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# **FINANCIAL STATEMENTS 2024**

## **GARD MARINE & ENERGY LIMITED**

*for the period 1 January 2024 to 31 December 2024*





**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](http://www.kpmg.bm)

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of Gard Marine & Energy Limited**

#### **Opinion**

We have audited the financial statements of Gard Marine & Energy Limited (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.

#### **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.

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

# GARD MARINE & ENERGY LIMITED

## Statement of comprehensive income

		Parent company		Consolidated accounts	
Amounts in USD 000's	Notes	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
Technical account					
Gross written premium	4, 5	417,084	439,344	497,787	508,104
Gross earned premium	5	421,291	431,097	500,618	497,375
Ceded reinsurance	5	(248,817)	(262,545)	(274,834)	(279,171)
Earned premium for own account	5	172,473	168,552	225,784	218,204
Other insurance related income		914	729	1,459	1,201
Gross incurred claims	5	300,270	301,027	356,928	352,568
Reinsurers' share of gross incurred claims	5	(162,248)	(165,136)	(166,343)	(168,120)
Claims incurred for own account	5	138,022	135,891	190,585	184,448
Acquisition cost	6	14,515	14,887	23,341	26,330
Agents' commission	6	49,101	50,310	50,205	48,099
Commission received	6	(50,288)	(49,229)	(61,632)	(57,294)
Insurance related expenses for own account	6	13,327	15,969	11,914	17,135
Other insurance related expenses	6	2,368	1,387	3,965	2,931
Technical result		19,670	16,035	20,778	14,892
Non-technical account					
Income from investments in group companies		0	(7,773)	0	(8,000)
Interest and similar income	7	1,319	3,487	437	6,413
Change in unrealised gain on investments	10	15,880	22,266	17,979	26,968
Gain/(loss) on realisation of investments		97	(687)	511	(552)
Other expenses		(165)	(116)	(192)	(112)
Non-Technical result		17,131	17,176	18,734	24,717
Profit before tax		36,801	33,211	39,513	39,609
Corporate income tax	8	10,034	(6,018)	14,606	(4,381)
Net result before other comprehensive income		26,766	39,229	24,907	43,990
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss					
Exchange differences on subsidiaries		0	0	(14)	25
Total comprehensive Income		26,766	39,229	24,893	44,015

# GARD MARINE & ENERGY LIMITED

## Balance sheet

		Parent company		Consolidated accounts	
			Restated*		Restated*
Amounts in USD 000's	Notes	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
<b>Assets</b>					
<b>Investments</b>					
<i>Financial investments in subsidiaries</i>					
Investments in subsidiaries	9	286,550	66,550	0	0
<i>Financial investments at fair value through profit or loss</i>					
Equities and investment funds	10	71,773	61,348	123,016	64,418
Interest-bearing securities and funds	10, 11	326,163	259,555	544,366	366,417
<b>Total investments</b>		<b>684,486</b>	<b>387,453</b>	<b>667,381</b>	<b>430,835</b>
<b>Reinsurers' share of technical provisions</b>					
Reinsurers' share of gross premium reserve	5, 11	87,287	89,515	88,863	91,596
Reinsurers' share of gross claims reserve	5, 11	236,262	226,345	243,209	237,370
<b>Total reinsurers' share of technical provisions</b>		<b>323,549</b>	<b>315,860</b>	<b>332,073</b>	<b>328,965</b>
<b>Receivables</b>					
<i>Receivables from direct insurance operations</i>					
Policyholders	12	4,507	3,870	5,984	4,878
Intermediaries	12	122,477	126,160	224,925	217,239
<i>Receivables from reinsurance operations</i>					
Receivables from reinsurance operations		1,251	2,777	1,367	2,903
Receivables from subsidiaries		57,698	57,291	0	0
<i>Other receivables</i>					
Other receivables		3	3	79	37
Other receivables from Group companies		10,772	29,691	10,840	30,574
<b>Total receivables</b>	11	<b>196,708</b>	<b>219,792</b>	<b>243,195</b>	<b>255,630</b>
<b>Other assets</b>					
Equipment		0	0	1	1
Cash and cash equivalents	11, 13	32,930	35,317	133,927	75,096
Deferred tax asset	8	12,380	12,260	7,306	11,181
Other assets	11	11,908	11,586	18,817	18,173
<b>Total other assets</b>		<b>57,218</b>	<b>59,164</b>	<b>160,051</b>	<b>104,452</b>
<b>Prepayments and accrued income</b>					
Accrued income and other prepayments		26,815	26,344	25,514	25,008
<b>Total prepayments and accrued income</b>		<b>26,815</b>	<b>26,344</b>	<b>25,514</b>	<b>25,008</b>
<b>Total assets</b>		<b>1,288,775</b>	<b>1,008,613</b>	<b>1,428,214</b>	<b>1,144,890</b>

\*See note 2.3.

# GARD MARINE & ENERGY LIMITED

## Balance sheet

Amounts in USD 000's	Notes	Parent company		Consolidated accounts	
		As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Equity and liabilities					
Equity					
Statutory reserve	14	410,000	190,000	410,000	190,000
Retained earnings					
Guarantee scheme		70	91	70	91
Other equity		139,458	112,670	162,066	137,152
Total equity	15	549,528	302,761	572,136	327,243
Liabilities					
Technical provisions					
Gross premium reserve	5	171,853	176,059	200,025	202,856
Gross claims reserve	5, 11	433,240	410,139	504,934	480,799
Total technical provisions		605,093	586,198	704,960	683,655
Provisions for other liabilities					
Income tax payable	8, 11	10,185	5,888	10,685	6,204
Total provisions for other liabilities		10,185	5,888	10,685	6,204
Payables					
Payables arising out of direct insurance operations	11	12,963	17,843	24,916	28,582
Payables arising out of reinsurance operations	11	5,096	4,340	7,056	5,915
Payables arising out of reinsurance operations - group companies	11	71,226	68,539	71,226	68,539
Payables to group companies	11	2,229	151	3,209	661
Other payables	11	10,378	112	11,199	610
Total payables		101,892	90,985	117,606	104,308
Accruals and deferred income					
Accruals and deferred income		22,078	22,781	22,827	23,480
Total accruals and deferred income		22,078	22,781	22,827	23,480
Total liabilities		739,247	705,852	856,078	817,647
Total equity and liabilities		1,288,775	1,008,613	1,428,214	1,144,890

