

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of comprehensive income

Amounts in USD 000's	Q3		YTD 30.09	
	Current year	Previous year	Current year	Previous year
	01.07.24 to 30.09.24	01.07.23 to 30.09.23	01.01.24 to 30.09.24	01.01.23 to 30.09.23
Technical account				
Gross written premium	48,638	45,759	162,486	156,903
Gross earned premium	50,149	50,542	147,769	135,091
Ceded reinsurance	(36,825)	(36,950)	(108,772)	(98,568)
Earned premium for own account	13,324	13,591	38,998	36,523
Other insurance related income	143	117	409	295
Gross incurred claims	52,756	35,199	126,581	106,977
Reinsurers' share of gross incurred claims	(36,612)	(22,707)	(83,696)	(70,732)
Claims incurred for own account	16,144	12,492	42,885	36,245
Acquisition costs	2,047	3,196	6,247	8,797
Agents' commission	5,209	5,398	15,210	14,143
Commission received	(7,584)	(7,651)	(21,891)	(21,891)
Insurance related expenses for own account	(328)	943	(435)	1,049
Other insurance related expenses	246	403	749	1,112
Technical result	(2,595)	(130)	(3,792)	(1,588)
Non-technical account				
Interest and similar income/(expenses)	1,826	(605)	1,016	906
Change in unrealised gain (loss) on investments	5,201	(630)	5,703	96
Other expenses	(2)	(7)	(9)	(24)
Non-technical result	7,025	(1,107)	7,123	1,113
Profit before tax	4,430	(1,237)	3,332	(475)
Corporate income tax	763	(277)	1,672	(689)
Net result	3,667	(960)	1,660	214

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 30.09.24	As at 31.12.23
Assets		
Investments		
<i>Financial investments at fair value through profit or loss</i>		
Equities and investment funds	3,571	3,070
Interest-bearing securities and funds	100,195	106,863
Other financial investments	0	(0)
Total investments	103,766	109,932
Reinsurers' share of technical provisions		
Reinsurers' share of gross premium reserve	71,167	101,183
Reinsurers' share of gross claims reserve	143,312	95,811
Total reinsurers' share of technical provisions	214,479	196,994
Receivables		
<i>Receivables from direct insurance operations</i>		
Policyholders	1,907	1,008
Intermediaries	90,705	91,079
<i>Receivables from reinsurance operations</i>		
Receivables from reinsurance operations	0	126
Receivables from group companies	963	0
<i>Other receivables</i>		
Other receivables	173	0
Other receivables from group companies	48	883
Total receivables	93,795	93,095
Other assets		
Cash and cash equivalents	47,800	39,710
Other financial assets	6,825	6,587
Total other assets	54,625	46,296
Prepayments and accrued income		
Accrued income and other prepayments	11,099	10,126
Total prepayments and accrued income	11,099	10,126
Total assets	477,765	456,443

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Balance sheet

Amounts in USD 000's	As at 30.09.24	As at 31.12.23
Equity and liabilities		
Equity		
Statutory reserve	63,262	63,262
Other equity	29,320	27,661
Total equity	92,582	90,923
Technical provisions		
Gross premium reserve	99,184	148,879
Gross claims reserve	210,332	132,467
Total technical provisions	309,516	281,345
Provisions for other liabilities		
Income tax payable	0	312
Deferred tax	2,349	1,079
Total provisions for other liabilities	2,349	1,391
Payables		
Payables arising out of direct insurance operations	1,526	10,739
Payables arising out of reinsurance operations	2,641	1,575
Payables arising out of reinsurance operations - group companies	53,957	57,291
Payables to group companies	165	510
Other payables	747	478
Total payables	59,036	70,594
Accruals and deferred income		
Accruals and deferred income	14,282	12,191
Total accruals and deferred income	14,282	12,191
Total liabilities	385,182	365,521
Total equity and liabilities	477,765	456,443

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of changes in equity

Amounts in USD 000's	Statutory reserve	Other equity	Total
Equity as at 01.01.2023	63,262	22,641	85,903
Net result	0	5,020	5,020
Equity as at 31.12.2023	63,262	27,661	90,923
Equity as at 01.01.2024	63,262	27,661	90,923
Net result	0	1,660	1,660
Equity as at 30.09.2024	63,262	29,321	92,583

