ANNUAL REPORT 2022

In times of turbulence, we provide stability.

The world could look very different in five to ten years compared to today. As an insurer, we need to be ready for this.

Rolf Thore Roppestad, Gard CEO

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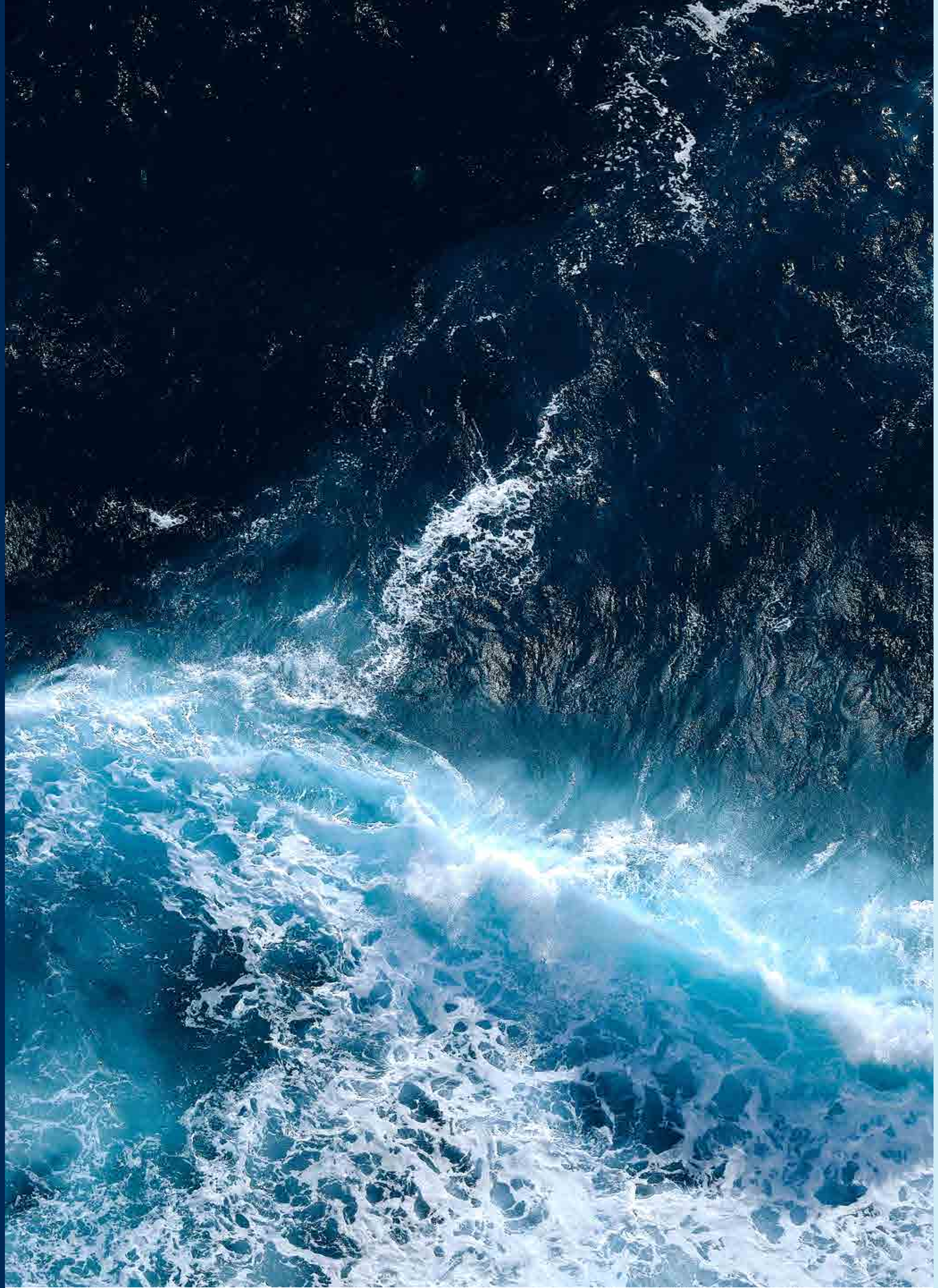


CHAPTER 01

Executive summary

Gard at a glance

Gard is a world-leading provider of protection & indemnity (P&I), marine and energy insurance. As a mutual organisation, our core purpose is to help our Members and clients to manage risks and their consequences. We do that by providing a wide range of insurance covers, hands-on casualty and claims handling, data-driven loss prevention, and by engaging with the industry to enable sustainable solutions for the future. All to prevent losses – and all to help our Members and clients navigate in a changing world.

Gross written premium ETC basis period to 31 December 2022

USD 995 m

Standard and Poor's rating

A+ with stable outlook

Result ETC basis period to 31 December 2022

USD 2 m

In 2021, The Board of Directors of Gard P. & I. (Bermuda) Ltd. decided to change the group's financial year so that it coincides with the calendar year instead of running from 21 February to 20 February. As a result, this year's financial period is shorter than usual, running from 21 February 2022 to 31 December 2022. Comparative figures have not been adjusted and show the activity for the 12-month period (February to February) for previous years.

From 2023, the full financial year will be 1 January to 31 December. The P&I policy year remains 21 February to 20 February.

Gender distribution

54% female employees

46% male employees

13 offices and 634 employees

Tonnage by vessel type per 31 December 2022

P&I Mutual (million gross tonne)

Vessel type	Million gross tonne
Bulk	85
Tanker	80
Container	48
Gas Carrier	23
General Cargo	15
Cruise/Passenger/Ferry	8
Offshore	6
Other	1
Total	266

Hull & Machinery (million gross tonne)

Vessel type	Million gross tonne
Bulk	37
Container	36
Tanker	35
Gas Carrier	10
General Cargo	5
Cruise/Passenger/Ferry	3
Offshore	1
Other	1
Total	128

Business sustainability score from Ecovadis

Gold rating

Combined ratio ETC basis as at 31 December 2022

81%

Market share

19.3%

P&I

8.1%

H&M

Key moments in 2022

24 February

Russia invades Ukraine, escalating the Russo-Ukrainian war which began in 2014

14 March

The North of England and Standard P&I clubs announce **merger plans**

5 June

The Mayflower Autonomous Ship arrives in Halifax, Nova Scotia, having completed its **first unmanned voyage**, spanning 40 days and approximately 3,500 miles at sea. The Mayflower is covered by Gard for P&I

22 July

The Black Sea Grain Initiative is established, allowing the resumption of seaborne grain exports from Ukraine in spite of the ongoing war

12 August

Oil tanker **Heroic Idun** and 26 crew members are unlawfully intercepted and detained in international waters

30 August

Gard joins the **Maritime Anti-Corruption Network**

26 October

Gard launches the **international Mariners Medico Guide** – the first medical app designed and tailored specifically for seafarers

5 December

The EU and G7 agree on a **price cap** for Russian seaborne crude oil, as part of a wide range of sanctions imposed throughout the year

9 December

Gard submits its first **climate alignment** report as a Signatory to the Poseidon Principles of Marine Insurance (PPMI)

21 December

Gard becomes the **largest P&I club** measured by gross tonnage in Asia

Five year summary

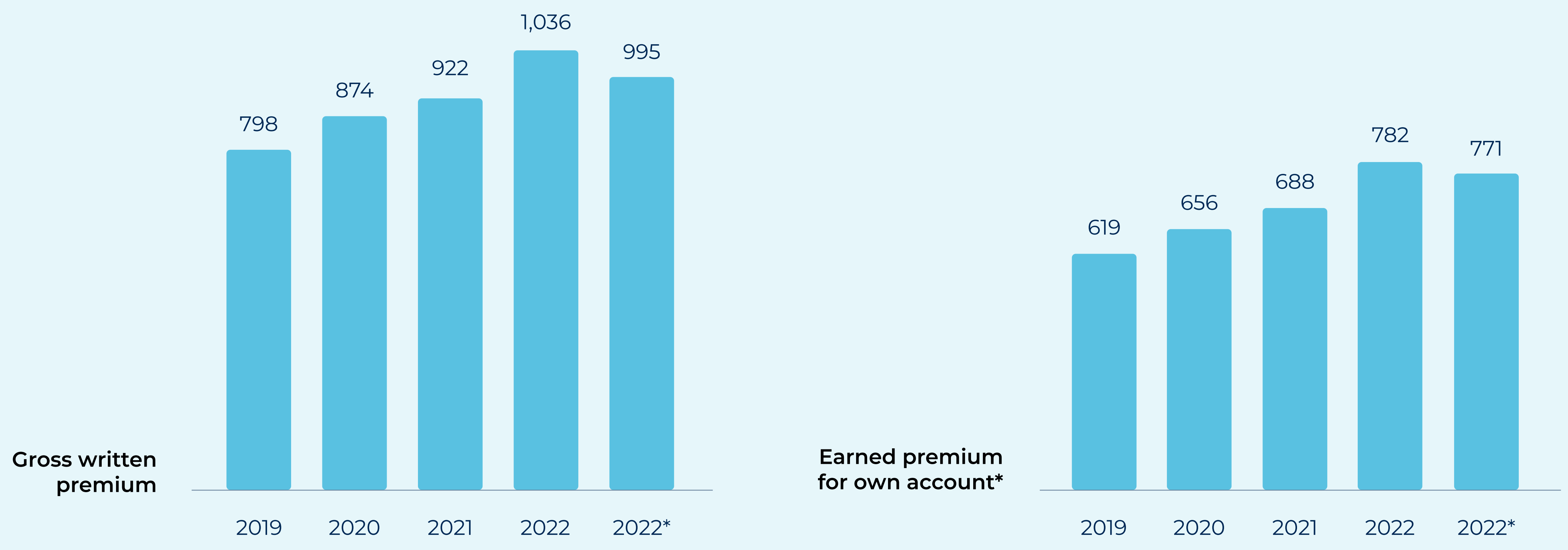
Change of financial year

In 2021, The Board of Directors of Gard P. & I. (Bermuda) Ltd. decided to change the group's financial year so that it coincides with the calendar year instead of running from 21 February to 20 February. As a result, this year's financial period is shorter than usual, running from 21 February 2022 to 31 December 2022. Comparative figures have **not** been adjusted and show the activity for the 12-month period (February to February) for previous years.

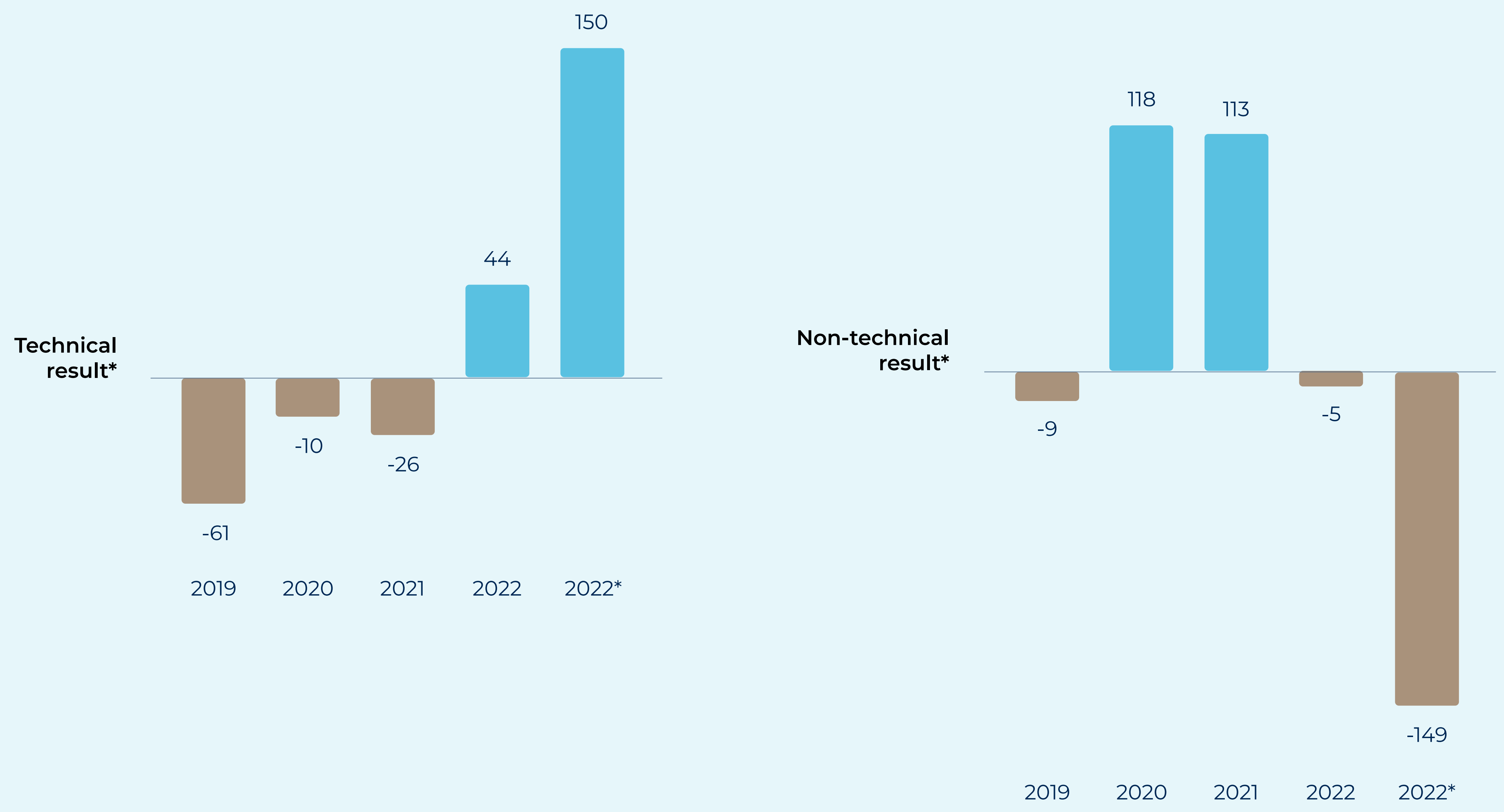
From 2023, the full financial year will be 1 January to 31 December. The P&I policy year remains 21 February to 20 February.