# GARD MARINE & ENERGY LIMITED

## Statement of changes in equity

Amounts in USD 000's	Parent company			
	Statutory reserve	Guarantee Scheme	Other equity	Total
<b>Equity as at 01.01.23</b>	<b>190,000</b>	<b>118</b>	<b>73,414</b>	<b>263,532</b>
Net result before other comprehensive income/(loss)	0	0	39,229	39,229
Provision to obliged fund	0	(28)	28	0
<b>Equity as at 31.12.23</b>	<b>190,000</b>	<b>91</b>	<b>112,671</b>	<b>302,761</b>
<b>Equity as at 01.01.24</b>	<b>190,000</b>	<b>91</b>	<b>112,671</b>	<b>302,761</b>
Net result before other comprehensive income/(loss)	0	0	26,766	26,766
Provision to obliged fund	0	(21)	21	0
Capital increase	220,000	0	0	220,000
<b>Equity as at 31.12.24</b>	<b>410,000</b>	<b>70</b>	<b>139,458</b>	<b>549,528</b>
Amounts in USD 000's	Consolidated accounts			
	Statutory reserve	Guarantee Scheme	Other equity	Total
<b>Equity as at 01.01.23</b>	<b>190,000</b>	<b>118</b>	<b>93,110</b>	<b>283,228</b>
Net result before other comprehensive income/(loss)	0	0	43,990	43,990
Provision to obliged fund	0	(28)	28	0
Exchange differences on subsidiaries	0	0	25	25
<b>Equity as at 31.12.23</b>	<b>190,000</b>	<b>91</b>	<b>137,153</b>	<b>327,243</b>
<b>Equity as at 01.01.24</b>	<b>190,000</b>	<b>91</b>	<b>137,153</b>	<b>327,243</b>
Net result before other comprehensive income/(loss)	0	0	24,907	24,907
Provision to obliged fund	0	(21)	21	0
Exchange differences on subsidiaries	0	0	(14)	(14)
Capital increase	220,000	0	0	220,000
<b>Equity as at 31.12.24</b>	<b>410,000</b>	<b>70</b>	<b>162,066</b>	<b>572,136</b>

# GARD MARINE & ENERGY LIMITED

## Statement of cash flow

		Parent company		Consolidated accounts	
		Restated*		Restated*	
		01.01.24	01.01.23	01.01.24	01.01.23
Amounts in USD 000's	Notes	to 31.12.24	to 31.12.23	to 31.12.24	to 31.12.23
<b>Cash flow from operating activities</b>					
Profit before tax		36,801	33,211	39,513	39,609
Tax paid	8	(5,613)	(4,786)	(5,838)	(10,158)
Change in unrealised loss on investments		(15,880)	(22,266)	(17,979)	(26,968)
Financial investments		(61,153)	(12,969)	(218,567)	(12,999)
Change in valuation due to change in exchange rates		(244)	(320)	(426)	(740)
Change in receivables and payables		33,670	(13,937)	25,090	(5,462)
Change in technical provisions and other accruals		10,032	48,846	17,037	72,434
<b>Net cash flow from operating activities</b>		<b>(2,387)</b>	<b>27,780</b>	<b>(161,169)</b>	<b>55,715</b>
<b>Cash flow from investment activities</b>					
Capital contribution paid to subsidiary	3, 9	(220,000)	0	0	0
Capital increase received from parent company		220,000	0	220,000	0
<b>Net cash flow from investment activities</b>		<b>0</b>	<b>0</b>	<b>220,000</b>	<b>0</b>
Net change in cash and cash equivalents		(2,387)	27,780	58,831	55,715
Cash and cash equivalents at the beginning of the period		35,317	7,539	75,096	19,381
<b>Cash and cash equivalents at the end of the period</b>	11	<b>32,930</b>	<b>35,317</b>	<b>133,927</b>	<b>75,096</b>

\*See note 2.3.



# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 1 - Corporate information – the Gard group of companies

Gard Marine & Energy Limited (the “Company” or ‘Gard M&E’) is a limited liability company and a wholly owned subsidiary of Gard P. & I. (Bermuda) Ltd. The Company domiciled in Bermuda and registered by the Bermuda Monetary Authority as a Class 3B insurer covering, inter alia, marine and energy risks. The principal activity of the Company is direct insurance of marine and energy risks. The Company is a part of the Gard group of companies where Gard P. & I. (Bermuda) Ltd. is the ultimate owner.

**Gard Marine & Energy Insurance (Europe) AS** (“Gard M&E Europe”) is a wholly owned subsidiary of the company. 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.

**Gard Marine & Energy Escritorio de Representacao no Brasil Ltda.** (‘Gard Brasil’) is a wholly owned subsidiary of the Company which is registered and domiciled in Brasil. Gard Brasil is a user to allow the Company to be registered as an Admitted Reinsurer in Brasil. The status as Admitted Reinsurer is required for the Company to get access to the Brazilian marine and energy market. Gard Brasil is the local representative of the Admitted Reinsurer.

The Company is the sole shareholder of Gard M&E Europe and Gard Brasil (together, the “group”).

