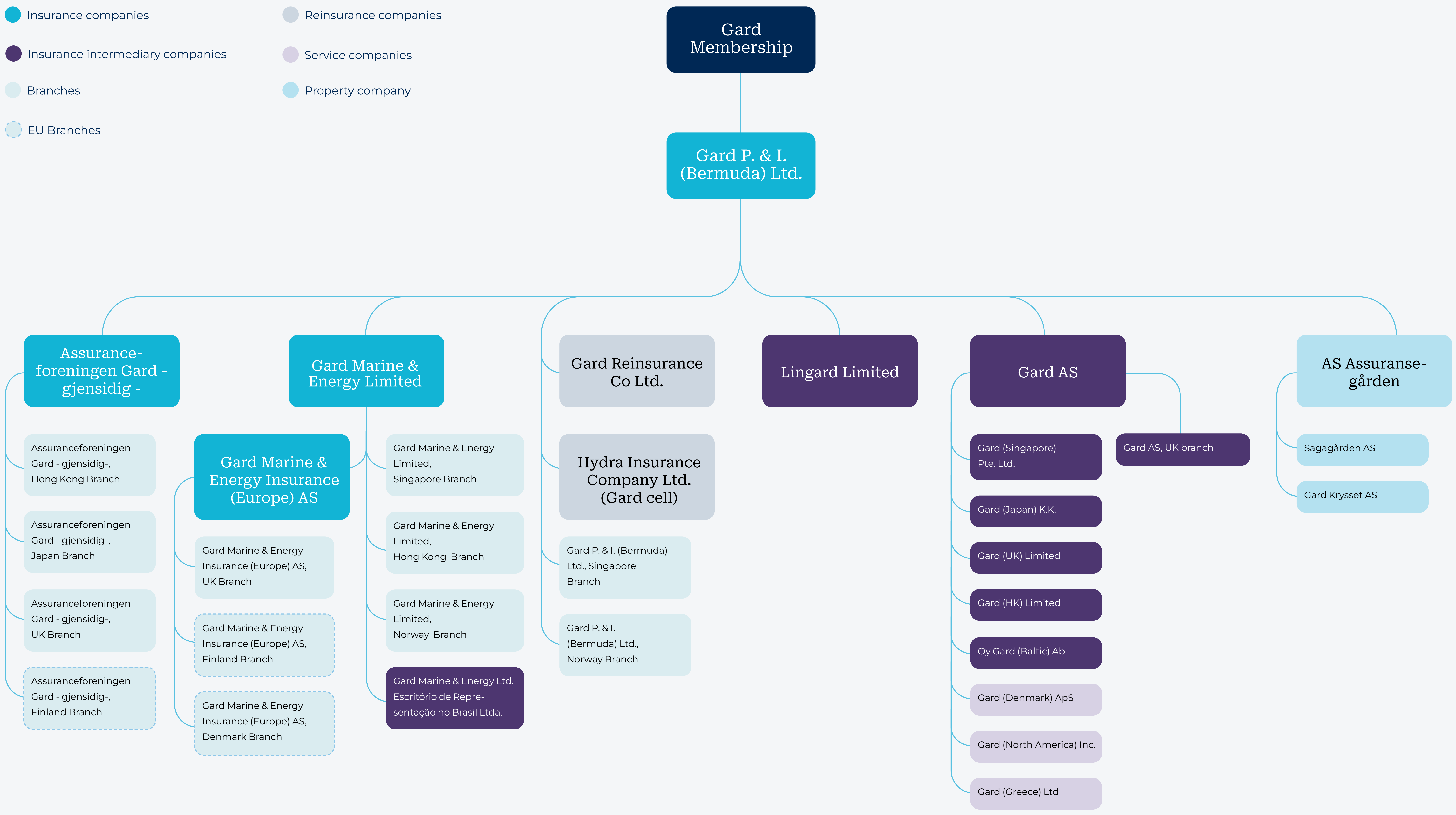
Christian Pritchard-Davies
Chief Financial Officer

Christian is responsible for managing the Finance department as well as Gard's Technology department.

Torunn Biller White
Chief Risk Officer

Torunn is the group's Chief Risk Officer. She oversees Risk Management, Actuary & Risk Capital, Compliance & Quality Management. In addition, Torunn is Managing Director of Gard's Oslo office.

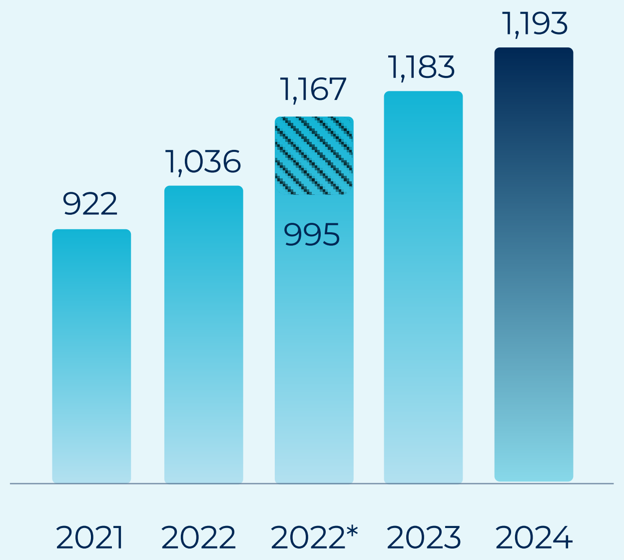
Gard group structure



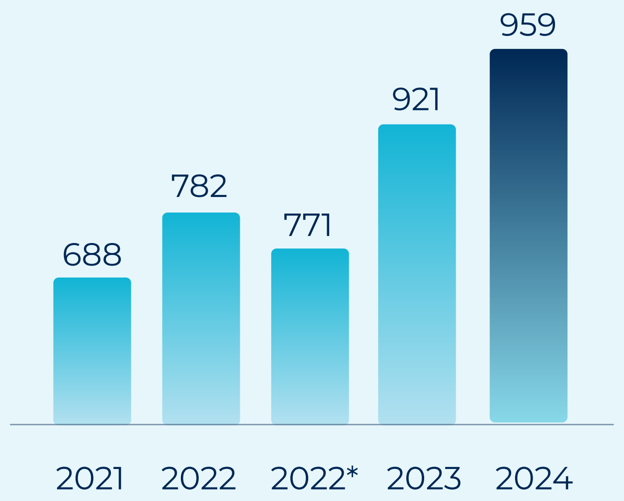
Five year summary

All figures are in USD million, ETC basis

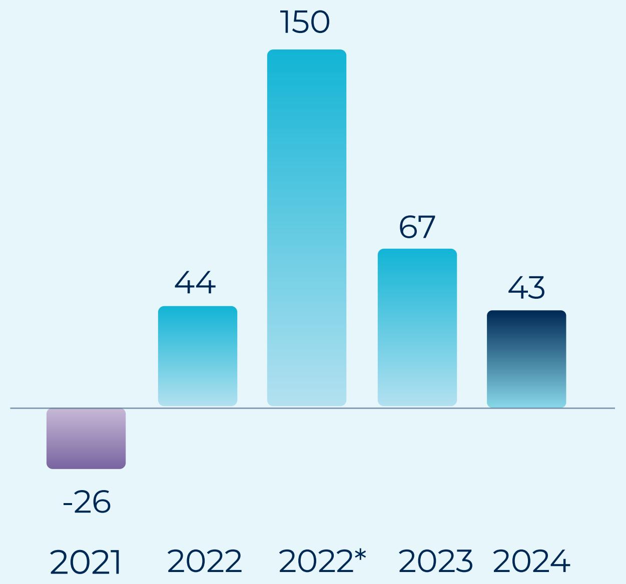
Gross written premium



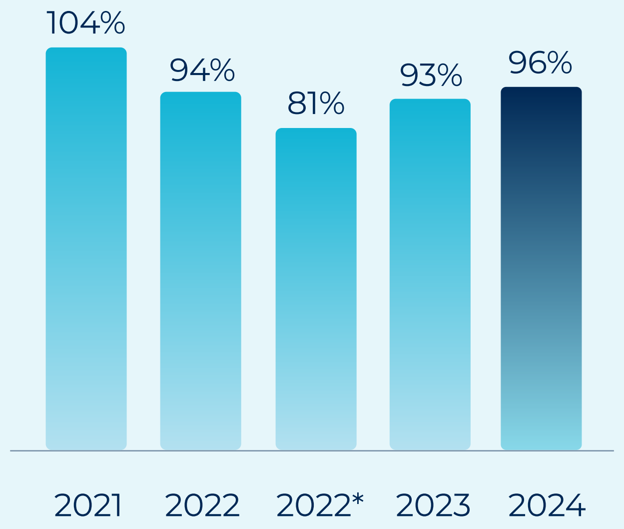
Earned premium for own account



Result on technical account

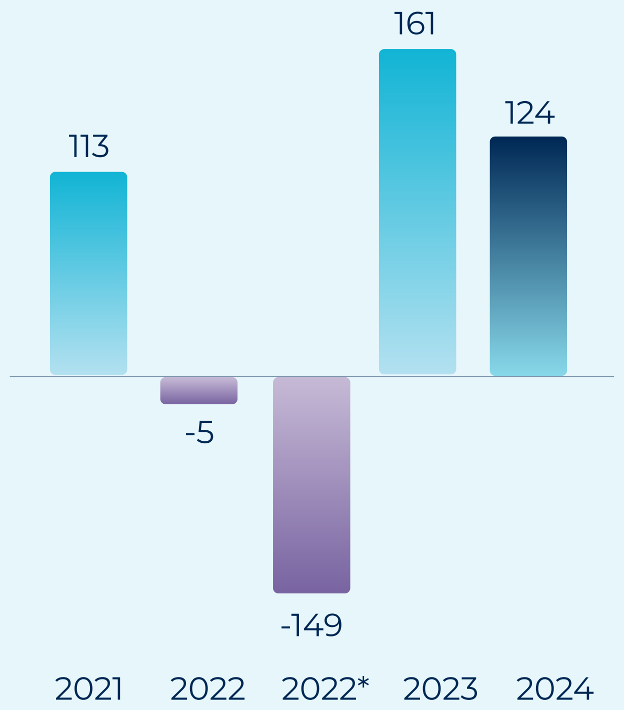


Combined ratio

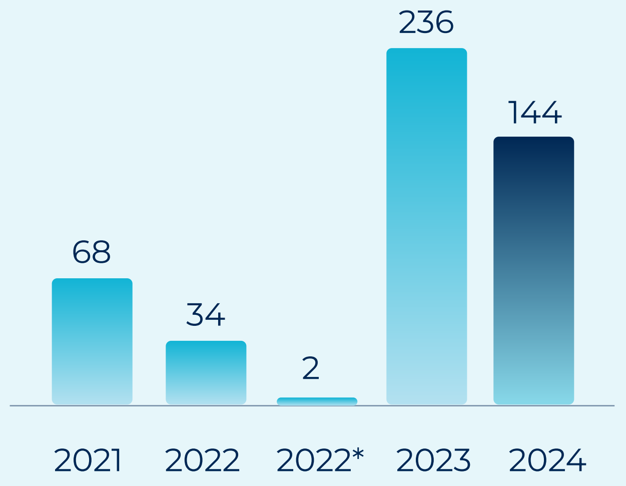


Owners' General Discount per policy year**

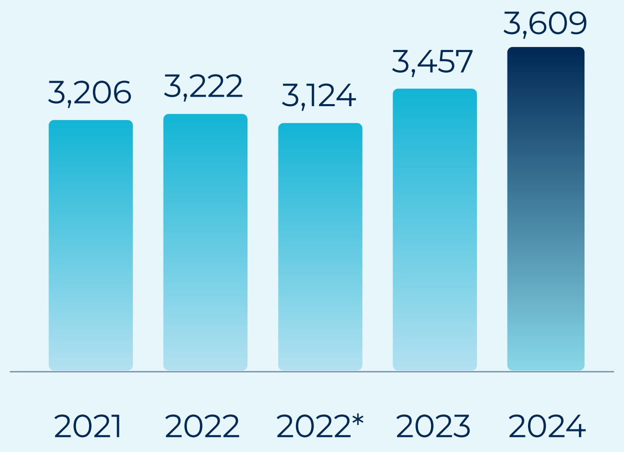
Result on non-technical account



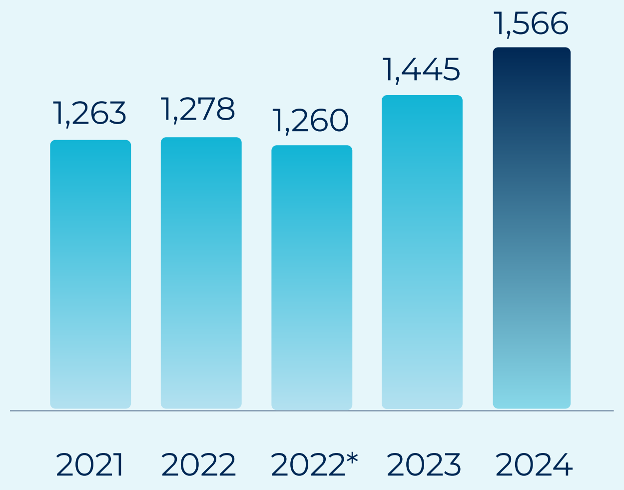
Total comprehensive income



Assets (actual figures)



Equity (actual figures)



Looking at the full calendar year 2022, the gross written premium was USD 1,167 million.

***Shorter financial year**, from 21 February 2022 – 31 December 2022.

** Figures are presented in USD millions per policy year and net of any comission. The 2019 and 2020 figures show the net reduction in last installment and deferred call. Owners General Discount was introduced in policy year 2021. Owners General Discount as at 31 December 2024 was USD 49 million. See also Note 5.

A truly global insurer

– a conversation with our CEO and Chairman

Photo: Gard

CEO Rolf Thore Roppestad and Chairman Morten Høegh reflect on Gard's stand-out performance amid 2024's challenges and discuss some of the key issues shaping the shipping industry ahead, from trade disruptions to seafarer safety and decarbonisation.

Having successfully reached our 2025 targets, we have set new and ambitious goals for 2030

The past year has been marked by continued geopolitical turbulence and conflict. How would you characterize 2024?

Morten Høegh: "It has certainly been a challenging and volatile year. The conflicts in Ukraine and the Middle East continued, and as Houthi attacks persisted in the Red Sea, global shipping undertook a massive rerouting of vessels around South Africa – an adjustment which came with its own set of risks and challenges. Furthermore, the industry continues to navigate an increasingly complex sanctions regime. So, I would say it has been both a demanding and eventful year for shipping."

How did Gard navigate these challenges, and how would you assess its performance?

Rolf Thore Roppestad: "Our top priority was - as it always is - to help and support our Members and clients. We have had a strong focus on loss prevention activities and maintained a close dialogue with those directly affected by imminent threats, as well as with authorities. It is at times like these we see the value of being a truly global insurer. With an extensive network of offices and correspondents, we are able to respond swiftly when something happens."

Any particular incidents or achievements that stand out?

Roppestad: "Despite geopolitical turbulence, I am proud to say that Gard performed very well in 2024. We delivered a strong technical result, particularly on the P&I side, but also across other business lines. Our investment results further reinforced our overall performance, leading to one of our best financial results to date."

Høegh: "Another key milestone was of course the approval of Gard's new five-year strategy. Having successfully reached our 2025 targets, we have now set new and ambitious goals for 2030. Focus areas include financial strength, being a responsible and dynamic market leader, developing Gard's global organisation, and not least, increasing our efforts within loss prevention. The goal, quite simply, is to ensure that clients are safer with Gard."

2024 was also the year when Gard announced its acquisition of Codan's Marine & Energy portfolio. How would you describe this decision – does it a signal a slight shift in direction?

Høegh: "I don't see it as a shift in direction, but it was certainly a big decision and a significant leap forward, fully consistent with the new 2030 strategy. Over the years, Gard's Marine and P&I portfolios have grown considerably faster than our Energy business, and with this acquisition, we are also reinforcing the importance of the energy segment within our overall portfolio."

Roppestad: "Yes, the Codan acquisition was basically a very good fit for Gard. It enhances our capabilities within renewable energy, establishes a stronger foothold in Denmark and Northern Europe in our traditional marine business, and it solidifies our energy book as a key pillar of our business. We are excited about this development and look forward to integrating our combined expertise and resources, ensuring even better support to our Members and clients going forward."

Speaking of renewable energy - the shipping industry has faced criticism for not doing enough to decarbonize. What are your thoughts?

Høegh: "More needs to be done, there is no doubt about that - but we are moving in the right direction. Shipping is a 'hard-to-abate' sector, which means there are inherent challenges, but when we look at global emissions, the industry has arguable done more in relative terms than many other industries. And importantly, we are no longer debating whether we need to decarbonise – the question is how we can make it happen. So the focus has shifted to finding the technical and commercial solutions, as well as the regulatory incentives to drive the change."

Roppestad: "At Gard, we are committed to playing our part in this transition. Of course, our role is not to come up with new fuels or new technologies, but to take away some of the risks from our customers' shoulders. That is why we are investing heavily in expertise and building up our capabilities in this area. Every shipowner will have their own decarbonisation journey, and whatever path they chose, they can count on us to provide guidance and support, every step of the way."

> Our main concern is the broader geopolitical shift

With a new US administration in place, there are growing concerns about escalating 'trade wars'. How might this impact the maritime industry?

Høegh: "Increasing tariffs can influence cargo flows, affecting shipowners and, by extension, also insurers like Gard. However, our main concern is the broader geopolitical shift – the growing fragmentation of world trade, the potential for a 'clash of the Titans' and a deeper split between the West and the rest. For global trade, this would be highly detrimental. Shipping and marine insurance thrive on international cooperation, and we rely on a stable, unified regulatory framework to function effectively."

Roppestad: "I fully agree, and unfortunately, sanctions and the rise of the 'dark fleet' have only exacerbated this challenge. At Gard, we are strong supporters of the IMO and the International Group of P&I Clubs (IG), institutions that have served both the industry and society well for more than a century. The strength of the IG lies in the fact that we share risks. We bring together shipowners from across the globe – from the US and Canada in the West to China in the East – to help protect people, planet and property within the maritime sector. And it is in our common interest to continue doing so. As global tensions escalate, preserving such institutions only becomes more crucial."

What about seafarer safety and wellbeing? Are we seeing improvements in this area?

Roppestad: "Overall, the shipping industry has seen huge improvements in this area, but there is still room for improvement. Seafarer safety and wellbeing is a top priority for us at Gard, and it is an area where I believe we can make a meaningful difference. Through our products and services, through our claims handling, contract reviews, loss prevention and in working closely with our Members and other stakeholders – we can be a driver for sustainable practices."

What are your expectations looking ahead? What lies ahead for Gard?

Roppestad: "Marine insurance will always be volatile, and with increasing geopolitical uncertainty, the road ahead is far from predictable. However, our mission remains the same: to help our Members and clients navigate uncertainty by providing the very best risk management solutions in the market. That is our commitment, and we will continue to uphold it."

Høegh: "Indeed, and this is precisely why Gard's financial strength is so important. Financial resilience is what enables Gard to provide stability and predictability, even in turbulent times. The fact that Gard continues to return capital to its Members, and the fact that we have just had another strong renewal – this is a testament to the group's robust financial standing."

Any final reflections before we conclude?

Høegh: "As Chairman, I would like to extend my sincere gratitude to the entire Board of Directors for their continued dedication, particularly in helping to shape Gard's 2030 strategy. I also want to acknowledge the outstanding work of all our employees – their efforts have been instrumental in delivering yet another strong year for Gard."

Roppestad: "From my side, I would also like to express my appreciation to our Members and clients. Their engagement challenges us to stay agile and innovative and to never become complacent. We look forward to continued collaboration and partnerships, delivering on our new strategy, and to seizing new and exciting opportunities ahead."

Morten Høegh *Rolf Thore Roppestad*

2024 in pictures

Record attendance at Gard's annual reception in Athens 12 September.

Gard's management team met with colleagues from Codan in December 2024.

Gard employees participated in the annual Holmenkollen relay race in Oslo on 4 May.

In June 2024, Gard signed the Wista 40 by 30 pledge, marking our commitment to achieve of 40% female leadership in the maritime industry by 2030.

Gard attended high-level ocean and security meetings during the UN general assembly in New York in September 2024.

Gard hosted its annual Summer Seminar in Arendal in June.

In December 2024, we celebrated receiving an extended H&M license in Japan, allowing us to expand our services in the Japanese market.

The Gard-sponsored student, Kimmy Carrie Necesario, graduated from the World Maritime University in Malmö in November. She now works at the Philippine Coast Guard.

In June, we convened Members and clients to celebrate Gard Singapore's 10-year anniversary.

The world's first ship-to-ship transfer of ammonia at an active port anchorage was completed on 14 September. GCMD led the project, with Gard providing risk mitigation.

CHAPTER 02

Gard in 2024

Our strategy and goals

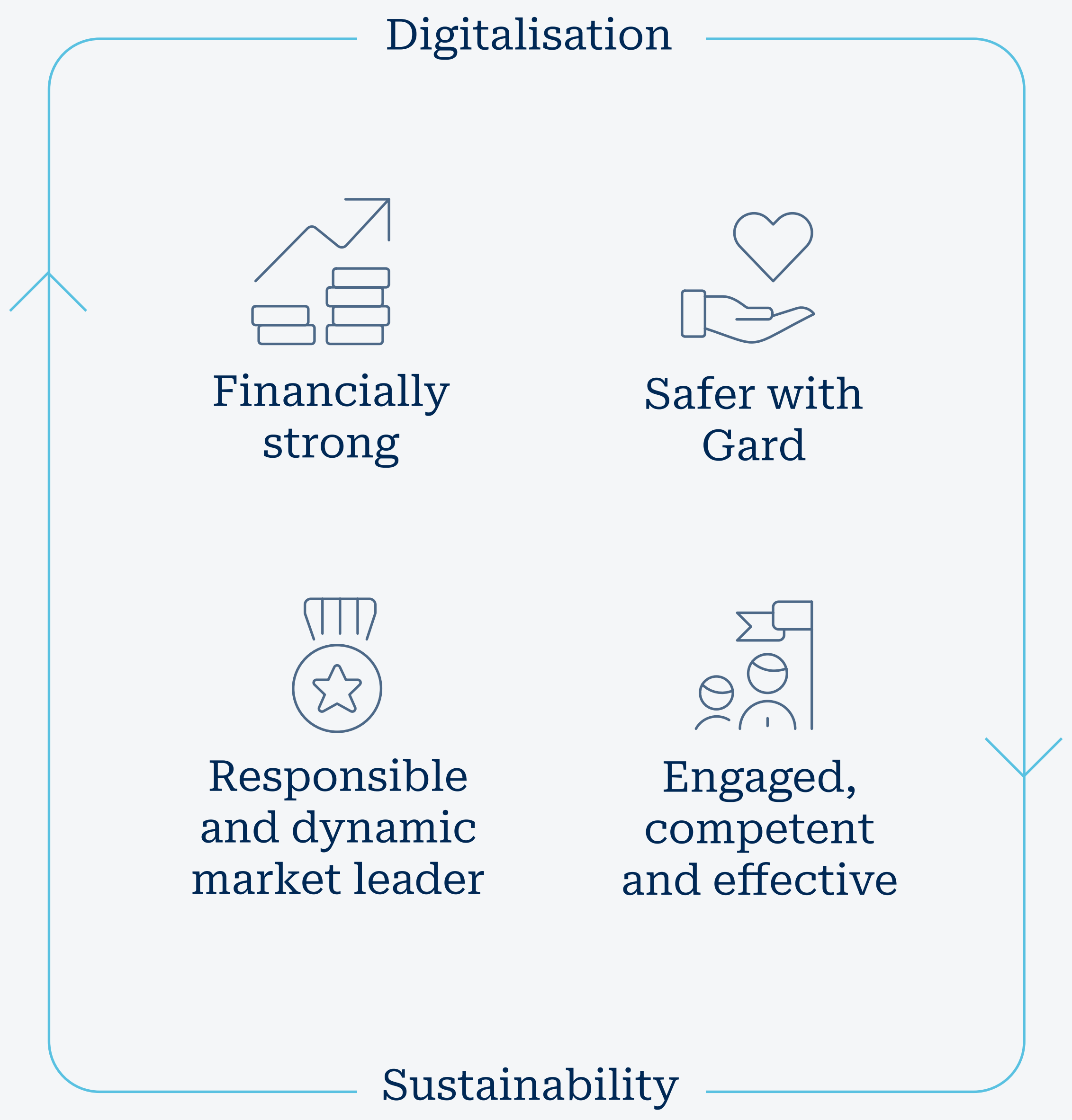
Gard's mission statement is *Together, we enable sustainable maritime development.*

The concept of 'togetherness' is key for us because, as a mutual, we are owned by the Members we serve. The goal to enable 'sustainable maritime development' reflects not only our commitment to responsible business practices but also the very nature of our products and services: By reducing and managing risks for the maritime industries we support global trade and development, we promote safer and cleaner operations, and we help to protect the livelihoods of those working at sea. As a group, Gard draws inspiration from the UN Sustainable Development Goals (SDGs), making sure we play our part to address key global challenges.

In 2018, Gard's Board of Directors agreed on a business strategy for the period leading up to 2025, with aspirations related to financial strength, continued market development and improved organisational efficiency. Well ahead of its 'deadline', the group could report that all the key targets and overarching goals had been achieved.

In 2023 we therefore started laying the foundation for a revised group strategy, involving the Board of Directors and the entire Gard organisation. Our annual stakeholder dialogue also played an important part in this process. Strategic focus areas towards 2030 include staying financially strong, being a responsible and dynamic market leader, increasing our efforts within loss prevention, and finally, ensuring that we have an engaged, competent and effective organisation. Across all of these focus areas, digitalisation and sustainability will be key drivers and enablers for success.

Strategic focus areas



How we create value

Gard creates value by leveraging our expertise, experience, and financial strength to help Members and clients manage risks and their consequences.

Through a network of global offices, we offer a wide range of insurance products, expert claims handling and data-driven loss prevention, enabling our clients to thrive in the ocean economy.

Gard's value creation model (see next page) encapsulates how we create value as a group - in the short-, medium- and longer term. Our value chain is visualised on page 17.

Gard's value creation model

What we do

We help our Members and clients in the marine industries to manage risk and its consequences

How we do it

Social Capital
Long-term partnerships with business partners and key stakeholders.

Intellectual Capital
Insight-led approach based on our data, internal models and analytical capabilities.

Human Capital
Our employees have deep maritime expertise and experience covering all key insurance competencies.

Financial Capital
Strongly rated capital base enabling us to pay claims and to offer predictable and competitive premium levels.

What we focus on

Digitalisation

- Financially strong
- Responsible and dynamic market leader
- Safer with Gard
- Engaged, competent and effective

Sustainability

Our main activities

We support our Members and clients
We provide a range of insurance products, hands-on casualty and claims handling as well as targeted loss prevention services.

We strive for long-term sustainable investment returns
Through our scale and financial strength, we invest responsibly to the benefit of our Members and society.

We focus on our people
We develop competence, foster diversity and ensure equal opportunities and a good working environment.

The result of everything we do

- Safer and cleaner operations
- Protected lives
- Reduced risks
- Lower premiums
- Empowered employees

We have an impact on

- Keeping world trade moving
- Ensuring safer and cleaner operations
- Pushing for a sustainable ocean economy

UN Sustainable Development Goals

- 8 DECENT WORK AND ECONOMIC GROWTH
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- 17 PARTNERSHIPS FOR THE GOALS

Gard's value chain model

Non-exhaustive, for illustrative purposes

Upstream

- Operational expense suppliers
- Correspondents and External Service Providers
- Reinsurers
- Brokers
- Investment/fund managers

Own Operations

- Mutual association owned by members, large marine and energy portfolio
- Global organisation with deep maritime expertise
  - claims handling
  - underwriting
  - loss prevention
- Long-term investor for the benefit of our customers

Downstream

- Shipowners
- Charterers and traders
- Construction yards
- Energy companies
- Offshore contractors
- Offshore windfarms
- Brokers

Results and activities

2024 was a year of transitioning and growth in Gard. Coming from a position of strength in 2023, where we announced the second-best results in Gard's history, we have used this past year to prepare for a new strategy and the roadmap ahead.

Highlights of the year included the acquisition of Codan's global Marine and Energy portfolio (the largest business investment Gard has made in 20 years), the expansion of our underwriting licence in Japan, and the collaboration with SAYFR, a leading provider of safety solutions and data-driven insights in the maritime industry.

Positive premium development

Gard saw continued growth both within P&I and the Marine & Energy sectors in 2024. We gained new business in close to all markets, but most notably in Asia, and in Japan specifically.

Overall, gross written premium on ETC basis had a positive development, with an increase of USD 10 million compared to 2023. This was primarily driven by positive developments in volume and tonnage for our P&I business, while we also saw slightly softer development in rates. Gross written premium for our M&E business decreased compared to the previous year, mainly due to decreases in written premium related to our fronting agreements (see note 15), while we had a strong, positive development in business volume for our Builders segment.

In sum and after claims incurred, the net technical result for the Gard group on ETC basis was USD 43.5 million, leading to a combined ratio of 95.5 per cent. Due to inflation and expected increases in claims going forward, Gard decided in October to seek a 4 per cent premium increase for the 2025 P&I renewal. At the same time, Gard also announced that it would give a 10 per cent Owners General Discount to Members renewing P&I, marking the 16th consecutive year that Gard returned capital to its owners.

Gross written premium, USD million

	2021	2022	2022	2023	2024
P&I	505	534	612	675	696
M&E	417	502	383	508	498
Total	922	1,036	995	1,183	1,193

Expanding our business

A significant milestone was reached with Gard's purchase of Codan's Marine and Energy portfolio in July 2024. With this, we are taking a major step forward within the renewable energy segment, building on the success of our existing offshore wind portfolio which has delivered strong results since 2018. The transfer of business from Codan to Gard was formally completed on 3 March 2025. As part of the acquisition process, we have established a separate branch and two new offices in Denmark. We look forward to welcoming approximately 50 new colleagues to our global organisation, further enhancing our expertise and capabilities within business areas of growing importance.

Photos: Gard

"The Codan acquisition is a great strategic fit for Gard. It allows us to take the lead in renewable energy insurance and to further diversify our business, which has always been important for our long-term stability and success."

Rolf Thore Roppestad, Gard CEO

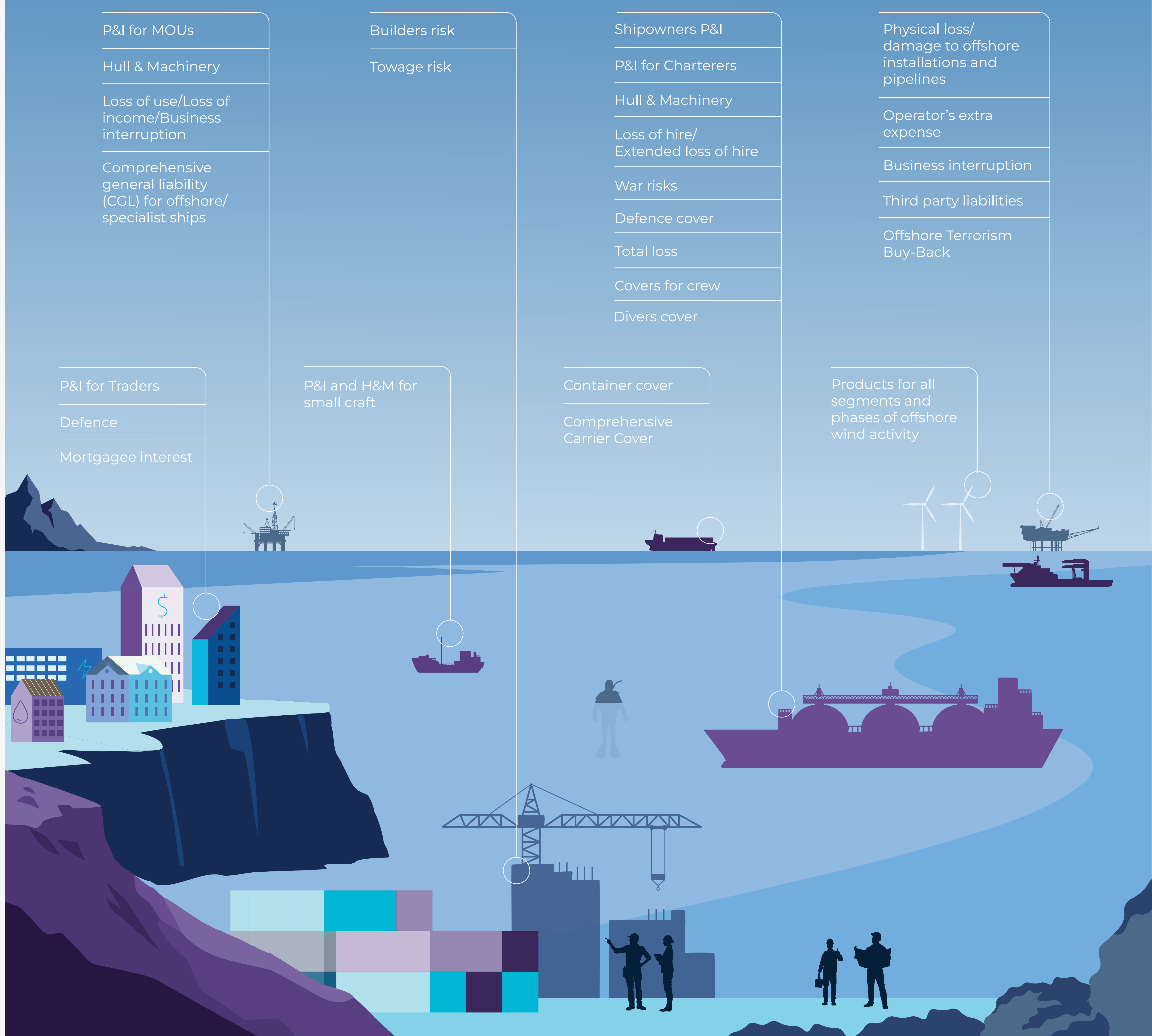
Another welcome development was the regulatory approval in December 2024 to extend Gard's insurance licence in Japan to include Marine and Energy risks, including Hull & Machinery, loss of hire and builders' risks. Having operated in the Japanese market for over 30 years, Gard already has a strong position for P&I in the region, and with this licence we will be able to build further on that, providing even more comprehensive risk management solutions in one of the world's largest shipping markets, and one which is becoming increasingly international in outlook.