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Statement of cash flow

Amounts in USD 000's	01.01.24 to 30.09.24	01.01.23 to 30.09.23
Cash flow from operating activities		
Profit (loss) before tax	3,332	(475)
Tax (paid)/refunded	(485)	(853)
Change in unrealised gain/(loss) on investments	(502)	(96)
Change in receivables and payables	(12,496)	12,689
Change in technical provisions and other accruals	11,803	23,353
Financial investments	6,668	(35,172)
Change in valuation due to change in exchange rates	(232)	(3)
Net cash flow from operating activities	8,087	(556)
Net cash flow from investment activities	0	0
Net cash flow from financial activities	0	0
Net change in cash and cash equivalents	8,087	(556)
Cash and cash equivalents at beginning of period	39,710	11,495
Cash and cash equivalents at end of period	47,800	10,942

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Notes to the accounts

Note 1 - Accounting policies

Corporate information

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

Gard Marine & Energy Insurance (Europe) AS is consolidated into the accounts of Gard M&E Ltd. and the consolidated accounts are available at the office of Gard M&E Ltd's management company Lingard Ltd in Bermuda.

The Company has established a branch in UK and Finland.

Basis of preparation of the Accounts

The quarterly accounts includes activity from 1 January 2024 to 30 September 2024.

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

The financial statements of insurance companies with operation in Norway are subject to regulations established by the Norwegian Ministry of Finance. According to a resolution from the Financial Supervisory Authority of Norway the Company has been given dispensation to present the financial statements in the English language and in USD currency.

The accounts as at 30 September 2024 has not been audited.

Use of accounting estimates when preparing the accounts

The preparation of the accounts requires management to make estimates and assumptions that affect 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.

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 method uses historical data as one of the elements in the model to estimate the future claims costs. It can take a significant period of time before the ultimate claims cost can be established with certainty.

Note 2 – Related party transactions

Reinsurance agreements

The Company cedes to Gard M&E Ltd by way of reinsurance 70 per cent of the Company's Marine & Energy risk underwritten by the Company that is not reinsured elsewhere.

Insurance agency agreement

The operations and insurance activities of the Company are carried out by the insurance intermediaries Gard AS, Gard (UK) Ltd., and Oy Gard Baltic Ab. Gard (UK) Ltd. and Oy Gard Baltic Ab are fully owned by Gard AS. Gard AS is a fully owned subsidiary of Gard P. & I. (Bermuda) Ltd.

GARD MARINE & ENERGY INSURANCE (EUROPE) AS

Notes to the accounts

Note 3 – Capital Requirements

Amounts in USD 000's	As at 30.09.24	As at 30.06.24
Own funds		
Ordinary share capital	62,385	62,385
Share premium account	30,197	26,531
Reconciliation reserve	505	3,448
Net deferred tax assets	0	0
Excess of assets over liabilities	93,088	92,364
Tier 1 - Unrestricted	93,088	92,364
Tier 1 - Restricted	0	0
Tier 3 - Net deferred tax assets	0	0
Total basic own funds / (equal to Excess of assets over liabilities)	93,088	92,364
Total available own funds to meet the SCR	93,088	92,364
Total available own funds to meet the MCR	93,088	92,364
Total eligible own funds to meet the SCR	93,088	92,364
Total eligible own funds to meet the MCR	93,088	92,364
SCR	45,448	40,955
MCR	17,144	16,344
Ratio of eligible own funds to SCR	205%	226%
Ratio of eligible own funds to MCR	543%	565%
Minimum Capital Requirement (MCR)		
Linear MCR	17,144	16,344
SCR	45,448	40,955
MCR cap (45% of SCR)	20,452	18,430
MCR floor (25% of SCR)	11,362	10,239
Combined MCR	17,144	16,344
Absolute floor of the MCR	4,248	4,248
MCR	17,144	16,344
Solvency Capital Requirement (SCR)		
Market risk	5,329	2,806
Counterparty default risk	12,990	15,245
Non-life underwriting risk	47,505	44,374
Diversification	(16,509)	(16,788)
Basic SCR	49,315	45,637
Calculation of SCR		
Adj - Loss Absorbing Capacity of Deferred Tax	(12,118)	(12,612)
Operational risk	8,252	7,930
SCR	45,448	40,955

The eligible own funds are calculated based on a partial internal model approved by the Financial Supervisory Authority of Norway (Finanstilsynet).

Board of Directors

Gard Marine & Energy Insurance (Europe) AS

4 November 2024

Trond Eilertsen

Chairman

Turid Grotmoll

Nils Aden

Ian Beveridge

Marit Lunde