### Note 2 - Significant accounting policies

#### 2.1 Basis of preparation of the accounts

The Company is incorporated under Bermuda Law.. The operations and insurance activities of the Company are carried out by its insurance manager, Lingard Limited. The accounts include the activity from 1 January 2024 to 31 December 2024.

The financial statements have been prepared under regulations for annual accounts for non-life insurance companies approved by the Norwegian Ministry of Finance.

#### 2.2 Changes in accounting policies

There are no changes in accounting policies for Gard Marine & Energy Limited 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 16).

#### 2.4 Basis for consolidation

The consolidated financial statements are made up of the accounts of Gard Marine & Energy Limited and the companies over which the Company has a controlling interest, i.e., Gard M&E Europe and Gard Brasil. 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.

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 companies in the group 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 an average rate of exchange. All resulting exchange differences are recognised in ‘Other comprehensive income.’

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 2 - Significant accounting policies continued

#### 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 Company'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	5
Technical provisions	5
Insurance related expenses	6
Interest and similar income/(expenses)	7
Tax	8
Investments in subsidiaries	9
Financial investments	10
Cash and cash equivalents	13

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 3 - Intra-group transactions

#### Reinsurance agreement with Gard M&E Europe

The Company is a reinsurer of 70 per cent of Marine & Energy risk underwritten by Gard M&E Europe that is not reinsured elsewhere. The Company's reinsurance activities are directly dependent on the volume underwritten by Gard M&E Europe.

Amounts in USD 000's	Received from Gard M&E Europe	
	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Reinsurance premium	124,391	115,854
Reinsurers' share of gross settled claims	(91,645)	(53,871)
Reinsurance commission	(19,905)	(21,216)

#### Reinsurance agreement with Gard Reinsurance Co Ltd.

The Company has entered into a reinsurance agreement with Gard Reinsurance Co Ltd ("Gard Re"). The Company is ceding 50 per cent of its insurance portfolio after taking the external reinsurance agreement into account.

Amounts in USD 000's	Ceded to Gard Re	
	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Reinsurance premium	(172,473)	(168,552)
Reinsurers' share of gross settled claims	112,499	86,087
Reinsurance commission	37,499	37,636

Amounts in USD 000's	Ceded to Gard Re	
	As at 31.12.24	As at 31.12.23
Reinsurers' share of gross claims reserve	174,980	165,262
Reinsurers' share of gross premium reserve	84,566	86,544

#### Insurance management agreement

The Company has appointed Lingard as its insurance manager and principal representative in Bermuda. The services provided by Lingard are governed by an insurance management agreement with the Company. The Company has entered into an insurance agreement with Gard (Singapore) Pte. Ltd. where Gard (Singapore) Pte. Ltd. is performing certain day-to-day operational functions for the Company's branches in Singapore. The Company has entered into an insurance agreement with Gard (HK) Limited where Gard (HK) Limited is performing certain day-to-day operational functions for the Company's branch in Hong Kong.

In addition, secondment agreements have been entered into between the insurance branches in Singapore 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.

Amounts in USD 000's	Insurance services invoiced	
	01.01.24 to 31.12.24	01.01.23 to 31.12.23
Lingard	31,764	28,582
Gard (Singapore) Pte. Ltd.	2,214	2,595
Gard (HK) Limited	1,043	682

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 3 - Intra-group transactions (continued)

#### 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. The Company has entered into a reinsurance agency agreement with Gard Brasil, whereby Gard Brasil acts as local representative in Brasil.

Amounts in USD 000's	<b>Insurance Services Invoiced</b>	
	01.01.24	01.01.23
	to 31.12.24	to 31.12.23
Gard Brasil	28	230

Amounts in USD 000's	<b>Capital Contribution Paid</b>	
	01.01.24	01.01.23
	to 31.12.24	to 31.12.23
Gard M&E Europe	220,000	0

### Note 4 - Gross written premium by geographical areas

Amounts in USD 000's	<b>Parent company</b>		<b>Consolidated accounts</b>	
	01.01.24	01.01.23	01.01.24	01.01.23
	to 31.12.24	to 31.12.22	to 31.12.24	to 31.12.22
EEA / European Economic Area	136,049	159,545	289,531	302,564
Norway	188,770	178,757	59,927	50,780
Other areas	92,265	101,041	148,329	154,759
<b>Total gross written premium</b>	<b>417,084</b>	<b>439,344</b>	<b>497,787</b>	<b>508,104</b>

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

Client is defined as any entity with an active insurance cover from the Company.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 5 - 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.

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.

Amounts in USD 000's	Parent company			Consolidated accounts		
	Marine	Energy	Total	Marine	Energy	Total
			01.01.24 to 31.12.24			01.01.24 to 31.12.24
<b>Technical result</b>						
Gross written premium	336,339	80,746	417,084	399,390	98,397	497,787
Gross earned premium	344,171	77,120	421,291	407,546	93,072	500,618
Ceded reinsurance	(208,262)	(40,556)	(248,817)	(231,084)	(43,749)	(274,834)
<b>Earned premium for own account</b>	<b>135,909</b>	<b>36,565</b>	<b>172,473</b>	<b>176,461</b>	<b>49,323</b>	<b>225,784</b>
<b>Claims incurred, gross</b>						
Incurred this period*	248,126	48,117	296,243	294,016	62,952	356,968
Incurred previous periods	(4,423)	8,451	4,028	(11,942)	11,902	(40)
<b>Total claims incurred, gross</b>	<b>243,703</b>	<b>56,567</b>	<b>300,270</b>	<b>282,074</b>	<b>74,853</b>	<b>356,928</b>
Reinsurers' share of gross incurred claims	(136,255)	(25,993)	(162,248)	(140,350)	(25,993)	(166,343)
<b>Claims incurred for own account</b>	<b>107,448</b>	<b>30,575</b>	<b>138,022</b>	<b>141,724</b>	<b>48,861</b>	<b>190,585</b>