In parallel with the expansion of our portfolio, we have had a continuous focus on improving our products and services. Some of our products, including the war and cyber risk covers, have been improved and simplified, and we have made significant progress in our digital services (see section "Improving our services" for further details). We also developed new and separate P&I rules for charterers and traders in 2024, providing greater contract certainty and simplification for our customers.

Looking back on the broader business landscape, 2024 was also a year shaped by persistent geopolitical tensions and unrest. The escalation of the conflict in the Middle East, coupled with the continued war in Ukraine, created far-reaching challenges for the maritime industry. Evolving sanctions against Russia added further complexity for global companies navigating diverse markets and jurisdictions. In response to these developments, Gard dedicated substantial resources to strengthen our sanction and Know Your Counterparty (KYC) processes, making sure we adhere to all relevant regulations. We also collaborated with a wide range of intelligence providers, local correspondents as well as our regional offices to gather and share the best possible insights with our Members and clients.

A wide range of insurance products

Non-exhaustive, for illustrative purposes



Decarbonisation

The green transition continues to be high on the agenda, both for Gard and our Members and clients. Most of our portfolio still runs on conventional fuels, but we see an accelerating shift towards alternative fuels and technologies – a development we very much welcome and support. Our role is to facilitate this transition, providing insurance solutions and loss prevention to reduce the risks associated with the change. In parallel, we also support a wide range of research and innovation projects aiming to promote shipping's further decarbonisation. We partner with the Global Centre for Maritime Decarbonisation, the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping as well as other institutions working to promote low-carbon solutions.

As a signatory to the Poseidon Principles for Marine Insurance (PPMI), we have issued our third climate alignment score (published in 2025), disclosing the carbon intensity of our hull and machinery portfolio for 2023. The reporting methodology has been modified since last year. It now reflects the revised IMO GHG Strategy adopted in July 2023, capturing full lifecycle GHG emissions (well-to-wake). Additionally, PPMI now allows using modelled emissions data instead of relying on client-reported data. This means that we can capture a larger share of our portfolio, including vessels where neither Gard nor other PPMI signatories have claims lead. Gard very much supports these adjustments.

Highlights

Insuring tomorrow's fuels

The world's first ship-to-ship transfer of ammonia at an active port anchorage was completed on 14 September 2024. Loss prevention and risk mitigation for the pioneer project was provided by Gard.

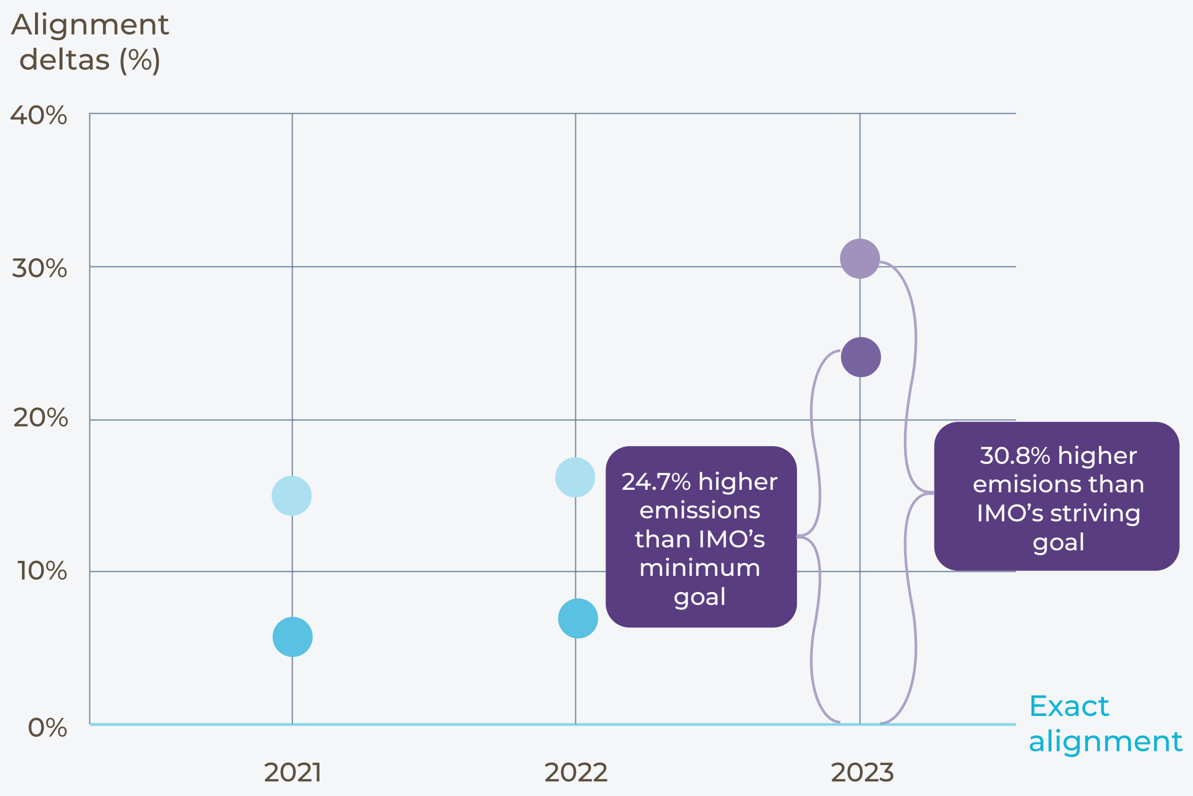
The operation, conducted in the Pilbara region of Western Australia, was the result of a joint venture between Yara Clean Ammonia, the Pilbara Ports Authority and the Global Centre for Maritime Decarbonisation (GCMD), where Gard is a partner. The Pilbara region has been highlighted by the Global Maritime Forum as a promising and viable location for future ammonia bunkering.

"Decarbonisation will require many different parties working together, and this pilot project is a great example of that," said Gard CEO, Rolf Thore Roppestad. "Our role has been to support with risk mapping and risk mitigation advice throughout the process, and we stand ready to support the industry on its continued journey to decarbonise."

As illustrated below, our climate alignment score has markedly deteriorated compared to previous years. This was to be expected, given the altered methodology. However, on a 'like for like' basis, we believe that Gard's alignment has been helped by the fact that most of our insured vessels sailed longer distances in 2023 compared to 2022, increasing their overall fuel efficiency[1]. It is also promising to see that when looking at other metrics, such as the Energy Efficiency Operating Indicator (EEOI) which takes the amount of cargo carried into account (again via modelled data), we see improved results.

Carbon intensity of H&M portfolio

Carbon intensity of Gard's Hull & Machinery portfolio compared to IMO's decarbonisation goals. Note that the methodology changed in 2023. This means that the 2023 score is not comparable with the score from 2022 and 2021.



[1] It is worth noting that since the PPMI result is based on 2023 data, the result is largely unaffected by the altered trading pattern connected to the situation in the Red Sea.

A changing fleet

World fleet 2024

Conventional fuel

96.6%

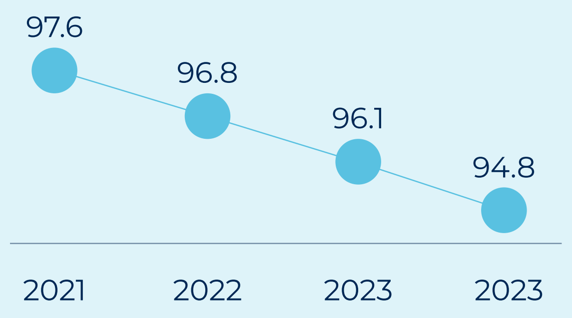
Alternative fuel

3.4%

Gard fleet 2024

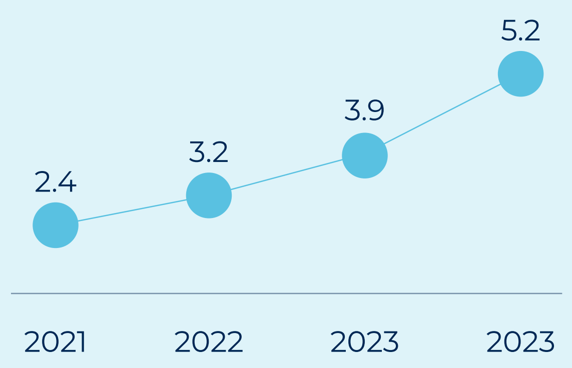
Conventional fuel

94.8%



Alternative fuel*

5.2%

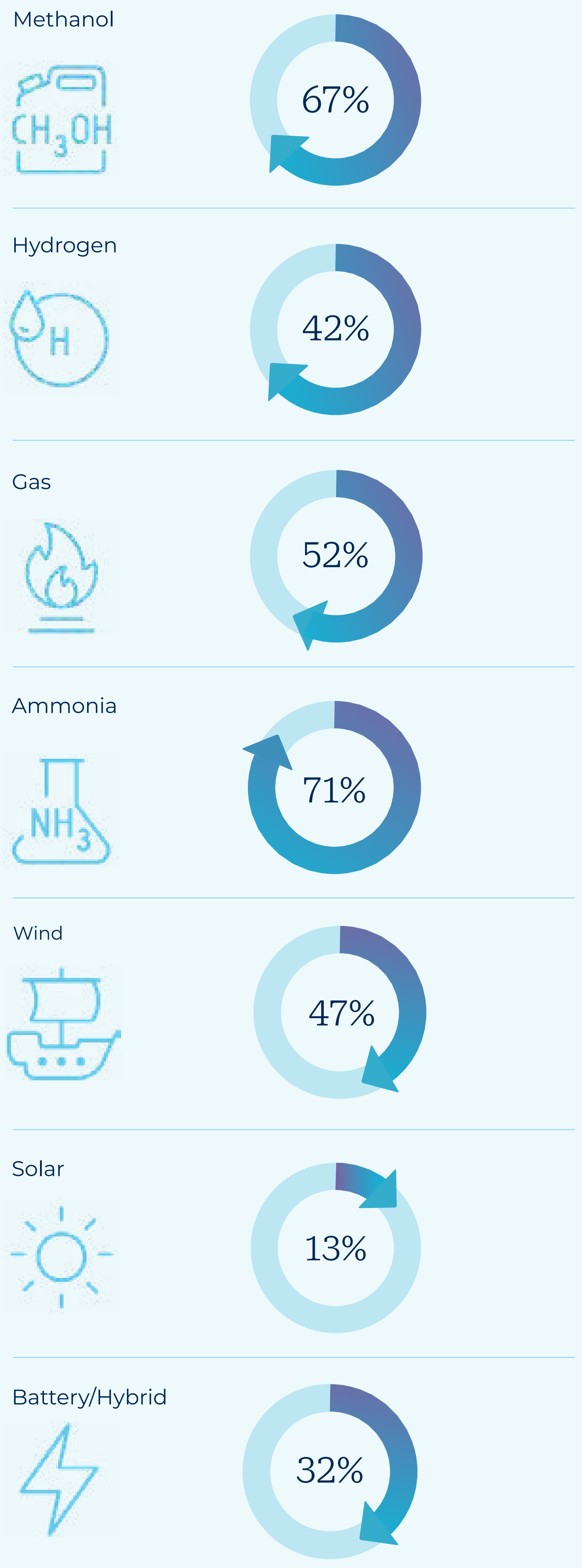


Source: S&P Global and Lloyd's List Intelligence, with unique IMO number as identifiers

*Numbers based on vessels that are running on or ready for alternative fuels, excluding LNG and LPG tankers.

**Numbers based on vessels that are running on or ready for alternative fuels, excluding LNG and LPG tankers. Vessels can run on more than one alternative fuel type. Source: S&P Global.

Gard share of world fleet running on alternative fuels**



Claims development

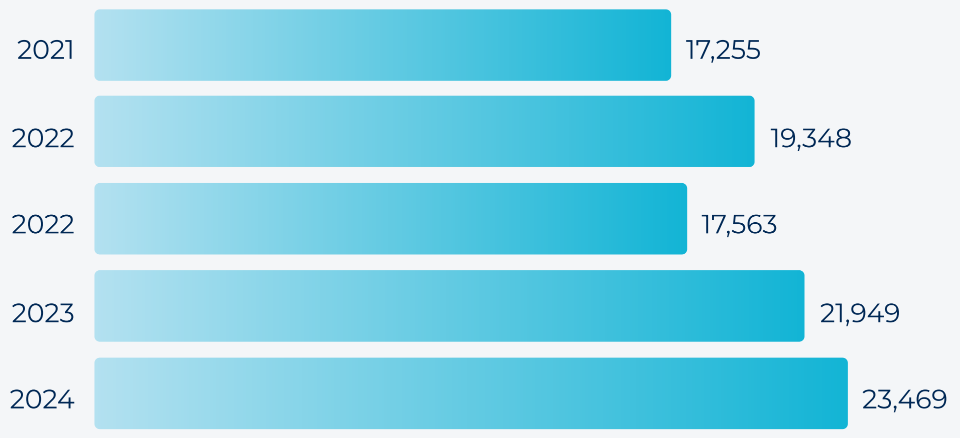
Overall, the claims development in 2024 was slightly better than expected, but with some variations across our different lines of business:

- Claims for mutual P&I were slightly better than expected despite a higher incurred for Pool claims from other IG clubs. Gard has reported no Pool claim for the 2024 policy year
- Claims for fixed P&I were somewhat worse than expected due to a high exposure claim for charterers and the deterioration of a large claim concerning a mobile offshore unit
- Marine claims ended up better than expected mainly due to fewer large claims
- Energy claims showed somewhat higher frequency driven by incidents from the offshore wind portfolio
- Builder's Risk claims developed worse than expected due to one large claim resulting from a fire in a yard causing the total loss of a yacht under construction.

Out of the +20,000 claims handled in 2024, the ten largest ones made up about 20 per cent of the total net incurred. The largest claim incurred in 2024 was our share of the pool for the DALI allision with the Francis Scott Key Bridge in Baltimore, whereas the second largest was the above-mentioned Builder's Risk claim.

2024 was a year where unrest in the Middle East and continued Houthi attacks on merchant ships transiting the Red Sea had a significant impact on shipping routes. Many ships, particularly in the container trade, were rerouted around South Africa, exposing them to tougher weather and sea conditions. This led to more incidents and claims in this area, including loss of and damage to cargo. There was also a Pool claim from another IG Club involving a grounding and wreck removal.

Total registered claims per financial year



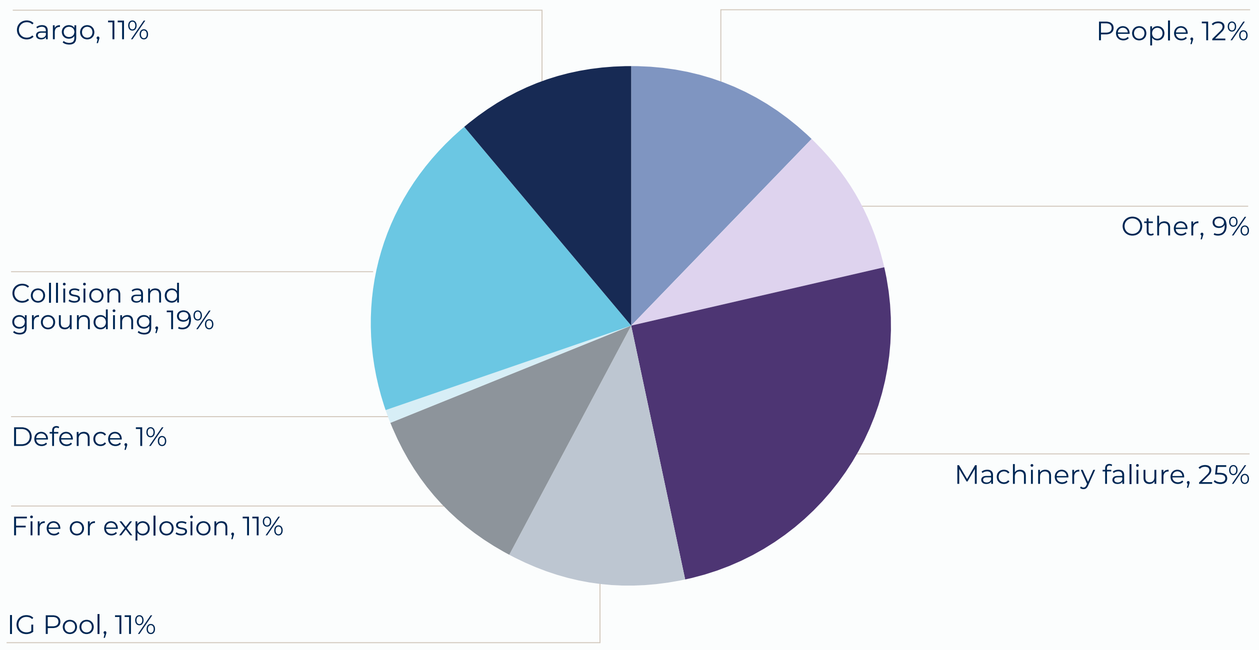
Claims incurred, USD million

	2021	2022	2022	2023	2024
P&I	413	384	347	427	490
M&E	219	245	180	311	314
Total	632	629	527	738	804

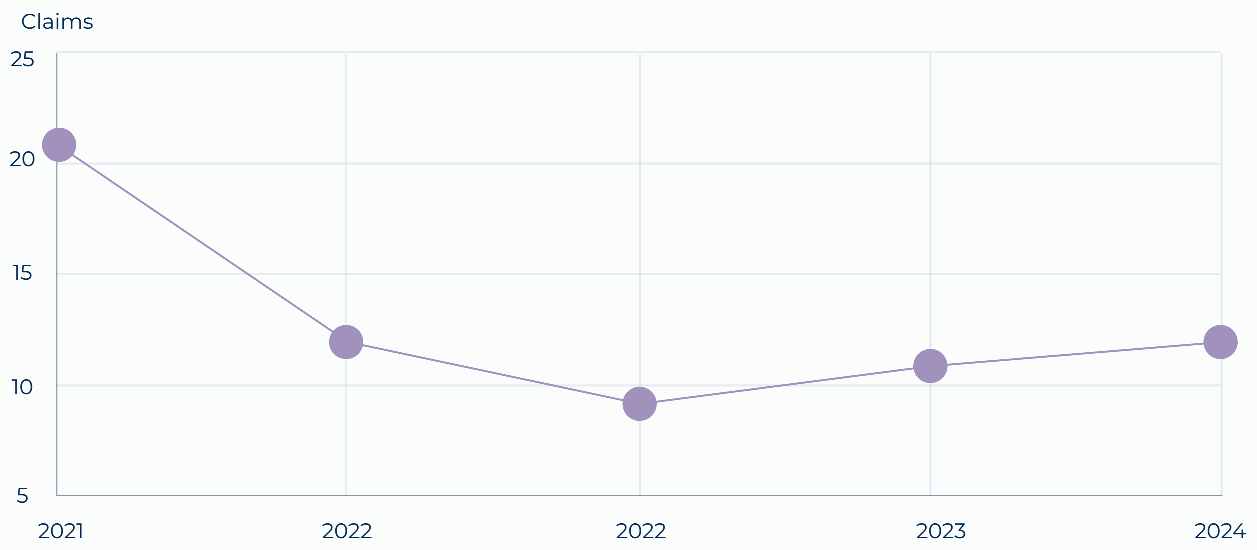
Fires onboard continue to be an area of concern. In 2024 we saw an increase in engine room fires for different ship types, as well as some serious fire incidents involving cargoes in containers. Added to this is the continued growth in seaborne transportation of both new and used electric vehicles with lithium-ion battery packs, which, if a fire occurs, makes effective fire-fighting more difficult. The industry must continue its focus on risk mitigation, not least because of the risk to seafarers on board. Responsible disposal of burned or wet cargo, often containing elements of hazardous waste, is key to protecting the health and safety of those affected by such operations both on and off the ship. There appears to be a need for more terminals that are able and willing to receive hazardous waste, and facilities able to handle such waste in a sustainable manner.

On a positive note, 2024 was a strong year in terms of recoveries of paid claims from third parties, as well as legal costs. In total, the gross recoveries made for our share exceeded 4 per cent of the group's gross written premium and amounted on a net basis to more than three combined ratio percentage points. Besides the financial benefit, it is important to ensure that those whose actions affect risk also bear their fair share of the costs when accidents occur. We believe this contributes over time to improved safety and more responsible practices, for instance in the shipment of dangerous goods.

New claims incurred in 2024 (USD), across main categories



Number of high-impact casualties (>5 USD million), including IG pool claims



Loss prevention

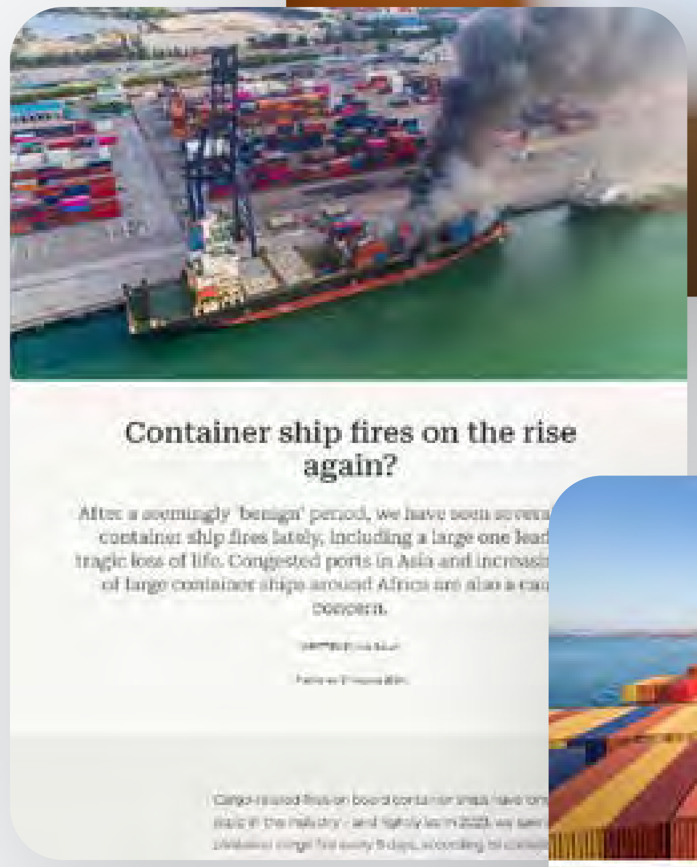
In Gard, we firmly believe that prevention is better than cure. This philosophy drives us to share knowledge and insights not only with our Members and clients but also with the wider maritime industry. Through our loss prevention efforts, we aim to raise awareness, prevent accidents, and enhance operational standards – in close collaboration with our customers.

Key focus areas in 2024 included ongoing geopolitical tensions and the security situation in the Red Sea. Houthi attacks against merchant vessels in the region persisted, and some of these were sadly fatal with loss of seafarers' lives, others posed serious threats to the marine environment with the risk of oil spills and pollution. Throughout the year, we worked closely with the Norwegian Shipowners' Mutual War Risks Insurance Association (DNK) to monitor and address these threats. In volatile and challenging situations, we have sought to provide targeted and timely advice. We have also published several alerts and articles highlighting navigational and weather-related risks associated with rerouting around South Africa. 2024 was also the year when we published our first-ever Crew Claims Report, reflecting Gard's continued commitment to promote seafarer health, safety and wellbeing. The report, based on more than 20,000 individual cases, analyzed some of the key trends within crew and people-related insurance claims, highlighting the most frequent injuries, illnesses and other risks that can face seafarers at work.

"With Gard's Crew Claims Report, we hope to contribute to increased transparency and constructive health and safety discussions across the industry. Ultimately, our goal is to help prevent losses."

Lene-Camilla Nordlie,
Vice President and Head of People Claims at Gard

Gard published its first-ever Crew Claims Report in July 2024.


Container ship fires on the rise again?

After a seemingly 'benign' period, we have seen several container ship fires lately, including a large one lead... tragic loss of life. Congested ports in Asia and increasi... of large container ships around Africa are also a cau... concern.


Cargo stowage failures on the rise off South Africa

Many ships are avoiding the Red Sea by sailing around South Africa exposing them to unforgiving seas around the Cape. With several incidents of cargo stowage failure and container losses in the region recently there are fears of more to come.

Gard published several alerts and insights highlighting hot topics and operational risks in 2024.

Throughout the year, we participated in a number of loss prevention and knowledge-sharing industry events.

Alongside these initiatives, Gard continues to have a strong focus on our Members' and clients' various decarbonisation journeys. Over the past year, we have established cross-functional expert groups focusing on key competence areas such as alternative fuels, offshore renewable energy and battery-related fires – all to map risks and opportunities, and to enhance our loss prevention capabilities. We also continued to contribute to committees and working groups within the International Group of P&I clubs (the IG), a vital stakeholder and loss prevention partner for Gard. In particular, we have worked to address potential gaps and barriers in the international liability and compensation regimes governing the use of alternative fuels. Gard raised this issue within the IG in early 2024, and following subsequent discussions, this issue will now be put on the agenda at the IMO.

These are just a few of the topics we have focused on in 2024. In parallel with this, we have conducted numerous vessel surveys, published a series of loss prevention articles and alerts, and participated in several seminars and industry events (see table below for an overview).

Loss prevention activities in 2024

Safety/crisis drills	22
Surveys	196
Seminars and knowledge-sharing events	39
Insights and alerts published and shared	77
Loss Prevention presentations	139
Loss Prevention inquiries every month on average	150
Downloads of the Mariners Medico Guide	11,339

Highlights

Your safety – our priority

At Gard, maritime safety is our top priority. In 2024, we launched a pilot project together with SAYFR, leveraging digital tools and data-driven insights to assess safety culture among our clients.

Collaborating with a select group of customers – representing more than 20,000 seafarers and shore-based staff worldwide – the project aimed to identify safety 'hot spots,' potential vulnerabilities, and not least: improvement opportunities for each individual client.

The assessments were conducted by SAYFR, a leading provider of advanced digital solutions to the maritime industry. Through surveys and extensive benchmark analysis, SAYFR identifies which critical risk factors are at play in each organisation, and what parts of the organisation have a heightened risk for incidents. This in turn makes it possible to come up with customized, actionable steps for addressing safety culture within each company.

"At Gard, we believe that a strong safety culture is key to preventing accidents and losses," said Marius Schønberg, Vice President and Head of Loss Prevention at Gard. "When people feel encouraged to speak up, are open to learning from mistakes, and are supported in fostering a proactive safety mindset, it can make all the difference in whether incidents occur or whether they are prevented. That is why services and solutions like the ones provided by SAYFR are so valuable."

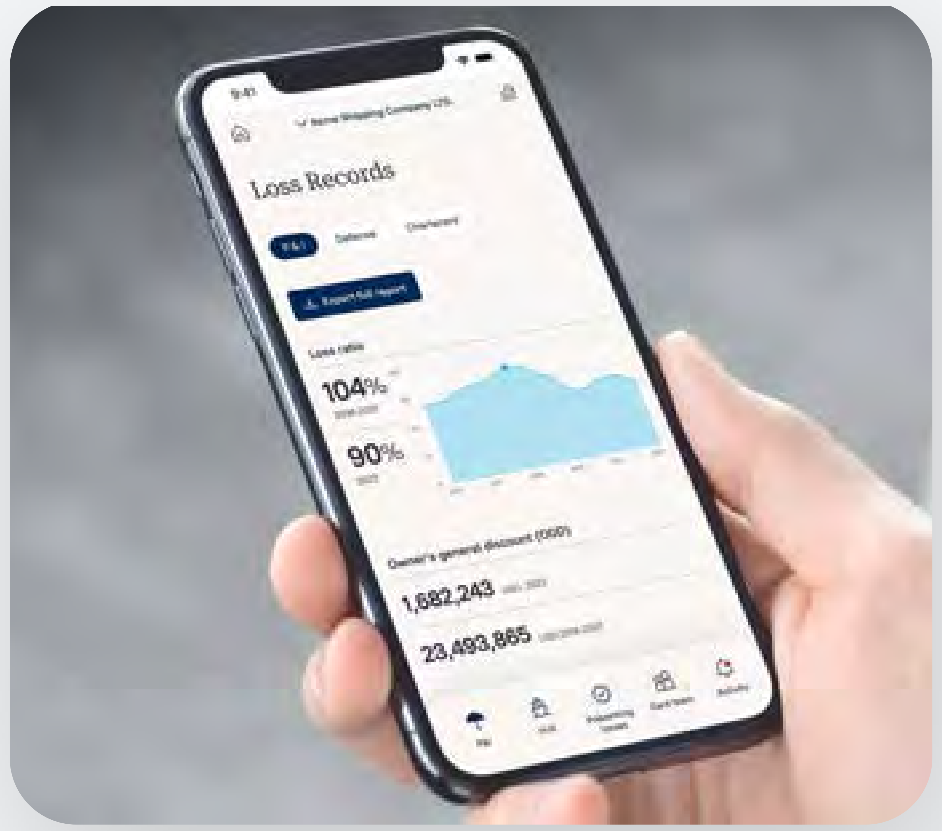
Looking ahead, Gard is aiming to gradually scale up these services, so that they can be offered to more Members and clients. "By combining industry expertise with advanced digital tools, we are committed to making maritime operations both safer and more sustainable," Schønberg added.

Improving our services

As part of our commitment to continuously improve services to our Members and clients, we have expanded the functionality and reach of Gard's digital offerings. In 2023, Gard launched a new insurance portal initially catering to our P&I customers. Today, this portal is also available to our H&M clients and as a mobile App on both iOS and Android platforms. Additionally, the portal now offers enhanced self-service possibilities so customers can easily access their insurance documents, see real-time claims data and do benchmarking with just the click of a button. This saves time and makes it easier for our Members and clients to work with Gard.

Building on this, Gard and the Norwegian Maritime Authority also launched a new digital solution for simplified delivery of CLB and CLC certificates. Owners of Norwegian-flagged vessels can now simultaneously apply for these certificates while ordering their Blue Cards and insurance certificates from Gard's customer portal, ensuring a smoother and quicker delivery of all documentation at the same time. We hope more flag states will follow suit, so that this becomes standard also in other flag states.
To further enhance operational efficiency, Gard also implemented a new invoicing portal for external service providers in 2024. This streamlines and simplifies our billing procedures, increasing efficiency and operational robustness.

In parallel with this, Gard is leveraging new technology in several areas within our business to improve efficiency and support data-driven decision-making. By incorporating AI in parts of our operations, we aim to optimise processes, enhance analytics, and deliver even greater value to our customers going forward.



80%
of all P&I customers renewed their certificates through the portal

Number of customers with access

More than 75%

Insurance documents downloaded

More than 10,000

Number of brokers with access

More than 95%

Active users

More than 2,000

"The Gard portal saves us weeks of work. The application process has been reduced to a few clicks."

Kathinka Aksdal, Odfjell SE

Our people and organisation

Gard's success relies to a large degree on our ability to attract, retain and develop our people and expertise.

That is why we are happy to see that Gard continues to have a high retention rate while also growing and evolving as a company. In 2024, we had a net employee growth of 5.6 per cent, bringing in new talents to work with technology, loss prevention, claims handling and underwriting, among other areas. Overall, some 35 nationalities are now represented in our workforce, bringing in a wide range of backgrounds, perspectives and specific competencies.

Actuaries
Psychologist
Risk analysts
Lawyers
Engineers
Marketing
Political scientist
Nurse
Marine biologist
Seafarers
Journalist
Mathematician
IT developers
Auditors
Logistics

A significant development in 2024 was Gard's acquisition of the Codan Marine & Energy portfolio, which means that we are establishing two new offices in Denmark and also adding around 50 new employees to our organisation, including five in Bergen, Norway. Our focus this past year has been on preparing to welcome and integrate the new team, making sure we learn from each other and build a good founda-

tion for future success. As part of our revised group strategy, we are currently also reviewing our organisational structure to see if any changes might be needed to achieve our long-term goals.