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

Strong premium growth

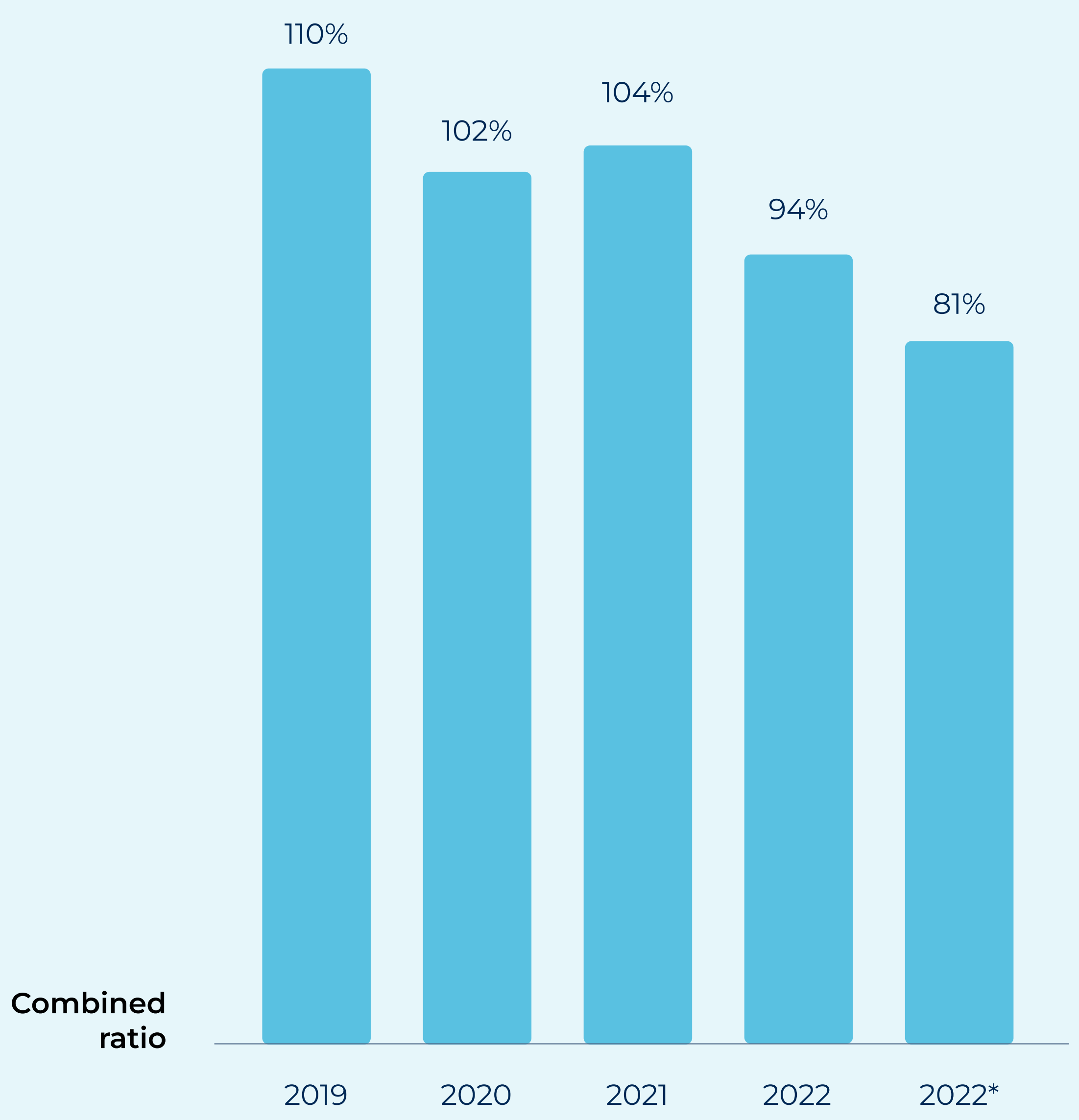


Strong insurance results, challenging financial markets



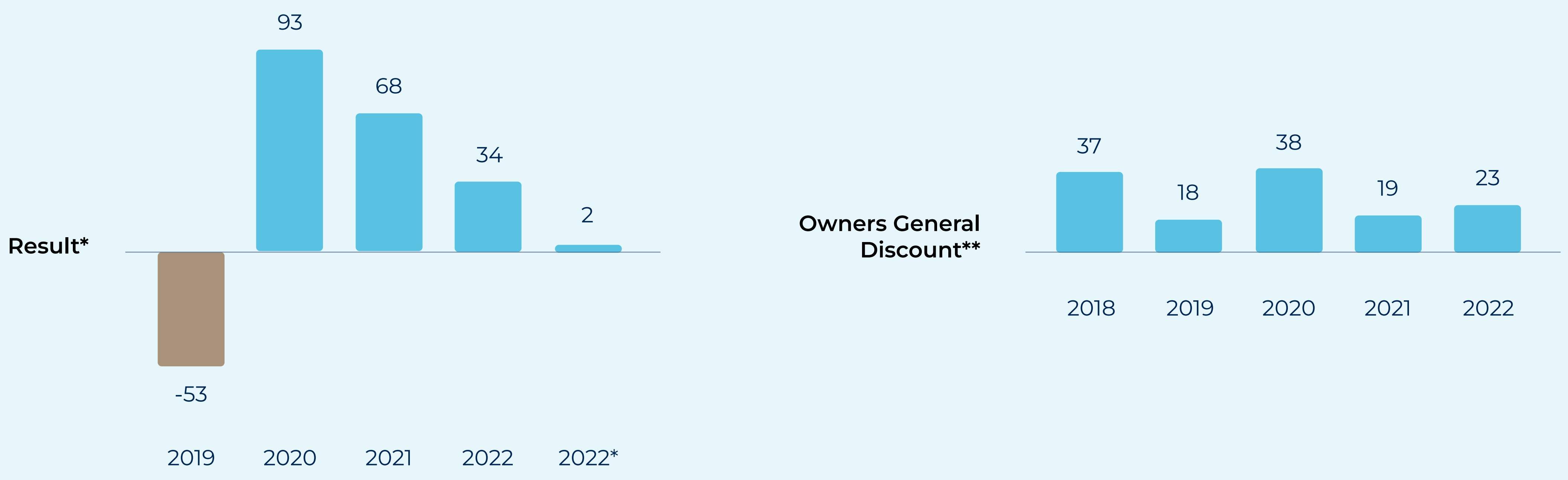
* USD millions on ETC basis as at 31 December 2022
All other numbers are per 20. february

Improved combined ratio



The combined ratio for our P&I and M&E portfolios was respectively 92% and 66% for the financial period, compared to 100% and 87% in the previous financial period.

Financial strength - and capital returned to Members



Capital efficiency

* Numbers are on ETC basis as at 31 December 2022. All other numbers are per 20. february

** Figures are presented in USD millions per policy year and net of any commission. The 2018, 2019 and 2020 figures shows the net reduction in last installment and deferred call. Owners General Discount was introduced in policy year 2021. Owners General Discount as at 31 December 2022 was USD 20 million.

Amounts in USD millions, ETC basis

A conversation with the Chairman and CEO

Our top priority has been to provide guidance and clarity in a complex and fast-changing environment

Well into 2023, how would you describe the year behind us, Morten Høegh?
"It was definitely a year marked by crisis and turbulence – geopolitically, financially and in the energy markets. The most significant event was no doubt the outbreak of war in Ukraine which, even if the writing had been on the wall, took many of us by surprise. Now, more than a year later, I think we can safely say that none of us were prepared for the wide-reaching consequences this conflict would have.

Beyond that, 2022 also saw the world struggling with the after-effects of the pandemic, one of which was the return of rising inflation. The war in Ukraine had significant impact on global energy and food markets, which further accelerated the inflation challenge. All of a sudden, the world was grappling with several crises at the same time – things came together almost like a 'perfect storm'."

How did all of this turbulence impact Gard, Rolf Thore Roppestad?
"It impacted us both operationally and financially, just as it did for our Members and clients. The war in Ukraine has had a massive impact on global trade, the energy landscape, and on financial markets. For Gard, the most imminent challenge has no doubt been the rapidly evolving sanctions regime. Our top priority has been to provide guidance and clarity for our Members and clients in a complex and often fast-changing environment. It has not always been straightforward, but we have seen great value in keeping a close dialogue with relevant stakeholders, including regu-

latory authorities across different jurisdictions. This has helped to reduce ambiguities along the way, and hopefully also helped to build understanding around the nature of shipping and marine insurance."

How did geopolitical tensions and sanctions impact the maritime industry more generally?
"They have certainly made it more challenging to operate, both for insurers and the wider maritime industry. Seafarers and maritime supply chains were already under significant strain from the pandemic, and the war has only added to that. We will likely see knock-on effects for a long time to come," said Roppestad.

"The sanctions regime also has some unintended side effects. We are seeing increasing regionalisation and fragmentation of world markets, and a growing part of the world fleet is now operating outside of established and well-tested insurance frameworks. That means increased risk for people and society. Imagine an oil tanker grounding on your shores, and then you realise that it does not have proper P&I insurance. Nobody will be there to help local authorities handle the casualty, nobody will be there to compensate for the losses.

Going forward, we should keep in mind what a great asset it has been, both for shipping and for society, to have more than 90 per cent of the world fleet insured within the same framework. The International Group of P&I Clubs is serving us well – it ensures that the impacts of casualties are minimised and that people are compensated. It is a system we should nurture and expand – not undermine," Roppestad added.

In spite of these challenges, Gard has delivered yet another strong insurance result.
How would you describe Gard's performance?
"We have delivered fantastic insurance results this year – the best we have seen in the last fifteen years. On the other hand, financial markets have seen one of the most challenging years in generations, with values going down both for equities and bonds, so the bottom line is approximately break-even. What is remarkable, however, is to see that all five lines of business have delivered strong, positive results. In a volatile business like ours, that is quite extraordinary," said Roppestad.

> Both Gard and its Members and clients run high-quality operations, and that is what is being reflected in this year's results

Is this simply because we have seen a lower level of claims this past year?
"That is certainly the main driver. Of course, there will always be an element of randomness in this – marine insurance is inherently volatile. At the same time, luck can never replace good underwriting and good claims handling," said Roppestad.

"To use an analogy from sports – the more you practice, the luckier you are. It is the same in our industry – the better we do our job, the more results will go our way. Both Gard and its Members and clients run high-quality operations, and that is what is being reflected in this year's results," Høegh added.

How badly was Gard hit by the slump in financial markets?
"Given our diversified and conservative risk profile, Gard has traditionally been able to hedge against the ups and downs of the financial markets. In 2022, however, all major asset classes went down which is something that has not happened in decades. So, between our insurance results and our investment results, it really was two different worlds," said Roppestad.

Høegh added: "It has certainly been an extraordinary year for financial markets – there was nowhere to hide, really. But for Gard, being predominantly invested in bonds, there is also a silver lining in all of this: with rising interest rates going forward, our future expected returns will only improve. As a consequence, Gard's capital position has actually been strengthened."

Looking ahead, what should shipping and the marine insurance industry be preparing for?
"We should prepare for a wide range of scenarios. Worsening of geopolitical tensions and increasing regionalisation could certainly have significant impacts, and we need to be prepared for that. At the same time, there are a lot of positive things happening, too. During 2022, democratic nations across the world pulled together and appeared more united than they have done for a long time. The cooperation between the US and Europe improved, and China finally decided to abandon its zero-covid policy, which is good news for global growth. Meanwhile, we are seeing a tremendous shift in energy markets, with more countries investing and rethinking their dependencies. Yes, it has led to the reopening of coal and nuclear energy plants, but it has also triggered a much-needed acceleration of the green transition," said Høegh.

"In sum, the world could look very different in five to ten years compared to today – both geopolitically and in terms of energy and decarbonisation. As an insurer, we need to be ready for this. Going forward, we will have to be quicker on our feet, more agile, and ready to adapt to changing landscapes," Roppestad added.

Any final thoughts or achievements you would like to highlight?
"Personally, I am proud to see how we have managed to work together, both in Gard and as an industry, trying to keep the wheels turning while adapting to rapidly changing circumstances. In Gard we have focused on providing help and guidance, continued our efforts on loss prevention, and last but not least, we have launched the world's first digital medical guide, designed specifically for seafarers. Taking care of crew has always been a top priority for us. At the end of the day, this is what it is all about: preventing losses. Taking care of our Members and clients, people and the environment," said Roppestad.