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

Amounts in USD 000's	Parent company			Consolidated accounts		
	Marine	Energy	Total	Marine	Energy	Total
			01.01.23 to 31.12.23			01.01.23 to 31.12.23
<b>Technical result</b>						
Gross written premium	362,562	76,782	439,344	416,334	91,769	508,104
Gross earned premium	360,281	70,816	431,097	415,390	81,985	497,375
Ceded reinsurance	(224,683)	(37,861)	(262,545)	(240,261)	(38,910)	(279,171)
<b>Earned premium for own account</b>	<b>135,597</b>	<b>32,955</b>	<b>168,552</b>	<b>175,129</b>	<b>43,075</b>	<b>218,204</b>
<b>Claims incurred, gross</b>						
Incurred this period	270,005	25,358	295,363	310,675	29,414	340,089
Incurred previous periods	5,911	(247)	5,664	12,234	245	12,480
<b>Total claims incurred, gross</b>	<b>275,916</b>	<b>25,111</b>	<b>301,027</b>	<b>322,909</b>	<b>29,659</b>	<b>352,568</b>
Reinsurers' share of gross incurred claims	(154,249)	(10,887)	(165,136)	(157,233)	(10,887)	(168,120)
<b>Claims incurred for own account</b>	<b>121,668</b>	<b>14,223</b>	<b>135,891</b>	<b>165,676</b>	<b>18,772</b>	<b>184,448</b>

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 5 - Technical result and technical provisions (continued)

#### 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.

Amounts in USD 000's	Parent company			Consolidated accounts		
	As at 31.12.24			As at 31.12.24		
	Marine	Energy	Total	Marine	Energy	Total
<b>Technical provisions gross</b>						
Provisions, at the beginning of the period	350,376	59,763	410,139	413,282	67,517	480,799
Claims paid	(245,519)	(31,650)	(277,170)	(291,659)	(41,131)	(332,791)
Claims incurred - gross this period*	248,126	48,117	296,243	284,435	60,715	345,150
Claims incurred - gross previous periods	(4,423)	8,451	4,028	(2,360)	14,138	11,778
<b>Provisions, at the end of the period</b>	<b>348,560</b>	<b>84,680</b>	<b>433,240</b>	<b>403,697</b>	<b>101,239</b>	<b>504,934</b>
Reinsurers' share of claims provision	(197,429)	(38,833)	(236,262)	(204,376)	(38,833)	(243,209)
<b>Provisions net, at the end of the period</b>	<b>151,131</b>	<b>45,847</b>	<b>196,978</b>	<b>199,321</b>	<b>62,405</b>	<b>261,725</b>

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

Provision for unearned premiums, gross	126,789	45,064	171,853	144,876	55,149	200,025
Reinsurers' share of premium provision	(64,488)	(22,799)	(87,287)	(65,659)	(23,204)	(88,863)
<b>Provision for unearned premiums, net</b>	<b>62,302</b>	<b>22,264</b>	<b>84,566</b>	<b>79,217</b>	<b>31,945</b>	<b>111,162</b>

#### Provision for outstanding claims

Technical provision gross	348,560	84,680	433,240	403,697	101,239	504,934
Technical provision net	151,131	45,847	196,978	199,321	62,405	261,725

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 ranges between USD 484.1 million and USD 525.0 million for consolidated accounts. The claim reserves for the parent company ranges between USD 429.3 million and USD 437.0 million.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 6 - 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	
	01.01.24	01.01.23	01.01.24	01.01.23
Amounts in USD 000's	to 31.12.24	to 31.12.23	to 31.12.24	to 31.12.23

#### Acquisition costs and commissions

Insurance intermediary	14,515	14,887	23,341	26,330
Agents' commission	49,101	50,310	50,205	48,099
Commission received	(50,288)	(49,229)	(61,632)	(57,294)
<b>Insurance related expenses for own account</b>	<b>13,327</b>	<b>15,969</b>	<b>11,914</b>	<b>17,135</b>

	Parent company		Consolidated accounts	
	01.01.24	01.01.23	01.01.24	01.01.23
Amounts in USD 000's	to 31.12.24	to 31.12.23	to 31.12.24	to 31.12.23

#### Remuneration auditor

Statutory audit	506	172	576	220
Tax compliance services	8	1	8	7
Other approved non-audit services	10	0	10	0
<b>Total remuneration to the auditors</b>	<b>524</b>	<b>173</b>	<b>594</b>	<b>227</b>

	Parent company		Consolidated accounts	
	01.01.24	01.01.23	01.01.24	01.01.23
Amounts in USD 000's	to 31.12.24	to 31.12.23	to 31.12.24	to 31.12.23

#### Net operating expenses

Bad debt	636	(712)	483	(671)
Service cost	35,048	32,133	56,378	53,242
Allocated to claims handling and acquisition costs	(34,229)	(30,768)	(54,886)	(51,533)
Other operating expenses	913	734	1,990	1,893
<b>Other insurance related expenses</b>	<b>2,368</b>	<b>1,387</b>	<b>3,965</b>	<b>2,931</b>

Gard M&E has no employees. No salaries or other benefits have been paid to the Board of Directors. There are no personal loan arrangement for members of the Board of Directors of the Company.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 7 - Interest and similar income/(expenses)

#### Accounting policy

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

	Parent company		Consolidated accounts	
	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
Amounts in USD 000's				
<b>Interest and similar income/(expenses)</b>				
Interest income/(expenses)	(26)	0	(11)	(68)
Income from financial investments	2,605	3,030	3,701	4,548
Foreign exchange income/(loss)	(1,259)	457	(3,252)	1,932
<b>Total interest and similar income</b>	<b>1,319</b>	<b>3,487</b>	<b>437</b>	<b>6,413</b>



# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 8 - 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.