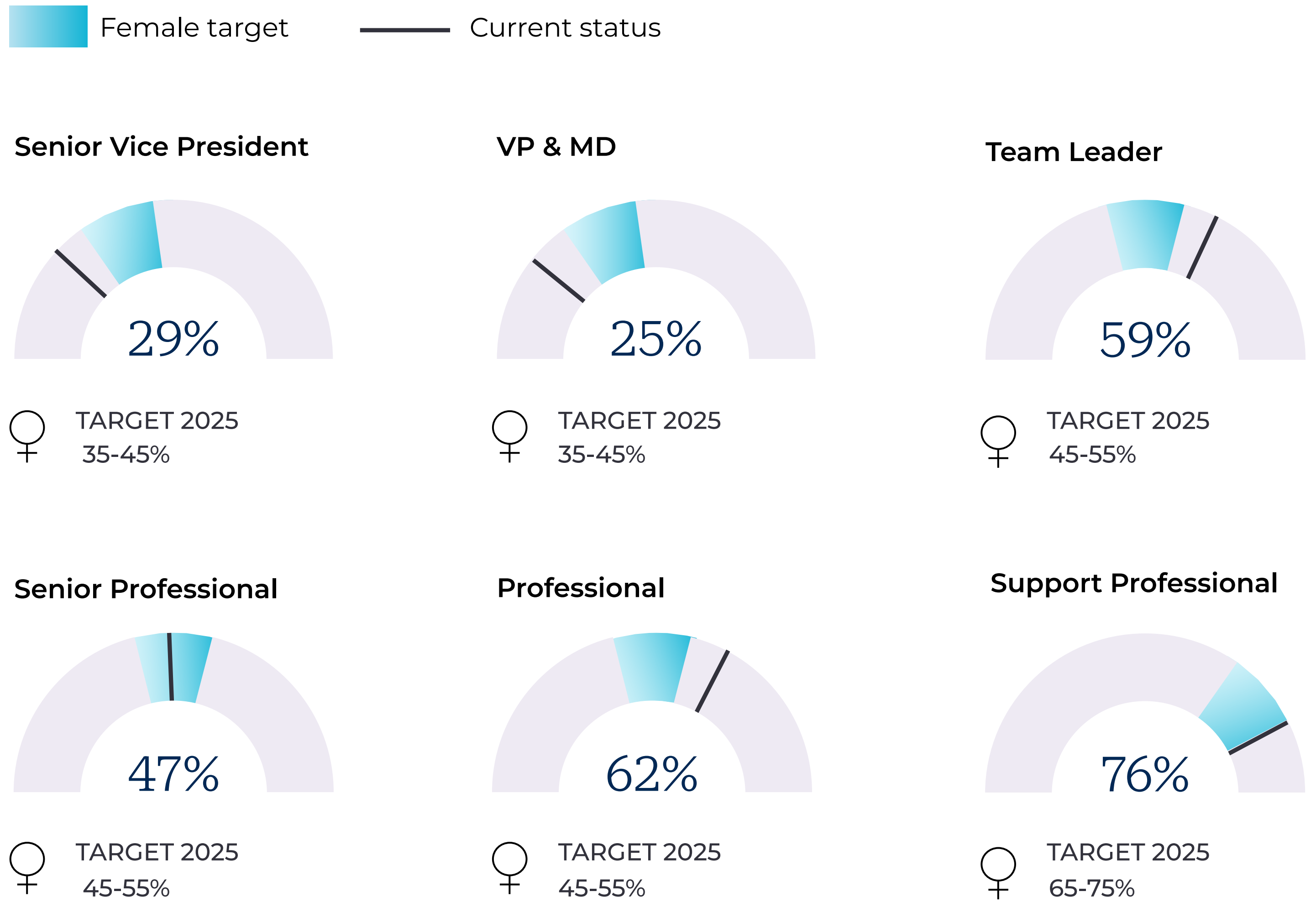
Having a good gender balance remains a key priority for Gard, and we recognize that gaps remain. To address this, we have implemented a recruitment strategy ensuring that for all leadership positions, both female and male candidates must be represented in the final round. We have also reaffirmed our commitment to diversity and inclusion by signing the WISTA 40 by 30 pledge, reinforcing our dedication to creating a workplace where everyone can thrive.

In Gard, se seek to build an inclusive working environment, with a healthy work-life balance and good opportunities for development and growth.

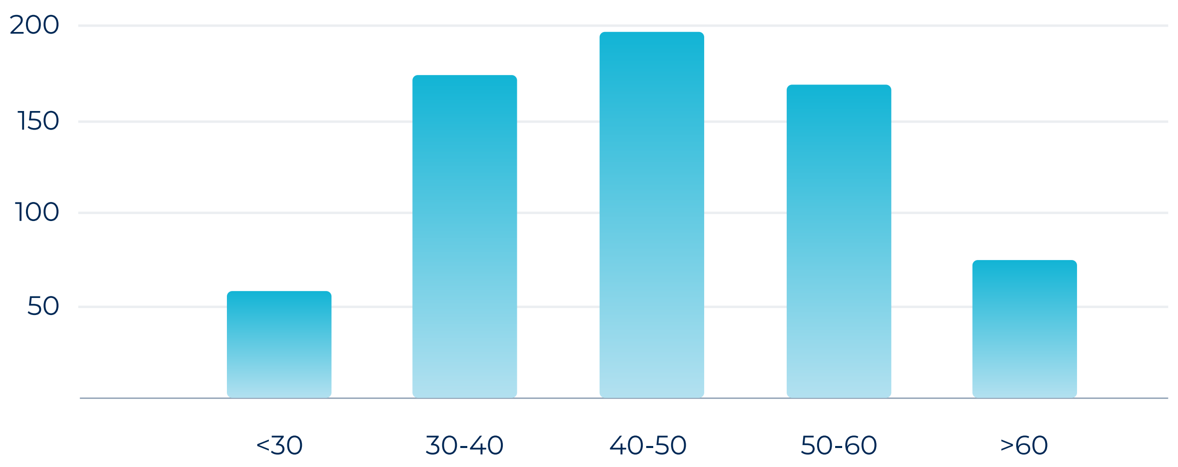
Our workforce

Gender distribution*

Gender balance across positions*



Age distribution



*Gard recognises and respects that people may have other gender identities than male/female. We have in our reporting so far used this binary terminology, but going forward, we will consider including other gender identities.

Supply chain

As a global marine insurer, Gard works with a wide network of suppliers and external service providers (ESPs) worldwide. Understanding and managing our supply chain is crucial to maintaining integrity and addressing any ESG-related risks.

In 2024, we expanded the scope of our supply chain due diligence process, incorporating more suppliers and additional sectors, such as law firms, legal service providers, construction firms and recruitment agencies. Based on a set of criteria, we identified potential high-risk suppliers which underwent further assessment and follow-up actions if needed. In total, 22 suppliers were assessed, and as many as 59 per cent saw significant ESG improvements compared to last year. For further details on how we assess and address risks in our supply chain, please see Gard's Human Rights Due Diligence Report.

The Supplier Code of Conduct reflects Gard's expected business standards and values, and in 2024 we introduced a Norwegian translation in addition to the English version, intended as an alternative to smaller, local Norwegian suppliers.

Gard engaged EcoVadis, a globally recognized ESG rating agency, to evaluate our performance on key sustainability parameters, both internally and within our supply chain. In 2024, we improved our EcoVadis score, placing us among the top 5 per cent of rated companies globally. This achievement reflects our commitment to sustainable business practices, and we are grateful for the collective efforts of everyone contributing to a more sustainable supply chain.

↗ 79/100

Investments

2024 was a year defined by volatility, geopolitical tensions and economic uncertainty. At the beginning of the year, markets were optimistic about possible lower US interest rates, but this quickly faded as persistent inflation drove interest rates higher. Despite this, US equity markets rallied in the first half of the year in response to strong growth, lifting global markets in the process.

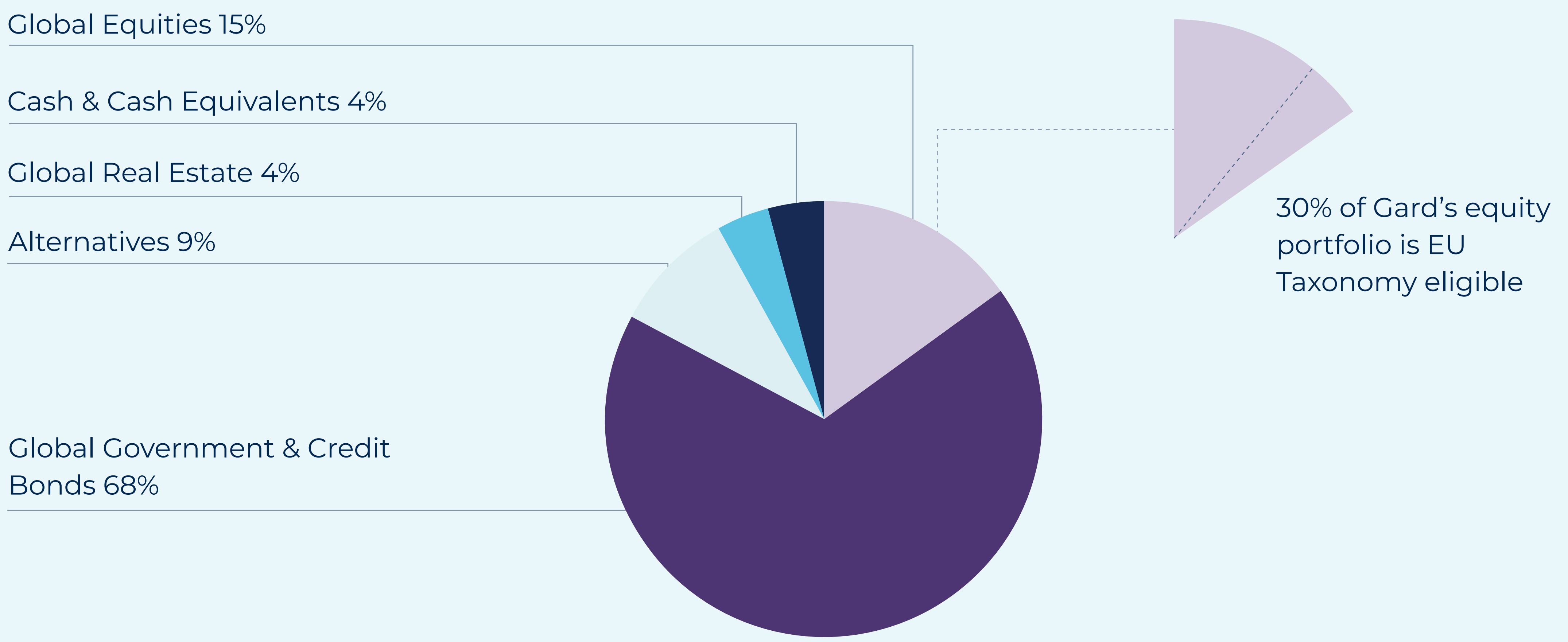
In June, the European Central Bank became the first major central bank to cut interest rates in response to Europe's weakening economy, with Germany moving towards recession. Summer brought increased market volatility, influenced in part by geopolitical tensions and a slowing US economy.

By September, declining US inflation finally allowed the Federal Reserve to implement its much-awaited rate cut. This provided a boost to equity markets ahead of the US presidential election in November, and after Trump's victory, US markets surged for a while on hopes of deregulation and economic growth. Meanwhile, Europe and China ended the year on a more somber note, grappling with slow domestic growth and increasing uncertainty around US trade policies.

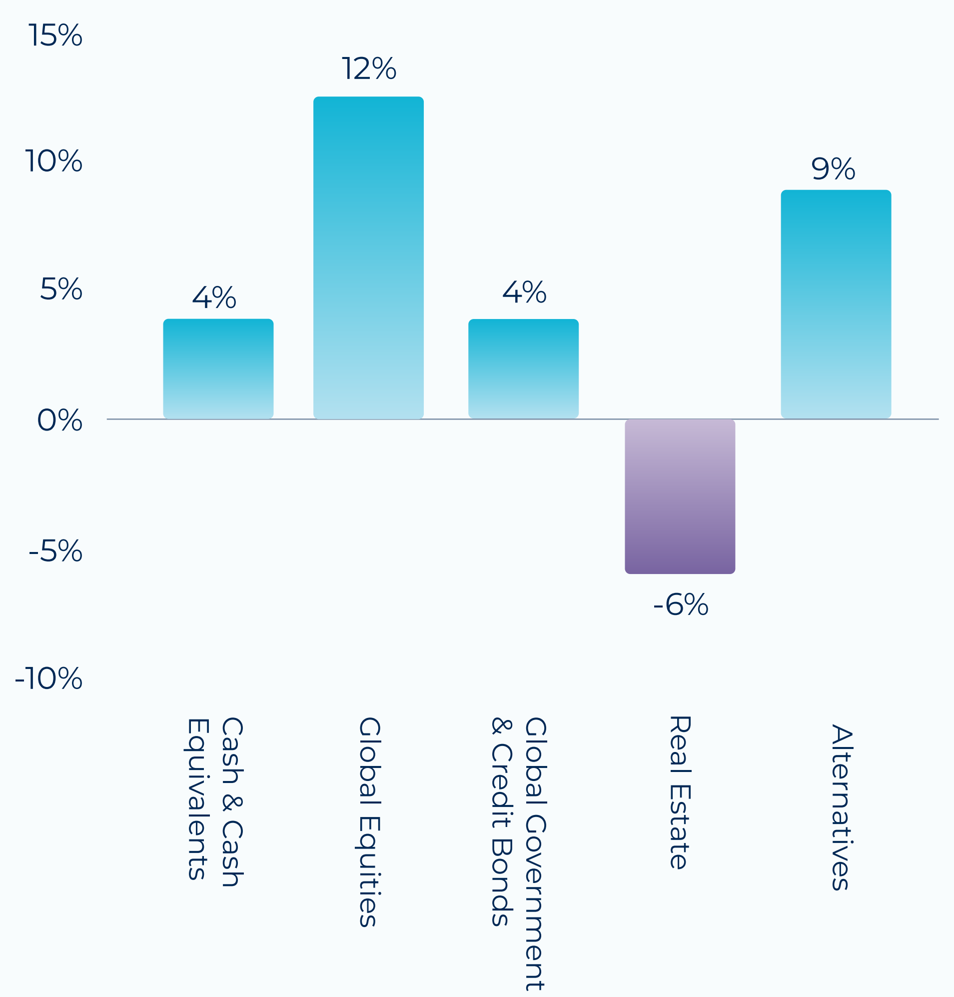
Gard's portfolio delivered a return of 5.2 per cent in 2024, below the 6.6 per cent achieved in 2023. The NAV ended at USD 2,686 million, up from USD 2,530 million in 2023. Equity, high-yield credit, and alternative investments were the top-performing asset classes, contributing 1.7 per cent, 1.5 per cent, and 0.7 per cent to the overall return. Real estate was the only asset class with a negative return.

Our government bond portfolio benefited from high rates and lower duration, mitigating the impact of rising rates in the first half of the year. Corporate bonds also performed strongly, with no major defaults and narrowing spreads. In equities, an increased allocation to US and Japan yielded strong returns, reflecting robust equity markets.

Investment allocation as at 31 December 2024



Return per asset class in 2024



Total investment return in 2024:

5.2%

Net asset value at 31 December 2024, USD:

2,686 million

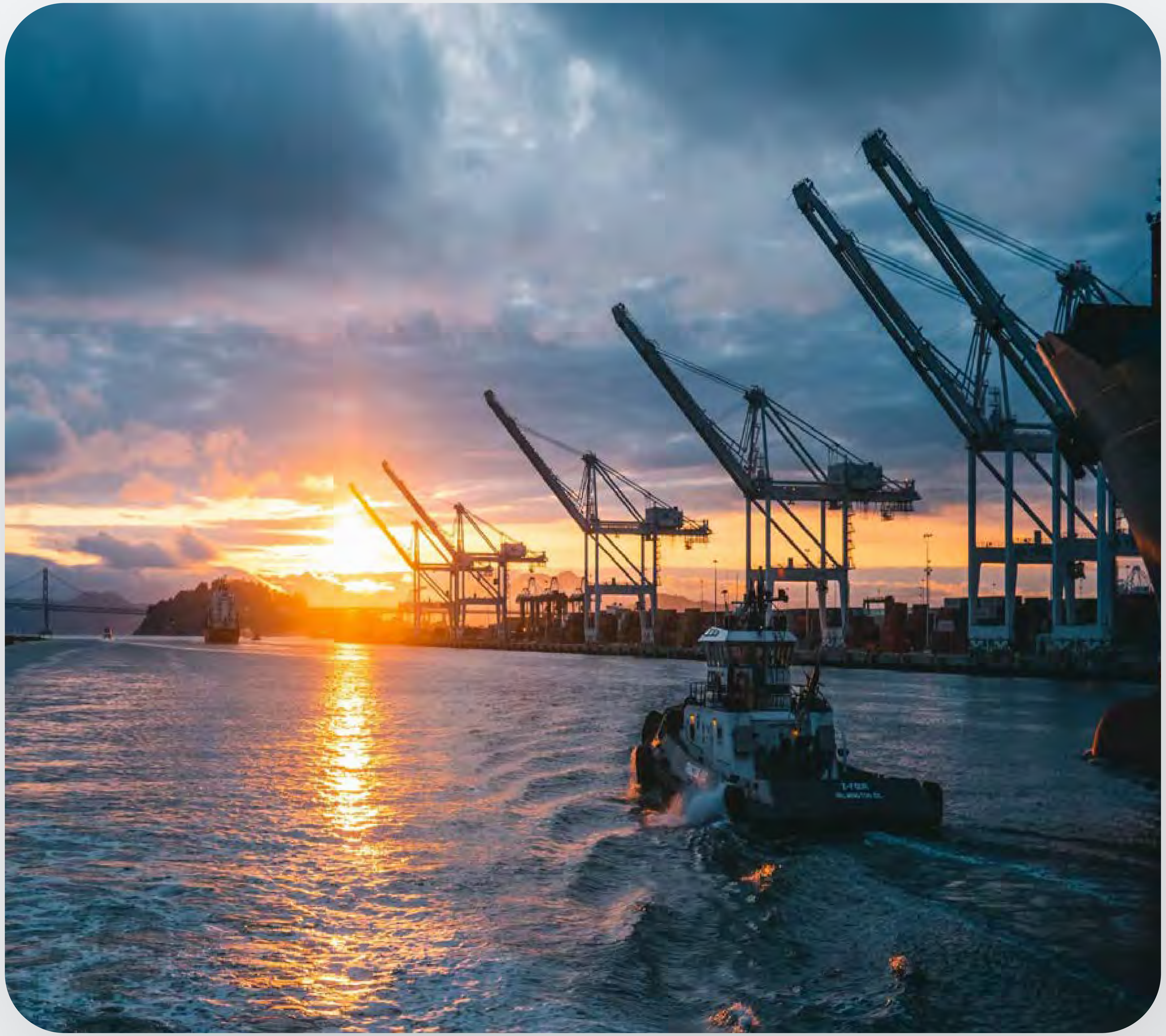
Assets are recognised in the financial statement captions Financial investments at fair value through profit or loss, Cash and cash equivalents and Other assets

Looking ahead, the outlook remains uncertain. While US markets are optimistic about potential policy changes, their possible impact on the global economy is unclear. US equities and corporate bonds are richly valued, suggesting expectations of a strong economy, but there are several uncertainties ahead. As a diversified and long-term investor, Gard is selectively reducing exposures and actively managing its portfolio to ensure continued financial strength.

ESG considerations when investing

As part of our preparation for CSRD and EU Taxonomy reporting, Gard has in 2024 continued to assess sustainability risks and impacts of our investment portfolio. As in previous years, we have mapped the ESG performance of our equity portfolio based on methodology from MSCI, a leading provider of financial data and analytics to investors. 98% of the equity portfolio received an ESG score of 7 out of 10, equivalent to an ESG rating of A. The equity portfolio was also assessed for its carbon intensity, with a score of 73, equivalent to a moderate carbon intensity. For more details on MSCI's rating methodology, see here.

In the future, Gard may report in accordance with the EU Taxonomy, a classification system for assessing the sustainability of economic activities. Together with MSCI, we have therefore started preparing for this, gathering data so that we can assess our investment portfolio's eligibility for, and alignment to, the EU Taxonomy. Eligibility refers to the proportion of the investment portfolio that is 'in scope' and has corresponding criteria in the Taxonomy to be assessed against. Alignment refers to the proportion of eligible investments that positively meet the Taxonomy requirements to be considered sustainable. 29.8 per cent of our equity portfolio is assessed to be EU Taxonomy eligible.



Risk management & Corporate governance

Ensuring capital adequacy, managing risks and ensuring compliance with regulatory requirements are key objectives for Gard.

Gard is subject to different capital requirements depending on the country of operation and the type of business conducted. In each country, the local regulator specifies the minimum amount and type of capital that each regulated entity must hold. In addition to the minimum capital required to comply with the solvency requirements, the Gard group aims to hold an adequate buffer to ensure that each of its regulated entities meets the local requirements over time. If an entity should fall below the target capital level, management will consider taking appropriate measures to bring the solvency ratio back to an acceptable level.

In March 2024, Standard & Poor's (S&P) re-affirmed the A+ financial strength of the Gard group and its direct writing subsidiaries (Gard P. & I. (Bermuda) Ltd., Assuranceforeningen Gard – gjensidig -, Gard Marine & Energy Limited and Gard Marine & Energy Insurance (Europe) AS). Gard continues to be the world's only A+-rated P&I club. In March 2025, S&P reaffirmed Gard's A+ rating.

Risk management

Gard has an effective system of risk governance in place, based on a 'three-lines-of-defence' model. Risk-taking is carried out in the business functions (1st line), oversight is carried out by the Risk Management, Compliance, and Actuarial functions (2nd line), while independent assurance is provided by Internal Audit (3rd line). Gard's second line of defence functions are mandated to ensure that the group has the expertise, frameworks and infrastructure needed to support sound risk-taking. The individual control functions have direct access to the CEO and report regularly to Gard's Boards and Committees. There is a direct reporting line from the Chief Risk Officer to the CEO.

Eligible own funds in USD millions – partial internal model

	31 December 2024	31 December 2023
Tier 1 Basic own funds	1,454	1,290
Tier 2 Ancillary own funds	265	224
Tier 3 Other own funds	-	-
Eligble own funds	1,719	1,514

The main risks facing Gard are insurance risks related to our insurance portfolio and market risks related to our investments. Gard's internal risk capital model, which quantifies the various risks facing the group, is an important tool in this regard. It is used to determine the group's capital requirements, and its insurance risk and market risk modules have been approved by the Norwegian FSA to be used for calculating Solvency II regulatory capital requirements for the Gard group, Assuranceforeningen Gard – gjensidig - and Gard Marine & Energy Insurance (Europe) AS. The Standard Formula is used for calculating regulatory requirements for counterparty risk and operational risk. The internal model and its parameters are reviewed regularly. For more information about our main financial risks, see Note 15.

Highlights

20 years of risk expertise

Gard's Internal Risk and Capital Model has been a key part of its governance and risk management since 2004

In 2024, the model celebrated 20 years of helping Gard to navigate changing business and regulatory conditions.

Originally developed in connection with a Gard acquisition in 2004, the model has been especially valuable in uncertain times. For example, during the 2008 financial crisis, it played a key role in tracking our risk and capital position. More recently, the model helped assess capital needs during the COVID-19 pandemic, the outbreak of war in Ukraine, and Gard's acquisition of Codan's Marine and Energy portfolio.

A major milestone came in 2018 when the Norwegian financial authorities approved the insurance risk and market risk modules for calculating solvency capital requirements — a big achievement for both Gard and our modelling team.

"The Internal Model gives Gard a crucial comparative advantage compared to many other insurers. It significantly advances our understanding of risks and also enhances flexibility, both of which benefits our Members and clients," said Torunn Biller White, Gard's Chief Risk Officer.

Risk appetite and strategy

Gard's risk appetite is to hold sufficient capital and liquidity as well as to constrain our risk-taking so that we can continue to operate following an extreme loss event, with the same tolerance for insurance risk. Key objectives in this regard include:

- Having a high probability of meeting our insurance liabilities and providing our services
- Preserving the continuity of our offering after an extreme loss event
- Having the flexibility and competence to help Members and clients manage new risks and pursue attractive business opportunities

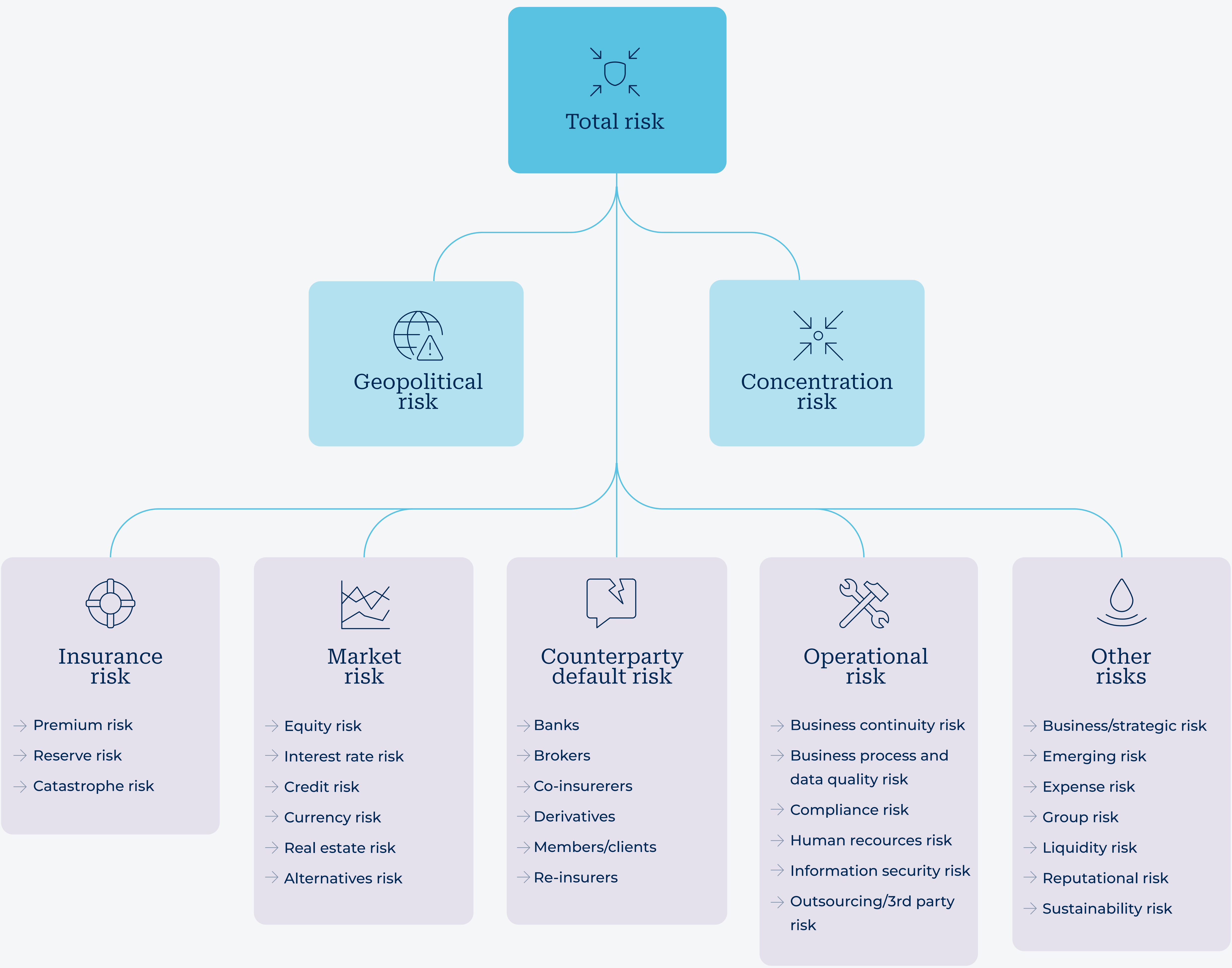
There are contingency procedures in place, describing how to respond to a breach in risk appetite or limits, ensuring that appropriate and proportionate remedial actions are taken when needed.

Current risks and emerging risks

Beyond insurance and market risks, Gard is also exposed to a series of other risks, as outlined in our risk landscape. In 2024, we updated our Risk Management Policy to provide a more comprehensive view of the overall risk picture. One key change was redefining geopolitical risk as an overarching risk, rather than an emerging one, recognizing its potential to affect all other risks. Geopolitical risk refers to the potential for conflict or instability arising from political tensions between countries, regions, or groups, which can lead to trade restrictions, sanctions, or embargoes, impacting global supply chains.

As part of our own risk and solvency assessment (ORSA) process, Gard conducts an annual review of all known material risks. Emerging risks are investigated and assessed based on both external and internal inputs and reviews.

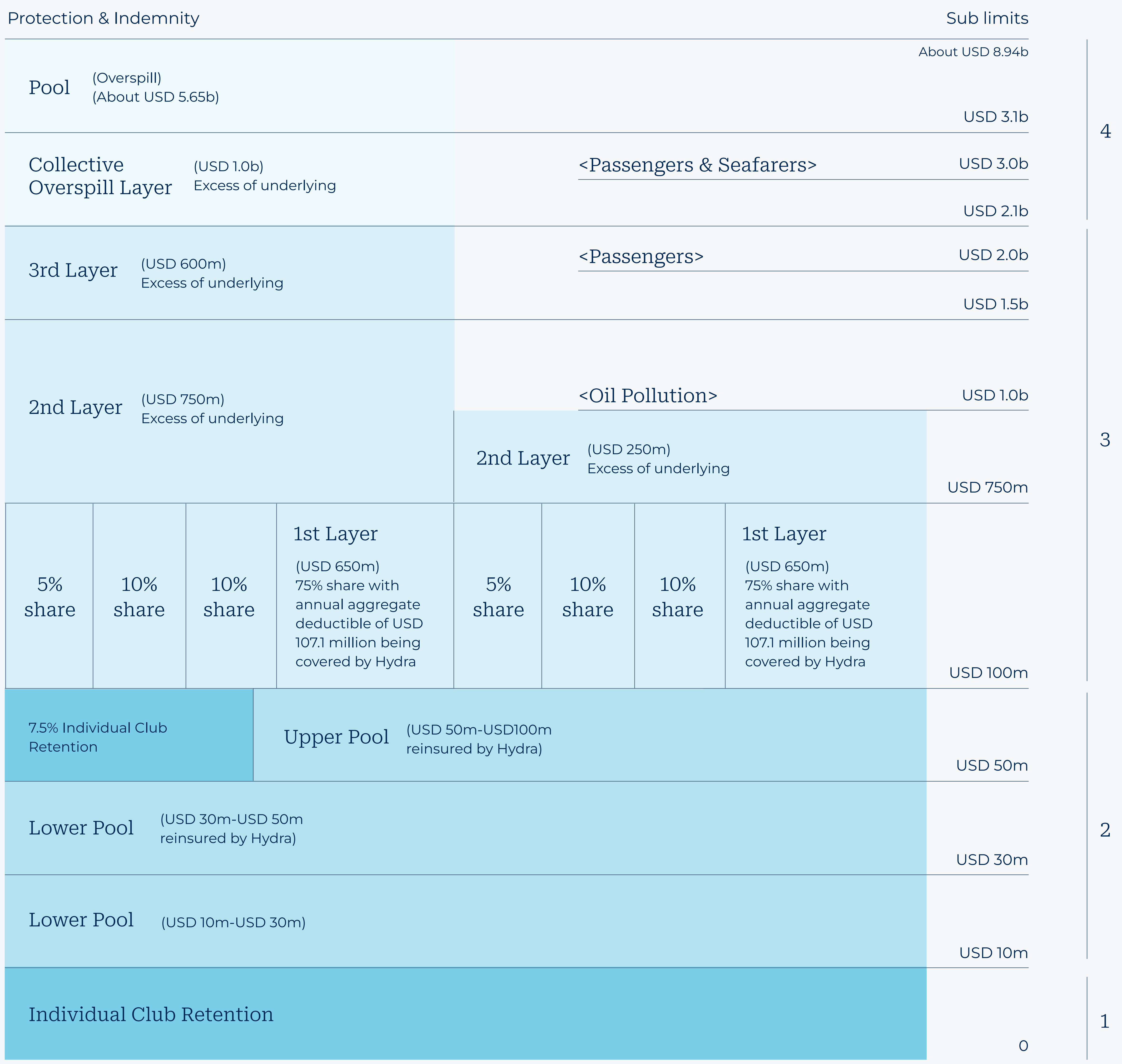
Gard's Risk Landscape



To mitigate insurance risks, Gard has an extensive reinsurance programme. This is important to ensure business continuity after an extreme loss event, and it gives us the ability to help Members and clients manage new risks and pursue business opportunities. The mutual business is pooled between the International Group (IG) clubs. For the 2024 policy year the IG clubs pooled claims above the club retention of USD 10 million and up to USD 30 million. Between USD 30 million and up to USD 100 million the IG clubs are reinsuring each other through Hydra. Above USD 100 million the group purchases a reinsurance programme with USD 2 billion cover per vessel per event with an annual aggregate deductible of USD 107.1 million which is shared between the IG clubs through Hydra. In addition, an overspill protection cover of a further USD 1 billion is purchased. For P&I Fixed and the Marine and Energy businesses, there are high-capacity reinsurance programs in place. The structure of the reinsurance programs has been stable during the last years.

To mitigate insurance risks, Gard has an extensive reinsurance programme

IG Pool and Reinsurance Programme (2024/25 Policy Year)



Governance model

Gard believes that the maritime sector can play a key role in enabling sustainable development, and that effective and transparent corporate governance is crucial in this regard. Gard's governance framework is built upon well-developed procedures and policies, covering the work of the governing bodies, how the Board and committees oversee and collaborate with management, and Gard's internal setup. For more information about Gard's organisation and ownership structure, see Gard's Corporate Governance Manual. Members of the Group Leadership Team and our Board of Directors, as well as their remuneration, can be found under Note 7.

Gard continuously strives to ensure that we comply with all relevant regulations in the jurisdictions where we operate. We also keep a close eye on planned or upcoming regulatory changes, including the EU Corporate Sustainability Reporting Directive (CSRD) and the EU Digital Operational Resilience Act (DORA). As a multinational company, we will be affected by the Global Minimum Tax rules which have been initiated by the Organization for Economic Cooperation and Development (OECD). Several of the jurisdictions where Gard operates, including Norway, have already introduced new legislation related to this. The estimated financial effect on these new tax regimes can be found in Note 9.