"I fully echo that message, and on behalf of the Board and all of the Membership, I want to thank the whole Gard organisation for their efforts this past year. In spite of turbulence and an increasingly complex sanctions regime, they have managed to deliver high-quality service every day, always with the collective interest of the mutual membership in mind. This is the mindset that has helped to make Gard the world's leading marine insurer, and it is what will continue to take us forward," Høegh added.

Morten Høegh *Rolf Thore Roppestad*

CHAPTER 02

Value created in 2022

How we create value

This is Gard's second annual report based on the Integrated Reporting framework of the Value Reporting Foundation. The report describes not only our financial performance over the last year, but also the value Gard creates in a broader sense – both for our employees, our Members and clients, and for society at large.

So, how does Gard create value? In short, we create value by understanding, pricing, preventing and handling maritime risks. We do this by combining our experience and knowledge of the marine industries with broad legal, environmental, and financial expertise. Through a network of global offices, we provide the most comprehensive set of covers and claims handling service in the marine insurance market. Our teams of in-house claims specialists allow us to efficiently handle casualties and other incidents when and where they arise, all with the goal of minimising impacts and preventing losses. The backbone of all this is our financial strength. Based on disciplined underwriting, effective claims handling and long-term investments, Gard seeks to be robustly capitalised at all times. That is what allows us to tackle volatility and to support our Members and clients – even in turbulent times.

For more details about Gard's business and value creation model, see page 13. This model outlines the classes of capital that are most relevant for Gard as a company – our social and relationship capital, intellectual capital, human capital and financial capital – and how we create value based on these. The model also encapsulates who we are as a company, what our mission statement is, and how our day to day operations and results could have an impact on the UN Sustainable Development Goals (SDGs).

Our focus areas

We focus on people for sustainable growth

8 DECENT WORK AND ECONOMIC GROWTH

We respect human rights and promote labour rights throughout our value chain and in our own operations. We develop competence, foster diversity, equality and inclusion. We help Members and clients by protecting the lives and health of seafarers and promote their wellbeing. We realise business opportunities for sustainable growth.

We support the maritime industry to limit the impact of climate change

13 CLIMATE ACTION

We respond to our Members' and clients' changing needs by developing products and services that enable them to thrive in the green transition. We are carbon neutral in our own business operations, we assess climate-related risks and opportunities, and implement findings in strategy processes. We support offshore renewable energy, and monitor and disclose emissions from parts of our portfolio through the Poseidon Principles for Marine Insurance.

We prevent and minimise the impact of marine pollution

14 LIFE BELOW WATER

We handle marine accidents and pollution efficiently, fairly and responsibly, and continue to work with responsible authorities to prepare for such eventualities. We use data to prevent and guide our response to marine accidents. We encourage ship recycling according to the Hong Kong Convention and the EU Ship Recycling Regulation.

We push towards higher business ethics throughout our global operations

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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

Driving sustainable development within maritime industries and beyond

17 PARTNERSHIPS FOR THE GOALS

We cooperate with private, public and civil society, and share insights with multiple stakeholder groups through seminars, articles and partnerships.

gard

Our value creation model

What we do

As a mutual, we help our Members and clients in the marine industries to manage risk and its consequences.

Mission

Together, we enable sustainable maritime development.

Our capital

Social and Relationship Capital	Intellectual Capital	Human Capital	Financial Capital
We support our Members and clients. Long-term & strong partnerships with business partners and key stakeholders.	Insight-led approach based on our data, internal models and analytical capabilities.	634 employees with deep expertise and experience covering all key insurance competencies: Maritime, legal, environmental, financial and technical.	Strongly rated capital base enabling us to pay claims and to offer predictable and competitive premium levels.

What we aim for

Market Development	Global Operational Excellence	Financial Strength
Achieve sustainable growth.	Engaged, effective, responsible.	Withstand extreme loss events. Meet increasing capital requirements.

Our main activities

We support the industry	We push for sustainable solutions	We focus on our people	We strive for long-term sustainable investment return
Positive portfolio development with focus on sustainable business. Based on insight and deep maritime expertise, we provide timely advice and services that reduce losses and mitigate risks.	Focusing on emerging technologies, the safety and wellbeing of seafarers, and ESG standards.	By developing competence, fostering diversity and ensuring equal opportunities, we create good working conditions and stay forward-looking and curious.	Through our scale and financial strength, we invest responsibly to the benefit of our Members and society.

The result of everything we do

Safer and cleaner operations

By reducing the likelihood and impact of marine casualties, our Members and clients run safer and cleaner operations, securing business continuity.

Protected lives

Through timely and targeted loss prevention, the lives of seafarers are protected, illness and injuries prevented, and better livelihoods secured.

Reduced risks

Through tailor-made products and services, we mitigate risks and support a sustainable transition in the maritime industry.

Empowered employees

We attract, develop and retain competent and engaged colleagues.

Lower premiums

We build capital over time that has a direct positive impact on premiums.

We have an impact on

+ Keeping world trade moving

+ A safer and cleaner maritime industry

+ A sustainable ocean economy

Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

14 LIFE BELOW WATER

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Our service to Members and clients

Looking back, a key priority for us in 2022 has been to provide our Members and clients with some stability and reassurance in an otherwise turbulent time. Following Russia's invasion of Ukraine on 24 February, much of our attention and resources were of course devoted to providing immediate assistance and guidance, first to the crew and shipowners that were impacted directly, and secondly to the wider maritime community, many of whom were asking themselves how to navigate in a highly volatile situation.

The sanctions that followed – a total of nine sanctions packages (as at 31 December) just from the EU and additional sanctions regulations from the UK and US – further exacerbated the need for due diligence and guidance. Overall, our exposure to Russian entities was quite limited when the war broke out, but as a result of the sanctions we had to terminate business relationships with a small number of clients and vessels. Other clients were followed up more closely with an eye to detecting potential or emerging risks.

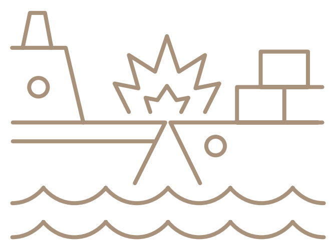
A challenge for all of us has been the pace at which the sanctions have changed – sometimes by the hour. This has left us in difficult and occasionally ambiguous situations. Our main focus has been to seek legal clarity and to help guide our Members and clients through difficult terrains. We have provided frequent and regular updates on the sanctions and on the situation in the Black Sea region, monitored insured vessels operating in the area, and, as always, maintained a close dialogue with industry stakeholders as well as with regulatory authorities. Our collaboration with the International Group of P&I Clubs (IG) has been particularly important in this regard. Being able to review, consult and discuss the rapidly changing regulations with our peers in the industry has proven to be very valuable. It has helped to provide clarity and reassurance, not just for Gard, but also for our Members and clients.

> A key priority has been to provide our Members and clients with some stability and reassurance in an otherwise turbulent time

KYC and global relationships
The war in Ukraine and the sanctions imposed against Russia have had company-wide consequences. All business functions, from Risk Management, Underwriting and Claims to Finance and Customer Service, have been impacted by geopolitical tensions and the need for increased vigilance. As a response, both to this and to other regulatory requirements, Gard has significantly geared up its internal compliance and Know Your Customer (KYC) efforts, strengthening both our KYC advisory team and our sanctions consultancy group in 2022.

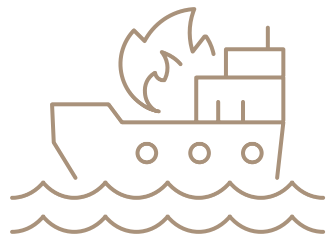
Understanding maritime risks

Our main insurance products



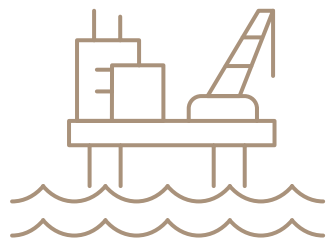
Protection and indemnity insurance (P&I)

Third party liability insurance to owners, operators and charterers of ships and mobile offshore units. This type of insurance is important for example in claims related to collisions, crew, cargo, property damage, removal of wrecks and in cases of oil spills or other environmental damage.



Marine (Hull)

Hull and Machinery, Loss of Hire and associated products. Insurance products in this category cover for example damage to hull or loss of income resulting from damage to a vessel or because of circumstances that prevent the vessel from leaving a port. It also includes marine war and other specialist covers.



Energy (offshore)

This category includes a wide range of insurance covers relevant to the oil, gas and renewable energy industry. They include exploration & production packages, offshore wind insurance covers, and other energy products.

The sanctions and restrictions imposed by the financial sector have also brought about practical challenges, for example related to the payment of certain claims, or in reimbursing some of our correspondents or external service providers (ESPs). In most cases, we have managed to find good solutions to such challenges, and we are grateful to see that Gard continues to foster good relations with our correspondents and ESPs across the globe. These relationships are important to us, as they play a vital role in providing service and local expertise both to Gard and to our Members and clients.

Strong underwriting results
Looking at our year more holistically, we see that Gard continues to deliver good underwriting, with a technical insurance result of USD 150 million. Gross written premium for the group on an Estimated Total Call (ETC) basis was USD 995 million for the financial period (21 February 2022 to 31 December 2022), compared to USD 1,036 million in the previous financial period. This is a positive development considering the shorter financial reporting period. If we look at the full calendar year 2022, the gross written premium was USD 1,167 million. The positive trend was driven by hardening premium rates as well as increasing volumes across both our P&I and M&E portfolios.

Financial markets have been challenging, leading to a loss on the non-technical account of USD 149 million (for more details, see Our Investments chapter). As a consequence, our total net result for 2022 was USD 2 million on ETC basis.

Overall, Gard remains well capitalised and financially robust. The consolidated equity as at 31 December 2022 was USD 1,260 million, compared to USD 1,278 million as at 20 February 2022. The financial position of the group continues to be strong, with a low probability of supplementary calls. Gard's Board of Directors therefore agreed to give a five per cent Owners' General Discount (OGD) to mutual entries that renewed with Gard for the 2022 policy year. This will amount to approximately USD 23 million in savings for our owners.

Development of gross written premium in USD millions

	2019	2020	2021	2022	2022*
P&I	519	519	505	534	612
M&E	279	354	417	502	383
Total	797	874	922	1,036	995

* Financial period 21 February – 31 December 2022

Insuring the energy transition
One of Gard's strategic goals is to become the "preferred insurance partner for our customers in the green transition", and as part of this, we aim to increase our share of gross written premium stemming from renewable energy. Offshore wind now constitutes 36 per cent of our total Energy portfolio, and will continue to be a strategic part of Gard's portfolio. Meanwhile, we are also monitoring developments in other forms of renewables, such as tidal and solar power. For Gard, this is about future-proofing our business and making sure we have the competence and understanding needed to support the energy transition.

Sustainable Development Goal

Limit the impact of climate change

Eilanda Lui. Senior Underwriter, Gard Singapore

> Underwriting is a balancing act between managing current risks and understanding the emerging ones. In Gard, we collaborate across our organisation to try to see the full picture and to provide the insurance solutions needed by our clients.

Bridging the gap: insuring the global LNG industry

With changes in global energy markets and a pressing need to reduce carbon emissions, more countries are opting for liquefied natural gas (LNG) as a source of energy. Following the war in Ukraine and the disruptions to 'traditional' supply chains for gas, the demand for LNG has increased even further.

As global LNG trade grows, so does the need for risk assessments and tailored insurance solutions. The supply chain for LNG is both technically and commercially complex, and understanding the risks involved in the different stages of the process is important.

Over the last years, Gard has grown considerably within the LNG segment. Our insurance covers are related to all stages of the value chain – from construction and exploration of gas fields, to liquification, shipping and the operation of floating terminals, so-called floating storage and regasification units (FSRU). Throughout this process, we insure our Members and clients' liabilities – their commercial exposure, physical assets as well as potential contractual risks.