#### Taxes are calculated as follows

	Parent company		Consolidated accounts	
	01.01.24	01.01.23	01.01.24	01.01.23
Amounts in USD 000's	31.12.24	to 31.12.23	31.12.24	to 31.12.23

#### Basis for income tax expense, changes in deferred tax and tax payable

Profit before tax as stated in Statement of comprehensive income	36,801	33,211	39,583	39,868
Profit not taxable to Norway	(13,200)	(10,959)	(13,200)	(10,959)
<b>Basis for calculating tax</b>	<b>23,601</b>	<b>22,252</b>	<b>26,383</b>	<b>28,909</b>
Permanent differences	7,341	1,887	22,844	3,679
<b>Basis for the tax expense for the period</b>	<b>30,942</b>	<b>24,139</b>	<b>49,226</b>	<b>32,588</b>
Change in temporary differences	604	79,186	(14,936)	73,458
<b>Basis for payable taxes in the income statement</b>	<b>31,546</b>	<b>103,325</b>	<b>34,291</b>	<b>106,046</b>
Change in (utilisation of) tax losses carried forward	0	0	(2,558)	(1,507)
<b>Taxable income (basis for payable taxes in the balance sheet)</b>	<b>31,546</b>	<b>103,325</b>	<b>31,732</b>	<b>104,539</b>

#### Income tax expenses

Tax payable	7,887	5,888	7,933	6,192
Tax correction earlier periods	2,298	(87)	2,298	(186)
Change in deferred tax	(151)	(11,819)	3,958	(10,638)
Accrual tax in foreign branches	0	0	415	251
<b>Tax expenses ordinary result</b>	<b>10,034</b>	<b>(6,018)</b>	<b>14,606</b>	<b>(4,381)</b>

#### Income tax payable

Tax at the beginning of the period	5,888	5,207	6,204	10,896
Tax payable related to the period	7,887	5,888	8,327	6,453
Tax correction earlier periods	2,298	(87)	2,298	(186)
Tax paid during the period	(5,613)	(4,786)	(5,838)	(10,158)
Exchange adjustments	(275)	(334)	(306)	(803)
<b>Tax payable at the end of the period</b>	<b>10,185</b>	<b>5,888</b>	<b>10,685</b>	<b>6,204</b>

#### Deferred tax asset

##### Specification of tax effect resulting from temporary differences

Portfolio investments	0	0	(20,204)	(4,857)
Foreign tax credit	0	0	0	1,002
Other temporary differences	1,657	1,177	2,675	2,370
Bermuda ETA	79,772	79,772	79,772	79,772
Retained earnings	0	0	(1,109)	(1,654)
<b>Total temporary differences</b>	<b>81,429</b>	<b>80,949</b>	<b>61,134</b>	<b>76,633</b>
Deferred tax asset, 25 percent of total temporary differences	414	294	(4,660)	(785)
Deferred tax asset, 15 percent of total temporary differences	11,966	11,966	11,966	11,966
<b>Net deferred tax asset/(deferred tax) of total temporary differences</b>	<b>12,380</b>	<b>12,260</b>	<b>7,306</b>	<b>11,181</b>

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 8 - Tax (continued)

	Parent company		Consolidated accounts	
	01.01.24 31.12.24	01.01.23 to 31.12.23	01.01.24 31.12.24	01.01.23 to 31.12.23
Amounts in USD 000's				
<b>Deferred tax asset reconciliation</b>				
Deferred tax asset/deferred tax at beginning of the period	12,260	454	11,181	560
Deferred tax expense related to the period	151	11,819	(3,958)	10,638
Exchange adjustment	(31)	(13)	83	(17)
<b>Deferred tax asset/deferred tax at end of the period</b>	<b>12,380</b>	<b>12,260</b>	<b>7,306</b>	<b>11,181</b>
<b>Reconciliation of the tax expense</b>				
Loss before tax as basis for tax calculation	23,601	22,252	26,383	28,909
<b>Calculated tax 25 per cent</b>	<b>5,900</b>	<b>5,563</b>	<b>6,596</b>	<b>7,227</b>
Tax expense	10,034	(6,018)	14,606	(4,382)
<b>Difference</b>	<b>(4,134)</b>	<b>11,581</b>	<b>(8,010)</b>	<b>11,608</b>
<b>The difference consists of:</b>				
Foreign tax credit deducted	0	0	0	377
Deferred tax related to Bermuda ETA	0	11,966	0	11,966
Tax correction earlier year	(2,298)	87	(2,298)	186
Permanent differences not subject to tax	(1,836)	(472)	(5,712)	(920)
<b>Sum explained differences</b>	<b>(4,134)</b>	<b>11,581</b>	<b>(8,010)</b>	<b>11,608</b>

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 12.0 million (USD 12.0 million as at 31 December 2023). The Company expects to incur and pay increased taxes in Bermuda beginning in 2025.

The Bermuda Monetary Authority (the "Authority") has directed that the impact of the Act shall not be reflected in the Capital and Solvency Return until the Authority has completed its assessment and under the terms to be directed by the Authority. As a result, the Company has not recognised net deferred tax asset of USD 12.0 million as at 31 December 2024 in the Bermuda Statutory financial statements.

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.

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.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 9 - 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
Gard M&E Europe	100%	100%	Norway	NOK	2,963,803	286,245
Gard Brasil	99%	99%	Brasil	BRL	616	305
<b>Total</b>						<b>286,550</b>

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 10 - Financial investments at fair value through profit or loss

#### 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 to it. Derivative financial investments are also valued at FVTPL.