Code of Ethics and Business Conduct

To ensure that we conduct our business operations with the highest legal and ethical standards, Gard expects all employees and external business partners to be familiar and comply with our Code of Ethics and Business Conduct. This document covers all our policies relating to financial crime, including anti-corruption, anti-money laundering, and whistleblowing. Gard also has a separate Supplier Code of Conduct policy, outlining our rules and expectations towards external suppliers. In addition to these codes, Gard has Bribery Prevention Requirements for our correspondents, as well as internal General Claims Handling Instructions and Underwriting Instructions.

All of this is to ensure that our business operations are up to par. Following the implementation of the Norwegian Transparency Act in 2022, we have also established and formalised procedures to conduct human rights due diligence and to effectively respond to any public inquiries relating to this matter. For further information, see our Human Rights Due Diligence Report.

Whistleblowing channels

Gard's whistleblowing policy complies with the Norwegian Working Environment Act and the EU Whistleblowing Directive. We have an external, independent whistleblowing channel that allows our employees and external parties to report any suspected misconduct, either anonymously or under their full name. A first review is made by the external supplier of the channel before it is referred to the Group Compliance Officer for further follow-up. All reports about suspected money laundering are sent directly to the General Counsel for immediate handling.

In 2024, we saw a slight increase in the use of our whistleblowing channel, with 7 reported cases, up from around 1-3 cases over the past few years. We believe this may reflect an increasing awareness of Gard's whistleblowing channel, both internally and among our external stakeholders. The cases reported are related to alleged harassment, use of company funds, abuse of power and/or breaches of internal policies or law. Each case is followed up and investigated closely.

Outlook

The marine insurance industry is navigating an increasingly complex business environment.

Geopolitical tensions are on the rise, new trade tariffs are being introduced or considered, and potential regulatory changes are also looming ahead. For Gard as a global insurer, these challenges require a proactive approach to risk management, ensuring that we remain resilient in a rapidly changing world.

Digital transformation is also accelerating at an unprecedented speed. Advancements in data analytics, automation, and artificial intelligence are reshaping how we assess risks, process claims, and how we interact with our Members and clients. By embracing these developments, we can enhance efficiency, make better decisions, and deliver more tailored solutions to our stakeholders. At the same time, we want to be mindful and prudent, ensuring that we do not lose the 'human touch' in our services.

Inherent volatility in both claims developments and financial markets will remain a key factor shaping our results going forward. New policies and regulatory changes, shifts in global trade and more severe weather events – all of these issues demands disciplined underwriting and a diversified approach to risk. In addition, economic uncertainty, inflation, and market fluctuations highlight the need for strong capitalisation and a prudent investment strategy.

Despite these challenges, we believe our business model provides a solid foundation for sustainable growth. We will continue to monitor global developments closely, enhance our digital capabilities, and maintain a strong financial position to support our Members and clients.

CHAPTER 03

Sustainability statements

General ESG disclosures

As a group, Gard lends inspiration from the UN Sustainable Development Goals (SDGs), making sure we play our part to address global challenges.

Specifically, we focus on the areas where we think we can have the most impact as an industry: decent work and economic growth; climate action; life below water; peace, justice and strong institutions; and partnership for the goals. These SDGs serve as an important backdrop when we identify Gard's material topics (see Gard's Double Materiality Assessment for further details).

Gard's strategy is also underpinned by our commitment to the principles of the United Nations Global Compact, the UN Sustainable Ocean Principles and the Principles for Sustainable Insurance . Gard is also part of the Agenda 2030 for Sustainable Development and we report in accordance with the Norwegian "Aktivitets- og redegjørelsesplikten" (Appendix).

On the following pages, we outline how we have identified Gard's impacts, risks and opportunities through a double materiality assessment. Relevant abbreviations are outlined on the next page. More details on each material topic can be found under the 'Environment', 'Social' and 'Governance' sections.

Our ambitions

Using the UN Sustainable Development Goals (SDGs) as our guiding framework, Gard focuses on the SDGs that we believe affect us the most and where we can have the largest impact. Our focus areas are:

8 DECENT WORK AND ECONOMIC GROWTH

We respect human rights and promote labour rights throughout our global value chain. We develop competence among our employees, and we strive for diversity, equality and inclusion. We help to protect the lives and wellbeing of seafarers across the world and support business opportunities for sustainable growth.

13 CLIMATE ACTION

We develop products and services to support our Members and clients in the green transition. We climate-compensate our own operations, assess climate-related risks and opportunities, and implement findings in our strategy processes. We insure offshore renewable energy, and we monitor and disclose the carbon emissions of our Hull & Machinery portfolio.

14 LIFE BELOW WATER

We handle marine casualties efficiently and responsibly, focusing on preventing and limiting marine pollution. Through a global outreach program, we proactively engage with relevant authorities across the world to improve coordination and cooperation. We encourage ship recycling according to the Hong Kong Convention and the EU Ship Recycling Regulation.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

We implement standards and practices to combat corruption, fraud and money laundering. We implement requirements and standards designed to make shipping more sustainable. We are transparent in our own sustainability targets, activities and results.

17 PARTNERSHIPS FOR THE GOALS

We cooperate with private, public and civil society, engaging with multiple stakeholders through a wide range of partnerships. We encourage learning and best practices through seminars, webinars, articles and other knowledge-sharing initiatives.

General basis for preparation
The sustainability statements are inspired by the ESRS issued by the European Financial Reporting Advisory Group (EFRAG).

Consolidation
The sustainability statements are prepared on a consolidated basis, according to the same principles as for the financial statements. Hence, the value chain visualisation on page 16 reflects the upstream and downstream direct and indirect business relationships for the whole Gard group rather than for specific entities. For more information on what legal entities are covered by the consolidated sustainability statements, see Note 1 in the financial statements.

Estimation related to ESG data
Given that this is a first step towards reporting in compliance with the CSRD, there are limited ESG targets and metrics disclosed in these sustainability statements. More ESG data will be included in the years ahead.

Changes to sustainability information
Gard will, where applicable, describe any relevant changes made in preparing or presenting sustainability-related information. Such changes can come from altered practices or processes or as a result of an error in the information previously provided. Previously reported metrics that are not restated as a result of such as a change will be disclosed specifically and separately. Gard does not have a set policy or threshold for when comparative ESG metrics needs to be restated.

Governance of sustainability matters
Gard's Governance and Risk management framework is outlined in section "Risk management & Corporate Governance" of this annual report. In 2023, Gard updated its Risk Policy, distinguishing sustainability risk as a stand-alone factor in our overall risk landscape. Gard defines sustainability risks as uncertain social or environmental events or conditions that, if they occur, can cause an actual or potential negative impact on our business. Sustainability risks are closely connected to Environmental, Social or Governance (ESG) factors.

Gard oversees its progress on ESG issues and sustainability through its Group Leadership Team (GLT), supported by a specialised Sustainable Business team. In addition to this, Gard has a Sustainable Operations Panel (SOP), consisting of senior representatives from different parts of the organisation, which serves as a strategic discussion forum to identify both risks and opportunities within the business. All leaders are responsible for integrating sustainability considerations into their team goals and for helping the organisation identify relevant targets and KPIs in line with Gard's overarching strategy. Gard's Risk Management team has the overall responsibility for management of all financial and non-financial risks, including sustainability risks.

We are currently reviewing our internal policies and frameworks to ensure they are fully aligned with the expectations set out in CSRD and ESRS, should Gard be in scope for these regulations.

Integration of other data and assurance
Some of the information that is required to be disclosed in accordance with the requirements of ESRS, and specifically ESRS 2, can be found in other sections of the Annual report. This includes Gard's overall strategy and corporate governance policies, which can be found in the "Our strategy and goals" and "Risk management & Corporate Governance" sections. More details can also be found in Gard's Corporate Governance Manual and Gard's Human Rights Due Diligence Report.

The sustainability statements have not been audited in 2024. See section "About this report" for more information on assurance of the 2024 Annual report.

Abbreviations:

- CSRD: EU Corporate Sustainability Reporting Directive
- DMA: Double materiality assessment
- EFRAG: The European Financial Reporting Advisory Group
- ESRS: European Sustainability Reporting Standards
- GHG: Greenhouse Gas
- GHG Protocol: GHG Protocol Corporate Accounting and Reporting Standard
- GLT: Gard's Group Leadership Team
- IRO: Impacts, Risks and Opportunities (as defined in ESRS)
- PCAF: Partnership for Carbon Accounting Financials
- SOP: Gard's Sustainable Operations Panel
- TCFD: Task Force on Climate-related Financial Disclosures
- UN SDG: United Nations Sustainable Development Goal

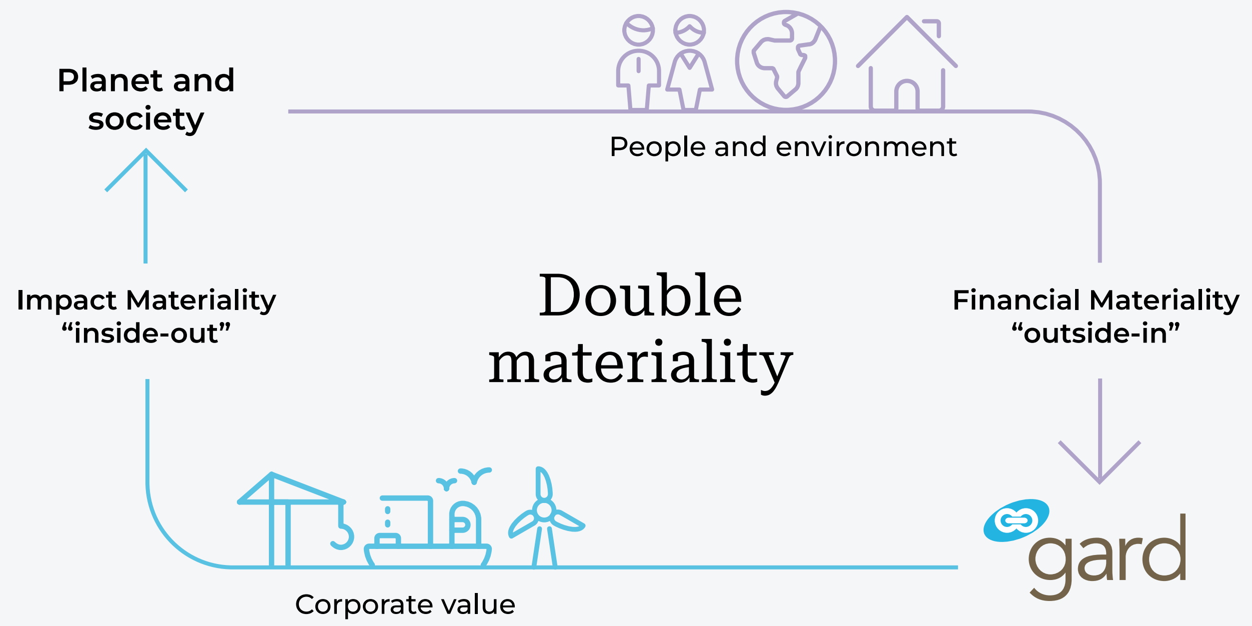
Gard's Double Materiality Assessment

Gard strives to address the sustainability impacts, risks and opportunities that are relevant and meaningful to our business and to the locations where we operate.

To be able to do so, we engage with a wide range of stakeholders, both through our everyday operations, and through wide-reaching and structured stakeholder dialogues. Such a dialogue was conducted in 2023, with stakeholders rating various sustainability topics based on their importance to Gard's business success (Financial materiality) and their importance to the wider society (Impact materiality). Based on the results of this assessment, Gard's material topics were identified. The methodology used in 2023 was inspired by the CSRD directive and the ESRS standards and in accordance with Gard's Sustainable Business Policy at the time.

In 2024, we reviewed our materiality matrix to ensure it reflects the ESRS standards, drawing inspiration from the 2024 EFRAG implementation guidance.

Double materiality matrix



We have identified the impacts Gard can have on the environment and society, both through our own operations and through the direct and indirect business relationships within our value chain. Similar assessments have been made to identify the sustainability-related risks and opportunities we are exposed to. All the identified material Impacts, Risks and Opportunities (IROs) have been linked to one of the ESRS topical standards, with E1, E2, S2 and G1 being our most material topical standards.

Methodology

Given the recently conducted stakeholder dialogue in 2023, a similar wide-reaching dialogue was not repeated in 2024. Instead, Gard conducted its double materiality assessment based on an internal process, combining a "bottom-up" and "top-down" approach. A wide range of internal stakeholders were involved (bottom-up) and their inputs were then discussed and calibrated by Gard's management team (top-down) before a final result was reached. Throughout the process, we have leaned on the 2024 EFRAG implementation guidance as well as the support from specific project groups to ensure a more CSRD and ESRS aligned process.

Impacts
Our impacts were identified based on 15 workshops with internal subject matter expert groups, representing a wide range of different departments within Gard, including Underwriting, Claims, the Product team, Analytics, Industry Liaison, Human Resources, Loss Prevention, Investments, Compliance, and Procurement . In these workshops, we assessed the impact of Gard's own operations and our value chain on the environment and on society around us – both positive and negative impacts, both actual as well as potential ones. In total, a long list of 79 impacts was identified. We also identified several financial risks and opportunities related to sustainability matters, which were brought forward to a separate expert group focusing specifically on this (see next section).

Risks and opportunities
Gard's financial risks and opportunities related to sustainability were identified through numerous sources and activities. Sustainability risk is amongst other described in our Risk policy and in our own risk and solvency assessment (ORSA). In addition to this, we conducted a separate Financial Materiality workshop with expert representatives from Risk, Compliance, Group Legal, Finance, Investments, Business Controlling, Analytics and Actuarial. This expert group discussed and validated a wide range of suggested topics. Ultimately, a total of 19 financial risks and opportunities related to sustainability were identified.

Scoring
Scoring of the identified impacts was conducted by a subset of the impact expert group. Following the applicable ESRS guidance, we scored positive and negative impacts using four different parameters: scale, scope, likelihood and irremediability. All parameters were assessed from a scale of 1 to 5 and the average score of all applicable parameters amounted to the severity of the impact. All impacts with an average severity score of 4 or higher were considered as material. When scoring, participants were also asked to assess the time horizon of the respective IRO. Time horizons were divided into short-term (meaning within the reporting period), medium-term (meaning one to five years), and long-term (more than five years).

Scoring of the identified financial risks and opportunities was done through a survey to a the risk and opportunity expert group . Respondents were asked to assess the expected gross financial effect of risks and opportunities, with a score ranging from 1 – 5. They were also asked to assess the likelihood of the risk or opportunity to materialize, with a score from 1 – 5, with 1 being 0 per cent and 5 being more than 100 per cent (actual, recurring risk or opportunity). Risks and opportunities with a combined expected financial effect and probability with an average score of 4 or higher were considered as material. The scoring exercise was modelled so that it aligns with both Gard's financial materiality policy thresholds and operational risk assessment tool. Both of these are utilized by Gard when assessing significant information and material operational risks.

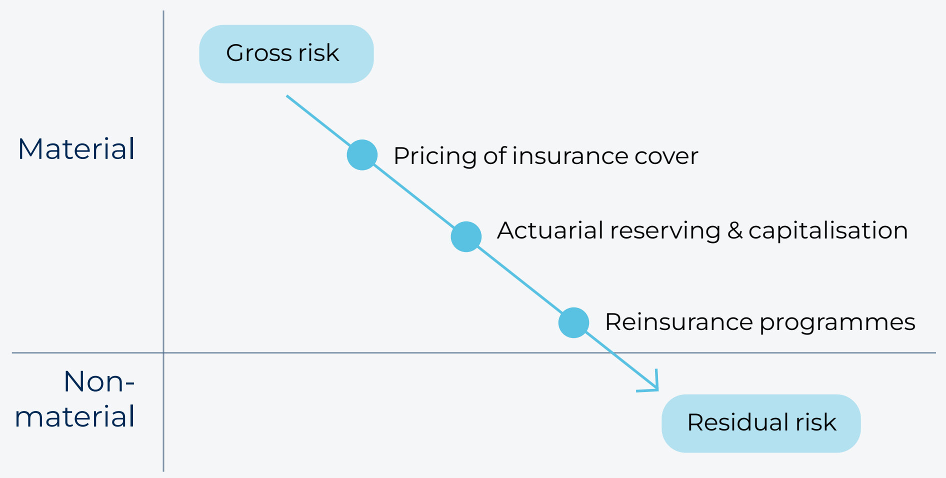
The results of this 'bottom-up' scoring process were then consolidated and mapped into topical standards before being presented to Gard's Group Leadership Team (GLT) for further discussion and validation. Validation was done through both individual interviews and in plenary discussions with GLT. The 2024 double materiality matrix was finally approved by Gard's CEO in September 2024, in accordance with our current Sustainable Business Policy.

Financial materiality
Through our DMA process, we have identified several potential risks and opportunities that could have an impact on our business. These risks primarily emerge within our downstream value chain, related to the insurance covers we provide and the associated claims. However, none of the identified risks have been deemed financially material. The reason is illustrated below, which demonstrates how we implement a range of measures to mitigate 'gross risks', effectively reducing them to manageable residual or 'net risks'.

We seek to integrate both climate-related risks and other sustainability risks into the pricing of our insurance products. As a result, these risks are largely accounted for in our Financial Statements through our premiums received and premium reserves. Other risk mitigating factors, such as actuarial reserving and reinsurance programmes, further reduce our exposure, ensuring that the residual risks remain within acceptable levels. As an insurance company, this is what we do: understanding, pricing, and reducing marine risks.

Based on our current assessments, we have not observed any significant trends that warrant a reassessment of our climate or sustainability-related risks. However, we continue to monitor our risk landscape closely, keeping a particular focus on fixed objects that cannot maneuver out of harm's way, such as wind farms, ships in lay-up and shipyards.

Financial materiality
How we move from material to non-material risk



Environment

- E1 - Climate change
- E2 - Pollution
- E4 - Biodiversity and ecosystems

Climate change E1

Reducing greenhouse gas (GHG) emissions in the maritime industry is crucial to mitigate climate change and to ensure sustainable operations.

Gard has over the past years consistently reported on Scope 1 and 2 emissions, as well as selected categories of Scope 3 emissions. We are founding members and signatories to the Poseidon Principles for Marine Insurance (PPMI), which emphasize the importance of transparency around GHG emissions within the marine insurance community.

As described on page 40 there were no material financial risks or opportunities identified related to climate change.

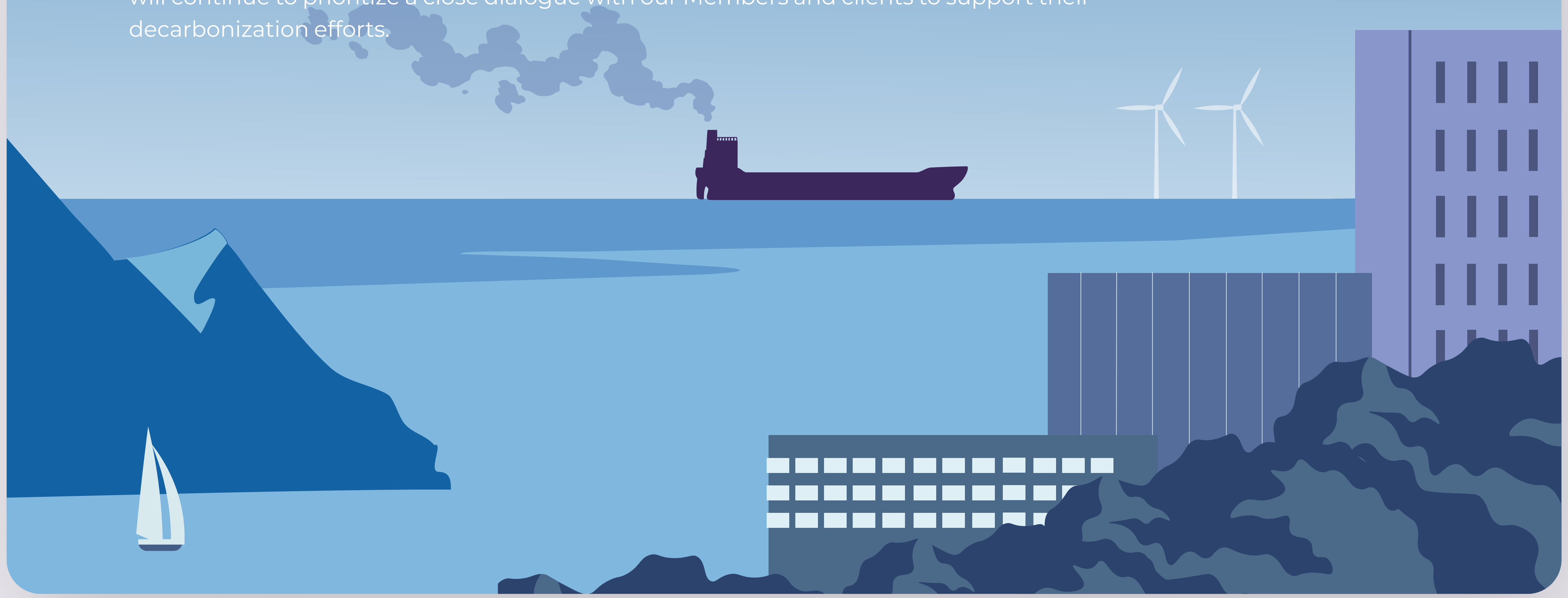
Our material impacts

Positive impacts

Our positive impacts related to E1 Climate change reflect the crucial role that Gard and the marine insurance industry can play in enabling the green transition. Through our insurance products and participation in industry-wide forums and initiatives, we enable and facilitate further decarbonisation of the shipping industry, and additionally, we consider GHG emissions in our claims handling by incentivizing less carbon-intensive salvage and repair options. By providing these positive impacts we help to enable positive change and reduce the risks associated with the shift.

Negative impacts

Our negative impacts are not necessarily specific to Gard's value chain alone; they mirror the broader challenges faced by the shipping industry as a whole. The shipping sector is a significant contributor to global GHG emissions, and addressing this issue is essential for meeting international climate targets, such as those set by the Paris Agreement. We will continue to prioritize a close dialogue with our Members and clients to support their decarbonization efforts.



Policies

- Climate considerations are integrated into Gard's sustainable business policy. This policy emphasizes the importance of aligning with international guidelines and principles, ensuring that climate considerations are embedded in Gard's overall approach to sustainability.
- The Nordic Marine Insurance Plan (Clause 12-12) includes climate emissions as a factor when choosing repair yards, and our internal document, Implementing Sustainability and ESG Principles in Hull and Machinery Damage Repairs, offers additional guidance for marine claims handlers.
- Furthermore, Gard's Reporting guidelines to external service providers highlights the data we wish to collect with regards to emissions from large casualty responses.

Actions

- In 2024, we took several actions to address material climate-related impacts. The cross-functional Green Transition Competency Groups were established to enhance mapping of risks and opportunities associated with alternative fuels, offshore renewable energy and battery-related fires. We also contributed to committees and working groups within the International Group of P&I clubs (the IG), and particularly raised the need to close gaps in international liability and compensation regimes governing the use of alternative fuels.
- We disclose the emissions of our insured H&M portfolio according to the PPMI methodology and continuously engage with our Members and clients to support them as they decarbonise. On the energy side, Gard has significantly increased its share and lead capacity within renewable energy through our acquisition of Codan's Marine & Energy portfolio, which to a large degree consists of offshore wind. See page 18 for further details.

Key metrics

- Gard's current climate-related metrics include Scope 1 and 2 GHG emissions, energy use, two categories of Scope 3 emissions (Waste and Business travel), and associated travel emissions targets towards 2025. As a founding member of PPMI, Gard also reports on the emissions of our H&M portfolio. See page 21 for further details.
- In 2025, we will work to expand and refine our GHG accounting, particularly within Scope 3, both upstream and downstream. Additionally, a separate workstream on EU Taxonomy reporting is in progress. Other relevant targets and metrics are currently in development related to this topical standard.

Our greenhouse gas emissions

Each year we measure our greenhouse gas emissions according to the reporting principles of the Greenhouse Gas Protocol. We measure our direct emissions from owned or controlled sources, which include our leased or owned vehicles (scope 1), our indirect emissions from the generation of purchased electricity, heating and cooling (scope 2), and parts of the indirect emissions that occur in our value chain (scope 3) that are most closely tied to our own operations: our business travel and emissions from waste disposal. Other indirect emissions categories are material for Gard and we have initiated a process to update our Scope 3 inventory, particularly our insurance- and investment-associated emissions.

The following targets were set in 2019 to reduce our total emissions:

- By 2022, a 10 per cent reduction compared to 2019
- By 2025, a 20 per cent reduction compared to 2019

In order to gradually align with the ESRS reporting requirements, we made several changes in 2024 to the way Gard reports its climate emissions. This includes expanding our business travel inventory to include emissions related to hotel stays and other forms of travel (taxis, buses, trains, ferries and own car use).

As a result of this, our overall business travel emissions increased in 2024, even though emissions from air travel decreased slightly. Our total emissions have risen by 4.7 per cent since last year, while our emissions per full-time equivalent remain stable. As in previous years, business travel represents the vast majority (91.5 per cent) of our emissions.

In previous years, we compensated all our measured emissions by purchasing carbon credits made available through independent crediting programs such as Verra's Verified Carbon Standard and the Gold Standard. We are planning to do the same this year. At the time of publication, we are exploring a range of high-quality projects to engage with.

Pollution E2

Although oil spills have become less frequent, severe accidents and pollution incidents still occur, including spills from bunkers.

Increasing awareness of other pollution types, such as plastics, underscores the continued need to mitigate cargo-related pollution risks. Furthermore, while the transition to alternative fuels offers significant opportunities, it also introduces new potential pollution risks that need to be understood and managed.

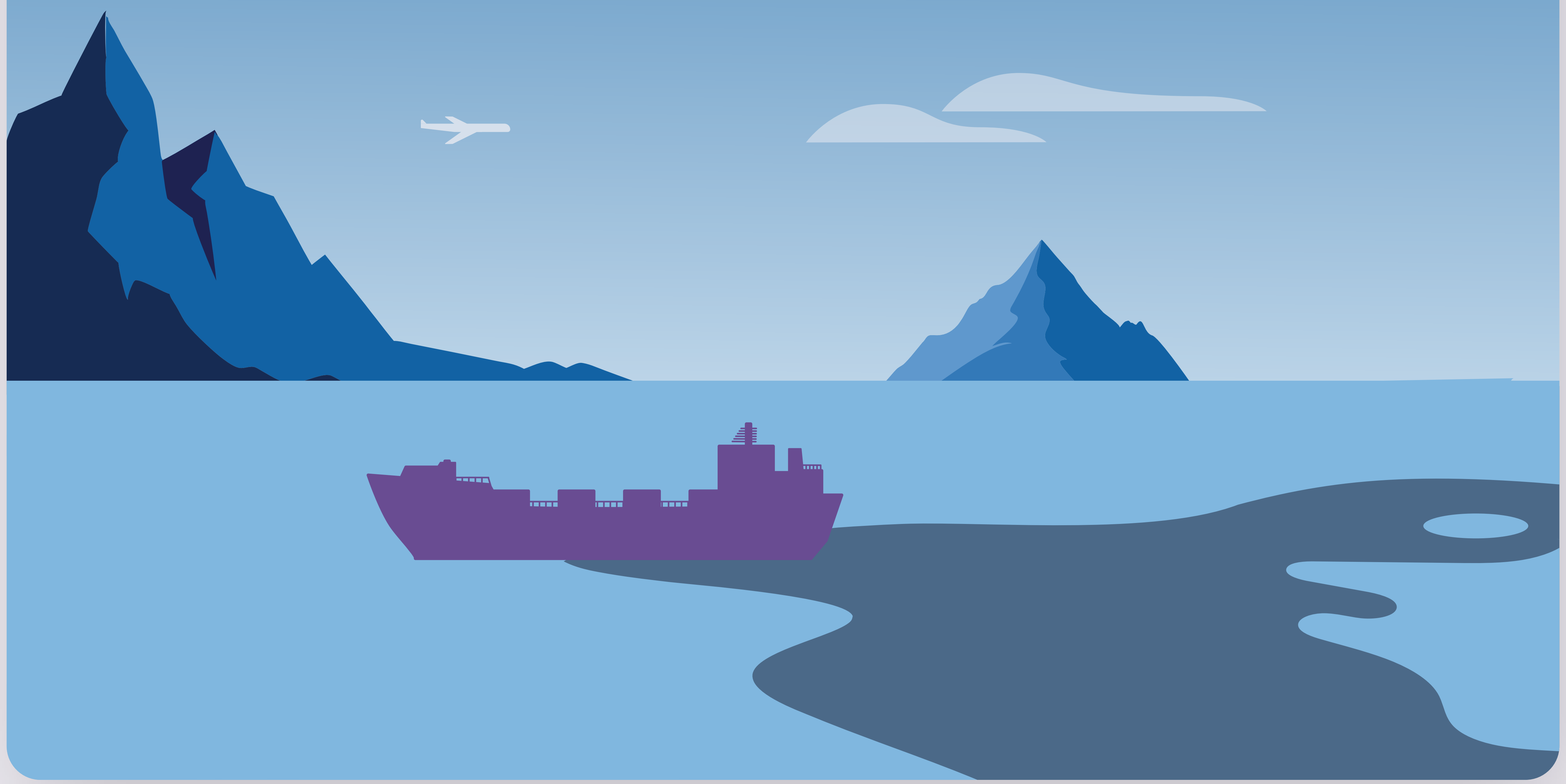
Gard has always prioritized responding swiftly and effectively to pollution incidents at sea, whether it is related to oil or other types of pollution. Through our P&I cover we offer hands-on crisis response and claims handling, and we also seek to prevent pollution incidents through our loss prevention services and by engaging with a wide range of stakeholders, including port authorities across the world, salvors and independent pollution experts.

There were no material financial risks or opportunities identified related to pollution.

Our material impacts

Positive impacts
Sustainable claims handling and our approach to ship recycling are areas where we see Gard brings material positive impacts.

Negative impacts
Emerging and new forms of pollution such as plastic nurdle spills are negative impacts that require further attention.



Policies

- We have several policies in place to ensure quick action and effective response to incidents involving pollution. Gard's Crisis Management Plan helps limit pollution impacts by promoting proactive, professional, and coordinated handling of crisis situations involving insured vessels or other objects. This approach aims to reduce loss, injury, damage, and other negative consequences for people, the environment, the ship, and the cargo. We further follow up pollution response operations over time and involve ITOPF as well as other experts. Pollution impact monitoring is important to identify needs for remediation and prioritising pollution response.
- As a marine insurance provider, we are committed to safe handling of hazardous waste and pollutants from ship's cargo or the vessel itself after a casualty. Our own Policy on Sustainable Ship Recycling guides our work and sets requirements and recommendations for our Members and clients. Additionally, the guideline Implementing sustainability and ESG principles in Hull and Machinery Damage Repairs helps our Marine Claims handlers include ESG considerations in their damage repair procedures.
- Finally, when it comes to handling marine casualties, our Reporting guidelines to external service providers highlights the data to be collected in order to report on the sustainability aspects of a casualty response. Our Supplier Code of Conduct sets out our overarching principles and the minimum requirements and expectations for suppliers, which include environmental responsibilities.

Actions

- In 2024, we collaborated with ITOPF and others to develop ESG reports for large casualties, further refining the methodology to document ESG risks during a casualty response and lessons learnt. Furthermore, we have followed up with authorities and other stakeholders involved in the restoration efforts following the oil spill from the Marco Polo incident in 2023. During the year we also published several loss prevention articles and alerts related to pollution.
- Additionally, we have identified potential pollution risks and mitigation opportunities through our cross-functional Green Transition Competency Groups, especially related to alternative fuels and battery fires. We also worked with several industry bodies such as the International Union of Marine Insurance (IUMI) to raise awareness of the potential barriers for alternative fuels in international compensation and liability regimes and how these can be solved.
- From this year onwards, shipowners that are in the process of contracting with repair and recycling yards will be able to benefit from guidance from Gard, making it easier to identify potential enviromental, social and governance risks.

Key metrics

- Relevant targets and metrics related to this topical standard are currently in development.

Biodiversity and ecosystems E4

The world's oceans are home to an estimated 2.2 million* species, of which only a tiny fraction have been described.

This biodiversity is a key foundation for the structure and functioning of ocean ecosystems and for providing essential ecosystem services to society, including fisheries, tourism, transport, carbon sequestration, and cultural services. However, marine ecosystems, especially along the coasts, are among the most heavily exploited in the world, leading to the degradation or decline of key ecosystems and species.

The Kunming-Montreal Global Biodiversity Framework, adopted in 2022, includes several key targets and goals specifically related to marine ecosystems and oceans, recognizing the crucial role of oceans in maintaining global biodiversity and supporting human life.

Gard has long been committed to protecting marine biodiversity by reducing and preventing pollution. Our efforts include restoring ecosystems affected by pollution incidents, screening insured fishing vessels for Illegal, Unreported, and Unregulated (IUU) activities, and providing alerts and insights to our Members and clients related to marine biodiversity.

As a result from the 2024 DMA, impacts related to the protection of marine biodiversity have been identified and assessed as material. Hence, Gard is explicitly stating that biodiversity is a material topic, highlighting our increased commitment as an organisation to focus further on this issue.

Source: Ocean Census, 2025. https://oceancensus.org/

Our material impacts

In 2025, we aim to enhance our biodiversity efforts by conducting a comprehensive LEAP assessment (Locate, Evaluate, Assess, and Prepare) following ESRS and the Task Force for Nature-related Financial Disclosures (TNFD) guidelines.

While our 2024 Double Materiality Assessment provided an initial indication, we recognize the need to better understand and analyse potential nature-related impacts, dependencies, risks, and opportunities across our entire value chain.

Social

- S1 - Own workforce
- S2 - Workers in the value chain

Own Workforce S1

The foundation of a thriving organisation lies in the wellbeing, development, and empowerment of its employees.