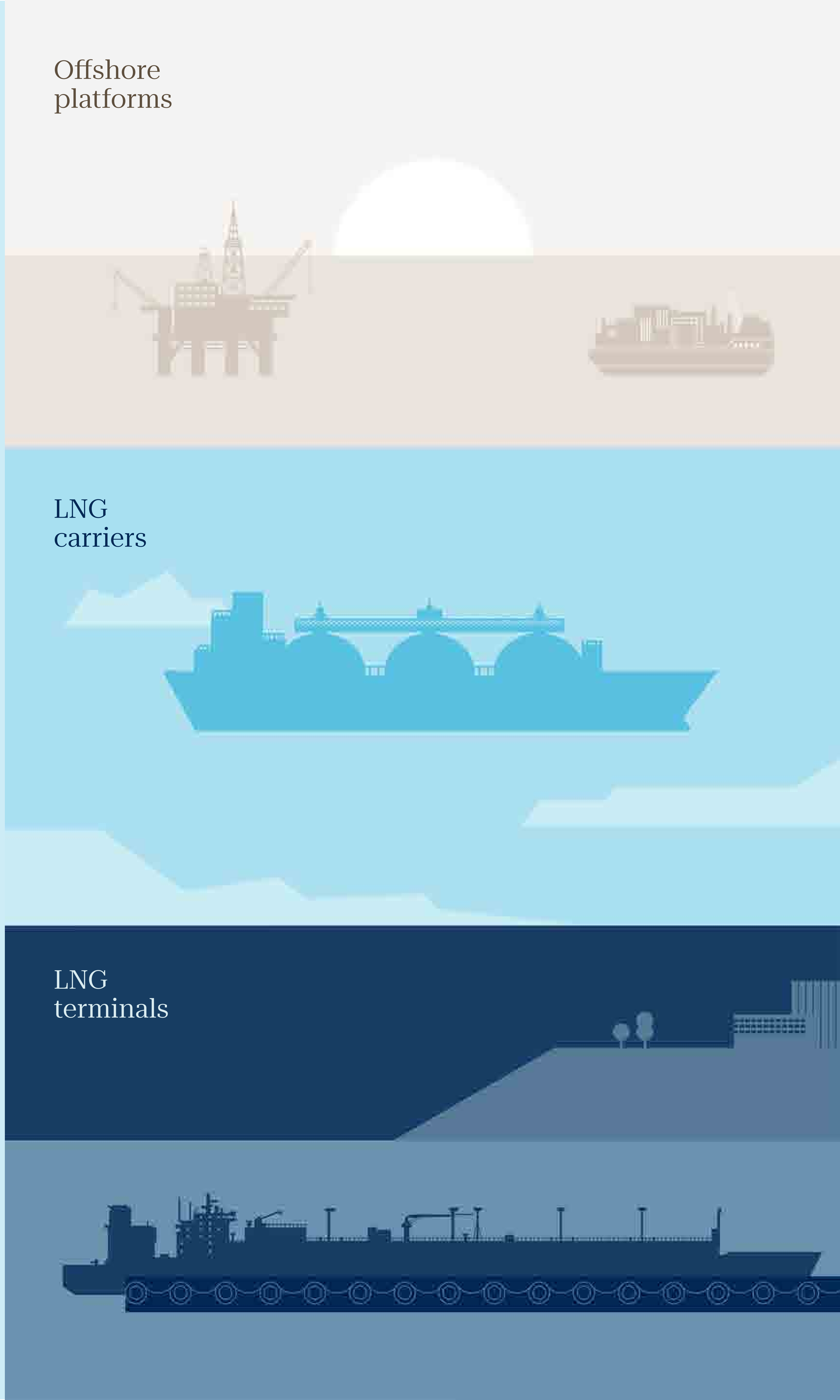
By the end of 2022, 61 per cent of the world's LNG carrier fleet had one or more covers on Hull and Machinery (H&M) with Gard. For P&I, 24 per cent of the LNG carrier fleet is covered by Gard. By providing these covers and more, we help to keep the energy industry moving – ensuring both global energy security and the transition towards more sustainable energy solutions.

For H&M, by the end of 2022

61% of the LNG carrier fleet is covered by Gard

For P&I by the end of 2022

24% of the LNG carrier fleet is covered by Gard



Focusing on ESG in our claims handling

On the claims side, 2022 has been an extraordinary year. For one, we have seen an unusually low level of IG pool claims relating to the 2022 policy year – a positive development in contrast to previous years. We have also seen a good year in terms of claims incurred for our own account, totaling USD 527 million in 2022. Our financial year is shorter this year, but still, given our growth in insured volumes, this is a very satisfactory level. The number of Covid-19-related claims is also receding, and we are pleased to see that the number of high-impact casualties has been relatively low this year.

Development of claims incurred for own account
in USD millions

	2019	2020	2021	2022	2022*
P&I	339	405	413	384	347
M&E	199	181	219	245	180
Total	537	586	632	629	527

* Financial period 21 February – 31 December 2022.

Low frequency does not necessarily mean reduced complexity. Covid-related cases continue to require extra time and effort, as does the increased level of KYC screening. Looking ahead, we are also expecting claims levels to increase, as inflation, new technologies, and new fuel types start to impact overall claims trends.

Claims development

Year and date	Total number of claims	Number of High-impact casualties (>5 USD mill.)	Number of Covid claims
2020 21.02.20 – 20.02.21	15,739	24	1,190
2021 21.02.21 – 20.02.22	19,565	9	1,498
2022 21.02.22 – 31.12.22	15,421	7	320

More generally, we see a continued need to put seafarer safety and wellbeing on top of the agenda, both in our dialogue with individual shipowners and in wider industry forums. Safe, healthy and well-motivated crew are all essential factors for a shipowner's operations and still, with lingering Covid restrictions and the disruptions caused by the war in Ukraine, many seafarers continue to face uncertain and challenging conditions.

This past year, we have tried to help seafarers in several ways. We have launched a free, industry-wide medical app tailored specifically for seafarers (see next chapter for more details), assisted Members with seafarer surveys to better understand their needs and challenges at sea, and also provided guidance and checklists on how to ensure fair and clear crew contracts. We believe all these measures can help improve the safety and wellbeing of seafarers. More remains to be done, but Gard has taken some concrete and positive steps this past year.

Sustainable Development Goal

We help Members and clients by protecting the health and wellbeing of seafarers

We have also made progress when it comes to integrating ESG considerations in our day-to-day claims handling. A good and practical step forward in this regard was the clarification in the Nordic Marine Insurance Plan 2023 Version that ESG considerations shall count positively when selecting ship repair yards.

Gard also issued its first claims specific ESG report in 2022. Going forward, we aim to provide this service to our Members and clients on casualties involving a certain level of response operations. These reports will seek to address all relevant ESG issues related to the casualty, including the environmental impact of the incident and the carbon footprint of the response operation. Based on our cooperation with ITOPF and their development of a new carbon footprint calculator for pollution response, these assessments will likely improve going forward. We hope that they will provide useful learning points and tangible ESG data, both for our own organisation and for our Members and clients

Frank Gonynor. Senior Claims Adviser, Gard New York

> In many ways, 2022 was a year of transition and change. The maritime industry is constantly evolving and as insurers, we are not only handling current challenges, but also preparing for new ones – whether it's related to seafarer safety, alternative fuels or the global energy transition.

Our support to the industry

Gard shares knowledge and insights with a broad range of stakeholders. We raise awareness, prevent accidents and seek to improve operational standards across the industry. As such, the value we create for our Members and clients could also have an impact on the wider society. We strongly believe that prevention is better than cure, and that out of the losses experienced by the few, there are lessons to be learned for the many.

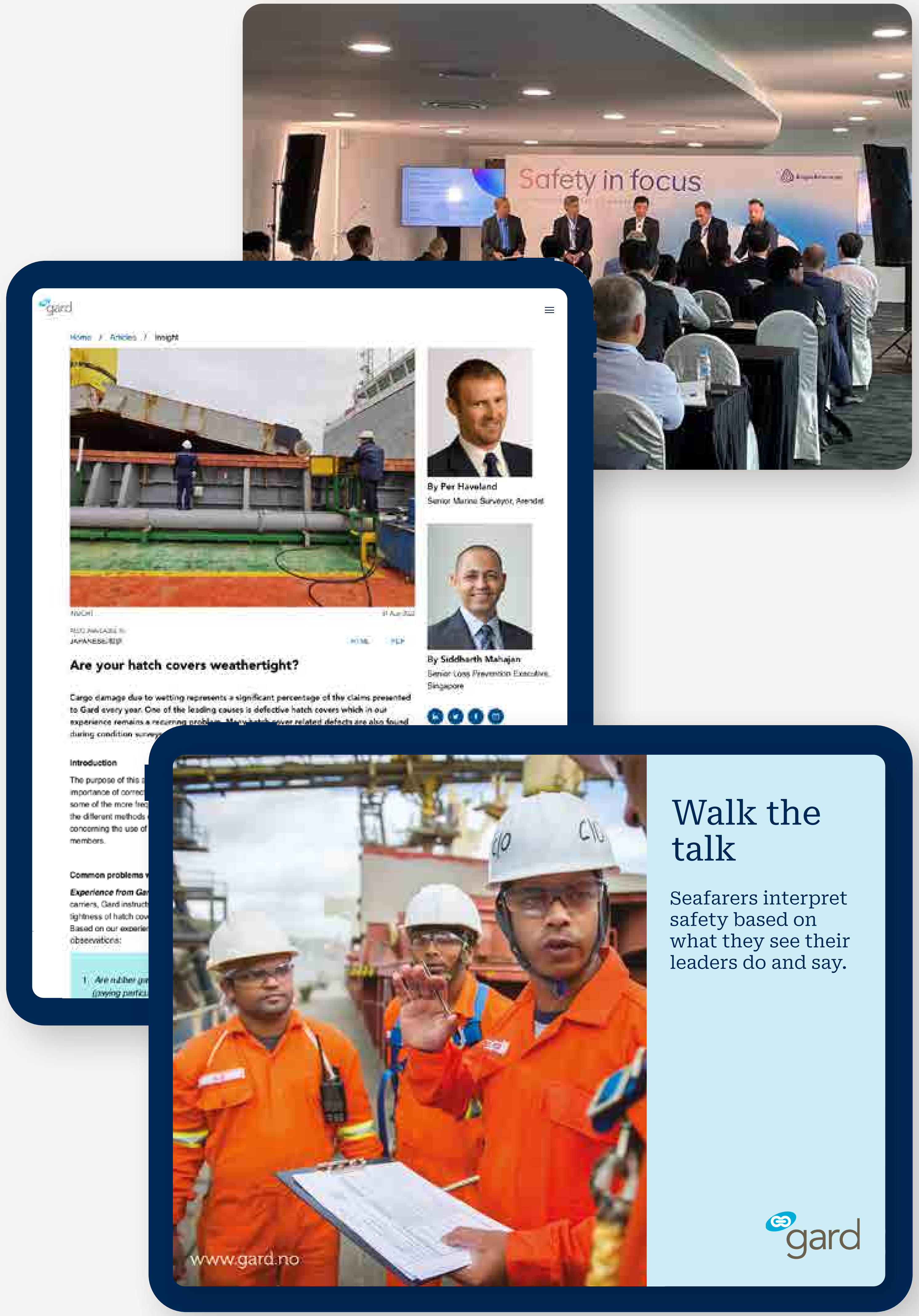
> Out of the losses experienced by the few, there are lessons to be learned for the many

Based on the approximately 17,000 claims Gard handles every year, we perform analytics, share insights and develop data-driven loss prevention – not just for our Members and clients, but also for the wider industry. We do this by publishing safety alerts and articles, in-depth case studies, posters, podcasts, and other learning material. In 2022, Gard published 110 loss prevention articles, covering a variety of topics. Coming out of the Covid pandemic, we were also able to host almost 50 seminars and training sessions with Members and clients with a focus on preventing losses. In parallel with this, we contributed to a series of physical and digital industry events.

Our top priorities this past year have been threefold: seafarer safety and wellbeing, prevention of high-impact casualties, and finally, supporting maritime decarbonisation. Below is an overview of some of the activities we have conducted within each of these areas.

Promoting seafarer safety and wellbeing
Our activities to support seafarers' livelihoods and wellbeing are wide ranging, from working to improve crew contracts and industry standards, to conducting training and outreach with owners and crew. As part of this, we have continued to support the work of the Maritime Just Transition Task Force, a UN initiative established during COP26, aiming to ensure that seafarers across the world get the training they need to be able to handle new technology and new fuels. Gard is part of the Global Industry Peer Learning Group which supports the Task Force, and we are happy to see that this work is progressing in the right direction.

Another top priority for us this past year was the launch in late October of the international Mariners Medico Guide, developed in close collaboration with the Norwegian Center for Maritime and Diving Medicine and supported by the Norwegian Maritime Authority. This started out as a relatively small project, where we looked into some of our claims data relating to crew sickness and injuries onboard, but it gradually evolved into something much bigger. The result is a new medical app designed and tailored specifically for seafarers. It differs from other medical guides onboard ships in several ways: it is digital and can easily be updated, it covers both physical and mental health issues, and last but not least, it is designed



using a symptom-based approach, so guidance is set out in simple steps, for users with little or no medical experience. Importantly, the app can also be used mid-ocean and in remote parts of a ship – even without a signal.

Sustainable Development Goal

We help Members and clients by protecting the health and wellbeing of seafarers

As of 31 December 2022, the international Mariners Medico Guide had almost 5,200 downloads globally, 18,400 unique visits to the app's content server, and its usage has been growing steadily. The app is Flag State approved by the Norwegian Maritime Authority as its national equivalent to the 2007 WHO International Medical Guide for Ships, and Gard is currently in dialogue with other Flag States to achieve similar status elsewhere as well. For more information, visit the international Mariners Medico Guide or scan the QR code below.

MEDICO

Preventing high-impact casualties
Providing insurance cover for around 50 per cent of the world's commercial fleet measured by gross tonnage, Gard is involved in several marine casualties every year. We provide immediate support and casualty handling to limit the impact on people and the environment. Based on these experiences, there are lessons to be learned, and we continue to share our insights with the industry – all to prevent losses and promote safer and cleaner operations.

In 2022, we enhanced our large claims loss control efforts with a particular focus on container stack collapses, which have caused substantial losses to the insurance market in recent years. While 2022 showed a reduction, such incidents continue to represent a substantial threat to the crew, the ship, and not least to the environment when they occur. Operators need to make sure the vessel is well-suited for the trade and that containers are correctly stacked and secured. Shortcuts can be tempting in a fast-moving and profitable market, but safety should always come first. We engage with industry stakeholders, calling for increased vigilance and improved safety measures.