##### Financial assets at fair value through other comprehensive income

Financial assets 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
- 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.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 10 - Financial investments at fair value through profit or loss (continued)

#### *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 credit losses. 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 Company 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**

There are no investments in Level 3.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 10 - Financial investments at fair value through profit or loss (continued)

Amounts in USD 000's	Parent company As at 31.12.24				Parent company As at 31.12.23			
	Quoted market prices	Observable market data	Non observable market data	Total	Quoted market prices	Observable market data	Non observable market data	Total
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>Financial investments</b>								
Equities and investment funds	16,022	55,751	0	71,773	10,641	50,707	0	61,348
Interest-bearing securities and funds	63,894	262,269	0	326,163	40,080	219,475	0	259,555
<b>Total financial investments</b>	<b>79,916</b>	<b>318,020</b>	<b>0</b>	<b>397,936</b>	<b>50,721</b>	<b>270,182</b>	<b>0</b>	<b>320,903</b>

Amounts in USD 000's	Consolidated accounts As at 31.12.24				Consolidated accounts As at 31.12.23			
	Quoted market prices	Observable market data	Non observable market data	Total	Quoted market prices	Observable market data	Non observable market data	Total
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>Financial investments</b>								
Equities and investment funds	16,022	106,993	0	123,016	10,641	53,777	0	64,418
Interest-bearing securities and funds	76,256	468,110	0	544,366	51,951	314,466	0	366,417
<b>Total financial investments</b>	<b>92,278</b>	<b>575,103</b>	<b>0</b>	<b>667,381</b>	<b>62,592</b>	<b>368,243</b>	<b>0</b>	<b>430,835</b>

The majority of investments held are subfunds of the Gard Unit Trust Fund, a legal fund structure established 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 Company possesses only minority interests in quoted companies.

#### Interest-bearing securities and funds

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

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.

Amounts in USD 000's	Investment profile	Currency	Parent company
			As at 31.12.24
<b>Equities and investment funds</b>			
Gard Global Multifactor Equity Fund	Global equity	USD	20,954
Gard Global Impact Equity Fund	Global equity	USD	10,824
Gard Global Equity Fund II	Global equity	USD	16,982
Gard Emerging Markets Fund	Emerging market equity	USD	6,991
iShares Commodity ETF	Commodities	USD	4,932
iShares MSCI ETF	Global Equity	USD	2,083
Invesco S&P500 ETF	US equity	USD	2,490
IShares MSCI China A UCITS ETF	China equity	USD	6,517
<b>Total Equities and investment funds</b>			<b>71,773</b>
The part of Equity fund invested in quoted shares			71,773

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 10 - Financial investments at fair value through profit or loss (continued)

			Parent company
			As at
Amounts in USD 000's	Investment profile	Currency	31.12.24
<b>Interest-bearing securities</b>			
US Treasury Bills	US Treasury bond	USD	60,599
<b>Total Interest-bearing securities</b>			<b>60,599</b>
<b>Interest-bearing funds</b>			
Gard Global Treasury Fund	Government debt	USD	824
Gard Strategic Global Bond Fund	Global aggregate bonds	USD	59,496
Gard International Credit Bond Fund I	Global corporate bonds	USD	18,572
Gard US Credit Bond Fund I	US corporate bonds	USD	24,780
Gard Emerging Market Debt Fund	Emerging market debt	USD	20,404
Gard Global Bond Fund I	Global aggregate bonds	USD	107,938
CQS Credit Fund	Global multi asset credit	USD	30,253
iShares TIPS ETF	Government debt	USD	3,295
<b>Total Interest-bearing funds</b>			<b>265,564</b>
<b>Total Interest-bearing securities and funds</b>			<b>326,163</b>

The consolidated accounts has an equity exposure of 15 per cent (financial period ending 31 December 2023 12 per cent) of its total investments.

			Consolidated accounts
			As at
Amounts in USD 000's	Investment profile	Currency	31.12.24
<b>Equity funds</b>			
Gard Global Multifactor Equity Fund	Global Equity	USD	41,924
Gard Global Impact Equity Fund	Global Equity	USD	10,824
Gard Global Equity Fund II	Global Equity	USD	47,254
Gard Emerging Markets Fund	Emerging Market Equity	USD	6,991
iShares Commodity ETF	Commodities	USD	4,932
iShares MSCI ETF	Global Equity	USD	2,083
Invesco S&P500 ETF	US equity	USD	2,490
iShares MSCI China A UCITS ETF	China equity	USD	6,517
<b>Total Equity funds</b>			<b>123,016</b>
<b>Total Equities and investment funds</b>			<b>123,016</b>
The part of Equity fund invested in quoted shares			123,016

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 10 - Financial investments at fair value through profit or loss (continued)

			Consolidated accounts
			As at
Amounts in USD 000's	Investment profile	Currency	31.12.24
Interest-bearing securities			
United States Treasuries	US Treasury bonds	USD	60,599
Total Interest-bearing securities			60,599
Interest-bearing funds			
Gard Global Treasury Fund	Government debt	USD	72,053
Gard Strategic Global Bond Fund	Global aggregate bonds	USD	119,120
Gard International Credit Bond Fund I	Global corporate bonds	USD	47,911
Gard US Credit Bond Fund I	US corporate bonds	USD	39,244
Gard Emerging Market Debt Fund	Emerging market debt	USD	20,404
Gard Global Bond Fund I	Global aggregate bonds	USD	139,125
CQS Credit Fund	Global multi asset credit	USD	30,253
iShares Treasury ETF	Government debt	USD	12,362
iShares TIPS	Government debt	USD	3,295
Total Interest-bearing funds			483,767
Total Interest-bearing securities and funds			544,366

### Financial assets and liabilities at amortised cost

Amounts in USD 000's	Parent company		Consolidated accounts	
	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	32,930	35,317	133,927	75,096
Other financial assets	11,908	11,586	18,817	18,173
Receivables				
Receivables from direct insurance operations	126,984	130,030	230,908	222,117
Receivables from reinsurance operations	58,949	60,068	1,367	2,903
Other receivables	10,775	29,694	10,920	30,611
<b>Total financial assets at amortised cost</b>	<b>241,546</b>	<b>266,696</b>	<b>395,939</b>	<b>348,900</b>
<b>Financial liabilities at amortised cost</b>				
<b>Payables</b>				
Payables arising out of direct insurance operations	12,963	17,843	24,916	28,582
Payables arising out of reinsurance operations	5,096	4,340	7,056	5,915
Payables arising out of reinsurance operations - group	71,226	68,539	71,226	68,539
Payables to group companies	2,229	151	3,209	661
Other payables	10,378	112	11,199	610
<b>Total financial liabilities at amortised cost</b>	<b>101,892</b>	<b>90,985</b>	<b>117,606</b>	<b>104,308</b>



# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 11 - 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 four 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.