Gard's approach to workforce management is anchored in our core values, a dedication to diversity and inclusion, and a focus on enhancing the wellbeing of our employees. Through this approach, we aim to create a supportive and empowering environment where every individual can contribute to our shared success.

The findings from our DMA indicate that the key topics significant for Gard's workforce are working conditions, equal treatment and opportunities, and personal data protection.

Our material impacts

Positive impacts

Gard focuses on employee well-being programs and prioritizes diversity and inclusion in the strategy-making process to foster a positive workplace culture. Additionally, anti-bullying and harassment policies ensure that inappropriate behavior is not tolerated, creating a safer and more respectful work environment for all.

Negative impacts

Despite robust processes in place to protect against potential breaches of personal data, the constantly evolving nature of cybersecurity threats and vulnerabilities presents ongoing challenges in ensuring full data protection.

Policies

- Gard's Equality, Diversity, and Inclusion (ED&I) policy is founded on the Gard Code of Ethics and Business Conduct and the Policy for Sustainable Business. The policy sets out principles for developing a diverse and inclusive company culture that provides equal opportunities for all employees. Through our EDI policy, we aim to ensure and maintain a working environment free of bullying, sexual or other harassment, or any kind of degrading treatment. In relation to this, Gard's Whistleblowing policy provides a structured and secure reporting channel for employees to raise concerns about misconduct, breaches of law, internal guidelines, or ethical standards without fear of confidentiality. Through the reporting channels, employees can report issues confidentially or anonymously.
- Our Human Rights Policy is formulated to establish a framework for the company's commitment to respecting and supporting human rights in line with international conventions and standards. This policy outlines human rights expectations for employees, suppliers, and other parties linked to Gard's operations, products, or services. The policy emphasizes the importance of identifying, preventing, mitigating, and addressing adverse impacts on human rights within Gard's operations and supply chains and business partners. This includes performing human rights due diligence, engaging in continuous dialogue with Gard's key stakeholders, and reinforcing grievance mechanisms.
- Gard's policy on data privacy and protection is designed to ensure the lawful, fair, and transparent processing of personal data. The Personal Data Protection Policy outlines the company's commitment to safeguarding personal information and complying with applicable data privacy laws and regulations. In addition, our policies on information security and protection underscore the importance of structured and systematic information security management.

Actions

- Gard aims to create a healthy and safe working environment that promotes good occupational health. Our approach is to provide good health care coverage and benefits, support physical exercise, establish routines relating to psychosocial and physical working environment, and to continuously improve so that we protect our employees from workplace hazards. As part of our health and safety routines, we conduct thorough mapping and risk assessment exercises to identify potential health, safety and environmental hazards. Specifically, we perform regular safety inspection rounds and work environment surveys. The results from these assessments are used to develop detailed action plans outlining the necessary steps to address and mitigate risks.
- Our Gard your Body initiative/programme is dedicated to promoting health and wellness among our employees, focusing on physical fitness and mental health. Through this program, we aim to alleviate work-related stress and ensure that our employees' wellbeing needs are supported.
- Gard complies with all legal requirements related to social protection, ensuring adherence to the relevant legislation in every country where we operate. This includes providing our employees with essential benefits such as access to healthcare, income support and protection in circumstances like sickness, injury, parental leave, and retirement.
- We offer flexible work arrangements. Employees are also entitled to take family-related leave due to illness or injury in the family, care for next of kin and close relatives.
- We involve our employees by seeking their insights, both in short term decisions and when setting the strategic direction of Gard. Gard' focus on competence development is largely based on feedback from our employees.
- We strive to offer fair and competitive salaries and benefits and to achieve pay equity across all roles, regardless of gender or any other factors unrelated to the value of the work performed.

Actions

- In 2024, Gard therefore introduced a new competence development platform to support employees in their development conversations, goal setting, and continuous learning.
  In addition, Gard provides a wide range of learning opportunities, from trainee programs and professional development courses to leadership development initiatives. Our goal is to equip our employees and leaders with the tools and resources they need to reach their full potential.

- Gard enforces strict anti-bullying and harassment policies, emphasizing that any form of bad behavior will not be tolerated. Employees are encouraged to report any incidents of harassment or bullying without fear of retaliation.
  As part of our mitigation measures against discrimination or harassment, we conduct awareness activities and training on non-discrimination principles. We also follow up closely with employees who report incidents to ensure their concerns are heard and addressed.

- Gard has established a Whistleblowing Portal and internal reporting channels to uphold transparency and accountability. These channels are designed for employees to report concerns, grievances, or incidents such as bullying, harassment, unethical behaviour, safety hazards, or policy violations. They play a crucial role in maintaining a healthy work environment, ensuring that employees feel safe and supported when addressing issues without fear of retaliation.
  Our Whistleblowing Portal is available not only to employees, but also external parties. It operates anonymously and is managed by a third-party firm. Additionally, there are external channels available for individuals to notify public authorities if internal grievance mechanisms have been exhausted.

- The privacy and confidentiality of both employee and organisational data is a top priority for Gard. Employees are required to maintain the confidentiality of sensitive information related to our company, Members and clients, and colleagues at work.
  We adhere to all relevant data protection laws and industry standards such as the General Data Protection Regulation and other applicable regulations where we operate. We implement strict controls and implement an information security management system that aims to prevent operational disruptions, loss of sensitive information, and unauthorized access to the organizational and personal data of employees.

Key metrics

- Gard currently reports on own workforce-related metrics in accordance with the Norwegian “Aktivitets- og redegjørelsesplikten” (Appendix). However we are working on identifying and developing relevant own workforce metrics applicable to our global operations. This includes considering the diversity, inclusion, employee engagement, and other key performance indicators that are important across the various regions in which we operate.

Workers in the Value Chain S2

Our social responsibility extends beyond our operations to include the workers in our value chain.

As the world's leading marine insurer, we rely on the services of correspondents, surveyors, experts, lawyers, wreck salvors, and other highly skilled and competent professionals in the maritime industry. Our day-to-day business operations depend on the goods, products, corporate and site services of our suppliers such as IT, travel services, cleaning services, construction and maintenance and energy utilities. In the downstream part of our operations, we recognize that seafarers are particularly exposed to occupational hazards and sometimes extreme working conditions.

In other words, our operations impact the lives of workers, both directly and indirectly. Because of this, we strive to uphold the highest ethical standards and responsible business practices concerning workers in our value chain.

Our 2024 DMA process identified material impacts relating to working conditions affecting the workers in both our upstream and downstream part of the value chain.

When enforcement mechanisms are lacking, there is minimal oversight to ensure that our supply chain adheres to fair labour practices. Violations relating to safe working conditions, health and safety, working hours, terms and conditions of employment, child labour, human trafficking, and forced labour, may go unnoticed or potentially lead to human rights violations if there is no system in place to monitor or enforce compliance with labour laws and ethical standards.

In the downstream part of our value chain, seafarers are exposed to a variety of risks due to the inherently challenging nature of their work. Variations in labour protection standards and safety practices within the maritime industry can have damaging consequences. Without consistent implementation of labour standards and safety regulations, seafarers may face serious health and safety hazards, physical and mental health issues, insufficient access to medical care, prolonged working hours, and lack of support to raise or report concerns.

Our material impacts

Positive impacts

Gard's claims handling instructions and payment routines cater to the unique needs of seafarers and to their designated beneficiaries and families.

Negative impacts

Potentially poor working conditions and inadequate employment standards affect workers across the entire supply chain, including seafarers. These challenges expose workers to health and safety hazards, as well as risk of exploitation and unfair treatment.

Policies

- As outlined in the Governance model section of this report, our Code of Ethics and Business Conduct emphasizes the importance of responsible business practices and adherence to high ethical standards. These principles are reflected in our Supplier Code of Conduct, which serves as a key measure for operationalizing human rights due diligence in the supply chain and among business partners.
- Gard's human rights policy relating to the supply chain is anchored on internationally recognized human rights principles as contained in the International Bill of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the UN Global Compact's Ten Principles, and the UN Guiding Principles on Business and Human Rights.

The policy includes taking adequate measures to identify, prevent, and mitigate risks or address adverse impacts on human rights through the conduct of human rights impact assessments, provisions for remediation and grievance mechanisms, and adherence to the Supplier Code of Conduct.

Actions

- Gard's human rights due diligence process is a comprehensive approach designed to identify, prevent, and mitigate potential human rights impacts within our operations and supply chains. This process is established to comply with the requirements of the Norwegian Transparency Act and the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Our human rights due diligence is outlined in our annual Human Rights Due Diligence report (link).
- A cross-functional working group is tasked with ensuring that the due diligence process is followed, including conducting human rights risk and impact assessments of Gard's operations, supply chains, and business partners.
- Our efforts to support seafarers are extensive. This includes raising awareness on pressing issues, improving crew contracts and available medical care, and providing training and guidance to Members and clients on promoting seafarer health and wellbeing onboard.
- We understand the difficulties that seafarers and their families face when claiming compensation for illness, injury, disability, death, or other entitlements. We therefore have a streamlined and structured approach to claims handling and compensation payments. Our claims handling instructions and payment routines cater to the unique needs of seafarers and/or their designated beneficiaries and families. Gard also plays a crucial role in supporting the Maritime Labour Convention (MLC) by issuing MLC certificates and assuming MLC obligations, providing a safety net for seafarers who may face abandonment.
- We acknowledge that there are areas within our value chain that are not formally covered by the processes in line with the Norwegian Transparency Act and in general, we are aware of the human rights issues confronting the marine industry. Seafarers in particular are identified as being exposed to high risks due to the nature of their work, the environments they operate in, and the conditions they face while at sea.
- For the year ahead, we will examine the possibility of harmonising our current routines and procedures related to human rights and governance within the organisation. This means reviewing and aligning our existing frameworks, policies, and operations that deal with issues such as human rights and labour rights, anti-corruption practices, and overall responsible business conduct to ensure consistency and effectiveness. This will involve assessing the extent to which these frameworks are currently integrated and identifying opportunities to strengthen their coherence across different areas of the business.

Key metrics

- We are in the process of establishing clear, measurable objectives and performance indicators that will ensure we meet the specific requirements of this standard.

Governance

- G1 - Business conduct

Business conduct G1

The results of our DMA process indicate that business conduct remains a material topic, reflecting its sustained significance over the years.

The assessment highlights several key areas of impact for the organisation, including business ethics and corporate culture, effective management of supplier relationships, prevention and detection of corruption and bribery, and data protection.

Gard's core values cultivate a corporate culture that is collaborative, respectful, and supportive. We recognize that the strength of our organisation lies in the contributions of diverse individuals working together towards common goals. We encourage open dialogue, respect for differing opinions, and the sharing of ideas across all levels of the organisation. Our corporate culture emphasizes teamwork, continuous learning, and mutual respect.

Prevention and detection of corruption and bribery

Gard's has a zero-tolerance stance on corruption and bribery and has strict policies regarding facilitation payments and corporate hospitality.

In addition, our Know Your Customer (KYC) Framework outlines Gard's position on corruption, providing clear guidelines for employees and third parties. It covers responsibilities, principles, and values to ensure compliance with anti-corruption standards.

Our material impacts

Positive impacts

Gard's business conduct policies serve as a comprehensive framework that guides the organisation towards making more informed and ethical decisions.

Negative impacts

Despite our ongoing efforts, we still face challenges related to environmental, social, and governance issues extending beyond the first tier of our supply chain. We also see risks related to emerging data protection threats.

Policies

- Our Code of Ethics and Business Conduct is aligned with the OECD Guidelines for Multinational Enterprises and outlines the principles for conducting ethical business, including norms, rules, expectations, responsibilities, and proper practices
- The Supplier Code of Conduct sets the minimum requirements and standards on responsible business conduct expected from suppliers, business partners, and external service providers.
- Gard's has a zero-tolerance stance on corruption and bribery and has strict policies regarding facilitation payments and corporate hospitality.
- Gard provides both internal and external channels for reporting concerns. The whistleblowing portal, managed by a third-party, allows any natural person who acquires information about potential misconduct or censurable conditions in the context of work-related activities is entitled to report concerns anonymously. This portal is accessible through Gard's website.
- Gard maintains a zero-tolerance approach to financial crime, with focus on preventing any form of financial crime by our employees, our customers and counterparties. Through this policy, Gard establishes comprehensive processes and requirements for counterparty due diligence, customer risk assessment, monitoring, record keeping and employee training.
- Compliance with applicable data privacy and protection laws and regulations underscores the importance of having a sound information security management system. Gard's approach is to process personal data in a lawful, fair, and transparent manner.

Actions

- Gard's core values cultivate a corporate culture that is collaborative, respectful, and supportive. We recognize that the strength of our organisation lies in the contributions of diverse individuals working together towards common goals. We encourage open dialogue, respect for differing opinions, and the sharing of ideas across all levels of the organisation. Our corporate culture emphasizes teamwork, continuous learning, and mutual respect.
- We maintain a regular oversight over our supply chain and business partners, conducting human rights impact assessments to ensure that the principles of human rights and decent working conditions are adhered to within their respective operations and supply chains. Through our human rights due diligence and KYC processes, we aim to enforce ethical guidelines regarding labor practices and corporate governance. This includes treating their workforce and workers in the value chain with dignity and respect, prohibiting the use of forced or child labor, ensuring fair wages, providing equal opportunities, supporting equality, diversity, and inclusion, and fostering safe and healthy working conditions.
- We understand the difficulties that seafarers and their families face when claiming compensation for illness, injury, disability, death, or other entitlements. We therefore have a streamlined and structured approach to claims handling and compensation payments. Our claims handling instructions and payment routines cater to the unique needs of seafarers and/or their designated beneficiaries and families. Gard also plays a crucial role in supporting the Maritime Labour Convention (MLC) by issuing MLC certificates and assuming MLC obligations, providing a safety net for seafarers who may face abandonment.
- We view supplier engagement as an ongoing process. We maintain open channels of communication with our suppliers, external service providers, and business partners to discuss sustainability issues and challenges and to serve as a discussion partner for working on improvements.
- To keep abreast of regulatory developments in ethical business practices and compliance requirements, we conduct training sessions aimed at enhancing employee understanding of responsible business conduct policies, guidelines, and relevant regulations.

CHAPTER 04

Financial statements

Statement of comprehensive income

Amounts in USD 000’s	Notes	Parent company 01.01.24 to 31.12.24	Parent company 01.01.23 to 31.12.23	Consolidated accounts 01.01.24 to 31.12.24	Consolidated accounts 01.01.23 to 31.12.23
Technical account					
Gross written premium	4, 5, 6	441,604	454,872	1,140,244	1,157,300
Gross earned premium	5, 6	444,003	450,841	1,144,592	1,139,444
Ceded reinsurance	6	(284,487)	(302,150)	(234,580)	(243,870)
Earned premium for own account	**6**	**159,516**	**148,691**	**910,012**	**895,575**
Other insurance related income		**3,398**	**2,546**	**7,967**	**6,666**
Gross incurred claims	6	365,244	347,519	838,508	805,944
Reinsurers' share of gross incurred claims	6	(175,282)	(171,809)	(34,993)	(68,448)
Claims incurred for own account	**6**	**189,962**	**175,710**	**803,515**	**737,496**
Acquisition costs	7	13,378	20,672	56,884	54,321
Agents' commission	7	29,062	27,956	76,477	74,260
Commission received	7	(55,854)	(51,895)	(24,852)	(20,214)
Insurance related expenses for own account	**7**	**(13,414)**	**(3,266)**	**108,509**	**108,366**
Other insurance related expenses	**7**	**7,162**	**3,829**	**11,725**	**14,339**
Technical result		**(20,796)**	**(25,037)**	**(5,771)**	**42,040**
Non-technical account					
Income from investments in group companies		71,664	33,687	0	0
Interest and similar income	8	2,502	2,422	11,319	17,298
Change in unrealised gain on investments		11,107	40,114	84,778	138,936
Gain on realisation of investments		19,514	1,336	31,155	1,311
Other income/(expenses)		(721)	(303)	(2,984)	3,796
Non-technical result		**104,066**	**77,256**	**124,268**	**161,342**
Profit/(loss) before tax		**83,271**	**52,220**	**118,497**	**203,381**
Corporate income tax	9	1	(6,621)	20,372	(11,458)
Net result before other comprehensive income/(loss)		**83,270**	**58,841**	**98,125**	**214,840**
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Remeasurement due to change in pension assumptions	16	(11)	(54)	2,002	(4,134)
Income tax related to change in pension assumptions	16	0	0	(503)	1,020
Other comprehensive income/(loss) for the period, net of tax		**(11)**	**(54)**	**1,449**	**(3,114)**
Items that may be reclassified to profit or loss					
Exchange differences on subsidiaries		0	0	(4,987)	(885)
Total comprehensive income/(loss)		**83,259**	**58,787**	**94,636**	**210,840**

Balance sheet

Amounts in USD 000’s	Notes	Parent company As at 31.12.24	Parent company Restated* As at 31.12.23	Consolidated accounts As at 31.12.24	Consolidated accounts Restated* As at 31.12.23
Assets					
Intangible					
Developed software	10	0	0	15,895	13,820
Total intangible assets		**0**	**0**	**15,895**	**13,820**
Investments					
Property and plant used in operations	11	0	0	27,825	25,453
Financial investments in subsidiaries					
Investments in subsidiaries	13	862,581	642,581	0	0
Loan to subsidiaries	3, 14, 15	32,495	20,469	0	0
Financial investments at fair value through profit or loss					
Equities and investment funds	14	202,377	231,397	744,662	665,297
Interest-bearing securities and funds	14, 15, 24	205,543	314,038	1,748,675	1,713,928
Total investments	**24**	**1,302,995**	**1,208,486**	**2,521,162**	**2,404,679**
Reinsurers' share of technical provisions					
Reinsurers' share of gross premium reserve	6	40,013	43,588	22,549	23,684
Reinsurers' share of gross claims reserve	6, 15	477,873	492,058	125,369	156,688
Total reinsurers' share of technical provisions		**517,886**	**535,646**	**147,917**	**180,372**
Receivables					
Receivables from direct insurance operations					
Policyholders	14, 17	25,911	31,269	278,152	273,027
Receivables from reinsurance operations					
Receivables from reinsurance operations		7,382	7,937	10,880	10,840
Receivables from subsidiaries		16,838	12,434	0	0
Other receivables					
Other receivables	18	0	9	30,810	34,528
Other receivables from subsidiaries	18	0	7	0	0
Total receivables	**14, 15**	**50,132**	**51,656**	**319,841**	**318,395**
Other assets					
Equipment	12	661	661	11,624	11,846
Cash and cash equivalents	14, 15, 19, 24	136,634	160,237	460,667	418,138
Deferred tax asset	9	42,214	42,250	55,757	58,520
Other assets	14, 15	6,906	6,584	34,852	33,730
Total other assets	**24**	**186,415**	**209,732**	**562,900**	**522,234**
Prepayments and accrued income					
Accrued income and other prepayments		5,135	7,538	41,049	44,439
Total prepayments and accrued income		**5,135**	**7,538**	**41,049**	**44,439**
Total assets		**2,062,564**	**2,013,058**	**3,608,765**	**3,483,939**

*See note 2.3.

Balance sheet (continued)

Amounts in USD 000's	Notes	Parent company As at 31.12.24	Parent company As at 31.12.23	Consolidated accounts As at 31.12.24	Consolidated accounts As at 31.12.23
Equity and liabilities					
Equity					
Statutory reserve	20	463	463	463	463
Retained earnings					
Guarantee scheme		443	431	514	523
Other equity		1,077,952	994,705	1,564,951	1,470,305
Total equity	**21**	**1,078,857**	**995,598**	**1,565,927**	**1,471,291**
Technical provisions					
Gross premium reserve	6	63,198	65,597	291,909	296,257
Gross claims reserve	6, 15	813,481	821,298	1,562,526	1,530,152
Total technical provisions		**876,679**	**886,895**	**1,854,435**	**1,826,409**
Provisions for other liabilities					
Pension obligations, net	16	517	569	27,354	37,198
Income tax payable	9, 15	0	1,484	17,546	14,180
Other provision for liabilities		0	0	1,426	925
Total provisions for other liabilities		**517**	**2,053**	**46,325**	**52,303**
Payables					
Payables arising out of direct insurance operations	15	30,511	39,861	62,773	75,132
Payables arising out of reinsurance operations	15	11,690	13,296	23,673	21,897
Payables arising out of reinsurance operations - group companies	15	16,123	15,084	0	0
Payables to group companies	15	19,925	37,270	0	0
Other payables	15	5,344	255	29,917	11,196
Total payables		**83,593**	**105,767**	**116,362**	**108,224**
Accruals and deferred income					
Accruals and deferred income	15	22,917	22,745	25,715	25,711
Total accruals and deferred income		**22,917**	**22,745**	**25,715**	**25,711**
Total liabilities		**983,707**	**1,017,460**	**2,042,838**	**2,012,648**
Total equity and liabilities		**2,062,564**	**2,013,058**	**3,608,765**	**3,483,939**
Off balance sheet items					
Total equity and liabilities		451	8,954	895	9,311

Statement of changes in equity

Parent company

Amounts in USD 000's	Statutory reserve	Guarantee Scheme	Other equity	Total
Equity as at 01.01.23	**463**	**424**	**935,924**	**936,811**
Net result before other comprehensive loss	0	0	58,841	58,841
Remeasurement due to change in pension assumptions	0	0	(54)	(54)
Provision to obliged fund	0	7	(7)	0
Equity as at 31.12.23	**463**	**431**	**994,705**	**995,598**
Equity as at 01.01.24	**463**	**431**	**994,705**	**995,598**
Net result before other comprehensive income/(loss)	0	0	83,270	83,270
Remeasurement due to change in pension assumptions	0	0	(11)	(11)
Provision to obliged fund	0	12	(12)	0
Equity as at 31.12.24	**463**	**443**	**1,077,952**	**1,078,857**

Consolidated accounts

Amounts in USD 000's	Statutory reserve	Guarantee Scheme	Other equity	Total
Equity as at 01.01.23	**463**	**545**	**1,259,443**	**1,260,451**
Net result before other comprehensive loss	0	0	214,840	214,840
Remeasurement due to change in pension assumptions	0	0	(4,134)	(4,134)
Income tax related to change in pension assumptions	0	0	1,020	1,020
Provision to obliged fund	0	(22)	22	0
Exchange differences on subsidiaries	0	0	(885)	(885)
Equity as at 31.12.23	**463**	**523**	**1,470,306**	**1,471,291**
Equity as at 01.01.24	**463**	**523**	**1,470,306**	**1,471,291**
Net result before other comprehensive income/(loss)	0	0	98,125	98,125
Remeasurement due to change in pension assumptions	0	0	2,002	2,002
Income tax related to change in pension assumptions	0	0	(503)	(503)
Provision to obliged fund	0	(10)	10	0
Exchange differences on subsidiaries	0	0	(4,987)	(4,987)
Equity as at 31.12.24	**463**	**514**	**1,564,952**	**1,565,927**

Statement of cash flow

Amounts in USD 000's	Notes	Parent company 01.01.24 to 31.12.24	Parent company Restated* 01.01.23 to 31.12.23	Consolidated accounts 01.01.24 to 31.12.24	Consolidated accounts Restated* 01.01.23 to 31.12.23
Cash flow from operating activities					
Profit/(loss) before tax		83,271	52,220	118,497	203,381
Tax paid	9	0	0	(11,631)	(15,714)
Dividends received from subsidiaries	3	(70,275)	(33,068)	0	0
Change in unrealised loss on investments		(11,107)	(40,114)	(84,778)	(138,936)
Depreciation, impairment and amortisation expenses	10, 11, 12	0	0	5,234	4,629
Change in pension obligations	16	(63)	(623)	(8,346)	2,064
Pension defined benefit plan/pension cost paid		(20)	(45)	(4,230)	(1,317)
Financial investments	24	148,624	29,390	(29,333)	23,055
Change in valuation due to change in exchange rates		2	1,003	263	(1,918)
Change in receivables and payables		(20,971)	31,165	5,570	(2,031)
Change in technical provisions and other accruals		10,698	10,545	64,302	121,378
Net cash flow from operating activities	**24**	**140,158**	**50,472**	**55,548**	**194,591**
Cash flow from investment activities					
Dividends received from subsidiaries	3	70,275	33,068	0	0
Payments of capital increases in subsidiaries		(220,000)	(3)	0	0
Purchase of intangible assets net of sales	10	0	0	(5,518)	(5,409)
Purchase of equipment net of sales	12	0	0	(1,941)	(3,882)
Purchase of property and plant net of sales	11	0	0	(5,571)	(2,287)
Proceeds from disposal of equipment		0	0	11	148
Net cash flow from investment activities		**(149,725)**	**33,066**	**(13,019)**	**(11,430)**
Cash flow from financial activities					
Borrowings		(14,036)	(9,858)	0	0
Net cash flow from financial activities		**(14,036)**	**(9,858)**	**0**	**0**
Net change in cash and cash equivalents	24	(23,603)	73,680	42,529	183,160
Cash and cash equivalents at the beginning of the period		160,237	86,557	418,138	234,978
Cash and cash equivalents at the end of the period	**24**	**136,634**	**160,237**	**460,667**	**418,138**

*See note 2.3.

Notes to the accounts

Note 1 – Corporate information – the Gard group of companies

Gard P. & I. (Bermuda) Ltd. (the "Company") is a mutual insurance association domiciled in Bermuda. The Company is incorporated as an exempt company and is registered by the Bermuda Monetary Authority as a Class 2 insurer. As a mutual insurance association, the Company is owned by its Members, being the owners and charterers of the ships from time to time insured by the Company for Protection and Indemnity risks ("P&I"). There are no external capital owners.

The principal activities of the Company and its subsidiaries (the "Gard group" or the "group") are to insure its Members for: marine P&I risks; marine and energy risks through its wholly owned subsidiary Gard Marine & Energy Limited; and management of its assets which are used to cover the technical provisions.

The Members of the Company are also Members of Assuranceforeningen Gard - gjensidig - and vice versa. The major part of the two associations' combined portfolio of direct business (currently about 60 per cent) is underwritten by the Company through its Norwegian branch as a direct insurer. Assuranceforeningen Gard - gjensidig - is primarily used as a vehicle for a smaller proportion of the combined P&I portfolio, which is primarily direct P&I business where an EU/EEA based insurer is required to comply with governing regulations regarding cross border activities.

Assuranceforeningen Gard - gjensidig ("Gard Norway") is a mutual insurance association registered and domiciled in Norway and licensed by the Norwegian Ministry of Finance to carry out marine liability and legal costs insurances. The principal activity of Gard Norway is to insure its Members for marine P&I risks, including the reinsurance of a proportion of the P&I risks underwritten by the Company as a direct insurer.

Gard Marine & Energy Limited ("Gard M&E") is a wholly owned subsidiary of the Company. Gard M&E is domiciled in Bermuda and is registered by the Bermuda Monetary Authority as a Class 3B insurer covering, inter alia, marine and energy risks. The principal activity of Gard M&E is direct insurance of marine and energy risks.

Gard Marine & Energy Insurance (Europe) AS ("Gard M&E Europe") is a wholly owned subsidiary of Gard M&E. Gard M&E Europe is registered and domiciled in Norway and licensed by the Norwegian Ministry of Finance to carry out direct insurance of marine and energy risks.

Hydra Gard Cell. Hydra Insurance Company Limited ("Hydra") is an insurance company established by the parties to the International Group of P&I Clubs' Pooling Agreement. Hydra is a segregated accounts company incorporated under the Bermuda Segregated Accounts Companies Act 2000, as amended, to reinsure certain layers of risks which have been retained by the parties to the said Pooling Agreement. The Hydra Gard Cell (a segregated account) is owned 100 per cent by the Company. The assets and liabilities of the Hydra Gard Cell, are separated from Hydra's general accounts and from the other cells or segregated accounts, of the company.

Gard Reinsurance Co Ltd ("Gard Re") is a wholly owned subsidiary of the Company domiciled in Bermuda. Gard Re is registered by the Bermuda Monetary Authority as a Class 3A insurer. Its principal activity is the reinsurance of an agreed proportion of the risks retained by the Company, Gard M&E, and Gard Norway.

Lingard Limited ("Lingard") is an insurance management company registered and domiciled in Bermuda and is a wholly owned subsidiary of the Company. Lingard offers insurance management and insurance intermediary services to the Company and its Bermuda based subsidiaries: Gard M&E, and Gard Re.

Gard AS is a wholly owned subsidiary of the Company. Gard AS is registered and domiciled in Norway. Its principal activity is to provide insurance agency and intermediary services to Lingard, Gard Norway, and Gard M&E Europe.

AS Assuransegården is a wholly owned subsidiary of the Company. AS Assuransegården is a Norwegian registered and domiciled company and is the owner of various fixed properties in Norway, which are used by the companies in the Gard group.

Notes to the accounts

Note 2 - Significant accounting policies

2.1 Basis of preparation of the accounts
Gard P. & I. (Bermuda) Ltd. is incorporated under Bermuda Law. The operations and insurance activities of the Company are carried out by Lingard. The accounts include the activity from 1 January 2024 to 31 December 2024.

The financial statements have been prepared in accordance with regulations for annual accounts for general insurance companies approved by the Norwegian Ministry of Finance.

2.2 Changes in accounting policies
There are no changes in accounting policies for Gard P. & I. (Bermuda) Ltd. for the financial period ending 31 December 2024.

2.3 Changes to presentation and classification
The Company maintains deposits in Northern Trust with an overnight sweep into a money market fund (Northern Trust Cash Fund).

During 2024 the Company reviewed the classification of these deposits. Based on the re-assessment the Company concluded that the correct classification and presentation of money market funds according to the definition in NRS (F) Cash flow statement, is Cash and cash equivalents (included in Other assets), and not Interest-bearing securities and funds and Other financial investments (both included in Financial investments at fair value through profit and loss) as earlier presented and classified. The Company therefore decided to change the presentation and classification of these funds in line with the conclusion of the re-assessment. This change only affects the classification within the balance sheet assets and the Cash flow statement, the change has no effect on total assets or total comprehensive income. Comparative information for the financial year ending 31 December 2023 has been restated accordingly (see note 24).

2.4 Basis for consolidation
The consolidated financial statements comprise Gard P. & I. (Bermuda) Ltd. and the accounts of the companies over which the Company has a controlling interest. A controlling interest is usually obtained when ownership of the shares in a company is more than 50 per cent, and that ownership can exercise control over the company. The Company has the right to exercise membership rights in Gard Norway; therefore the Company controls all voting rights in Gard Norway. This is the legal basis for consolidating the two associations' accounts.

Transactions between consolidated companies have been eliminated in the consolidated financial statements. The consolidated financial statements have been prepared under the same accounting principles for both parent and subsidiaries. The acquisition method is applied when accounting for business combinations.

2.5 Use of accounting estimates when preparing the accounts
The preparation of the accounts requires management to make estimates and assumptions that affect the valuation of assets, liabilities, revenues, expenses, and contingent liabilities. Due to unforeseen circumstances, these estimates may change in the future. Estimates and their assumptions are considered continuously, and accounts adjusted accordingly.

2.6 Foreign currency
Functional currency and presentation currency
The accounts are prepared in USD, which is both the functional currency and presentation currency of the Company.

Transactions in foreign currency
Transactions in foreign currencies are translated at the rate applicable on the transaction date. Monetary items in a foreign currency are translated into USD using the exchange rate applicable on the balance sheet date. The currency exposure of the provision for claims is assessed to be equivalent to the same currency exposure as claims paid. The opening and closing balances of the provision for claims in foreign currency are translated into USD based on the same method as for monetary items. Translation differences are recognised in the statement of comprehensive income as they occur during the accounting period. Foreign exchange gains and losses that relate to borrowings, cash, and cash equivalents are presented as part of the non-technical result as 'Interest and similar income'. Foreign exchange gains and losses that relate to financial investments are presented as part of the non-technical result as 'Change in unrealised gain/loss on investments'.

All foreign exchange gains and losses relating to technical operations are presented in the statement of comprehensive income as part of the technical result. The assets and liabilities of group companies that have a functional currency different from USD are converted into USD at the rate of exchange at the closing date. Income and expenses are translated at the financial year's average rate of exchange. All resulting exchange differences are recognised in 'Other comprehensive income' as currency translation differences.

2.7 Provisions, contingent liabilities and assets
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. For potential obligations whose likelihood is not remote or probable (i.e., not 'more likely than not'), a contingent liability is disclosed. Contingent assets are not recognised in the financial statements but are disclosed if it is likely that resources embodying economic benefits will flow to the Company.

2.8 Events after the reporting period
New and material information on the group's financial position at the end of the reporting period, which becomes known after the end of the reporting period, is recorded in the financial statements. Events after the reporting period that do not affect the financial position at the end of the reporting period, but which will affect the financial position in the future, are disclosed if significant.

2.9 Other significant accounting policies
Other significant accounting policies are presented and described in other notes to the financial statements, together with the more expanded disclosures for that particular area. This is done to make the disclosures more relevant to the users and make it easier to get an overview of the related note. The following table includes other significant accounting policies that are described in separate notes to the financial statements, including the number of the note:

Accounting policy	Note
Technical result	6
Technical provisions	6
Insurance related expenses	7
Interest and similar income/(expenses)	8
Tax	9
Intangible assets	10
Property, plant, and equipment	11, 12
Investments in subsidiaries	13
Financial Investments	14
Pensions	16
Cash and cash equivalents	19

Notes to the account

Note 3 - Intra-group transactions

Reinsurance agreements
Gard P. & I. (Bermuda) Ltd. and Gard Norway have entered into mutual reinsurance agreements. The Company reinsures a proportion amounting to 85 per cent for policy year up to 2009 and 25 per cent for policy year from 2010 of Gard Norway's insurance portfolio after taking the external reinsurance into account. The Company cedes to Gard Norway by way of reinsurance 15 per cent for policy year up to 2009 and 2 per cent for policy year from 2010 of the Company's insurance portion after taking the external reinsurance into account. In the financial period ending 31 December 2024, no direct call has been levied based on the reinsurance agreement (no direct call in the previous year).