We engage with industry stakeholders, calling for increased vigilance and improved safety measures

We also continue to focus on cargo related containership fires. In 2020, we estimated the average frequency of cargo related fires for container ships to be one every two weeks, or 26 such fires a year. Misdeclarations and errors when securing and stowing dangerous containerised cargo can cause catastrophic fires and remain an industry challenge. Hence, in the booming container shipping market experienced in 2022, we reinforced our safety messages in this regard.

Adding to the risk picture is also the increasing transportation of electric vehicles (EVs) and lithium-ion batteries. With more demand for EVs – and more demand for longer-lasting batteries – vessels are increasingly carrying large amounts of stored energy. This represents a significant firefighting risk if something goes wrong. In sum, the combination of larger vessels and increasing amounts of hazardous cargo constitutes both a safety and environmental challenge that the industry needs to address.

Bruce Liu. Ex-seafarer and Loss Prevention Executive, Gard Hong Kong

> As an ex-seafarer, looking back at life onboard, one of the biggest challenges for seafarers is the limited health protection and medical care. That is why I am proud to be part of an organisation that has helped to develop the international Mariners Medico Guide. I think this is a major step forward and one that can help improve the safety and wellbeing of seafarers across the world.

A different focus area is the increasing unpredictability of legal outcomes in various jurisdictions. We sometimes see court decisions in countries that have signed up to conventions that deviate from what follows from the conventions concerned. Moreover, potential exposure to very large fines is a growing concern, as are volatile compensation levels for personal injury cases in the US and some other jurisdictions. Both Gard and the wider industry need to be prepared and make sure we understand the ramifications.

Gard engages actively both with Members and clients and with other industry stakeholders to try to mitigate risk exposures, improve regulations and enhance safety measures. Positive initiatives taken by the industry include the development of new and improved safety and firefighting equipment, new tools for screening cargo information, and stronger industry collaboration enhancing awareness and knowledge; all of which help to reduce risks.

Sustainable Development Goal

We handle and prevent marine accidents and pollution

Case study

Fuel alert saved millions in vessel damages

On 11 March 2022, a bunker testing company issued a warning that it had found chlorinated organic compounds (COC) in some of the bunkers supplied in Singapore.

This substance can cause significant operational problems and damage to vessel engines, and Gard registered its first related claim only a few days later. We decided to contact local industry groups and other P&I clubs to verify our information, and then, knowing that this could easily become a bigger, industry-wide problem, we quickly published a news update, warning Members and clients about the issue. The alert was widely picked up by shipping journals and global media, including by Reuters, Bloomberg and Nasdaq.

The Maritime and Port Authority of Singapore (MPA) decided to investigate the issue, and as a result, suppliers promptly stopped selling the contaminated fuel. In addition, the MPA decided to add COC to the list of chemicals to be tested under its bunker quality check programs.

The wider impact in terms of cost savings was signif-icant. A similar incident happened in Houston back in 2018 and ended up causing problems for hundreds of vessels. The result was approximately 89 registered claims just with Gard, totaling more than USD 15 million in costs. By comparison, the Singapore bunker contamination, where the warning and intervention were much quicker, led to only half as many claims. Total claims incurred for Gard were less than USD 1.5 million. Quick thinking helped to prevent significant losses.

gard

Supporting the maritime decarbonisation

As decarbonisation transforms the maritime industries, shipowners will increasingly have to convert their operations to alternative fuels and propulsion systems, exposing them to new risks and challenges. Our role as a leading marine insurer is to support the industry in this transition. Not only by providing the insurance covers needed for new fuels and technologies to succeed, but also by engaging directly with the research community and other stakeholders, making sure we understand what lies ahead for the industry we insure.

That is why Gard entered into partnerships with two global decarbonisation centers in 2022: the Global Centre for Maritime Decarbonisation (GCMD) and Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping. GCMD is a non-profit organisation established in Singapore in 2021, aiming to help the maritime industry eliminate greenhouse gas emissions by shaping standards for future fuels, financing and piloting new projects, and facilitating increased collaboration across sectors. Similarly, the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, based in Copenhagen, is a non-profit, independent research and development center working across the energy and shipping sectors with industry, academia, and authorities. It explores viable decarbonisation pathways, facilitates the development and implementation of new energy technologies, and works to accelerate the transition toward a decarbonized economy. Gard's role in both centers will be to provide financial support as well as in-house expertise.
As a signatory to the Poseidon Principles for Marine Insurance (PPMI), Gard also issued its first climate alignment score in 2022, disclosing the carbon intensity of our hull and machinery portfolio. In essence, this score shows how we are faring compared with the emission targets set by the IMO and the Paris Agreement. We believe that as a market leader, we have both an opportunity and a responsibility to be at the forefront, pushing for increased transparency about where we stand with regards to decarbonisation. The PPMI can be a useful tool in this regard, especially if combined with more qualitative assessments of our clients' individual goals and strategies to reduce emissions. There is certainly room for improvement, both in our own score and in the PPMI reporting process itself, but we are confident that going forward, we will learn, improve, and move in the right direction, together with our Members and clients.

Sustainable Development Goal

We support the maritime industry to limit the impacts of climate change.

Other focus areas

These are just a few of the initiatives we have taken this past year to support sustainable development and to prevent losses for the industry. In essence, Gard forms part of a larger maritime community where we engage with a wide range of stakeholders, from academia and non-governmental organisations (NGOs) to regulatory authorities and international bodies. In particular, we rely on strong partnerships and collaboration with the International Group of P&I Clubs (IG), the International Union of Marine Insurers (IUMI) and the Nordic Association of Marine Insurers, to mention just a few. Gard is well represented in these and similar industry bodies , leaving us well-positioned to provide guidance on the industry's most pressing topics. Within the IG, we have continued our work in the Sustainability Committee and are happy to have contributed to the IG's first sustainability report.

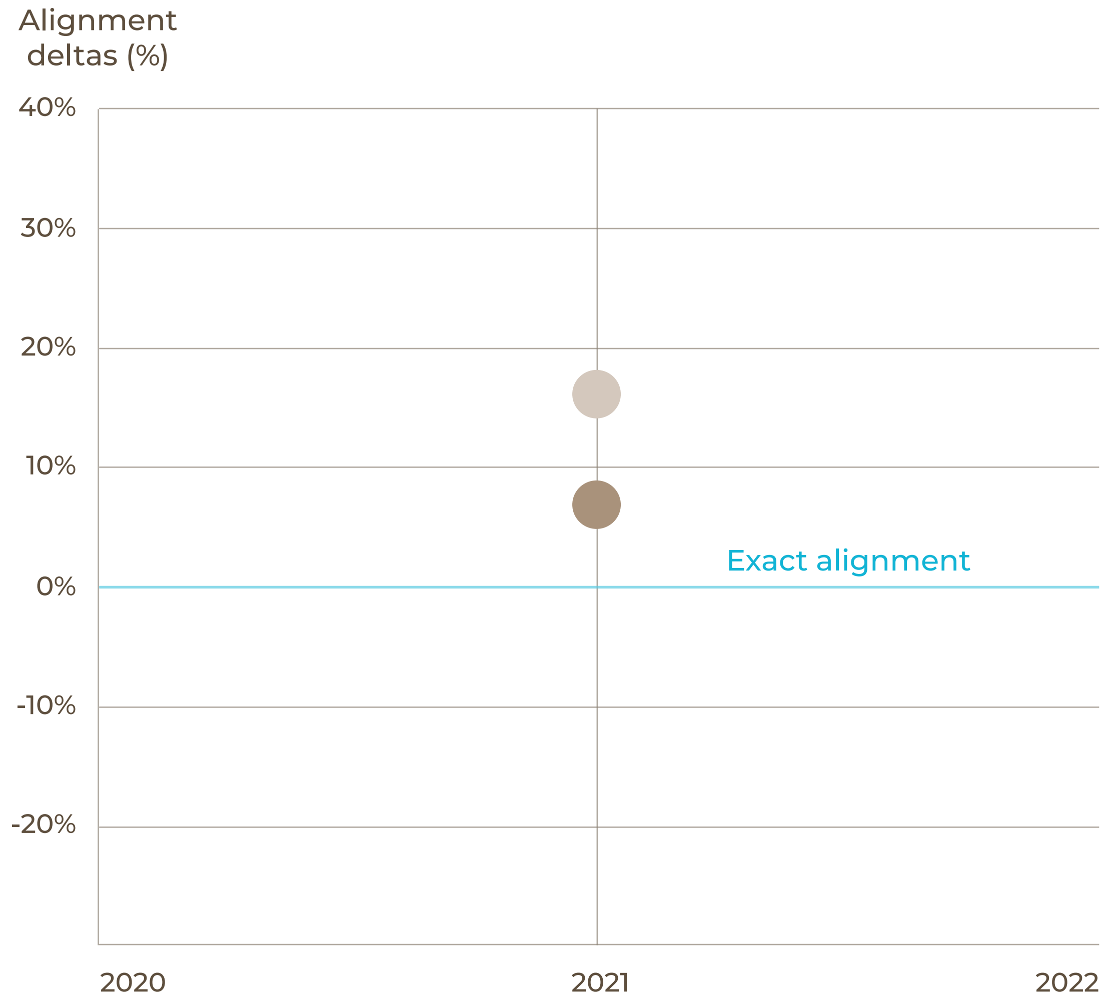
In August 2022, Gard became a partner of the Maritime Anti-Corruption Network (MACN). MACN is a network of more than 170 global companies working together to combat corruption in the maritime industry. It shares anti-corruption principles and best practices and collaborates closely with governments, NGOs and other stakeholders to mitigate the underlying causes of corruption.

Climate alignment of Gard's Hull and Machinery portfolio

50% CO_2 reduction
8.3%

100% CO_2 reduction
16.6%

Gard's PPMI reporting shows that the carbon emissions from our Hull & Machinery (H&M) portfolio are 8.3 per cent higher than the IMO's decarbonisation trajectory, which aims for a 50 per cent reduction in carbon emissions by 2050. Compared to the more ambitious Paris Agreement, which has a goal of zero carbon emissions by the middle of this century, our H&M portfolio emissions are 16.6 per cent above target.



Sustainable Development Goal

We work to combat corruption and promote a fair maritime industry

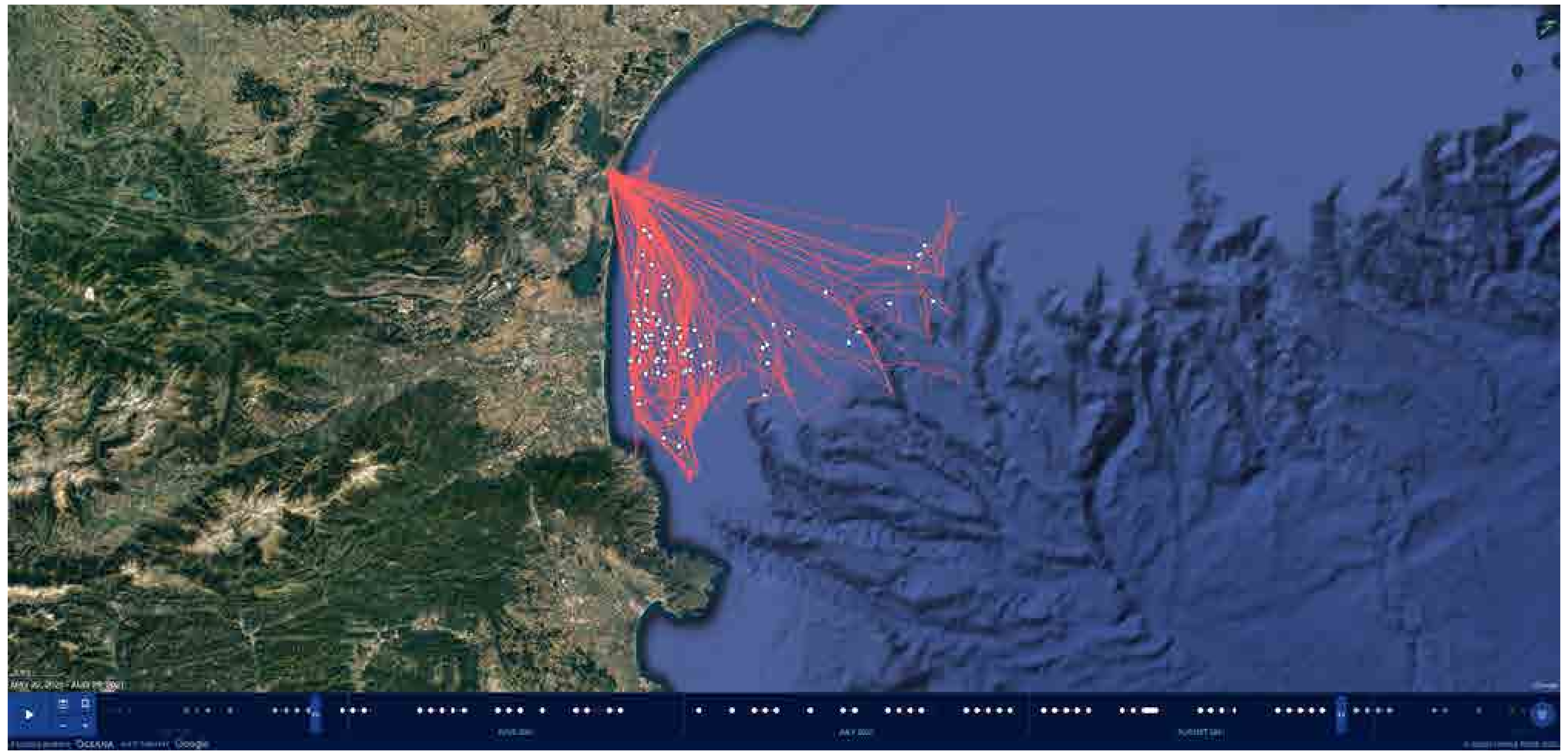
Going forward, we want to further improve our efforts to support the green transition. That means building the right knowledge, recruiting the right people, and continuing to build on the relationships and partnerships that are already in place. One example is our decision to join the World Forum Offshore Wind in 2022. This is a non-profit organisation providing a useful network and learning opportunities in what is a rapidly growing business area.