##### *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 emphasis 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.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 11 - Financial risk (continued)

#### Currency split balance sheet

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.24	31.12.23	31.12.24	31.12.23
<b>Assets</b>				
USD	972,966	909,249	1,302,303	1,021,922
EUR	10,888	11,205	53,304	48,622
GBP	2,235	2,744	6,943	5,794
Other	302,687	85,415	65,664	68,553
<b>Total assets</b>	<b>1,288,775</b>	<b>1,008,613</b>	<b>1,428,214</b>	<b>1,144,890</b>
<b>Equity and liabilities</b>				
USD	1,229,171	953,410	1,238,378	945,273
EUR	23,846	19,360	133,646	132,000
GBP	9,946	9,613	21,031	14,334
Other	25,812	26,230	35,159	53,283
<b>Total equity and liabilities</b>	<b>1,288,775</b>	<b>1,008,613</b>	<b>1,428,214</b>	<b>1,144,890</b>
<b>Net asset exposure</b>				
USD	(256,205)	(44,161)	63,925	76,648
EUR	(12,958)	(8,155)	(80,342)	(83,379)
GBP	(7,711)	(6,869)	(14,088)	(8,540)
Other	276,875	59,185	30,506	15,270

#### Financial investment - 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	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.24	31.12.23	31.12.24	31.12.23
Impact on fixed income portfolio investments given an increase of 50 basis points	(7,962)	(4,124)	(12,247)	(5,725)
Impact on equity portfolio given a 10 per cent drop in quoted market prices	(6,644)	(5,829)	(11,686)	(6,134)
Impact on total investment portfolio given a change of 10 per cent in foreign exchange rates against USD	(7,775)	(6,671)	(13,571)	(8,257)
Impact on fixed income portfolio investments given an increase of 100 basis points of inflation	(6,051)	(3,546)	(8,946)	(4,859)

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 Company 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.

#### 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.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 11 - Financial risk (continued)

#### *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. The Company is however exposed to lower ratings originating 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 Company acknowledges that there is an increased counterparty risk towards Russian entities due to the different sanction regimes imposed. Although, due to the Company'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.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 11 - Financial risk (continued)

#### Credit risk exposure in balance sheet

	Parent company		Consolidated accounts	
	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Amounts in USD 000's				
<b>Interest-bearing securities and funds</b>				
AAA	0	0	(13)	0
AA	60,599	29,097	60,599	29,097
Not rated	265,564	230,458	483,767	337,320
<b>Total interest-bearing securities and funds</b>	<b>326,163</b>	<b>259,555</b>	<b>544,352</b>	<b>366,417</b>
<b>Reinsurers' share of gross premium reserve</b>				
AA	947	975	1,747	2,234
A	85,005	87,203	85,461	87,995
B	4	0	325	5
BBB	1,276	1,281	1,276	1,281
Not rated	54	56	54	81
<b>Total reinsurers' share of gross premium reserve</b>	<b>87,287</b>	<b>89,515</b>	<b>88,863</b>	<b>91,596</b>
<b>Reinsurers' share of gross claims reserve</b>				
AA	1,264	1,214	1,265	1,214
A	175,055	165,363	175,056	165,364
B	1,471	0	8,417	10,751
BBB	48,492	59,525	48,492	59,798
Not rated	9,980	243	9,980	243
<b>Total reinsurers' share of gross claims reserve</b>	<b>236,262</b>	<b>226,345</b>	<b>243,209</b>	<b>237,370</b>
<b>Receivables</b>				
AA	7	2,782	13	2,917
A	68,473	86,982	10,845	1,377
B	0	0	51	0
BBB	926	0	973	0
Not rated	127,302	130,028	231,313	251,336
<b>Total receivables</b>	<b>196,708</b>	<b>219,792</b>	<b>243,195</b>	<b>255,630</b>
<b>Cash and cash equivalents</b>				
AAA	0	13,401	0	41,155
AA	19,996	43,361	31,895	55,384
A	12,934	(21,444)	102,032	(21,443)
<b>Total cash and cash equivalents</b>	<b>32,930</b>	<b>35,317</b>	<b>133,927</b>	<b>75,096</b>
<b>Other financial assets</b>				
AAA	6,908	6,586	13,817	13,173
BB	5,000	5,000	5,000	5,000
<b>Total other financial assets presented in balance sheet</b>	<b>11,908</b>	<b>11,586</b>	<b>18,817</b>	<b>18,173</b>

Other financial assets also include regulatory and contractually required deposits that is considered encumbered assets amounting to USD 18.8 million as at 31 December 2024 (USD 18.2 million as at 31 December 2023) in the consolidated accounts. Correspondingly, restricted assets amounts to USD 11.9 million as at 31 December 2024 for the parent company (USD 11.6 million as at 31 December 2023).