	Received from Gard Norway		Ceded to Gard Norway	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Reinsurance premium	45,828	38,539	(5,624)	(5,333)
Reinsurers' share of gross settled claims	(30,098)	(26,685)	3,938	3,958
Reinsurance commission	(13,484)	(11,484)	1,827	1,771

	Received from Gard Norway		Ceded to Gard Norway	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Reinsurers' share of gross claims reserve	87,530	85,074	10,591	10,460
Reinsurers' share of gross premium reserve	6,651	5,626	811	783

Both the Company and Gard M&E have entered into reinsurance agreements with Gard Re, where the two direct insurers are ceding 50 per cent of their insurance portfolio after taking the external reinsurance into account. The following two tables disclose the reinsurance agreement between the Company and Gard Re.

	Ceded to Gard Re	
Amounts in USD 000s	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Reinsurance premium	(160,693)	(149,917)
Reinsurers' share of gross settled claims	110,765	110,453
Reinsurance commission	51,995	47,990

	Received from Gard Re	
Amounts in USD 000s	As at 31.12.24	As at 31.12.23
Reinsurers' share of gross claims reserve	292,645	288,223
Reinsurers' share of gross premium reserve	23,185	22,008

The Company and Gard Norway have entered into a reinsurance agreement with Hydra, which is a segregated accounts company. The Company's segregated account (cell) in Hydra is covering the former companies' liability to layers of the International Group (IG) Pool and retention in the 1st market excess layer.

	Ceded to Hydra	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Ceded reinsurance premium	(30,857)	(62,800)

	Received from Hydra	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Reinsurers' share of gross premium reserve	(4,348)	(8,770)

Insurance management agreement
The Company, Gard M&E and Gard Re have appointed Lingard as their insurance manager and principal representative in Bermuda. The services provided by Lingard are governed by individual insurance management agreements entered into between each of the above three companies and Lingard. The Company and Gard M&E have entered into an insurance services agreement with Gard (Singapore) Pte. Ltd. where Gard (Singapore) Pte. Ltd. is performing certain day-to-day operational functions for the companies. In addition, secondment agreements have been entered into between the insurance branches in Singapore, Japan and Hong Kong, and the insurance intermediary service company in the same country. Costs related to these agreements are reimbursed by the insurance branches directly to the insurance intermediary service companies.

	Insurance services invoiced	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Lingard	68,549	65,100
Gard (Singapore) Pte. Ltd.	5,405	5,448

Insurance/reinsurance agency agreements
Lingard in its capacity as insurance manager of the Company and Gard M&E has entered into insurance agency agreements with Gard AS and its subsidiaries. Gard AS is the general agent of the Norwegian branches of the Company and Gard M&E, whereby Gard AS is delegated authority as an agent and insurance intermediary to perform claims handling and underwriting functions on behalf of the two Bermuda based risk carriers. A similar agency agreement has been entered into between Gard Norway and Gard M&E Europe as the principal and Gard AS as the agent. Insurance agency agreements have been concluded between Lingard and each of the subsidiaries of Gard AS for the purpose of sub-delegating certain insurance intermediary functions to regional offices in Finland, Greece, Hong Kong, Singapore, Japan, the United Kingdom and the United States of America.

Loan agreement
The Company has entered into two loan agreements with AS Assuransegården. The loans are payable on demand and is subject to an interest of NIBOR plus 0.5 per cent per annum. Maximum credit limit per loan agreement is NOK 150 million. The Company has also entered into three loan agrements with Gard AS. These loans have a maximum credit limit of USD 20 million payable on demand and are subject to an interest of SOFR 12 months plus 0.5 per cent per annum.

Notes to the account

Note 3 - Intra-group transactions (continued)

Amounts in USD 000's	Loan balance As at 31.12.24	Loan balance As at 31.12.23
AS Assuransegården (borrower)	20,495	15,469
Gard AS (borrower)	12,000	5,000
Total loan to subsidiaries	**32,495**	**20,469**

Amounts in USD 000's	Interest recived 01.01.24 to 31.12.24	Interest recived 01.01.23 to 31.12.23
AS Assuransegården	807	513
Gard AS	582	105
Total interest received	**1,389**	**619**

Amounts in USD 000's	Dividends received 01.01.24 to 31.12.24	Dividends received 01.01.23 to 31.12.23
Gard M&E	0	8,000
Gard Re	2,000	4,000
Hydra	68,275	21,068
Total dividends and capital contributions	**70,275**	**33,068**

Note 4 - Gross written premium by geographical areas

	Parent company		Consolidated accounts	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
EEA / European Economic Area	183,872	182,219	546,627	562,482
Norway	119,501	115,581	133,101	127,926
Other areas	138,231	157,072	460,515	466,892
Total gross written premium	**441,604**	**454,872**	**1,140,244**	**1,157,300**

The geographical split is made based on the location of the individual Member or client.

A Member is an owner, operator or charterer (including a bareboat or demise charterer) or a ship entered in the Association who according to the Articles of the Association and the Rules is entitled to membership of the Association. Client is defined as any entity with an active insurance cover from the Gard group of companies that is not in the capacity of a Member (P&I Owners' Entry and Charterer's Entry). Members may also be a client of Gard.

Note 5 - Owners' General Discount

These accounts are prepared on the basis of 10 per cent Owners' General Discount in respect of the 2024 policy year (5 per cent in the respect of the 2023 policy year). The policy year is based on the period from GMT noon on 20 February to GMT noon on 20 February the following year.

The Owners' General Discount amounted to USD 49.2 million for the financial period ending 31 December 2024 (USD 25.0 million for the financial period ending 31 December 2023). On Estimated Total Call (ETC) basis the gross written premium for the financial period ending 31 December 2024 is USD 1,193.4 million (financial period ending 31 December 2023 USD 1,182.6 million).

The table below shows the statement of comprehensive income on ETC basis.

	Parent company		Consolidated accounts	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Gross written premium (ETC)	476,352	471,712	1,193,368	1,182,615
Gross earned premium (ETC)	476,279	467,532	1,193,826	1,164,442
Ceded reinsurance	(284,487)	(302,150)	(234,580)	(243,870)
Earned premium for own account (ETC)	**191,792**	**165,382**	**959,246**	**920,572**
Other insurance related income	**3,398**	**2,546**	**7,967**	**6,666**
Claims incurred gross	365,244	347,519	838,508	805,944
Reinsurers' share of gross incurred claims	(175,282)	(171,809)	(34,993)	(68,448)
Claims incurred for own account	**189,962**	**175,710**	**803,515**	**737,496**
Insurance related expenses for own account	(13,414)	(3,266)	108,509	108,366
Other insurance related expenses	7,162	3,829	11,725	14,339
Technical result (ETC)	**11,481**	**(8,345)**	**43,464**	**67,037**
Non-technical result	**104,066**	**77,256**	**124,268**	**161,342**
Profit/(loss) before tax (ETC)	115,547	68,911	167,731	228,379
Corporate income tax	1	(6,621)	20,372	(11,458)
Net result before other comprehensive income/(loss)	**115,546**	**75,532**	**147,359**	**239,837**
Other comprehensive income/(loss)	(11)	(54)	(3,489)	(3,999)
Result (ETC)	**115,536**	**75,478**	**143,870**	**235,838**
Owners' General Discount (earned)	32,276	16,691	49,234	24,997
Total comprehensive income/(loss)	**83,259**	**58,787**	**94,636**	**210,840**

Notes to the accounts

Note 6 - Technical result and technical provisions

Accounting policy
Premiums and received reinsurance premiums
Premiums are based on the insurance contracts where one party (the insurer) has accepted a significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Premiums are recognised over the insurance policy period. Supplementary calls for P&I business may be charged to Members for previous policy years.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned premiums are calculated on a daily pro-rata basis. The proportion attributable to subsequent periods is deferred as gross premium reserve.

Ceded reinsurance premiums
Reinsurance premiums are recognised as an expense over the underlying policy period.

Claims expenses
Expenses regarding incurred claims and other administrative expenses are recognised in the period they are incurred. Paid claims include an allocated portion of both direct and indirect claims handling cost.

Reinsurers' share of gross incurred claims
Reinsurers' share of gross incurred claims are recognised as a reduction of claim expense in the period they are incurred.

In the following tables Liability insurance is presented as P&I, while Marine insurance is presented as M&E.

	Parent company			Consolidated accounts		
			01.01.24 to 31.12.24			01.01.24 to 31.12.24
Amounts in USD 000's	P&I	M&E	Total	P&I	M&E	Total
Technical result						
Gross written premium						
Direct and proportional reinsurance accepted	441,604	0	441,604	636,098	497,787	1,133,885
Non proportional reinsurance accepted	0	0	0	6,359	0	6,359
Total gross written premium	**441,604**	**0**	**441,604**	**642,457**	**497,787**	**1,140,244**
Gross earned premium						
Direct and proportional reinsurance accepted	443,528	0	443,528	638,509	500,618	1,139,127
Non proportional reinsurance accepted	475	0	475	5,465	0	5,465
Total gross earned premium	**444,003**	**0**	**444,003**	**643,974**	**500,618**	**1,144,592**
Ceded reinsurance	(284,487)	0	(284,487)	(132,220)	(102,360)	(234,580)
Earned premium for own account	**159,516**	**0**	**159,516**	**511,754**	**398,258**	**910,012**
Claims incurred, gross						
Direct and proportional reinsurance accepted						
Incurred this period*	387,730	0	387,730	498,800	357,685	856,485
Incurred previous periods	(22,611)	0	(22,611)	(19,377)	(40)	(19,417)
Non proportional reinsurance accepted						
Incurred this period	125	0	125	1,441	0	1,441
Total claims incurred, gross	**365,244**	**0**	**365,244**	**480,863**	**357,645**	**838,508**
Reinsurers' share of gross incurred claims	(175,282)	0	(175,282)	9,132	(44,125)	(34,993)
Claims incurred for own account	**189,962**	**0**	**189,962**	**489,996**	**313,520**	**803,515**

*Claims handling expenses incurred in the financial year are included in Claims incurred – gross this period.

	Parent company			Consolidated accounts		
			01.01.23 to 31.12.23			01.01.23 to 31.12.23
Amounts in USD 000's	P&I	M&E	Total	P&I	M&E	Total
Technical result						
Gross written premium						
Direct and proportional reinsurance accepted	454,872	0	454,872	649,196	508,104	1,157,300
Total gross written premium	**454,872**	**0**	**454,872**	**649,196**	**508,104**	**1,157,300**
Gross earned premium						
Direct and proportional reinsurance accepted	450,841	0	450,841	642,069	497,375	1,139,444
Total gross earned premium	**450,841**	**0**	**450,841**	**642,069**	**497,375**	**1,139,444**
Ceded reinsurance	(302,150)	0	(302,150)	(133,251)	(110,619)	(243,870)
Earned premium for own account	**148,691**	**0**	**148,691**	**508,818**	**386,757**	**895,575**
Claims incurred, gross						
Direct and proportional reinsurance accepted						
Incurred this period	281,674	0	281,674	426,343	354,523	780,866
Incurred previous periods	65,845	0	65,845	25,304	(227)	25,078
Total claims incurred, gross	**347,519**	**0**	**347,519**	**451,648**	**354,296**	**805,944**
Reinsurers' share of gross incurred claims	(171,809)	0	(171,809)	(25,223)	(43,225)	(68,448)
Claims incurred for own account	**175,710**	**0**	**175,710**	**426,424**	**311,072**	**737,496**

Accounting policy
Technical provisions are calculated in accordance with the regulations for annual accounts for insurance companies approved by the Norwegian Ministry of Finance.

Gross premium reserve
The gross premium reserve is amortised over the risk period and is calculated and accounted for in the balance sheet as a provision for the part of premium written that exceeds the end of the financial period. Changes in the provision are charged to the statement of comprehensive income.

Gross claims reserve
The gross claims reserve comprises estimates of the expected remaining exposure from claims that have been reported to the Company (RBNS), and from claims that have been incurred, but which have not yet been reported (IBNR).

Provisions for reported claims are made by assessing the liability of each claim. Actuarial methods are used in estimating the total cost of outstanding claims. The claim provisions have not been discounted.

In accordance with the Norwegian regulations for insurance companies, provisions for internal claims handling expenses (unallocated loss adjustment expenses, or ULAE) and binary events are included in the 'Gross claims reserve'.

Insurance contract liabilities
Insurance contract liabilities are the main items in the balance sheet based upon judgements and estimates. Estimates have to be made both for the expected total cost of claims reported and for the expected total cost of claims incurred, but not reported, at the balance sheet date. Standard actuarial methods are used in estimating the total cost of outstanding claims. The actuarial methods use historical data as one of the elements in the model to estimate future claims costs. It can take a significant period of time before the ultimate claims cost can be established with certainty.

Changes to reserve assumptions: The DFM factors used in the calculation of IBNR has been updated through the yearly review. The effect of the update based on the Q3 result is a net increase of about USD 8.9 million on the Group level. The changes are mainly related to P&I and Marine. Furthermore, the input data going into to the ULAE calculation has been changed during the 2024 financial year. The change resulted in a net increase of about USD 14 million on the ULAE.

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Note 6 - Technical result and technical provisions (continued)

	Parent company			Consolidated accounts		
	As at 31.12.24			As at 31.12.24		
Amounts in USD 000's	P&I	M&E	Total	P&I	M&E	Total
Technical provisions gross						
Provisions, at the beginning of the period	821,298	0	821,298	1,049,353	480,798	1,530,152
Claims paid	(373,060)	0	(373,060)	(472,626)	(333,508)	(806,134)
Claims incurred - gross this period*	387,854	0	387,854	500,241	357,685	857,926
Claims incurred - gross previous periods	(22,612)	0	(22,612)	(19,377)	(40)	(19,417)
Provisions, at the end of the period	**813,481**	**0**	**813,481**	**1,057,591**	**504,935**	**1,562,526**
Reinsurers' share of claims provision	(477,873)	0	(477,873)	(57,139)	(68,229)	(125,369)
Provisions net, at the end of the period	**335,607**	**0**	**335,607**	**1,000,451**	**436,706**	**1,437,157**
Provision for unearned premiums, gross	63,198	0	63,198	91,884	200,025	291,909
Reinsurers' share of premium provision	(40,013)	0	(40,013)	(18,252)	(4,297)	(22,549)
Provision for unearned premiums, net	**23,185**	**0**	**23,185**	**73,632**	**195,728**	**269,360**

*Claims handling expenses incurred in the financial year are included in Claims incurred – gross this period.

The Company is a member of the International Group pooling arrangement where P&I mutual claims in excess of USD 10 million are shared amongst the 12 Clubs of the International Group

	P&I	M&E	Total	P&I	M&E	Total
Gross technical provision regarding Pooling Agreement	(212,997)	0	(212,997)	(240,378)	0	(240,378)
Net technical provision regarding Pooling Agreement	(68,563)	0	(68,563)	(114,021)	0	(114,021)
Provision for outstanding claims						
Technical provision gross	813,481	0	813,481	1,057,591	504,935	1,562,526
Technical provision net	335,607	0	335,607	1,000,451	436,706	1,437,157

Provided guarantees outside cover, not recognised in the balance sheet, amount to USD 0.9 million as at 31 December 2024

The actuarial data driven estimates for IBNR are calculated using Chain ladder method, Bornhuetter Ferguson method and the Benktander method. The default method choice is: An adjusted Bornhuetter Ferguson method for the four most recent accident quarters where the claims experience is relatively immature. This method use reduced a priori from Financial Plan as input. The Chain ladder method is used for the remaining accident quarters. Both methods use DFM curves that describes the historical development of incurred claims. The reasonableness of the default method choice is assessed, and other choices might be selected based on actuarial judgement if appropriate.

Sensitivity analyses have been performed in order to evaluate how sensitive the data driven IBNR estimate is to changes in the input parameters (DFM-factors and a priori). The parameters are adjusted one by one, increasing and decreasing the values by 10 per cent. The results are then compared with the booked results. Based on these methodologies the gross claim reserve for the group ranges between USD 1,542 million and USD 1,583 million. The claim reserves for the parent company ranges between USD 805 million and USD 821 million.

	Parent company			Consolidated accounts		
	As at 31.12.23			As at 31.12.23		
Amounts in USD 000's	P&I	M&E	Total	P&I	M&E	Total
Technical provisions gross						
Provisions, at the beginning of the period	826,785	0	826,785	1,049,786	378,060	1,427,846
Claims paid	(353,007)	0	(353,007)	(452,081)	(251,558)	(703,639)
Claims incurred - gross this period	281,675	0	281,675	426,343	354,523	780,866
Claims incurred - gross previous periods	65,845	0	65,845	25,304	(227)	25,078
Provisions, at the end of the period	**821,298**	**0**	**821,298**	**1,049,353**	**480,798**	**1,530,152**
Reinsurers' share of claims provision	(492,058)	0	(492,058)	(84,580)	(72,108)	(156,688)
Provisions net, at the end of the period	**329,240**	**0**	**329,240**	**964,773**	**408,691**	**1,373,463**
Provision for unearned premiums, gross	65,597	0	65,597	93,401	202,856	296,257
Reinsurers' share of premium provision	(43,588)	0	(43,588)	(18,633)	(5,052)	(23,684)
Provision for unearned premiums, net	**22,008**	**0**	**22,008**	**74,769**	**197,804**	**272,573**

The Company is a member of the International Group pooling arrangement where P&I mutual claims in excess of USD 10 million are shared amongst the 12 Clubs of the International Group

	P&I	M&E	Total	P&I	M&E	Total
Gross technical provision regarding Pooling Agreement	(198,048)	0	(198,048)	(224,247)	0	(224,247)
Net technical provision regarding Pooling Agreement	(59,811)	0	(59,811)	(111,885)	0	(111,885)
Provision for outstanding claims						
Technical provision gross	821,298	0	821,298	1,049,353	480,798	1,530,152
Technical provision net	329,240	0	329,240	964,773	408,691	1,373,464

Provided guarantees outside cover, not recognised in the balance sheet, amount to USD 9.3 million as at 31 December 2023.

Notes to the accounts

Note 7 - Insurance related expenses and number of staff

Accounting policy
Insurance related expenses for own account consist of broker and agent commissions, sales and administrative expenses, less commission received on ceded reinsurance premiums. Sales expenses are recognised in the period in which they are incurred. The administrative expenses and commission received are expensed over the underlying policy period.

Insurance related expenses are accounted for in the period they are incurred.

	Parent company		Consolidated accounts	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Acquisition costs and commissions				
Sales related salaries	0	0	32,479	30,720
Other acquisition costs	0	0	24,405	23,601
Insurance intermediary	13,378	20,672	0	0
Agents' commission	29,062	27,956	76,477	74,260
Commission received	(55,854)	(51,895)	(24,852)	(20,214)
Insurance related expenses for own account	**(13,414)**	**(3,266)**	**108,509**	**108,366**
Number of staff	**0**	**0**	**721**	**663**

Gard AS has a personal loan arrangement where employees may loan up to NOK 2.5 million with security in the employee's real estate. This loan arrangement is not valid for members of the Board of Director's or Members of the Association. Gard follows the interest rate set by the tax authorities for affordable loans in employment. The interest rate is confirmed or adjusted every two months. The interest rate is set with a two month lag, based on the Treasury interest rate plus a 0.5% mark-up. The employees will decide on a down payment plan and the payment plan may be adjusted according to the employee's wishes. The loan must be repaid in its entirety when the employee leaves the company.

Total loan employees secured by mortgages amounts to USD 30.8 million as at 31 December 2024 (USD 34.3 million as at 31 December 2023).

Remuneration to Group Leadership Team

Amounts in USD 000's	Salary incl. bonus *	Benefits in kind *	Total	Loan balance
Group Leadership Team				
Rolf Thore Roppestad (CEO)	982	117	1,099	89
Bjørnar Andresen**	3,019	28	3,048	0
Torunn Biller White	307	2	309	211
Kristian Dalene	671	231	902	0
Lars Lislegard-Bækken	334	2	336	220
Christen Guddal	442	31	473	0
Line Dahle	318	2	320	216
Christian Pritchard-Davies	375	2	377	197
Total	**6,447**	**416**	**6,863**	**932**

* All figures are excluding social security costs.
**Salary includes a one-time effect of a release of a pension commitment.
None of the Company's employees are entitled to stock-based compensation. The Company therefore has no expenses or obligations related to such remuneration.

The table below provides information regarding payments made in the financial period 2024 to members of the Board of Directors within the group. Remuneration relating to the financial period 2024, but not yet paid, is accrued for in the accounts.

Remuneration to Board of Directors and Committees

	Consolidated accounts			
Amounts in USD 000's	Board remuneration	Board committee remuneration	Board remuneration, other group companies	Total remuneration
Members of the Board of Directors				
Morten W. Høegh (Chairman)	88	30	0	118
Michael Lykiardopulo (Deputy Chairman)	48	8	0	56
Kenneth Hvid (Member)	25	65	0	90
Nils Aden (Member)	25	58	25	108
Aristidis Alafouzus (Member)	25	0	0	25
Ian Beveridge (Member)	25	70	25	120
Kuo - Hua Chang (Member)	25	0	0	25
Cyril Ducau (Member)	25	0	0	25
Trond Eilertsen	25	138	45	208
Timothy C. Faries	25	0	0	25
Petros Pappas (Member)	25	0	0	25
Bjorn Kyrre Giaever (Member)	25	15	0	40
Carl-Johan Hagman (Member)	25	58	0	83
Weng Yew Hor (Member)	25	15	0	40
Georgios Karagergiou (Member)	25	15	0	40
Stephen Knudtzon	25	15	0	40
Lasse Kristoffersen (Member)	25	0	0	25
Jason Liberty (Member)	25	0	0	25
Knut Ugland	25	0	0	25
Ingvild Saether (Member)	25	8	0	33
Callum Sinclair (Member)	25	15	0	40
Herman Steen (Member)	25	0	0	25
Captain Rajalingam Subramaniam (Member)	25	8	0	33
Jane Sy (Member)	25	50	25	100
Takaya Uchida (Member)	25	0	0	25
Lois Zabrocky (Member)	25	0	0	25
Sandra Gluck	0	0	5	5
Anne Glestad Lech (Outgoing employee representative)	0	0	9	9
Are Solum (Employee representative)	0	0	9	9
Erika Markussen (Employee representative)	0	0	9	9
Total	**736**	**568**	**152**	**1,456**

Notes to the accounts

Note 7 - Insurance related expenses and number of staff (continued)

Some of the insurance intermediaries offer their employees (minimum 50 per cent position) mortgage loans, secured by real estate. The loans have a rate of interest according to the interest set by the Tax Ministry in Norway and the repayment period is before retirement age.

The CEO has a remuneration guarantee that comes into force if the Board should ask him to leave his position. The remuneration guarantee gives him 12 months' salary in addition to a contractual six months' notice period.

The minority of the Group Leadership Team (GLT) and certain key personnel have a pension scheme that gives them the right to retire at 60 years of age and covers income included and above 12 times the base amount (see note 20 for definition of base amount). The full pension requires a thirty year accrual period in Gard, or it will be reduced accordingly. The accounting expense for the pension benefits earned in the period are for Roppestad (USD 1.3 million), Guddal (USD 0.46 million), Andresen (USD 0 million), Dalene (USD 0.1 million), Dahle (USD 46 thousand), Lislegard-Bækken (USD 49 thousand), White (USD 46 thousand) and Pritchard-Davies (USD 56 thousand).

Gard P. & I. (Bermuda) Ltd. has given a collective bonus promise to all employees within the group including the CEO. A bonus will be paid if predefined targets are met. Members of GLT (Group Leadership Team including CEO) and other Key Employees, as defined in the legislation, are participating in the collective bonus scheme subject to certain adjustments required in the new Finance Institution Act of 2015 (Finansforetaksloven). The bonus will be paid through the companies where the employees work and refunded by Gard P. & I. (Bermuda) Ltd. A maximum possible bonus is 20 per cent of gross salary. For all employees, a bonus of 15.5 per cent of gross salary is expected to be paid for the year to 31 December 2024.

The key features of the special terms for members of GLT and Key Employees can be summarized as follows:

1. The payment of a proportion of the bonus triggered by the collective scheme shall be deferred for a period of 36 months from the expiry of the financial period the bonus is linked.
2. An individual component based on an individual assessment conducted by the CEO in consultation with the Chairman of the Executive Committee of Gard P. & I. (Bermuda) Ltd.
3. Leaders of control functions do not take part in the collective bonus arrangement. They have an individual part and a fixed part. The fixed part amount to 10 per cent or 20 per cent on fixed gross salary. If 10 per cent, there is an individual part based on performance up to 10 per cent.

	Parent company		Consolidated accounts	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Remuneration auditor				
Statutory audit	611	273	1,776	1,338
Tax compliance services	6	0	80	129
Other approved non-audit services	104	2	160	2
Total remuneration to the auditors	**721**	**275**	**2,016**	**1,469**

Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Remuneration to related parties				
Wikborg, Rein & Co.	4,430	997	6,374	2,941
Total remumeration related parties	**4,430**	**997**	**6,374**	**2,941**

During the financial period, one of the board members of the group was a partner in the company Wikborg Rein & Co, which has provided legal services. VAT is included in the fees specified above.

Note 7 - Insurance related expenses and number of staff (continued)

	Parent company		Consolidated accounts	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Net operating expenses				
Bad debt	(59)	134	122	(215)
Service cost	73,955	70,548	0	0
Allocated to claims handling and acquisition costs	(71,147)	(70,390)	0	0
Other operating expenses	4,413	3,536	11,604	14,554
Other insurance related expenses	**7,162**	**3,829**	**11,725**	**14,339**

Note 8 - Interest and similar income/(expenses)

Accounting policy
Other income and expenses are accounted for in the period they are incurred.

	Parent company		Consolidated accounts	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Interest and similar income/(expenses)				
Interest income/(expenses)	0	0	3,271	2,188
Income from financial investments	5,041	3,659	13,520	14,118
Foreign exchange loss	(2,539)	(1,237)	(5,472)	992
Total interest and similar income/(expenses)	**2,502**	**2,422**	**11,319**	**17,298**

Note 9 - Tax

Accounting policy
The tax expense consists of tax payable and changes in deferred tax.

Deferred tax/tax asset of the subsidiaries is calculated on all differences between the book value and the tax value of assets and liabilities. Deferred tax is calculated at the nominal tax rate of temporary differences and the tax effect of tax losses carried forward at the tax rate at the end of the accounting year. Changes in tax rates are accounted for when the new rate has been approved and changes are presented as part of the tax expense in the period the change has been made. A deferred tax asset is recorded in the balance sheet, when it is more likely than not that the tax asset will be utilised.

Notes to the accounts

Note 9 - Tax (continued)

Taxes are calculated as follows	Parent company		Consolidated accounts	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Basis for income tax expense, changes in deferred tax and tax payable				
Profit/(loss) before tax as stated in Statement of comprehensive income	83,271	52,220	118,497	203,381
Profit/(loss) before tax as basis for tax calculation	18,275	10,638	57,635	68,424
Change in pension assumptions recognised in OCI	0	0	1,905	(4,276)
Basis for calculating tax	**18,275**	**10,638**	**59,540**	**64,148**
Permanent differences	(17,783)	(5,560)	10,545	796
Basis for the tax expense for the period	**492**	**5,078**	**70,085**	**64,944**
Change in temporary differences	(26)	278,970	(9,949)	348,069
Basis for payable taxes in the income statement	**466**	**284,049**	**60,137**	**413,014**
Change in (utilisation of) tax losses carried forward	(466)	(135,897)	(7,033)	(138,038)
Taxable income (basis for payable taxes in the balance sheet)	**0**	**148,152**	**53,103**	**274,976**
Income tax expenses				
Tax payable	0	0	13,717	12,079
Tax correction earlier periods	1	0	2,337	(1,077)
Tax payable on net assets	0	0	542	546
Change in deferred tax	0	(8,105)	3,163	(26,335)
Tax payable related to change in pension assumptions	0	0	(502)	1,019
Accrual tax in foreign branches	0	1,483	1,114	2,309
Tax expenses ordinary result	**1**	**(6,621)**	**20,372**	**(11,458)**
Income tax payable				
Tax at beginning of the period	0	0	12,417	17,255
Tax payable related to the period	0	1,484	14,806	15,950
Tax payable related to change in pension assumptions	0	0	452	(1,095)
Tax correction earlier year	0	0	2,243	(1,139)
Tax paid during the period	0	0	(11,631)	(15,714)
Exchange adjustments	0	0	(381)	(1,078)
Other adjustments	0	0	0	2
Tax payable at end of the period	**0**	**1,484**	**17,546**	**14,180**
Deferred tax asset				
Specification of tax effect resulting from temporary differences				
Pension obligations	0	0	26,546	36,274
Equipment	0	0	31	1,139
Portfolio investments	0		(30,976)	(19,881)
Foreign tax credit	0	0	200	3,052
Tax loss carried forward	0	0	568	734
Other temporary differences	1,179	1,347	5,332	4,039
Bermuda ETA	279,423	279,423	411,618	411,618
Retained earnings	0	0	(25,646)	(38,242)
Total temporary differences	**280,602**	**280,770**	**387,673**	**398,734**

	Parent company		Consolidated accounts	
Amounts in USD 000's	01.01.24 to 31.12.24	01.01.23 to 31.12.23	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Deferred tax asset, 25 percent of total temporary differences	295	337	(5,986)	(3,223)
Deferred tax asset, 15 percent of total temporary differences	41,913	41,913	61,743	61,743
Net deferred tax asset/(deferred tax) of total temporary differences	**42,208**	**42,250**	**55,757**	**58,520**
Deferred tax asset reconciliation				
Deferred tax asset/deferred tax at beginning of the period	42,250	35,202	58,520	33,101
Deferred tax expense related to the period	0	8,105	(3,163)	26,335
Exchange adjustment	(36)	(1,057)	400	(917)
Deferred tax asset/deferred tax at end of the period	**42,214**	**42,250**	**55,757**	**58,520**
Reconciliation of the tax expense				
Profit/(loss) before tax	18,275	10,638	59,540	64,148
Calculated tax 25 per cent	**4,569**	**2,660**	**14,889**	**16,068**
Tax expense	0	(6,622)	20,372	(11,458)
Difference	**4,569**	**9,281**	**(5,483)**	**27,525**
The difference consists of:				
Pension charged directly to other equity	0	0	476	(1,095)
Tax payable on net assets	0	0	(542)	(546)
Accrual tax in foreign branches	0	0	0	0
Foreign tax credit deducted	0	0	0	761
Deferred tax related to Bermuda ETA	0	41,913	0	61,742
Deferred tax asset related to tax losses carried forward	0	(34,732)	0	(34,732)
Changes in temporary differences not recognised in deferred tax/tax asset	123		123	0
Tax correction earlier year	0	0	(2,335)	1,077
Differences related to different tax rates within the group	0	851	(286)	516
Permanent differences not subject to tax	4,446	1,248	(2,637)	(199)
Asymmetric currency adjustment	0	0	0	0
Other differences	0	0	(282)	0
Sum explained differences	**4,569**	**9,281**	**(5,483)**	**27,525**

On 27 December 2023, the Bermuda Government enacted the Corporate Income Tax Act (the "Act"). Given the new legislation, a 15 percent corporate income tax will be applicable to Bermuda tax-resident entities and permanent establishments that are part of multinational enterprise (MNE) groups with annual revenue of at least €750M. The Corporate Income Tax Act will be effective from 1 January 2025 and will be applicable to the Company.

The Act includes a provision referred to as the economic transition adjustment, which is intended to provide a fair and equitable transition into the tax regime, and resulted in a deferred tax benefit for the Company in 2023. Pursuant to this new legislation, the Company recorded a net deferred tax asset as at 31 December 2023. As at 31 December 2024, the deferred tax asset amounts USD 41.9 million (USD 41.9 million as at 31 December 2023). Equivalently, the net deferred tax asset for the Group amounts to USD 61.7 million as at 31 December 2024 (USD 61.7 million as at 31 December 2023). The Company expects to incur and pay increased taxes in Bermuda beginning in 2025. The deferred tax asset is a non-admitted asset and is not recognised in the statutory financial statements.

The Company had previously received an undertaking from the Bermuda Government in the form of a Tax Assurance Certificate, exempting it from any future tax computed on profits or income or computed on any capital asset, gain or appreciation until 31 March 2035, the Act specifies that the corporate income tax shall apply notwithstanding any such prior assurances.

Notes to the accounts

Note 9 - Tax (continued)

In 2023, the Company made an impairment of the deferred tax asset related to tax losses carried forward in Gard P. & I. (Bermuda) Ltd., Norwegian Branch, as it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. As at 31 December 2024, the gross amount of tax losses carried forward for the Company's Norwegian branch amounts to USD 123,763,586. The tax loss carried forward in Gard P. & I. (Bermuda) Ltd., Norwegian Branch is not subject to any time-limits or similar constraints and can therefore be forwarded in whole for future utilisation.

As a multinational company, Gard Group is subject to report on Global Minimum Tax under the Base Erosion and Profit Shifting Project (BEPS) Pillar II legislation. Several jurisdictions where Gard has permanent establishments, have in 2024 enacted new tax legislation, incorporating BEPS Pillar II rules into local legislation. Gard Group is potentially subject to top-up tax in accordance with the BEPS Pillar II rules, either through the Qualified Domestic Minimum Top-up Tax (QDMTT) or the Income Inclusion Rule (IIR). For the financial period 1 January 2024 to 31 December 2024, Gard has an effective tax rate of a minimum 15 per cent in all relevant jurisdictions where Gard has permanent establishments. As such, no additional tax accrual related to the BEPS Pillar II legislation has been recognized at 31 December 2024.