We also want to progress from what has traditionally been a somewhat Eurocentric industry liaison strategy to a more global and overarching approach. As a result of this, we have begun to engage more directly with our various regional offices to enhance their industry participation and we see huge potential in the talent Gard has around the world to connect further with our industry.

> Going forward, we want to improve our efforts to support the green transition.

Case study

Fishing for data: Preventing illegal practices



Screenshot showing the use of the Vessel Viewer as a data-driven tool to combat illegal fishing.

More than ever, Gard analyses real-time data to assess both acute and potential risks.

One example is the Vessel Viewer, a digital tool developed by the Ocean Risk and Resilience Action Alliance to help prevent illegal, unreported and unregulated (IUU) fishing.

In 2022, Gard signed up to test the tool, to see if we can obtain improved and more granular data relating to illegal and unsustainable fishing. The Vessel Viewer monitors vessel activity and notifies insurers when there are indications their clients might be engaged in damaging or illegal practices. Potential red flags include turning off the AIS signal, operating near protected areas, and frequent changes in the vessel name or flag.

We hope that by piloting this scheme, Gard will gain new knowledge and useful insights which can be used to supplement our existing efforts in this area. Unregulated and illegal fishing continues to be a significant threat to the health of our oceans, harming marine ecosystems and undercutting effective fisheries management. As marine insurers, we believe we have a role to play in combating such unsustainable practices.

Sustainable Development Goal

We support data-driven solutions to protect marine ecosystems

gard

Our people and organisation

Gard continues to grow and evolve as an organisation. Over the past period, we have welcomed 90 new colleagues to the business, constituting a net growth of 9.3 per cent compared to last year. New joiners have been added in almost all offices and functions, although – reflecting the broader trends within our industry – a significant share came within the areas of regulatory and technical support.

With continued growth comes the need to update and upscale some of our internal systems and processes. As an example, we have improved our employee onboarding programme and this will be rolled out in 2023. Coming out of the Covid pandemic, we also see trends of a more fluid workforce and the competition for talent is perhaps tougher than ever. Gard has had a high retention rate for many years, but going forward, we are mindful that this may change. That is why we want to continue to invest in our people and organisation, making sure that our employees have good working conditions, a sustainable work-life balance, and not least, strong possibilities for career and competence development.

Equality, diversity and inclusion

A significant priority this past period has been our continued work on equality, diversity and inclusion (EDI). As a global organisation benefiting from a diverse competence base, this work is highly important to us. Doing business in approximately 90 countries and handling claims in all countries with a coastline, having a broad cultural understanding and colleagues with diverse and complimentary backgrounds is key. We want to create the best possible working environment and to develop our organisation to meet future needs and requirements.

To make sure we succeed with this work, we have started taking some tangible steps and adjustments. Following the implementation of our EDI policy in 2021, we conducted a company-wide survey, seeking to identify gaps and potential pain points that needed to be addressed and we have now started to implement measures in this area.

We want to make sure our employees have good working conditions, a sustainable work-life balance, and not least, strong possibilities for career and competence development

gard

Gender balance
Our gender balance at the year-end was 56 per cent female employees, 44 per cent male. Looking closer at the distribution within the different levels, however, we see that the gender balance could be better in both top and middle management, as well as in some of our support functions.

Sustainable Development Goal

We focus on people for sustainable growth

In Norway, 70 per cent of our new hires in 2022 were women, as opposed to 47 per cent in 2021. We will continue to focus on recruitment, diversity and leadership development going forward, so that gradually, we can reach our gender balance targets within all parts of our organisation.

Working to ensure fair pay also continues to be a priority. The salary adjustments for 2022 (implemented from 1 January 2023) will be reported in next year's annual report. Average salary differences as of 31 December 2022 are presented in the figure on left side.

Focusing on digitalisation
Gard is changing not just in terms of our size. We are also changing and maturing in the way we operate and how we interact with our Members and clients. Over the past few years, we have made significant investments in technology, developing new systems and infrastructure, all to ensure smarter ways of doing business and an improved customer experience. Our goal, quite simply, is to be as digital as possible, yet human where it counts.

A prime example in this regard is our Gard24 program. This cross-functional project works to develop new and improved digital services for our Members and clients. Through easy and secure access

Gender distribution in percentage and targets across positions*

		2020-2021	2021-2022	2022	TARGET 2022	TARGET 2025
Senior Vice President	♀	22%	25%	29%	25-35%	35-45%
	♂	78%	75%	71%	65-75%	55-65%
Vice President & Managing Directors	♀	23%	25%	25% ✓	25-35%	35-45%
	♂	77%	75%	75% ✓	65-75%	55-65%
Team Lead & Senior Manager	♀	65%	64%	67%	45-55%	45-55%
	♂	35%	36%	33%	45-55%	45-55%
Senior Professional	♀	43%	43%	41%	45-55%	45-55%
	♂	57%	57%	59%	45-55%	45-55%
Professional	♀	60%	61%	62%	45-55%	45-55%
	♂	40%	39%	38%	45-55%	45-55%
Support Professional	♀	87%	85%	87%	75-85%	65-75%
	♂	13%	15%	13%	15-25%	25-35%

* Gard has defined a target range for gender distribution in 2022 and 2025, as highlighted in blue in this table. Within the target range, there is sufficient gender balance, and no further actions are required. Outside of the target range, management action should be taken to improve the gender balance.

to information, increased automation, and a more personalised experience, our goal is to provide an improved and more seamless customer journey. In 2022, the Gard24 project team worked on several initiatives, including our customer portal, our war insurance offering, and not least, the development and launch of the international Mariners Medico Guide (for more details, see chapter Our support to the industry). Further initiatives will follow in 2023 and in the coming years.
This past period we have also made significant improvements to our core insurance system, laying the foundation for more automation and increased efficiency. In response to increasing pressure related to sanctions and compliance, our technology team also developed a new case management system that has significantly simplified our internal KYC processes. Alongside our innovation and digitalisation efforts, cyber security continues to be a top priority. Gard is exposed to a number of cyberthreats throughout our operations and with increasingly complex and sophisticated attack forms, we constantly need to upgrade and fine-tune our defense systems. That is why we have a strong team of in-house cyber security experts who, in partnership with external experts and vendors, work to prevent, detect, and handle cyber-attacks. In 2022, we conducted training to be prepared for such events, and also revisited and reviewed our crisis management processes. Going forward, we will continue to focus on cyber awareness and preparedness.

Our goal is to be as digital as possible, yet human where it counts

Screening our supply chain

Integrating ESG into our business operations also means taking a closer look at our own supply chain. Just as KYC has grown in importance over the past few years, so has KYS – Know Your Supplier. Gard is a global company with suppliers and external service providers (ESPs) all across the world. Knowing our supply chain is important –from a financial, ethical, and reputational perspective.

As a larger enterprise with headquarters in Norway, Gard is affected by the Norwegian Transparency Act that took effect in July 2022. This means that we will annually assess and review our own operations, our supply chain and business partners with a view to detecting risks of human rights breaches. Based on a first screening in 2022, we have started to identify a subset of suppliers which we are now in the process of following up more closely. By engaging with our suppliers in this way, we hope to increase awareness and transparency around the human rights challenges we are facing in our industry. For further information regarding our efforts in this regard, see our Human Rights Due Diligence Report.

Sustainable Development Goal

We engage with our suppliers to improve sustainability in our value chain

In parallel with this, our procurement team, established in 2021, has continued its efforts to ensure improved due diligence and more streamlined and sustainable procurement practices. In this connection, we have updated our Code of Ethics and Business Conduct Policy and also introduced a new Supplier Code of Conduct this past period, clearly outlining our ESG expectations toward suppliers (for more information, see the Governance chapter).

Integrating ESG into our supply chain is not easy, and it is not done overnight. That is why we are happy to see that we are moving in the right direction, and that our efforts are being recognised. In November 2022, Gard received a gold rating from the leading ESG rating agency, EcoVadis, for our efforts to integrate ESG in our own operations and in our supply

Samira Hmam. Senior Business Analyst, Gard London

> In short, the marine insurance industry is going through a massive digital transformation. It is really exciting to see the changes and innovation process that are taking place, both at Gard, and across the business.

chain. In total, Gard's score was deemed within the top five per cent within the EcoVadis network comprising of more than 100,000 companies in 175 countries.

We know there is more to be done and that there are risks and challenges to be addressed in our supply chain. That is why we will continue to focus on these issues going forward.

EcoVadis score

GOLD 2022 ecovadis Sustainability Rating

The EcoVadis overall score (0-100) reflects the quality of the company's sustainability management system at the time of the assessment.

Gard received a gold rating, equivalent to a top five per cent score

Our greenhouse gas emissions

Gard's direct impact on the climate and the environment is primarily connected to our energy consumption, our business travels, and the waste we generate from our offices. In order to reduce our climate footprint, we increasingly focus on energy efficiency, waste reduction and responsible procurement. We also measure our yearly greenhouse gas (GHG) emissions in line with the reporting standards of the Greenhouse Gas Protocol (GGP).

The GGP distinguishes between three different emission levels: Scope 1 covers direct emissions from owned or controlled sources; scope 2 covers indirect emissions from the generation of purchased electricity and heating/cooling consumed; while scope 3 includes other indirect emissions that occur in a company's value chain. Gard reports on scopes 1 and 2, and partly on scope 3 by calculating emissions resulting from business travel and waste.

As in the two previous years, emissions in 2022 were somewhat lower than normal, reflecting that the Covid pandemic continues to have a dampening effect on travel. Moreover, some of our employees continue to work partly from home.

Gard offsets the totality of its annual GHG emissions (in CO_2 equivalents) by purchasing verified carbon credits. As in previous years, a significant share of our credits is purchased from the Thor Heyerdahl Climate Park, a mangrove reforestation project in Myanmar. This project is part of the UNFCCC's mechanism to combat global warming, which guarantees the reduction of greenhouse-gas emissions and aims to support sustainable growth in developing countries.

Gard's total greenhouse gas emissions from own operations*

Year	Scope 1	Scope 2	Scope 3	Total
2019	36	163.4	2,043	2,242.4
2020	19.9	145	344	508.9
2021	37.6	117	799.7	954.3
2022	23.6	96.9	805.6	926.1 √

2022 target — 10% reduction from 2019 total emissions (2018.16 ton)

2025 target — 20% reduction from 2019 total emissions (1793.92 ton)

* Measured in tCO_2e

Our investments

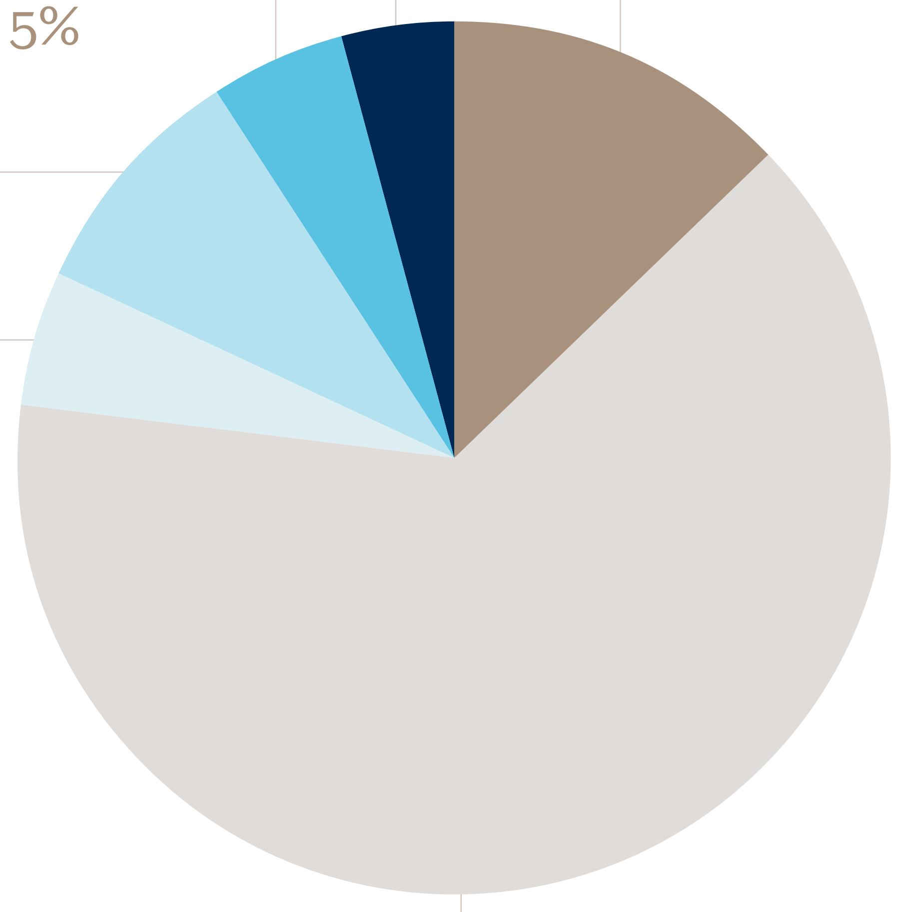
Financial strength is at the core of Gard's value proposition to its Membership. It is what enables Gard to withstand volatility, pay claims, and offer a stable premium policy with a low risk of having to call for unbudgeted, supplementary premiums. As a licensed insurer we are also required to meet regulatory capital levels for all legal entities and branches, and our financial strength is what enables us to do this. This, in turn, means that we can continue to operate a stable and sustainable business, to the benefit of our Members and clients.