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 11 - Financial risk (continued)

#### Age analysis of receivables after provisions for bad debt

	Parent company		Consolidated accounts	
	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Amounts in USD 000's				
Not due	182,947	202,470	217,332	228,290
0-60 days	3,555	8,098	9,421	10,807
61-90 days	698	1,940	1,478	2,894
Above 90 days	11,344	8,554	17,817	16,103
Provision for bad debt	(1,836)	(1,271)	(2,854)	(2,463)
<b>Total receivables</b>	<b>196,708</b>	<b>219,792</b>	<b>243,195</b>	<b>255,630</b>

#### Impaired receivables

As at 31 December 2024 there are impaired receivables in the parent company of USD 1.8 million (31 December 2023 USD 1.3 million) and there are impaired receivables in the consolidated accounts of USD 2.9 million (31 December 2023 USD 2.5 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	
	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Amounts in USD 000's				
Balance as at the beginning of the period	1,271	1,932	2,463	3,105
Provision for receivables impairment	(566)	659	(391)	640
Receivables written off during the period as uncollectable	(70)	53	(92)	31
Unused amounts reversed	1,201	(1,373)	874	(1,312)
<b>Balance as at the end of the period</b>	<b>1,836</b>	<b>1,271</b>	<b>2,854</b>	<b>2,463</b>

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 Assuranségården 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 Company 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.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 11 - Financial risk (continued)

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	Parent company As at 31.12.24
					Total
Gross claims reserve	166,612	258,451	8,176	0	433,240
Income tax payable	10,185	0	0	0	10,185
Payables and accruals	113,592	0	0	0	113,592
Other payables	10,378	0	0	0	10,378

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	Parent company As at 31.12.23
					Total
Gross claims reserve	167,203	233,686	9,250	0	410,139
Income tax payable	5,888	0	0	0	5,888
Payables and accruals	113,653	0	0	0	113,653
Other payables	112	0	0	0	112

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	Consolidated accounts As at 31.12.24
					Total
Gross claims reserve	194,184	301,221	9,530	0	504,934
Income tax payable	10,685	0	0	0	10,685
Payables and accruals	129,235	0	0	0	129,235
Other payables	11,199	0	0	0	11,199

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	Consolidated accounts As at 31.12.23
					Total
Gross claims reserve	196,009	273,946	10,843	0	480,799
Income tax payable	6,204	0	0	0	6,204
Payables and accruals	127,178	0	0	0	127,178
Other payables	610	0	0	0	610

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 12 - Receivables from direct insurance operations

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.24	31.12.23	31.12.24	31.12.23
Direct and received premium	5,041	3,862	6,534	4,865
Direct and received premium through broker	66,459	74,188	106,351	124,903
Not closed premium	32,040	27,443	75,187	49,974
Claims related debtors, co-insurers	25,279	25,804	45,676	44,824
Provision for bad debts	(1,836)	(1,266)	(2,840)	(2,449)
<b>Receivables from direct insurance operations</b>	<b>126,984</b>	<b>130,030</b>	<b>230,908</b>	<b>222,117</b>

### Note 13 - 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 0.021 million as at 31 December 2024 (USD 0.020 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 6.3 million as at 31 December 2024 (USD 6.8 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 115.3 million equal to USD 14.8 million has been issued in relation to insurance licence of Gard group's Hong Kong branches.

### Note 14 - Statutory reserve

Gard Marine & Energy Limited 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. All regulatory requirements are complied with as at 31 December 2024.

# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 15 - Statutory and regulatory requirement

Gard Marine & Energy Limited 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 Norway (b)	
	As at 31.12.24	As at 31.12.23	As at 31.12.24	As at 31.12.23
Amounts in USD 000's				
Required statutory capital and surplus	186,346	151,329	93,605	88,681
Actual capital and surplus	567,787	328,919	112,326	106,291

(a) Gard Marine & Energy Limited is required to maintain minimum statutory capital and surplus to meet both minimum solvency margin ("MSM") and the Enhanced Capital Requirement ("ECR"). The BSCR for Gard Marine & Energy Limited 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 is based on preliminary figures. The MSM is calculated based on the period from 1 January 2024 to 31 December 2024.

(b) Gard Marine & Energy Limited Norwegian branch is required to maintain minimum capital and surplus equal to the Solvency Capital Requirement ("SCR") under Solvency II. 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 2025. As a result, preliminary figures are included as at 31 December 2024.

### Note 16 - Impact of changes due to restatement

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

	Parent company		Consolidated accounts	
	Reported As at 31.12.23	Earlier reported As at 31.12.23	Reported As at 31.12.23	Earlier reported As at 31.12.23
Amounts in USD 000's				
<b>Investments</b>				
<i>Financial investments at fair value through profit or loss</i>				
Interest-bearing securities and funds	259,555	272,956	366,417	407,503
Other financial investments	0	7,752	0	7,753
<b>Total investments</b>	<b>387,453</b>	<b>408,606</b>	<b>430,835</b>	<b>479,675</b>
<b>Other assets</b>				
Cash and cash equivalents	35,317	14,165	75,096	26,257
<b>Total other assets</b>	<b>59,164</b>	<b>38,011</b>	<b>104,452</b>	<b>55,613</b>

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

	Parent company		Consolidated accounts	
	Reported As at 31.12.23	Earlier reported As at 31.12.23	Reported As at 31.12.23	Earlier reported As at 31.12.23
Amounts in USD 000's				
<b>Cash flow from operating activities</b>				
Financial investments	(12,969)	(34,122)	(12,999)	(61,838)
<b>Net cash flow from operating activities</b>	<b>27,780</b>	<b>6,627</b>	<b>55,715</b>	<b>6,876</b>
Net change in cash and cash equivalents	27,780	6,626	55,715	6,876
<b>Cash and cash equivalents at the end of the period</b>	<b>35,317</b>	<b>14,165</b>	<b>75,096</b>	<b>26,257</b>



# GARD MARINE & ENERGY LIMITED

## Notes to the accounts

### Note 17 - 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.