On the 13th of January 2025, OECD published new administrative guidance of the BEPS Pillar II framework, specifically regarding the application of the Pillar II framework and Article 9.1, relating to deferred tax assets arising from tax benefits provided by General Government. The new administrative guidance, if incorporated into laws of the jurisdictions in which Gard operates, indicates that the deferred tax asset related to the Bermuda economic transition adjustment recognised in 2023, can only be utilised in part given the updated BEPS Pillar II framework and Model Rules. If the administrative guidance is incorporated into local law in the jurisdictions where Gard operates, our overall payable tax savings from the reversal of the deferred tax asset could be limited to the lesser of 20 per cent of the deferred tax asset that reverses, if any, in 2025 and 2026. It is uncertain whether the jurisdictions in which Gard operates will incorporate this new administrative guidance into local law. The administrative guidance published by OECD does not trigger any tax adjustments or tax accruals at 31 December 2024.

Norwegian tax authorities has ongoing tax investigations in two of the subsidiaries in the Group. The investigation has not yet been finalised, although the Norwegian tax authorities has initially promoted a change in Gard Marine & Energy Ltd., Norwegian Branch's taxable income for the period 2019 to 2022., with an estimated promoted tax correction of USD 11.5 million. The final outcome of the tax investigation is uncertain. Gard has, as a result of the ongoing and current tax investigation, recognised an additional tax accrual of USD 2.3 million at 31 December 2024.

Note 10 - Intangible assets

Accounting policy

Intangible assets relate to key software used in the group's operation. External cost of acquiring and implementing software as well as employee costs directly attributable to implementation are capitalized. Amortisation is charged to comprehensive income on a straight-line basis over the estimated useful life of each intangible asset, starting from the point at which the asset is ready for use.

	Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23
Software at cost		
Costs at the beginning of the period	24,436	19,615
Net additions/(disposals)	5,518	5,409
Exchange adjustments	(2,583)	(588)
Costs at the end of the period	**27,370**	**24,436**
Depreciation and impairment at the beginning of the period	10,616	9,501
Depreciation	1,980	1,399
Exchange adjustments	(1,121)	(284)
Depreciation at the end of the period	**11,475**	**10,616**
Net book value at the end of the period	**15,895**	**13,820**
Amortisation period	3-5 years	3-5 years
Amortisation type	linear	linear

Note 11 - Property and plant used in operations

Accounting policy

Property, plant and equipment, notes 11 and 12, is capitalised and depreciated linearly over its estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and are depreciated with the related asset. If the carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount.

	Consolidated accounts		
Amounts in USD 000's	Real estate As at 31.12.24	Property, plant As at 31.12.24	Total As at 31.12.24
Costs at the beginning of the period	18,644	21,977	40,620
Net additions/(disposals)	4,017	1,554	5,571
Exchange adjustments	(1,932)	(1,789)	(3,720)
Costs at the end of the period	**20,729**	**21,742**	**42,470**
Depreciation at the beginning of the period	9,474	5,694	15,168
Depreciation charge for the period	161	797	959
Exchange adjustments	(952)	(530)	(1,482)
Depreciation at the end of the period	**8,683**	**5,962**	**14,645**
Net book value at the end of the period	**12,045**	**15,780**	**27,825**

	Consolidated accounts		
Amounts in USD 000's	Real estate As at 31.12.23	Property, plant As at 31.12.23	Total As at 31.12.23
Costs at the beginning of the period	18,119	21,240	39,358
Net additions/(disposals)	1,052	1,235	2,287
Exchange adjustments	(527)	(498)	(1,025)
Costs at the end of the period	**18,644**	**21,977**	**40,620**
Depreciation at the beginning of the period	9,608	5,199	14,808
Depreciation charge for the period	187	638	825
Exchange adjustments	(320)	(144)	(465)
Depreciation at the end of the period	**9,475**	**5,693**	**15,168**
Net book value at the end of the period	**9,169**	**16,284**	**25,453**
Amortisation period	67 years	5-20 years	
Amortisation type	linear	linear	

Rent included in the consolidated accounts is charged to Comprehensive income in the period the offices are used. Any remaining rental liabilities are not included in the balance sheet. External rental liabilities amount to USD 19.8 million as at the balance sheet date (USD 14.1 million as at 31 December 2023). Total costs regarding rent in the consolidated account amount to USD 5.6 million (USD 4.8 million as at 31 December 2023). The expiry dates of the rental agreements are in the period from 31 January 2025 until 31 May 2034 (31 January 2025, 31 March 2025, 30 June 2025, 9 July 2025, 31 August 2025, 11 December 2025, 31 December 2025, 28 February 2026, 12 June 2026, 30 June 2026, 30 November 2026, 31 December 2026, 30 June 2027, 31 December 2028, 31 May 2029, 31 December 2029, 31 May 2030, 31 December 2032, 5 February 2033, 31 May 2034).

Notes to the accounts

Note 12 - Equipment

	Parent company	Consolidated accounts		
	As at 31.12.24	As at 31.12.24		
Amounts in USD 000's	Art	Art	Equipment	Total
Acquisition costs at the beginning of the period	1,356	5,866	19,960	25,825
Net additions/(disposals)	0	856	1,084	1,941
Exchange adjustments	0	(6)	(1,583)	(1,589)
Costs at the end of the period	**1,356**	**6,716**	**19,461**	**26,177**
Depreciation at the beginning of the period	695	1,479	12,501	13,980
Depreciation charge for the period	0	0	1,614	1,614
Exchange adjustments	0	(2)	(1,039)	(1,042)
Depreciation at the end of the period	**695**	**1,476**	**13,077**	**14,553**
Net book value at the end of the period	**661**	**5,240**	**6,384**	**11,624**

	Parent company	Consolidated accounts		
	As at 31.12.23	As at 31.12.23		
Amounts in USD 000's	Art	Art	Equipment	Total
Acquisition costs at the beginning of the period	1,356	5,663	16,561	22,224
Net additions/(disposals)	0	194	3,688	3,882
Exchange adjustments	0	7	(289)	(282)
Costs at the end of the period	**1,356**	**5,866**	**19,960**	**25,824**
Depreciation at the beginning of the period	695	1,482	11,440	12,922
Depreciation charge for the period	0	0	2,405	2,405
Reversal of depreciations on disposals	0	0	(1,185)	(1,185)
Exchange adjustments	0	(3)	(160)	(164)
Depreciation at the end of the period	**695**	**1,479**	**12,501**	**13,980**
Net book value at the end of the period	**661**	**4,387**	**7,459**	**11,846**
Amortisation period			3-5 years	
Amortisation type			linear	

Art is not subject to depreciation.

Note 13 - Investments in subsidiaries

Accounting policy
Investments in the subsidiaries are valued at the lower of cost and fair value in the parent company accounts. The investments are valued as cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognised if the impairment is not considered temporary. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

Amounts in USD 000's	Ownership	Voting share	Place of office		Share capital	Book value USD As at 31.12.24
AS Assuransegården	100%	100%	Norway	NOK	22,220	21,098
Gard AS	100%	100%	Norway	NOK	30,000	70,932
Gard Marine & Energy Limited	100%	100%	Bermuda	USD	190,000	417,737
Gard Reinsurance Co Ltd	100%	100%	Bermuda	USD	150,000	295,000
Hydra Insurance Company Ltd. (Gard's cell)	100%	100%	Bermuda	USD	56,913	56,914
Lingard Limited	100%	100%	Bermuda	USD	900	900
Total						**862,581**

Book value in the subsidiaries are valued at cost, no impairment losses are recognised.

In addition to the listed companies, the mutual insurance association Assuranceforeningen Gard - gjensidig - is treated as a subsidiary of the company.

Note 14 - Financial investments

Accounting policy

Recognition and initial measurement
Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Debt securities valued at amortised cost are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

Classification
The Company classifies its financial assets in the following categories: at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or measured at amortised cost. The classification depends on the characteristics of the financial asset and the business model under which the financial asset is held. Management determines the classification of the financial assets at initial recognition.

Financial assets are not reclassified after their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model

Financial assets at fair value through profit or loss
Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and its contractual terms give rise it. Derivative financial investments are also valued at FVTPL.

Financial assets at fair value through other comprehensive income
Financial asset are measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

Notes to the accounts

Note 14 - Financial investments (continued)

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

Amortised Cost
Financial assets where management has the positive intention and ability to hold to maturity other than those that the Company upon initial recognition designates as at FVTPL.

The financial asset must meet the following two criteria to be accounted for using amortised cost:

- Business model test: Financial assets are held with the purpose of collecting contractual cash flows.
- Cash flow characteristics test: The contractual cash flows are either principal or interest on principal, only.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Business model assessment
For a majority of debt investments, the objective of the Company's business model is to fund insurance contract liabilities. The Company undertakes significant buying and selling activity on a regular basis to rebalance its portfolio of assets and to ensure that contractual cash flows from the financial assets are sufficient to settle insurance contract liabilities. The Company determines that both collecting contractual cash flows as they come due and selling financial assets to maintain the desired asset profile are integral to achieving the business model's objective. Certain debt securities are held in separate portfolios for long-term yield, although these can be sold to settle insurance contract liabilities. The Company considers that these securities are held within a business model whose objective is to sell assets.

The Company assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets.
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Subsequent measurement and gains and losses
Unrealised gains or losses arising from changes in the fair value of the 'Financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Change in unrealised gain/loss on investments' in the period in which they arise. Realised gains or losses are presented within 'Gains on realisation of investments'. Dividends and interest income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of 'Interest and similar income' when the right to receive payments is established. Dividends from investments are recognised when the Company has an unconditional right to receive the dividend. Dividend paid is recognised as a liability at the time when the General Meeting approves the payment of the dividend.

For financial assets measured through other comprehensive income, interest income calculated using the effective interest method, dividends, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Interest on investments held at amortised cost is included in the consolidated statement of comprehensive income and reported as 'Interest and similar income'. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the investment and recognised in the consolidated statement of comprehensive income.

Impairment of financial assets
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is a reasonable and supportable expectation of credit losses over the instrument's expected life (ECL). The expectation is based on changes to credit ratings of financial assets, historical credit loss experience, and reasonable and supportable forecasts that affect the estimated future cash flows of the financial asset or group of financial assets. The Company uses provision matrices for some financial assets measured at amortised costs to assess the estimated future cash flows. Provision matrices are based on historical credit losses.

Loss allowances for ECL are presented as follows:

- financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets; and
- debt investments measured at FVOCI: the loss allowance does not reduce the carrying amount of the financial assets (which are measured at fair value) but gives rise to an equal and opposite gain in OCI

Offsetting financial investments
Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Cash and cash equivalents
Cash and cash equivalents include cash balances and call deposits with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Determination of fair value
The following describes the methodologies and assumptions used to determine fair values.

Financial investments at fair value through profit or loss
The fair value of financial assets classified as financial investments at fair value through profit or loss and the fair value of interest-bearing securities included is determined by reference to published price quotations in an active market. For unquoted financial assets the fair value has been estimated using a valuation technique based on assumptions that are supported by observable market prices.

Assets for which fair value approximates carrying value
For financial assets and liabilities that have a short-term maturity, it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

Fair value hierarchy
The Gard group uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique.

Financial investments in Level 1
The fair value of financial investments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the last trade price (these investments are included in Level 1). US government bonds and other financial investments have been classified on Level 1 in the pricing hierarchy.

Financial investments in Level 2
The fair value of financial investments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an investment are observable, the investment is included in Level 2.

Investments listed in the following have been classified on Level 2 in the pricing hierarchy:

- Equity funds and interest-bearing securities and funds where fair values are determined by using quoted market prices of the assets where the funds are invested. Some of the funds using observable market data may also have a month-to-date return estimate, which is based on the prior month-end valuation statement provided by the fund administrator.
- Equity futures, equity options, interest futures, currency futures, currency forwards and interest rate swaps where fair values are determined on the basis of the price development on an underlying asset or instrument. All derivatives are priced by standard and well recognised methods.

If one or more of the significant inputs is not based on observable market data, the investment is included in Level 3.

Specific valuation techniques used to value financial investments include:

- Quoted market prices or dealer quotes for similar investments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial investments.

Note that all of the resulting fair value estimates are included in Level 2 except for financial investments explained below.

Financial investments in Level 3
When neither quoted prices in active markets nor observable market data is available, the fair value of financial assets is estimated based on valuation techniques using non-observable market data.

Notes to the accounts

Note 14 - Financial investments (continued)

Level 3 includes investments in less liquid fund structures in real estate and private debt instruments, and are values based on net asset value as reported by the fund administrators.

Valuations are issued by fund administrators on a three-month or longer lag from the investment funds and fund administrators due to the characteristics and complexity of the underlying assets. As a result, Gard finds it appropriate to evaluate the fair market value of its Level 3 Investments by benchmarking the Net Asset Value (NAV) to Public market Equivalents (PMEs).

The benchmarks selected are based on the portfolio composition of the investments in the underlying funds. The weighted performance on the benchmarks is then projected on the prior quarter NAV (plus/minus capital transactions) to arrive at the estimated NAV for the current quarter.

	Parent company				Parent company			
				As at 31.12.24				As at 31.12.23
	Quoted market prices	Observable market prices	Non-observable market data		Quoted market prices	Observable market prices	Non-observable market data	
Amounts in USD 000's	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial investments								
Equities and investment funds	18,416	147,515	36,446	202,377	24,086	170,071	37,240	231,397
Interest-bearing securities and funds	41,161	97,172	67,209	205,543	81,079	171,782	61,177	314,038
Total financial investments	**59,577**	**244,687**	**103,655**	**407,919**	**105,166**	**341,853**	**98,417**	**545,436**

	Consolidated accounts				Consolidated accounts			
				As at 31.12.24				As at 31.12.23
	Quoted market prices	Observable market prices	Non-observable market data		Quoted market prices	Observable market prices	Non-observable market data	
Amounts in USD 000's	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial investments								
Equities and investment funds	98,932	563,905	81,825	744,662	74,244	502,001	89,052	665,297
Interest-bearing securities and funds	212,515	1,401,741	134,419	1,748,675	219,647	1,371,927	122,354	1,713,928
Total financial investments	**311,447**	**1,965,646**	**216,244**	**2,493,336**	**293,891**	**1,873,928**	**211,406**	**2,379,225**

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Notes to the accounts

Note 14 - Financial investments (continued)

The majority of investments held are subfunds of the Gard Unit Trust Fund, a legal fund structure establised in Ireland.

Equities and investment funds
Each subfund holds well diversified portfolios with different investment objectives, and the underlying holdings are common stocks traded on regional stock exchanges. The group possesses only minority interests in quoted companies. The group also has funds other than the Gard Unit Trust Fund that hold investments in direct property, alternatives and private debt.

Interest-bearing securities and funds
Funds classified as Interest-bearing securities and funds are predominantly invested in fixed income securities and money markets. There is also some exposure to floating rate loans and private debt.

In the tables below all the listed financial investments classified as Equities and investment funds or as Interest-bearing securities and funds are measured at fair value through profit and loss at recognition. The last table shows Financial assets and Financial liabilities measured at amortised cost.

			Parent company
Amounts in USD 000's	Investment profile	Currency	As at 31.12.24
Equities and investment funds			
Gard Global Equity Fund II	Global equity	USD	23,028
Gard Global Impact Equity Fund	Global equity	USD	31,393
Gard Global Multifactor Equity Fund	Global equity	USD	2,109
Gard Emerging Markets Fund	Emerging market equity	USD	24,440
GS Specialized Investment Fund	Volatility option strategy	USD	66,545
CBRE Global Real Estate Fund	Global real estate	USD	36,446
iShares Gold ETF	Commodities	USD	13,315
ASAHI GROUP HLDG	Common stocks	USD	266
HITACHI	Common stocks	USD	426
HONDA MOTOR	Common stocks	USD	245
INPEX	Common stocks	USD	253
ITOCHU	Common stocks	USD	359
MITSUBISHI	Common stocks	USD	224
MITSUBISHI ESTATE	Common stocks	USD	602
NINTENDO	Common stocks	USD	336
SHIN ETSU CHEM	Common stocks	USD	246
SMFG	Common stocks	USD	388
SOMPO HLDG	Common stocks	USD	404
SONY GROUP CORP	Common stocks	USD	375
SUMITOMO ELEC	Common stocks	USD	372
SUMITOMO MITSU	Common stocks	USD	345
TOYO TIRE	Common stocks	USD	260
Total Equities and investment funds			**202,377**
The part of Equity fund invested in quoted shares			99,386

			Parent company
Amounts in USD 000's	Investment profile	Currency	As at 31.12.24
Interest-bearing securities			
US Treasury Bills	US Treasury bond	USD	30,080
Total Interest-bearing securities			**30,080**
Interest-bearing funds			
CQS Credit Fund	Global multi asset credit	USD	43,893
Gard Emerging Market Debt Fund	Emerging market debt	USD	41,111
Gard Global Bond Fund I	Global aggregate bonds	USD	2,493
Gard Global Treasury Fund	Government debt	USD	1,096
Gard Private Debt Fund	Global private debt	USD	62,606
Gard Strategic Global Bond Fund	Global aggregate bonds	USD	2,102
Gard International Credit Bond Fund I	Global corporate bonds	USD	1,125
Gard US Credit Bond Fund I	US corporate bonds	USD	5,353
iShares TIPS ETF	Government debt	USD	11,081
Golub Private Debt Fund	MSCI ETF	USD	4,603
Total Interest-bearing funds			**175,463**
Total Interest-bearing securities and funds			**205,543**

The group has an equity exposure of 16.0 per cent (financial period ending 31 December 2023 14.0 per cent) of its total investments.

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Notes to the accounts

Note 14 - Financial investments (continued)

			Consolidated accounts
Amounts in USD 000's	Investment profile	Currency	As at 31.12.24
Equities and investment funds			
Gard Global Equity Fund II	Global equity	USD	107,588
Gard Global Impact Equity Fund	Global equity	USD	81,489
Gard Global Multifactor Equity Fund	Global equity	USD	94,655
Gard Emerging Markets Fund	Emerging market equity	USD	79,020
Invesco Commodity ETF	Commodities	USD	2,949
Invesco S&P500 ETF	US equity	USD	2,490
iShares MSCI ETF	Global equity	USD	2,083
GS Specialized Investment Fund	Volatility option strategy	USD	66,545
CBRE Global Real Estate Fund	Global real estate	USD	72,894
Phoenix Global Real Estate Fund II	Global real estate	USD	8,931
Caxton Global Investments Ltd	Global tactical asset allocation	USD	69,414
Bridgewater Pure Alpha Fund	Global tactical asset allocation	USD	65,194
iShares Gold ETF	Commodities	USD	13,315
iShares Commodity ETF	Commodities	USD	11,643
iShares Japan ETF	Global equity	USD	1,387
ANTERO RESOURCES	Common stocks	USD	2,067
ARC RESOURCES	Common stocks	USD	869
CNX RESOURCES	Common stocks	USD	2,121
COMSTOCK RESOURCES	Common stocks	USD	2,099
COTERRA ENERGY	Common stocks	USD	1,292
EQT	Common stocks	USD	2,163
GULFPORT ENERGY	Common stocks	USD	1,545
OVINTIV	Common stocks	USD	636
RANGE RESOURCES	Common stocks	USD	1,604
TOURMALINE OIL	Common stocks	USD	1,026
ALPHABET	Common stocks	USD	1,988
ASAHI GROUP HLDG	Common stocks	USD	604
CHUBB	Common stocks	USD	511
EXPAND ENERGY	Common stocks	USD	4,193
HITACHI	Common stocks	USD	871
HONDA MOTOR	Common stocks	USD	559
INPEX	Common stocks	USD	573
INVESCO KBW P&C INSRANCE ETF	Global equity	USD	2,166
ISHARES GLOBAL REIT ETF	Global real estate	USD	15,245
ISHARES MSCI CHINA A UCITS ETF	China equity	USD	6,517
ITOCHU	Common stocks	USD	708
KOMATSU	Common stocks	USD	558
KUBOTA	Common stocks	USD	511
MICROSOFT	Common stocks	USD	2,744
MITSUBISHI	Common stocks	USD	819

			Consolidated accounts
Amounts in USD 000's	Investment profile	Currency	As at 31.12.24
Equities and investment funds (continued)			
MITSUBISHI ESTATE	Common stocks	USD	602
MITSUBISHI UFJ	Common stocks	USD	335
MITSUI FUDOSAN	Common stocks	USD	538
NINTENDO	Common stocks	USD	730
ORIX	Common stocks	USD	587
RENAISSANCERE	Common stocks	USD	544
RENESAS ELECTRON	Common stocks	USD	403
SHIN ETSU CHEM	Common stocks	USD	485
SMC	Common stocks	USD	495
SMFG	Common stocks	USD	820
SOMPO HLDG	Common stocks	USD	863
SONY GROUP CORP	Common stocks	USD	758
SPROTT PHYSICAL URANIUM	Commodities	USD	693
SUMITOMO ELEC	Common stocks	USD	744
SUMITOMO MITSU	Common stocks	USD	738
T&D HOLDINGS INC	Common stocks	USD	614
TOYO TIRE	Common stocks	USD	530
TOYOTA MOTOR	Common stocks	USD	597
Total Equities and investment funds			**744,662**
The part of Equity fund invested in quoted shares			461,685

Notes to the accounts

Note 14 - Financial investments (continued)

Amounts in USD 000's	Investment profile	Currency	Consolidated accounts As at 31.12.24
Interest-bearing securities			
United States Treasuries	US Treasury bonds	USD	121,610
Total Interest-bearing securities			**121,610**
Interest-bearing funds			
CQS Credit Fund	Global multi asset credit	USD	187,036
Gard Emerging Market Debt Fund	Emerging market debt	USD	138,318
Gard Global Bond Fund I	Global aggregate bonds	USD	343,392
Gard International Credit Bond Fund I	Global corporate bonds	USD	110,576
Gard US Credit Bond Fund I	US corporate bonds	USD	150,397
Gard Global Treasury Fund	Government debt	USD	224,786
Gard Private Debt Fund	Global private debt	USD	125,213
Gard Strategic Global Bond Fund	Global aggregate bonds	USD	247,235
iShares TIPS ETF	Government debt	USD	61,666
iShares Treasury ETF	Government debt	USD	23,702
Golub Private Debt Fund	MSCI ETF	USD	9,206
AMUNDI US INFLATION 10YR ETF	Government debt	USD	5,536
Total Interest-bearing funds			**1,627,065**
Total Interest-bearing securities and funds			**1,748,675**

	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Financial assets at amortised cost				
Cash and cash equivalents	136,634	160,237	460,667	418,138
Other financial assets	6,906	6,584	34,852	33,730
Loan to subsidiaries	32,495	20,469	0	0
Receivables				
Receivables from direct insurance operations	25,911	31,269	278,152	273,027
Receivables from reinsurance operations	24,220	20,371	10,880	10,840
Loan secured by mortgages	0	0	30,643	34,292
Other receivables	0	16	167	236
Total financial assets at amortised cost	**226,167**	**238,946**	**815,361**	**770,263**

	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Financial liabilities at amortised cost				
Payables				
Payables arising out of direct insurance operations	30,511	39,861	62,773	75,132
Payables arising out of reinsurance operations	11,690	13,296	23,673	21,897
Payables arising out of reinsurance operations - group	16,123	15,084	0	0
Payables to group companies	19,925	37,270	0	0
Other payables	5,344	255	29,917	11,196
Total financial liabilities at amortised cost	**83,593**	**105,767**	**116,362**	**108,224**

Note 15 - Financial risk

Risk management framework
The purpose of the risk management system is to ensure that material risks are managed in accordance with the Company's corporate objectives and risk-bearing capacity. The risk management system consists of the following components:

- Risk appetite and limits: Overall Risk Appetite and Comfort Zone (target range for capitalisation) are defined in accordance with risk-bearing capacity and corporate objectives. This cascades into limits by risk type and legal entities. This forms the basis for all risk management, monitoring and reporting.
- Risk policies: There are group policies describing the processes and procedures for managing material risk exposures. The purpose of the policies is to ensure consistent and adequate risk and capital management.
- Risk management cycle: Material risks are identified, assessed regularly, managed proactively, monitored regularly and reported to the relevant responsible body. Assessments are made on a quarterly basis as a minimum.

Main financial risks
Market risk
Market risk arises from the investment activities and the sensitivity of liabilities to changes in market price. The sensitivity analysis of investments assets aims to illustrate the risk of economic losses resulting from deviations in the value of assets caused by changes in observable market prices differing from expected values. The six main market risks selected for testing of sensitivity due to price changes are;

Equity risk
The risk of economic losses resulting from deviations of market values of equities from expected values. The equity portfolio is well diversified, although with skewedness towards emerging markets and smaller companies compared to a global market capitalised benchmark. This is expected to generate a slightly higher return combined with higher volatility over time. The equity portfolio is being managed by a selection of specialist fund managers.

Interest rate risk
The risk of economic losses resulting from deviations in actual interest rates from expected interest rates. The term structure of interest- bearing assets is broadly matched to the expected duration of the liabilities. The sensitivity analysis for interest-bearing securities instruments is testing the portfolio's interest rate sensitivity with a weighted average duration approach. Interest sensitive liabilities are not part of the analysis.

Alternatives risk
The risk that the actual return or performance relative to benchmark of investments due to active management decisions will be lower than expected. The sensitivity analysis for alternative risk is assigned to global alternative funds which aim to generate excess return by tactically adjusting asset allocation across a variety of asset classes.

Real estate risk
The risk of economic losses resulting from deviations of actual values and/or income from real estate from those expected. The sensitivity analysis for real estate risk is performed on funds which represent the part that is strategically allocated to real estate.

Notes to the accounts

Note 15 - Financial risk (continued)

Currency risk
The risk of economic losses resulting from actual foreign exchange rates differing from expected foreign exchange rates. Foreign currency exposures are assumed to be reasonably matched across the balance sheet and managed with an emphasise on major currency exposures. The sensitivity analysis for foreign currencies only applies to investments assets and illustrates the impact on values given changes in exchange rates against USD.

Inflation risk
The risk of a loss in the value of nominal assets or nominal cash flows due to a persistence of high inflation. This risk is most visible in fixed income assets and liabilities due to the tendency of inflation to be followed by higher interest rates. This risk is mitigated by monitoring the duration profile of the portfolio and by maintaining a diversified portfolio of assets whose values are impacted differently by inflation, including inflation protected securities and real assets. Although presented as a stand-alone market risk, the risk is also aligned with interest rate risk.

The table below splits the balance sheet into the major currencies USD, EUR and GBP, and remaining currencies are grouped into Other. Note that investments held as shares/units in various fund structures are reported in base currency. The split deviates from underlying currency exposure that is used as input in the enterprise risk models.

Currency split balance sheet

	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Assets				
USD	1,924,758	1,889,151	3,243,260	3,130,087
EUR	10,681	5,351	70,755	60,357
GBP	1,720	3,308	15,919	13,992
Other	125,405	115,248	278,830	279,503
Total assets	**2,062,564**	**2,013,058**	**3,608,765**	**3,483,939**
Equity and liabilities				
USD	1,987,989	1,949,491	3,243,583	3,102,632
EUR	37,548	28,953	186,115	177,146
GBP	9,287	7,219	37,874	29,239
Other	27,741	27,395	141,192	174,922
Total equity and liabilities	**2,062,564**	**2,013,058**	**3,608,765**	**3,483,939**
Net asset exposure				
USD	(63,231)	(60,340)	(323)	27,456
EUR	(26,867)	(23,602)	(115,360)	(116,788)
GBP	(7,567)	(3,912)	(21,955)	(15,248)
Other	97,664	87,854	137,638	104,580

Financial investments - sensitivity analysis
The analysis below is performed for reasonably possible movements in key market variables with all other variables held constant.

	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Impact on fixed income portfolio investments given an increase of 50 basis points in yield curve	(3,453)	(4,259)	(35,704)	(23,438)
Impact on equity portfolio given a 10 per cent drop in quoted market prices	(8,508)	(10,636)	(41,462)	(34,190)
Impact on total investment portfolio given a change of 10 per cent in foreign exchange rates against USD	(8,672)	(14,670)	(49,144)	(49,210)
Impact on real estate portfolio given a 10 per cent drop in NAV	(3,645)	(4,686)	(9,924)	(11,808)
Impact on alternatives portfolio given a 10 per cent drop in NAV	(7,986)	(6,289)	(22,975)	(18,548)
Impact on fixed income portfolio investments given an increase of 100 basis points of inflation	(2,179)	(3,806)	(27,135)	(19,903)

The analysis below is based on the same movements as the previous table, for Financial investments level 3 only (see note 14 for definition).

	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Impact on fixed income portfolio investments given an increase of 50 basis points in interest rate	(672)	(612)	(1,344)	(1,224)
Impact on real estate portfolio given a 10 per cent drop in quoted market prices*	(3,645)	(3,724)	(8,182)	(8,905)
Impact on fixed income portfolio investments given an increase of 100 basis points of inflation	(511)	(465)	(1,022)	(930)

The sensitivity analysis assumes no correlation between equity price, property market and foreign currency rate risk. It also assumes that all other receivables and payables remain unchanged and that no management action is taken. The sensitivity analysis for inflation risk assumes that the inflation rate is intrinsically linked to interest rates. In general, interest rates are expected to increase when inflation is rising and vice versa. The assumption for assessing the impact on fixed income investments from a change of 100 basis point of inflation is based on the historical relationship between changes in rates and inflation.

The Gard group has no significant risk concentrations which are not in line with the overall investment guidelines set by the Gard's Board of Directors. Any impact from risk tested in the table above is not, due to tax regulations, assumed to have any taxable impact.

Notes to the accounts

Note 15 - Financial risk (continued)

Credit risk
The risk of economic losses resulting from the default of third parties, split into:

Credit default risk
The risk that actual credit losses will be higher than expected due to the failure of counterparties to meet their contractual debt obligation.

Credit migration risk
The risk that a portfolio's credit quality will materially deteriorate over time, without allowing a re-pricing of the constituent loans to compensate the creditor for the higher default risk being undertaken.

The credit migration risk is foremost related to our Interest-bearing securities and Interest-bearing funds. Any changes to credit quality will ultimately be reflected in the fair value assessment of the financial assets, where the majority of the Company's investment in Interest-bearing securities and Interest-bearing funds are related to the fair value hierarchy Level 1 and Level 2. Management continuously follows up on the Interest-bearing securities and Interest-bearing funds to ensure an appropriate risk level in accordance with the Company's established Investment strategy.

Counterparty default risk
The main sources of counterparty default risk are reinsurers technical provisions, cash deposits at banks and receivables towards reinsurers, policyholders, brokers and other receivables.

The credit exposure on the reinsurance program is in line with the guidelines of only accepting reinsurers with an A- or higher rating. 31 December 2024 the Group is, however, faced with BBB rating exposure through the IG Pooling agreement. Among the twelve clubs, five have ratings lower than A-. The IG Pooling agreement has several mechanisms to mitigate counterpart default risk, disregard whether the event of default originates from IG Pooling partners or from external reinsurers. Estimated credit loss assessments are made when there are indicators of a loss event, not mitigated by the mechanisms in the IG Pooling agreement.

The Group is also exposed to lower ratings origing from fronting agreements. Fronting is the use of an insurer to issue an insurance policy on behalf of a self-insured organisation or captive insurer, without the intention of transferring any of the risk. The risk of loss is retained by the self-insured or captive insurer with an indemnity or reinsurance agreement. Gard continuously monitors the counterparty default risk in respect of receivables and makes necessary provisions for estimated credit losses in accordance with an established provision matrix based.

Banks and custodians are in line with the guidelines with a credit rating of at least A/stable, except from minor amounts that have ratings of BB, in addition to not rated petty cash. Changes in credit rating for Banks and custodians is considered as an impairment indicator. Hence, credit ratings are followed up on a minimum annual basis and an estimated credit loss adjustments are made when necessary.

The credit risk in respect of receivables is handled by policies and by close follow up. Gard continuously monitors the counterparty default risk in respect of receivables and makes necessary provisions for estimated credit losses in accordance with an established provision matrix. Outstanding receivables can be netted off against outstanding claims payments to reduce the risk of doubtful debts.

The Group acknowledges that there is an increased counterparty risk towards Russian entities due to the different sanction regimes imposed. Although, due to the Group's limited exposure towards these counterparties, this does not impose any material financial risk as at 31 December 2024.

The tables below show the credit risk exposure as at 31 December 2024. Assets are classified according to the median rating amongst the three market leading providers, Standard & Poor's, Moody's and Fitch. Top rated assets are denoted with AAA rating and US long-term sovereign credit rating is equivalent to a AAA rating due to an applied median approach.