The overall objective of the investment portfolio is to maximise the economic value creation for Gard's mutual Members, by generating return that over time can build capital, increase financial strength and enable lower insurance costs for our Members in the long term.

Our approach to investing

Gard's approach to investing is one of caution and long-term perspective. We select risks that, when taken together, are expected to give sustainable returns in the long term, to the benefit of our owners and society. Our portfolio is global and diversified and we believe that this diversification helps us to reduce unrewarded risks and improve returns over time.

Investment allocation as of 31 December 2022



ESG screening of our equity portfolio

In 2022, a subset of Gard's equity portfolio was screened by MSCI, a leading provider of financial services. This led to two separate ratings: an ESG rating and a Carbon risk rating. The ESG Rating, which is based on MSCI methodology, measures the resilience to long-term risks and opportunities arising from environmental, social, and governance factors. It is measured on a scale of 0 to 10. The part of Gard's equity portfolio that was screened, received a rating of AA and a total score of 8.3. As a comparison, the MSCI All Country World Index AA rating has a total score of 8.4. The MSCI methodology can be found here.

The Carbon risk screening measures exposure to carbon intensive companies. It is based on MSCI CarbonMetrics, and is calculated as the portfolio-weighted average of issuer carbon intensity. At the issuer level, Carbon Intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue. Carbon Risk is categorised as Very Low (0 to <15), Low (15 to <70), Moderate (70 to <250), High (250 to <525), and Very High (>=525). Gard's 2022 score was 66 (low). As a comparison, the MSCI All Country World Index score was 163.

Key to Gard's investment approach is the integration of ESG considerations. We recognise that the generation of sustainable, long-term returns is dependent on stable, functioning, and well-governed societies, and based on this, we aspire to invest responsibly across all markets and asset classes.

In practice, this means continuously engaging with our asset managers, making sure that we progress from having ESG 'on the agenda' to actually integrating it into our investment decisions. By the end of 2022, 100 per cent of our fund managers were signatories to the UN Principles for Responsible Investment (PRI).

In 2022, a subset of our equity portfolio has been screened by MSCI, a leading provider of financial services, looking into the portfolio's ESG performance and carbon intensity. Based on this screening, we have received an ESG Rating of AA and a Carbon Risk score of 66, or 'moderate'. For further details, see separate fact box. Stocks owned by Gard have about 50 per cent lower carbon intensity compared to the MSCI All Country World Index.

Going forward, Gard will also look into other ways of measuring the climate alignment of our investment portfolio. With the EU taxonomy and other regulations on the near horison, such measurements will only become more important going forward.

The year in brief

2022 has been an extraordinary year for everyone in the financial markets. In contrast to most years, where investors are usually able to offset volatility in the stock market with more stable returns from bonds, this year, values have gone down across the board. In fact, the bonds market, traditionally regarded as a 'safe haven' by many investors, has seen its worst year in generations.

The reasons for the market decline are many, but the main driver has no doubt been the reemergence of inflation and the subsequent rapid increase of interest rates. Geopolitical tension and turbulence have further impacted markets negatively.

The immediate impact is evident in Gard's investment results for the 2022 financial period. Values are down across all assets, although the alternatives portfolio saw a slight gain, somewhat offsetting the negative returns from other asset classes. Overall, investments produced a net return of -6.3 per cent, compared to -6.9 per cent in Gard's strategic benchmark index. With added capital, the portfolio's net asset value (NAV) ended at USD 2,263 million at year-end, compared to USD 2,227 million last year. Gard has the majority of its investments in US dollar-denominated assets which strengthened over the period compared to other currencies. See Note 14 in the financial statements for further details.

There is no doubt that the financial turmoil of 2022 has had deep and long-lasting effects on the wider economy. Looking ahead, the main question is of course how long it will take for inflation to normalise. The volatility we currently see in the financial markets will likely remain high for some time to come.

For Gard as a long-term investor, there is also opportunity in all of this. As we continue to invest and develop our portfolio in line with our investment strategy and risk profile, higher interest rates will gradually generate more income, giving us more stable and positive investment returns in the long term. Even though investment values decreased in 2022, expected future returns have actually increased.

Net return

-6.3%

Benchmark index return

-6.9%

Net asset value as at 31 December 2022

2,263 m

Sunniva Volden. Business Analyst, Gard Arendal

2022 was both a challenging and interesting year for investments. In fact, it was the first time in more than 50 years that both bonds and equities delivered negative returns at the same time. Usually, it is either one or the other. This shows how difficult it is to predict capital markets in uncertain times.

CHAPTER 03

Governance

Capital and risk management

Overall, there is a strong interdependence between the success of businesses and the sustainability of the societies in which they operate. Gard believes that an operating environment governed by the rule of law and respect for human rights provides the best basis for commercial stability and long-term growth. We also believe that the maritime sector can play a key role in enabling sustainable development, and that effective and transparent corporate governance is important in this regard.

Over the period from 21 February 2022 to 31 December 2022, the Gard group remained strongly capitalised. Several governance structures are in place to continuously ensure robust and diligent capital and risk management.

Capital management
The Gard group aims to manage its capital such that all its regulated entities always meet local regulatory capital requirements. Gard is subject to different capital requirements depending on the country of operation, and the type of business conducted. In each country, the local regulator specifies the minimum amount and type of capital that each regulated entity must hold. In addition to the minimum capital required to comply with the solvency requirements, the Gard group targets to hold an adequate buffer to ensure that each of its regulated entities meets the local capital requirements over time. If an entity should fall below the target capital level, possible management actions will be to increase capitalisation, or de-risk assets or liabilities to bring the solvency ratio back to an acceptable level.

Eligible own funds in USD millions – partial internal model

	31 December 2022	20 February 2022
Tier 1 Basic own funds	1,160	1,145
Tier 2 Ancillary own funds	206	245
Tier 3 Other own funds	-	-
Eligble own funds	1,366	1,391

S&P rating
In March 2022 Standard & Poor's (S&P) affirmed the A+ financial strength of the Gard group and its direct writing subsidiaries (Gard P. & I. (Bermuda) Ltd., Assuranceforeningen Gard – gjensidig -, Gard Marine & Energy Limited and Gard Marine & Energy Insurance (Europe) AS). At the same time, S&P revised Gard's rating outlook from negative to stable. This reflects Gard's strong capital adequacy and our profile as a leading marine insurer.

Risk management
Gard has an effective system of risk governance, based on the three lines of defence model. Risk-taking is carried out in the business functions (1st line), risk oversight is carried out by the Risk Management function, Compliance function and the Actuarial function (2nd line), while independent assurance is provided by Internal Audit (3rd line). Gard's Risk Management function is mandated to ensure that the group has the expertise, frameworks and infrastructure needed to support sound risk-taking. The Risk Management function's independence from the business functions is maintained through a direct reporting line from the Chief Risk Officer to the Chief Executive Officer as well as regular reporting to the Risk Committee.

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

Our three lines of defence model

1st line	Risk-taking is carried out in the business functions
2nd line	Risk oversight is carried out by the Risk Management function, Compliance function and the Actuarial Function
3rd line	Independent assurance is provided by Internal Audit

Risk appetite and strategy
Gard's risk appetite is to hold sufficient capital and liquidity as well as to constrain its risk-taking so that the group can continue to operate following an extreme loss event, with the same tolerance for insurance risk. The risk-taking must be aligned with Gard's risk-carrying capacity. Gard aims to fulfil the following key objectives:

- Have a high probability of meeting its insurance liabilities and providing its services
- Preserve the continuity of its offering after an extreme loss event
- Have the flexibility and competence to help Members and clients manage new risks and pursue attractive business opportunities as and when they arise.

Current and emerging risks
In addition to insurance risk and market risk, Gard is exposed to other forms of risks, such as counterparty default risk, operational risk, liquidity risk, business risk, compliance risk, reputational risk and emerging risks. As part of our own risk and solvency assessment (ORSA) process, Gard conducts an annual review of all known material risks.

Emerging risks are investigated and assessed based on both external and internal inputs and reviews.

Risks that are deemed critical are examined further. Identifying such emerging risks at an early stage helps the organisation to be better prepared, and to reduce uncertainty and volatility.

Geopolitical tensions, complex regulatory regimes and high inflation are all factors that have been brought up in our 2022 emerging risk assessment. We also see growing tensions and conflicts globally, as well as renewed protectionism and anti-global sentiments. The war between Russia and Ukraine has hit markets already pressured by the pandemic, further stressing supply chains. The developments in global sanctions regulations – and not least their divergence – are also challenging both for Gard and for our Members and clients.

In addition to these, climate risk continues to be high on Gard's agenda, both as a current and emerging risk. See separate text for further details.

Climate risks

Climate-related risk is an immediate concern, but it is also classified as emerging due to the uncertainties related to the long-term consequences and the ability to mitigate and adapt. We are exposed both to acute physical climate risks through increasing extreme weather, but also to transition risks following the decarbonisation of shipping and the structural changes in energy production, distribution and consumption.

In 2022, Gard's internal climate risk expert group reviewed the climate-related risks and opportunities and provided recommendations on how we can strengthen our ambitions related to climate change and the green transition. The expert group also reviewed our three climate change scenarios, each of them tailored to reflect various degrees of physical and transitional risks for Gard. Based on this, we have identified the following key matters that are relevant to Gard:

Physical risks
When looking at acute physical risks, Gard has not yet seen a significant increase in claims related to extreme weather, and costs associated with weather-related claims remain fairly limited. However, claims for which extreme weather is a root cause, for example groundings, collisions or stack collapses, may not necessarily be reported as climate-related claims. Hence, we are exploring ways to improve the detection and reporting of such claims. Acute physical risks could also affect Gard indirectly through reinsurance where extreme events could challenge the reinsurance market. Several of the potential risks associated with physical climate changes are considered in the extreme event scenarios for insurance stress testing. This includes Gulf of Mexico windstorms, North Sea freak waves, typhoons affecting Korea, and landslides causing tsunamis.

When analysing chronic physical climate risks, we see that shipping in polar areas has increased over recent years, although there has been a slight decrease in traffic on the Northern Sea Route in 2022. Last year, a polar extreme event scenario was examined, demonstrating some of the challenges and uncertainties when operating in Arctic areas. The net costs associated with smaller events are manageable, but larger vessels could present significant challenges. Gard will look more closely at polar shipping going forward.

Transition risks
In a scenario where we see delayed climate action and sudden impacts, transition risks for Gard will be higher. The Gard expert group has assessed that we should be able to adjust pricing and investment portfolios quite quickly. However, organisational challenges could be more significant such as not being able to recruit, develop, and retain talent with the skills relevant to this transition.

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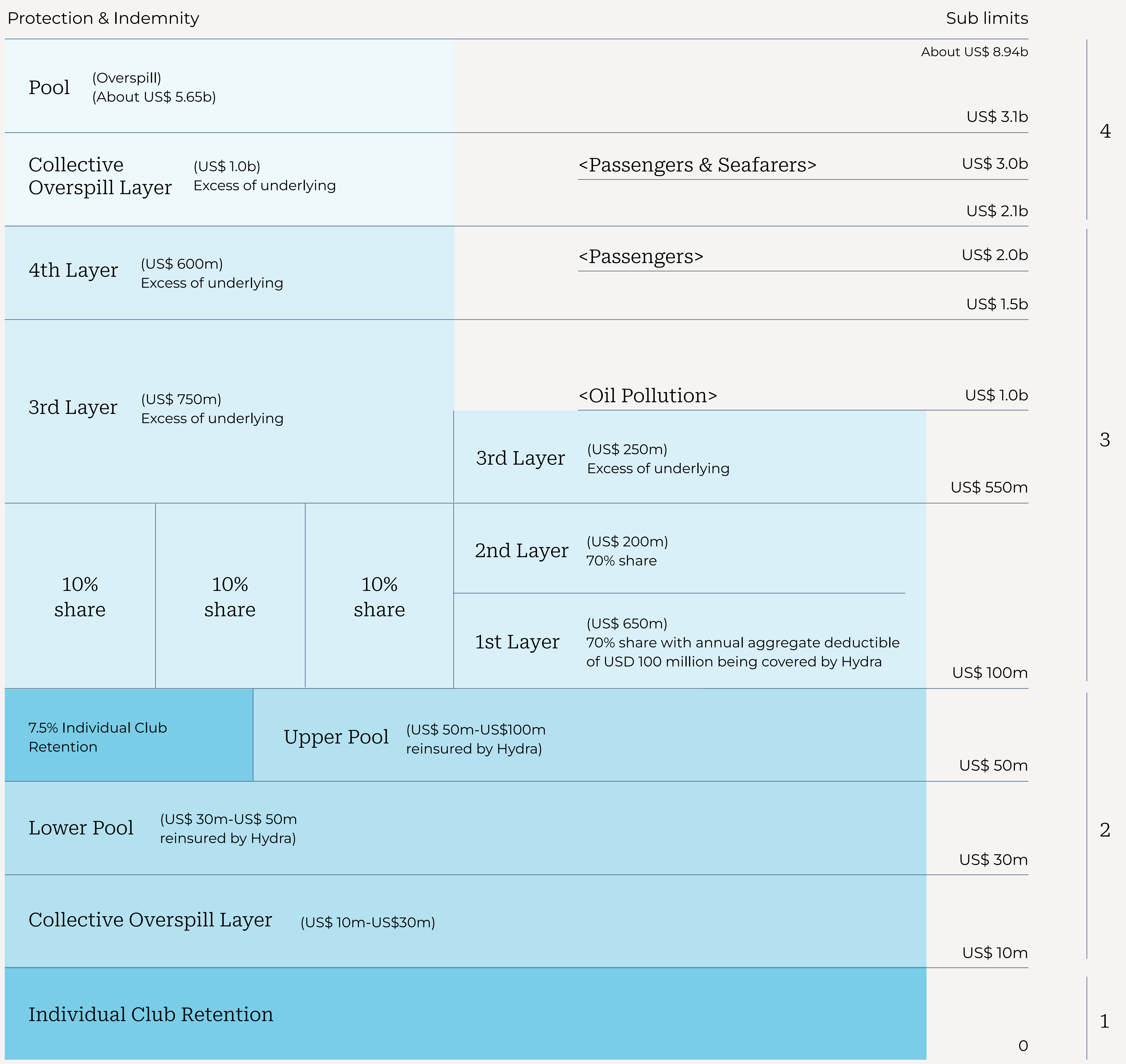
Reinsurance