Credit risk exposure in balance sheet	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Interest-bearing securities and funds				
AA	30,080	28,398	121,610	57,494
Not rated	175,463	285,641	1,627,065	1,656,434
Total interest-bearing securities and funds	**205,543**	**314,038**	**1,748,675**	**1,713,928**
Reinsurers` share of gross claims reserve				
AA	16,946	15,068	20,525	18,965
A	457,592	464,902	27,836	47,594
B	0	0	8,417	10,751
BB	292	0	835	0
BBB	3,043	12,088	57,744	79,135
Not rated	0	0	10,011	243
Total reinsurers' share of gross claims reserve	**477,873**	**492,058**	**125,369**	**156,688**
Receivables				
AA	7,382	7,946	9,609	10,854
A	17,055	14,090	257	1,770
B	0	0	51	0
BBB	3	0	976	0
Not rated	25,691	29,620	308,947	305,771
Total receivables	**50,132**	**51,656**	**319,841**	**318,395**
Cash and cash equivalents				
AAA	0	26,553	0	108,375
AA	93,900	95,732	192,326	216,745
A	42,734	37,952	267,997	91,360
BB	0	0	336	156
BBB	0	0	0	1,489
Not rated	0	0	8	12
Total cash and cash equivalents	**136,634**	**160,237**	**460,667**	**418,138**

Notes to the accounts

Note 15 - Financial risk (continued)

Credit risk exposure in balance sheet	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Other financial assets presented in balance sheet*				
AAA	6,906	6,584	27,632	26,344
A	0	0	1,329	1,487
BB	0	0	5,000	5,000
Not rated	32,495	20,469	892	899
Total other financial assets presented in balance sheet	**39,401**	**27,053**	**34,852**	**33,730**

Other financials assets also include regulatory and contractually required deposits that is considered encumbered assets amounting to USD 34.9 million as at 31 December 2024 (USD 33.7 million as at 31 December 2023) in the consolidated accounts. Correspondingly, restricted assets amounts to USD 6.9 million as at 31 December 2024 for the parent company (USD 6.6 million as at 31 December 2023).

* Includes loan to subsidiaries and other financial assets.

Age analysis of receivables after provision for bad debt	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Not due	28,901	33,962	255,126	256,154
0-60 days	13,453	10,785	33,252	32,282
61-90 days	1,600	1,478	4,374	5,277
Above 90 days	7,470	6,963	31,959	29,516
Provision for bad debt	(1,291)	(1,531)	(4,870)	(4,834)
Total receivables	**50,132**	**51,656**	**319,841**	**318,395**

Impaired receivables
As at 31 December 2024 there are impaired receivables in the parent company of USD 1.3 million (31 December 2023 USD 1.5 million) and there are impaired receivables in the consolidated accounts of USD 4.9 million (31 December 2023 USD 4.8 million), related to past due. No collateral is held as security for the impaired receivables, but the receivables can be deducted from future claim payments if any. Impairment allowance is included in 'Other insurance related expenses'

Analysis of provision for bad debt	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Balance as at the beginning of the period	1,291	1,503	4,870	5,301
Provision for receivables impairment	240	(28)	(130)	325
Receivables written off during the period as uncollectable	(182)	(106)	8	(114)
Unused amounts reversed	(59)	162	122	(678)
Balance as at the end of the period	**1,291**	**1,531**	**4,870**	**4,834**

The creation and release of provisions for impaired receivables has been included in 'Other insurance related expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

Liquidity risk
The risk that cash and other liquid assets are insufficient to meet financial obligations when they fall due. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. Liquidity risk arises primarily due to the unpredictability of the timing of payment of insurance liabilities or when market depth is insufficient to absorb the required volumes of assets to be sold, resulting in asset sale at a discount.The risk is mitigated through a cash pool agreement between Gard P. & I. (Bermuda) Ltd., Gard Marine & Energy Limited, Gard AS and AS Assuransegården that improves access to liquidity across the legal entities.

Maturity profile
The following tables set out the maturity profile of liabilities combining amounts expected to be recovered within one year, between one and five years and more than five years.
The Gard group maintains highly marketable financial investments and diverse assets that can be liquidated in the event of an unforeseen interruption of cash flow. This, combined with the cash pool to meet liquidity needs, gives a presentation of how assets and liabilities have been matched.

	Parent company				
Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 31.12.24 Total
Gross claims reserve	239,752	471,263	102,466	0	813,481
Payables and accruals	101,166	0	0	0	101,166
Other payables	5,344	0	0	0	5,344

	Parent company				
Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 31.12.23 Total
Gross claims reserve	259,120	483,416	78,762	0	821,298
Payables and accruals	128,257	0	0	0	128,257
Other payables	255	0	0	0	255

	Consolidated accounts				
Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 31.12.24 Total
Gross claims reserve	505,881	913,901	142,743	0	1,562,526
Income tax payable	17,546	0	0	0	17,546
Payables and accruals	112,161	0	0	0	112,161
Other payables	29,917	0	0	0	29,917

	Consolidated accounts				
Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 31.12.23 Total
Gross claims reserve	527,081	891,595	111,476	0	1,530,152
Income tax payable	14,180	0	0	0	14,180
Payables and accruals	122,739	0	0	0	122,739
Other payables	11,196	0	0	0	11,196

Notes to the accounts

Note 16 - Pensions

Accounting policy
The Gard group operates various pension schemes and employees are covered by pension plans, which comply with local laws and regulations in each country in which the group operates.

Pension obligations
The liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using a straight-line earnings method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. Employer's contribution is included in the gross pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Statement of comprehensive income in the period in which they arise. Past-service costs are recognised immediately in technical result.

For defined contribution plans, the companies pay contributions to privately administered pension insurance plans on a contractual basis. The companies have no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Pensions
The companies have entered into pension contracts with some former and current employees. These contracts are mainly financed directly through the companies' operations. The subsidiaries have entered into various pension plans with both former and present employees.

Company	Defined benefit plan	Defined contribution plan
Gard P&I Bermuda (parent)	1 employee	
Gard AS	46 employees	677 employees*
Lingard Limited	6 employees	
Assuranceforeningen Gard -gjensidig	1 employee	

*In addition to the defined contribution plan, all employees in Gard AS can apply for a tariff based lifelong retirement pension (AFP).

The defined benefit plan for part of the Group Leadership Team, which provides coverage for an amount above 12 G as well as early retirement, is secured by an agreement with Norsk Tillitsmann Pensjon/Nordic Trustee. The obligation is secured through a pledge deposit on a bank account owned by Gard AS. The same solution is in place with respect to a compensation agreement for GLT members being transferred from the defined benefit plan to the defined contribution plan with effect from 1 January 2016.

G is a base rate used as the basis for calculating benefits. G is adjusted annually and is approved each year by Norwegian parliament. The last time G was updated was May 2024. As of 31 December 2024 G equals NOK 124,028 (USD 10,921).

For the defined benefit pension plan actuarial calculations are made with regard to pension commitments and funds at period end and resulting changes in pension obligations are charged to the income statement and other comprehensive income. Pension costs and pension liabilities have been accounted for in accordance with IAS19.

	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Pension cost				
Defined benefit pension plans				
Pension benefits earned during the period	0	0	(2,912)	757
Interest expense on earned pension	16	(26)	1,616	1,610
Yield on pension funds	0	0	(616)	(681)
Net pension cost earning related plan	**16**	**(26)**	**(2,055)**	**1,686**
Defined benefit pension plans	**25**	**(567)**	**9,217**	**8,155**
Total pension cost charged to the statement of comprehensive income	**41**	**(593)**	**7,162**	**9,841**
Hereof contribution pension	0	0	(4,748)	4,085
Changes in pension assumptions charged to other comprehensive income				
Accumulated changes in pension assumptions	(75)	(21)	(42,123)	(37,989)
Change in pension assumptions	(11)	(54)	2,002	(4,134)
Accumulated changes in pension assumptions at the end of the period	(8)	(75)	(40,122)	(42,123)
Accumulated income tax related to change in pension assumptions	0	0	5,226	4,206
Income tax related to change in pension assumptions	0	0	(503)	1,020
Accumulated income tax related to change in pension assumptions at the end of the period	0	0	4,723	5,226
Liabilities according to the actuarial calculations				
Defined pension obligation at end of year	(517)	(569)	(47,215)	(60,088)
Pension funds at market value	0	0	21,040	23,234
Actual net pension liability	**(517)**	**(569)**	**(26,175)**	**(36,854)**
Unrecognised asset due to asset ceiling (par 58b)	0	0	(1,179)	(344)
Net pension obligation recognised in the Balance Sheet	**(517)**	**(569)**	**(27,354)**	**(37,198)**
Yield on pension funds	**0**	**0**	**(617)**	**(681)**
Estimated yield on pension funds	**0**	**0**	**(617)**	**(681)**
Deviation	0	0	0	0
Changes in pension funds at market value				
Fair value of assets at the beginning of the period	0	0	23,234	24,420
Exchange differences	0	0	(2,458)	(733)
Expected return on plan assets	0	0	616	681
Actuarial gains or losses	0	0	(165)	(1,134)
Employer contribution	0	0	1,176	1,527
Benefits paid	0	0	(1,363)	(1,527)
Fair value of assets at the end of the period	**0**	**0**	**21,040**	**23,234**
Financial assumptions	Per cent	Per cent	Per cent	Per cent
Discount rate	3.9	3.1	3.9	3.1
Assumed annual salary regulation	4	3.5	4	3.5
Assumed pension increase	2.25	2.25	2.25	2.25
Assumed regulations of public pensions	3.75	3.25	3.75	3.25
Assumed yield on funds	3.9	3.1	3.9	3.1
Actual yield on funds	(3.9)	(3.1)	(3.9)	(3.1)

Composition of pension funds
The collective pension agreement is insured in the portfolio of Storebrand Livsforsikring.

Notes to the accounts

Note 17 - Receivables from direct insurance operations

	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Direct and received premium	26,237	31,457	51,540	54,297
Direct and received premium through broker	1,014	(1,622)	109,871	124,953
Not closed premium	108	215	75,336	50,182
Claims related debtors, co-insurers	(156)	2,751	46,261	48,415
Provision for bad debts	(1,291)	(1,531)	(4,857)	(4,820)
Receivables from direct insurance operations	**25,911**	**31,269**	**278,152**	**273,027**

Note 18 - Other receivables

	Parent company		Consolidated accounts	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Other receivables				
Other receivables from subsidiaries	0	9	167	236
Loan to employees	0	7	0	0
Total other receivables	0	0	30,643	34,292
Total other receivables	**0**	**16**	**30,810**	**34,528**

Note 19 - Cash and cash equivalents

Accounting policy
Cash and cash equivalents include cash in hand and deposits held at call with banks, brokers and fund managers, and money market funds.

Cash and cash equivalents
Cash and cash equivalents include restricted cash amounting to USD 27.2 million as at 31 December 2024 (USD 30.5 million as at 31 December 2023).The Company has a group account agreement and participates in a cash pool agreement. Both agreements are made with the Company's main bank, Nordea Bank Abp filial i Norge. The group account agreement implies that the Company can make overdrafts on individual bank accounts as long as the Company's total bank deposit is positive. The cash pool agreement secures efficient use of the operating bank deposits through the companies' opportunities to make use of the overdraft facility on individual bank accounts. Each company participating in the cash pool agreement is jointly liable for the overdraft facility through unsecured guarantees.

Cash and cash equivalents also include regulatory and contractually required cash deposits that is considered restricted cash amounting to USD 80.2 million as at 31 December 2024 (USD 64.8 million as at 31 December 2023).

There are no Letter of Credit, Guarantees or other instruments included in the balance sheet. A Letter of Credit in the amount of HKD 660.3 million equal to USD 85.0 million has been issued in relation to insurance licence of Gard group's Hong Kong branches.

Note 20 - Statutory reserve

Gard P. & I. (Bermuda) Ltd. is registered under and regulated by the Insurance Act 1978 and related regulations. The Company is under the supervision of the Bermuda Monetary Authority (BMA) and has to be in compliance with a set of regulatory requirements. Gard P. & I. (Bermuda) Ltd. maintained a statutory reserve of USD 462,500 and all regulatory requirements are complied with as at 31 December 2024.

The Company is a member of the property and casuality insurance companies guarantee scheme. The purpose of the scheme is to ensure payments to assured and third parties, pursuant to the Norwegian Act on Bank Contingency Scheme and Insurance Companies' Guarantee Scheme of 1996 no. 75. Provision shall be made for payment of 1 per cent of gross premium relevant to the scheme.

Notes to the accounts

Note 21 - Statutory and regulatory requirement

Gard P. & I. (Bermuda) Ltd. including subsidiaries have operations which are subject to laws and regulations in the jurisdictions in which they operate, of which the most significant ones are Bermuda and Norway. The statutory capital and surplus in Bermuda and Norway as at 31 December 2024 and 31 December 2023 was as follows:

	Parent Bermuda (a)		Regulated by Bermuda (b)		Regulated by Norway (c)	
Amounts in USD 000's	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Required statutory capital and surplus	33,561	32,924	439,542	386,927	392,382	364,193
Actual capital and surplus	1,078,857	988,417	1,152,070	926,847	766,993	528,940

(a) As a Class 2 company, Gard P. & I. (Bermuda) Ltd. is required to maintain minimum statutory capital and surplus equal to the Minimum Solvency Margin ("MSM").

(b) The Company's Bermuda based insurance subsidiaries are required to meet both Minimum Solvency Margin ("MSM") and the Enhanced Capital Requirement ("ECR"). The ECR is equal to the higher of each insurers' MSM or the Bermuda Solvency Capital Requirement ("BSCR") model or approved internal capital model. The BSCR for the relevant insurers for the year ended 31 December 2024 will not be filed with the BMA until end of April 2025. As a result, the required statutory capital and surplus as at 31 December 2024, as set out above, is based on preliminary figures.. Required statutory capital and surplus includes Gard P. & I. (Bermuda) Ltd., Gard Marine & Energy Limited, Gard Reinsurance Co. Ltd. and Hydra Gard Cell.

(c) Gard P. & I. (Bermuda) Ltd., Norwegian branch, Gard Marine & Energy Limited, Norwegian branch, Assuranceforeningen Gard - gjensidig - and Gard Marine & Energy Insurance (Europe) AS are required to maintain minimum capital and surplus equal to the Solvency Capital Requirement ("SCR") under Solvency II. The statutory capital and surplus for Gard P. & I. (Bermuda) Ltd., Norwegian branch and Assuranceforeningen Gard - gjensidig - include supplementary calls based on gross written premium for the last three open policy years. The SCR, which is part of the Solvency II reporting package, will not be filed with the Norwegian Financial Services Authority (Finanstilsynet) until early April 2024. As a result, preliminary figures are included as at 31 December 2024.

Statutory capital and surplus and actual capital and surplus for Gard P. & I. (Bermuda) Ltd., Norwegian branch and Gard Marine & Energy Limited, Norwegian branch are included in both (a) and (c).

Capital requirements
Gard P. & I. (Bermuda) Ltd. is required to maintain minimum capital and surplus equal to the Solvency Capital Requirement ("SCR") under Solvency II.
The statutory capital and surplus for for Gard P. & I. (Bermuda) Ltd. include supplementary calls based on gross written premium for the last three open policy years. The SCR, which is part of the Solvency II reporting package, will not be filed with the Norwegian Financial Supervisory Authority (Finanstilsynet) until after presentation of the financial statements (March 2025 for the 31 December 2024 figures). As a result, preliminary figures are included as at 31 December 2024, and final figures are included as at 31 December 2023.

Amounts in USD 000's	As at 31.12.24	As at 31.12.23
Own funds		
Ordinary share capital	0	463
Share premium account	0	1,443,818
Initial funds	463	0
Reconciliation reserve	1,492,224	(44,714)
Net deferred tax assets	0	733
Excess of assets over liabilities	**1,492,687**	**1,400,299**
Tier 1 - Unrestricted	1,450,996	1,290,076
Tier 1 - Non-available own funds	41,691	109,491
Tier 3 - Net deferred tax assets	0	733
Total basic own funds / (equal to Excess of assets over liabilities)	**1,492,687**	**1,400,299**
Tier 2 - Supplementary calls - Available	724,399	668,887
Tier 2 - Supplementary calls - Eligible	263,319	223,741
Total ancillary own funds	**724,399**	**668,887**
Total available own funds to meet the SCR	2,175,395	1,959,696
Total available own funds to meet the MCR	1,450,996	1,290,076
Total eligible own funds to meet the SCR	1,714,315	1,513,817
Total eligible own funds to meet the MCR	1,450,996	1,290,076
SCR	526,638	447,482
MCR	289,137	284,027
Ratio of eligible own funds to SCR	**326%**	**338%**
Ratio of eligible own funds to MCR	**502%**	**454%**
Solvency Capital Requirement (SCR)		
Market risk	187,815	175,704
Counterparty default risk	63,083	54,681
Non-life underwriting risk	588,656	500,733
Diversification	(322,840)	(299,266)
Basic SCR	**516,714**	**431,852**
Calculation of SCR		
Adj - Loss Absorbing Capacity of Deferred Tax	(40,715)	(34,122)
Operational risk	50,639	49,752
SCR	**526,638**	**447,482**

The Minimum Capital Requirement (MCR) for Gard P. & I. (Bermuda) Ltd. of USD 289.1 million is calculated as the sum of MCR for the individual re-/insurance companies in the group, with a cap of USD 367.6 million, and a floor of USD 204.2 million.

Notes to the accounts

Note 22 - Differences between Solvency II and balance sheet valuation

		As at 31.12.24	
Amounts in USD 000's	Solvency II	Balance Sheet	Differences
Assets			
Reinsurance recoverables			
Reinsurers' share of gross premium reserve	0	22,549	(22,549)
Reinsurers' share of expected cash flow for unexpired cover net of reinsurer commission provision	7,696	0	7,696
Reinsurers' share of gross claims reserves	125,369	125,369	0
Discounting effect of reinsurers' share of gross claims reserves	(6,955)	0	(6,955)
Reinsurers' share of Bound but not incepted (BBNI) - net and discounted	(5,604)	0	(5,604)
Losses occuring during - net	(7,154)	0	(7,154)
Reinsurance recoverables	**113,352**	**147,917**	**(34,566)**
Liabilities			
Technical provisions			
Gross expected cash flow for unexpired cover net of commission provision	0	291,909	(291,909)
Gross claims reserves	215,066	0	215,066
Discounting effect of gross claims reserves	1,562,526	1,562,526	0
Bound but not incepted (BBNI) - net and discounted	(95,151)	0	(95,151)
ULAE future claims discounted	(11,849)	0	(11,849)
Risk Margin	17,368	0	17,368
Technical provisions	52,238	0	52,238
Technical provisions	**1,740,198**	**1,854,435**	**(114,237)**

Reinsurance recoverables from non-life excluding health
Reinsurers' share of expected cash flow for unexpired cover net of reinsurer commission provision claims, covers the combined ratio share of reinsurers' share of gross premium reserves less reinsurance commission provisions.

Discounting effect of reinsurers' share of gross claims reserve shows the reduction in reinsurers' share of gross claims reserve, in order to arrive at net present value of the reserves as at the balance sheet date.

Reinsurers' share of Bound but not incepted (BBNI) – net, covers the net of reinsurers' share of premiums, claims and commission based on agreements with customers entered into but not incepted as at the balance sheet date.

Losses occurring during is covering expected cash flow of extended reinsurance in order to align the coverage period with the premium reserve period.

Technical provisions - non-life
Bound but not incepted (BBNI) – net is covering the net of gross premiums, claims and commission from customer agreements entered into, but not incepted as at the balance sheet date. Gross expected cash flow for unexpired cover net of commission provision is covering the combined ratio share of gross premium reserve less commission provisions. This represents the expected claims costs related to the gross premiums reserve as at balance sheet date.

Discounting effect of gross claims reserve is showing the reduction in gross claims reserve, in order to arrive at net present value of the reserves as at the balance sheet date.

The risk margin is calculated as a 6% charge on future annual cash flows and is based on Solvency Capital Requirement in respect of non-hedgeable risks. The risk margin represents the cost of capital an insurance company would require to take on the obligations of a given company. Other equity is covering retained reserves to meet unforeseen fluctuations in claims exposure, possible catastrophes and extraordinary claims patterns that fall within the Association's liabilities. For balance sheet amounts, other equity is included in the technical provisions, while other equity is included in Excess of assets over liabilities for Solvency II amounts.

Note 23 - Climate risk

The company is, through its own operations and through its value chain exposed to different climate risks.

Changes in climate has increased the frequency and severity of extreme weather events and is expected to continue to do so going forward. Based on our current assessments, we have not identified significant trends suggesting that the number of claims associated with extreme weather, or claims incurred, have increased. Considering the size of Gard's insurance portfolio, the sums also remain limited. However, we continue to monitor the development, and we especially keep an eye on fixed objects that cannot manoeuvre out of harm's way, like windfarms, ships in lay-up and shipyards.

Gard's insurance portfolio could also be indirectly affected through our reinsurers' exposure. Significant extreme events could challenge the reinsurance market and exhaust their capacity or increase their premiums. We have for example observed the reinsurance markets being affected by the US hurricane season in recent decades and this trend is likely to continue.

Another consequence of climate change in recent years has been an increase in shipping in polar areas. Recently, traffic has been limited and most of the traffic along the Northern Sea Route (the sea route in arctic waters above Russia) is related to energy. There have been few claims in polar areas, and it is difficult to assess whether this presents Gard with significantly higher risks than shipping in other remote areas. The costs associated with smaller events are manageable, but larger incidents could present considerable logistical challenges.

Climate risk does not only relate to physical climate risk, but there is also transitional climate risk. The world is moving towards carbon neutrality and the IMO has a newly set target of net-zero emissions "by or around" 2050, while the EU will require carbon allowances for emissions in the shipping sector starting January 2024. In our insurance portfolio, many shipowners are cutting emissions by switching to sustainable fuels. While some newer fuels are associated with lower environmental risks, they can be more hazardous for people in their close vicinity. The fuel landscape is also expected to be much more fragmented ahead, and it is key that this is reflected in our organization's expertise. In addition to the fuels inside ships, the cargo they carry could also be impacted, for example with more cars being transported having electric motors instead of fossil fuel ones.

Gard's investments are exposed to risks from the transition to renewable energy. Our investments in companies profiting from fossil fuels could deteriorate in value sooner than expected, while our investments in renewable energy could stand to benefit from the same developments. Assets usually considered to be low risk, such as government bonds, could also be exposed to transition risks, for example, if an oil-producing country's finances are worse off due to lower demand for fossil fuels, and this country therefore has trouble servicing its debt. As most of Gard's investments are measured at fair value through profit and loss, based on financial hierarchy Level 1 and Level 2, any climate risk should be reflected in the market price.

Gard's own tangible assets, foremost Real Estate and Property, are also exposed to physical climate changes. Valuation of the assets is based on market value assessments conducted by independent, third parties. Although not specifically specified in in the market value assessments made, there are no significant indications of any additional need for impairment of these assets related to climate risk.

Notes to the accounts

Note 24 - Impact of changes due to restatement

The following table sets out the restatement of the balance sheet as at 31 December 2023, as described in note 2.3.

	Parent company		Consolidated accounts	
Amounts in USD 000's	Reported As at 31.12.24	Earlier reported As at 31.12.23	Reported As at 31.12.24	Earlier reported As at 31.12.23
Investments				
Financial investments at fair value through profit or loss				
Interest-bearing securities and funds	314,038	340,591	1,713,928	1,822,234
Other financial investments	0	1,039	0	13,948
Total investments	**1,208,486**	**1,236,078**	**2,404,679**	**2,526,932**
Other assets				
Cash and cash equivalents	160,237	132,645	418,138	295,884
Total other assets	**209,732**	**182,140**	**522,234**	**399,980**

The cash flow statement has been restated as shown in the table below.

	Parent company		Consolidated accounts	
Amounts in USD 000's	Reported As at 31.12.24	Earlier reported As at 31.12.23	Reported As at 31.12.24	Earlier reported As at 31.12.23
Cash flow from operating activities				
Financial investments	29,390	1,798	23,055	(99,199)
Net cash flow from operating activities	**50,472**	**22,880**	**194,591**	**72,337**
Net change in cash and cash equivalents	73,680	46,088	183,160	60,907
Cash and cash equivalents at the end of the period	**160,237**	**132,645**	**418,138**	**295,884**

Note 25 - Acquisition of Codan

In July 2024, Gard announced its acquisition of Codan Forsikring A/S global Marine and Energy (M&E) insurance portfolio. As part of the acquisition agreement, Gard will establish a new office in Denmark and welcome around 50 employees to its global organisation. Formally, it is Gard Marine & Energy Insurance (Europe) AS, the subsidiary of Gard Marine & Energy Limited, that is the purchasing party from Gard. The purchase price of the acquired M&E portfolio is equivalent to approximately USD 163 million. Gard have received all necessary regulatory approvals and the transaction was completed at 3rd of March 2025.

Policy period accounts

Amounts in USD 000's *Policy year, as at 31 12. 24*	Consolidated accounts 2024	2023	2022
Premiums and calls			
Premiums	489,130	625,879	576,595
Additional calls debited	126	321	695
Owners' general discount	45,747	25,250	22,816
Total premiums	**535,003**	**651,450**	**600,105**
Reinsurance premiums	(113,038)	(133,232)	(124,922)
Net premium earned	**421,965**	**518,218**	**475,183**
Incurred claims net			
Claims paid	139,974	216,059	287,357
Estimates on outstanding claims	179,381	147,720	113,743
IBNRs	109,431	18,492	(264)
Unallocated Loss Adjustment Expenses	7,542	5,815	4,911
Incurred claims net	**436,328**	**388,086**	**405,748**
Acquisition cost and net operating expenses	52,364	56,295	46,279
Technical result	**(66,726)**	**73,837**	**23,156**

Notes to the consolidated policy period accounts

1. Premiums, supplementary calls, reinsurances and claims are credited/charged to the policy year to which they relate. Operating expenses are charged/credited to the same policy year as the financial period in which they are brought to account.

2. These accounts are prepared on the basis of 10 per cent Owners' General Discount in respect of the 2024 policy year (financial period ending 31 December 2024). The Owners' General Discount in the respect of the 2023 policy year (financial period ending 31 December 2023) was 5 per cent.

   The Owners' General Discount was introduced from the 2023 policy year and is a premium policy for mutual Members.

   The Owners' General Discount is given as a percentage of the agreed Estimated Total Call at renewal.

3. The approximate additional premium of 10 per cent from a supplementary call on the open policy years would be:

   2022 policy year USD 48.1 million
   2023 policy year USD 45.7 million
   2024 policy year USD 53.9 million

4. Incurred claims net comprises claims paid net of reinsurance recoveries, together with contributions to other P&I associations under the Group Pooling arrangement and net estimates for outstanding and unreported claims. Estimates on outstanding claims refer to those incidents which have been notified to the Association (RBNS) and on which estimates of the expected exposure have been placed. Incurred but not reported claims (IBNRs) have been calculated on a basis approved by the Company's actuary. Due to the characteristics of P&I claims, both RBNS and IBNR, in particular in respect of the more recent years, may change substantially.

5. Provision for outstanding and unreported claims for closed years before policy year 2020, USD 413.7 million, consists of estimated outstanding claims in the amount of USD 368.6 million and estimates for IBNR claims of USD 45.1 million.

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Average Expense Ratio (AER) - P&I

In accordance with Schedule 3 of the International Group Agreement 1999 the group is required to disclose the AER for the group's P&I business for the five years ended 31 December 2024. The ratio of 12.2 per cent (12.6 per cent last year) has been calculated in accordance with the Schedule and the guidelines issued by the International Group and is consistent with the relevant financial statements.

The five year AER for the group's P&I business expresses the operating costs on a consolidated basis as a percentage of the relevant premiums and investment income earned. Operating costs of the P&I business exclude all claims handling costs. Investment income earned is stated after deducting all investment management costs. Internal claims handling and internal investment management costs include a reasonable allocation for general overhead expenses.

Board of Directors GARD P. & I. (BERMUDA) LTD.

Copenhagen, 13 March 2025

Morten W. Høegh Chairman - Leif Höegh (UK) Ltd.	Michael Lykiardopulo Deputy Chairman - Neda Maritime Agency Co. Ltd.	Rolf Thore Roppestad President
Nils Aden Harren Shipping Services GmbH & Co. KG	Aristidis Alafouzus Kyklades Maritime Corporation	Timothy C. Faries
Herman Steen	Ian Beveridge Bernhard Schulte GmbH & Co. KG	Trond Eilertsen
Callum Sinclair Berge Bulk	Kuo - Hua Chang Evergreen Marine Corp. (Taiwan) Ltd.	Georgios Karagergiou Olympic Shipping and Management S.A.
Takaya Uchida Meiji Shipping Co. Ltd.	Carl-Johan Hagman NYK Group	Knut N.T. Ugland The J.J. Ugland Companies
Weng Yew Hor Pacific Carriers Limited	Jason Liberty Royal Caribbean Cruises Ltd.	Bjorn Giaever Nordic American Tankers Limited
Lois Zabrocky International Seaways, Inc.	Petros Pappas Star Bulk Carriers Corp.	Ingvild Saether Altera Infrastructure Group Ltd.
Lasse Kristoffersen Wallenius Wilhelmsen ASA	Cyril Ducau Eastern Pacific Shipping Pte. Ltd.	Kenneth Hvid Teekay Corporation Ltd.
Alexandra Economou TMS Group	Turid Grotmoll	Marit Lunde Equinor ASA

KPMG AS
P.O. Box 7000 Majorstuen
Sørkedalsveien 6
N-0306 Oslo

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the Board of Directors of Gard P. & I. (Bermuda) Ltd.

Independent Limited Assurance Report

Limited assurance conclusion

We have conducted a limited assurance engagement on the Integrated Annual Report pages 1-6, 8-9 and 14-56 ("the Report") of Gard P. & I. (Bermuda) Ltd. ("the Company"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the Integrated Reporting Framework, issued by the IFRS foundation (Integrated Reporting Framework) as described in page three of the Report.

Other Matter

The sustainability chapter, pages 36-56, of the Report is inspired by the ESRS issued by the European Financial Reporting Advisory Group (EFRAG) and the EU Taxonomy (Article 8 of EU Regulation 2020/852). Our assurance does not cover assessment of whether the Report is prepared, in accordance with the ESRS, including the company´s double materiality assessment and process, or the EU Taxonomy reporting. Our conclusion is not modified in respect of this matter.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM 1), which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Report

The Board of Directors and the Managing Director ("Management") are responsible for the preparation of the Report, and that the information and assertions contained within it , are in accordance with the Integrated Reporting Framework as described in page three of the Report.

Management is further responsible for

- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Report that is free from material misstatement, whether due to fraud or error, and
- making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations

In reporting forward-looking information in accordance with the Integrated Reporting Framework, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Our responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Report is free from material misstatements, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Report include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error, and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Report. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

The scope of our limited assurance engagement excludes future events or the achievability of the objectives, targets and expectations of the entity. The scope also excludes information contained in webpages referred to in the Report unless specified in this limited assurance report. Our work does not include testing the completeness of the measurements reported and the non-financial information presented in the Report. Our opinion on the SMI does not extend to any other information that accompanies or contains the SMI and our assurance report.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Report. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of information where material misstatements are likely to arise in the Report, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Report, we performed the following procedures:

- Comparing the information presented in the report to the Integrated Reporting Framework, including the principles stated in the framework.
- A risk analysis to identify relevant sustainability claims issues for Gard in the reporting period.
- Performed inquiries of relevant personnel, analytic and substantive procedures on selected information in the Report.
- Reviewing relevant internal and external documentation, on a limited test basis, in order to determine the reliability of the Report.
- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the report.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Gard.

Oslo, 13.03.2025
KPMG AS

Anders Sjöström
State Authorized Public Accountant

KPMG Audit Limited
Crown House
4 Par-la-Ville Road
Hamilton
HM 08
Bermuda

Telephone +1 441 295 5063
Fax +1 441 295 9132
Internet www.kpmg.bm

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Gard P. & I. (Bermuda) Ltd.

Opinion

We have audited the financial statements of Gard P. & I. (Bermuda) Ltd. (the "Company") and of the Group, of which the Company is the parent, which comprise the balance sheet as at 31 December 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with the "Regulations for Annual Accounts for General Insurance Companies" approved by the Norwegian Ministry of Finance.

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 and the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises 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 other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we 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 management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the "Regulations for Annual Accounts for General Insurance Companies" approved by the Norwegian Ministry of Finance, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

KPMG

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and/or the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

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 the 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, 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 and the Group'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 and the Group'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 and/or the Group 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 fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
March 13, 2025

CHAPTER 05

Appendix

Appendix

Data “Aktivitets- og redegjørelsesplikten”

Norway: Parental leave 2024

	Gender balance	Avr number of weeks parental week taken
Female	57%	24
Male	43%	8

Norway: Other factors 2024

	Number of employees	Sick leave total	Sick leave (%) Short term	Sick leave (%) long term	Absence due to sick child or child minder (days)
Total	517	5.03%	1.17%	3.85%	341
Female	285	7.16%	1.42%	5.74%	224
Male	232	2.52%	0.88%	1.64%	117

		Gender balance	Sick leave (%) Short term	Sick leave (%) Short term
Female	285	55%	54%	50%
Male	232	45%	46%	50%

Norway: Gender pay gap 2024

	Number of employees	Gender gap: male/female (%)	Gender pay gap: Female salary/ Male salary (%)
SVP*			
Total	**6**		
Female	2	33.33%	81.00%
Male	4	66.67%	100%
VP&MD			
Total	**54**		
Female	16	29.63%	94.91%
Male	38	70.37%	100%
Team Lead**			
Total	**31**		
Female	17	54.84%	83.43%
Male	14	45.16%	100%
Senior Professional			
Total	**160**		
Female	69	43.13%	92.81%
Male	91	56.87%	100%
Professional			
Total	**136**		
Female	83	61.03%	90.77%
Male	53	38.97%	100%
Support Professional			
Total	**129**		
Female	98	75.97%	99.99%
Male	31	24.03%	100%

*Not including CEO
**Team lead consists of both Senior Managers and Team Leads

Employement contract

	Female	Male	Total
Full time	383	316	699
Part time	19	3	22
America			
Full time	13	8	21
Part time	0	0	0
Asia			
Full time	51	36	87
Part time	0	1	1
Europe			
Full time	48	43	91
Part time	4	0	4
Norway			
Full time	271	229	500
Part time	14	3	17

Age group

	Number of employees
<30	55
30-39	188
40-49	210
50-59	182
60->	83