Marine insurance claims costs are driven by low probability/high severity claims, meaning that a small number of claims represent a large share of the claims cost in any year. To mitigate this insurance risk, Gard has an extensive reinsurance programme. This program is important to ensure business continuity after an extreme loss event, and it also gives us flexibility to be able to help Members and clients pursue new business opportunities and to manage new risks.

The mutual business is pooled between International Group (IG) clubs. For the 2022 policy year the IG clubs pooled claims above the club retention of USD 10 million and up to USD 30 million. Between USD 30 million and up to USD 100 million the IG clubs are reinsuring each other through Hydra. Above USD 100 million the group purchases a reinsurance programme with USD 2 billion cover per vessel per event with an annual aggregate deductible of USD 100 million which is shared between the IG clubs through Hydra. In addition, an overspill protection cover of a further USD 1 billion is purchased.

For P&I Fixed and the Marine and Energy businesses there are high-capacity reinsurance programmes in place. The structure of the reinsurance programmes has been stable during the last years.

IG Pool and Reinsurance Programme (2022/23 Policy Year)



Corporate governance

Gard's corporate governance underpins the platform from which we deliver value to our Members and clients. The governance framework is built upon well-developed procedures and policies, covering the work of the governing bodies, how the Board and committees oversee and collaborate with management, as well as Gard's internal setup. For more information about Gard's organisation and ownership structure, see Gard's Corporate Governance report. Members of the Group Leadership Team and our Board of Directors, as well as their remuneration, can be found under note 7.

In 2022 Gard initiated a Governance Review project, to ensure that our governance structure and legal setup are efficient and appropriate, and that the risk of conflicting interests within the group is minimised. One of the results of this project, is that a new Conflict of Interest Policy has been approved by the board. The Governance Review project continues at the time of reporting and will likely be completed in 2023.

Sustainable Development Goal

We push for transparency and good governance

Code of Ethics and Business Conduct

Gard strives to conduct all business operations with the highest legal and ethical standards. That is why we expect all employees and external business partners to be familiar with and to comply with our Code of Ethics and Business Conduct. This document is publicly available and covers all our policies relating to financial crime, including anti-corruption, anti-money laundering, and whistleblowing. In 2022, some important clarifications were made to the Code, including an update to our provisions on human rights, labour principles and environmental responsibility. In addition, a separate Supplier Code of Conduct was adopted, outlining our rules and expectations towards external suppliers.

In addition to these codes, Gard also has Bribery Prevention Requirements for our correspondents, as well as internal General Claims Handling Instructions and Underwriting Instructions. All to ensure that our business operations are up to par. Following the implementation of the Norwegian Transparency Act on 1 July 2022, we have also established formal systems and processes to be able to conduct human rights due diligence as required by the law and to effectively respond to any public inquiries relating to this matter. For further information relating to the Transparency Act, see our Human Rights Due Diligence Report.

Whistleblowing channels

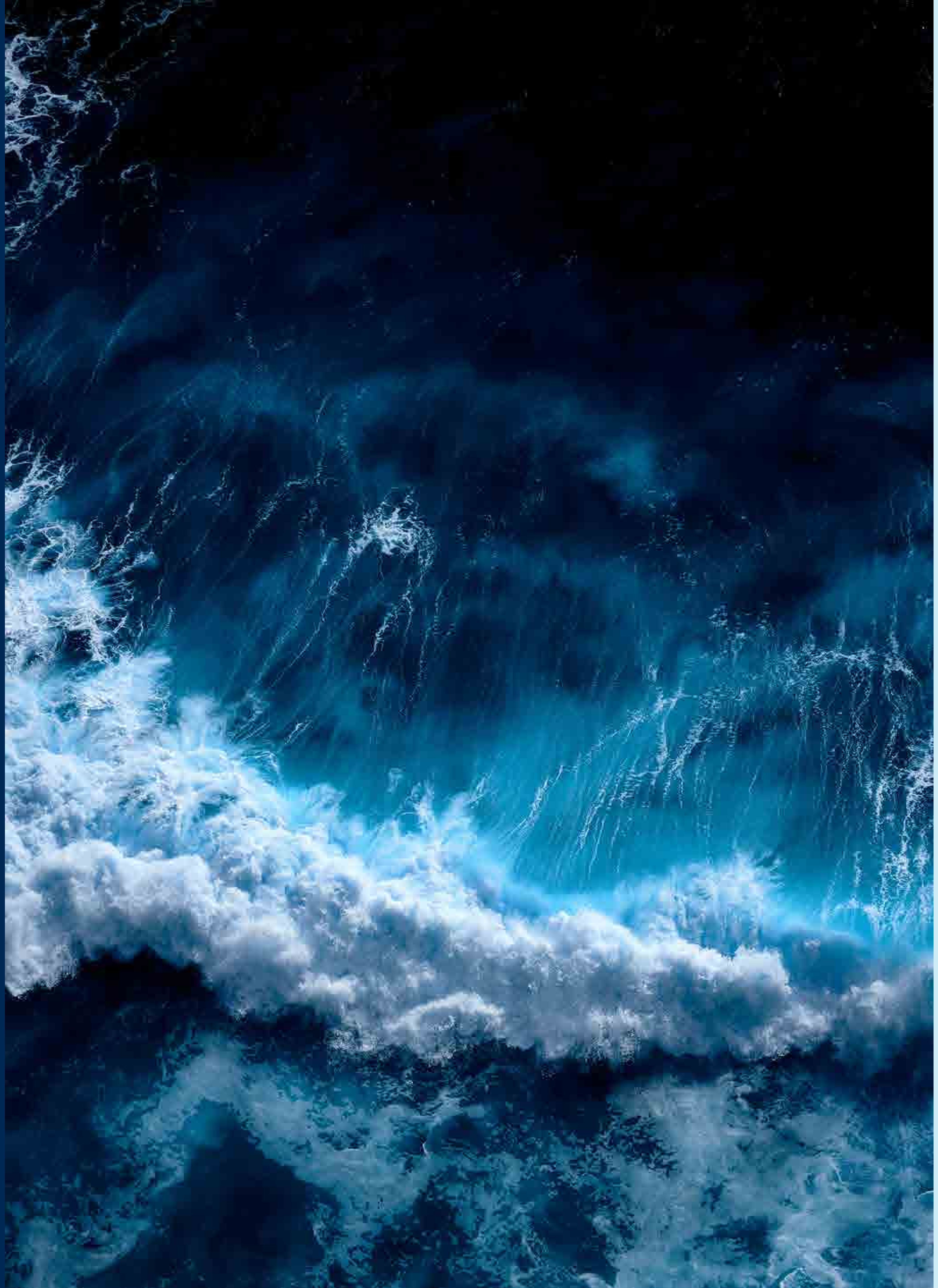
Gard provides an external, independent whistleblowing channel that allows both employees and others who have a relationship with Gard to report any suspected misconduct. A QR code and a direct link to the whistleblowing channel can be found in on our website. Submissions can be made either anonymously or under full name. A first review of the report is made by the external supplier of the channel, before it is subsequently referred to the Group Compliance Officer for further handling. All reports about suspected money laundering are sent directly to the General Counsel for immediate follow-up and, if necessary, reported to financial authorities.

In 2022, our whistleblowing policy was updated according to the Norwegian Working Environment Act and the EU Whistleblowing directive. Together with our supplier, we also conducted whistleblowing awareness training with all employees and all leaders.

On average, we have about 2-3 whistleblowing cases each year in Gard. These cases are related to alleged harassment, use of company funds, abuse of power and/or breach of internal policies or law. Each case is followed up and investigated closely.

Governance for sustainable business

Gard has a long tradition of seeking to integrate sustainability into our daily operations. In 2018, however, a more structured and systematic approach was developed. We redefined our mission statement and took our first formal steps toward integrating ESG considerations into all business operations. Today, we are still learning and maturing in this area, looking at ways where we can improve and close gaps. Good internal governance is critical in this regard, and we evaluate and update our approach regularly. Since 2019 the Sustainable Operations Panel (SOP), consisting of senior representatives from different business units, have functioned as a strategic discussion forum to ensure that social and environmental risks – and opportunities – are escalated to the group leadership team. In addition to this, all team leaders are responsible for integrating sustainability into their team goals and for helping the organisation identify relevant targets and KPIs in line with Gard's strategy realisation process.



CHAPTER 04

Financial statements

Statement of comprehensive income

Amounts in USD 000s	Notes	Parent company 21.02.22 to 31.12.22	Parent company 21.02.21 to 20.02.22	Consolidated accounts 21.02.22 to 31.12.22	Consolidated accounts 21.02.21 to 20.02.22
Technical account					
Gross written premium	4, 5, 6	417 989	369 265	972 105	1 016 888
Gross earned premium	5, 6	363 195	365 601	981 503	964 560
Ceded reinsurance	6	(259 604)	(239 930)	(229 875)	(201 859)
Earned premium for own account	**6**	**103 591**	**125 671**	**751 629**	**762 702**
Other insurance related income		**625**	**2**	**1 611**	**690**
Gross incurred claims	6	257 734	306 239	540 055	684 877
Reinsurers' share of gross incurred claims	6	(120 991)	(159 437)	(13 054)	(55 849)
Claims incurred for own account	**6**	**136 743**	**146 802**	**527 000**	**629 028**
Acquisition costs	7	14 635	16 014	43 120	43 723
Agents' commission	7	22 669	23 990	64 933	66 675
Commission received	7	(41 749)	(45 345)	(23 477)	(12 496)
Insurance related expenses for own account	**7**	**(4 445)**	**(5 341)**	**84 577**	**97 902**
Other insurance related expenses	**7**	**3 374**	**3 566**	**11 365**	**11 434**
Technical result		**(31 457)**	**(19 353)**	**130 299**	**25 029**
Non-technical account					
Income from investments in group companies		22 856	5 618	0	0
Interest and similar income/(expenses)	8	(2 522)	(1 203)	2 604	101
Change in unrealised loss on investments		(43 124)	(11 253)	(155 644)	(27 045)
Gain on realisation of investments		3 082	11 183	4 230	23 634
Other expenses		(279)	(106)	(498)	(1 405)
Non-technical result		**(19 987)**	**4 239**	**(149 308)**	**(4 715)**
Profit/(loss) before tax		**(51 444)**	**(15 114)**	**(19 009)**	**20 314**
Corporate income tax	9	(15 134)	(2 736)	(619)	768
Net result before other comprehensive income/(loss)	**6**	**(36 309)**	**(12 378)**	**(18 390)**	**19 546**
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Remeasurement due to change in pension assumptions	16	(8)	(39)	5 239	(2 739)
Income tax related to change in pension assumptions	16	0	0	(1 312)	675
Other comprehensive income/(loss) for the period, net of tax		**(8)**	**(39)**	**3 927**	**(2 064)**
Items that may be reclassified to profit or loss					
Exchange differences on subsidiaries		0	0	(3 367)	(2 137)
Total comprehensive income/(loss)		**(36 317)**	**(12 417)**	**(17 830)**	**15 345**

Balance sheet

Amounts in USD 000s	Notes	Parent company As at 31.12.22	Parent company As at 20.02.22	Consolidated accounts As at 31.12.22	Consolidated accounts As at 20.02.22
Assets					
Intangible					
Developed software	10	0	0	10 114	9 012
Total intangible assets		**0**	**0**	**10 114**	**9 012**
Investments					
Property and plant used in operations	11	0	0	24 551	26 946
Financial investments in subsidiaries					
Investments in subsidiaries	13	642 578	642 578	0	0
Loan to subsidiaries	3, 15	10 557	11 571	0	0
Financial investments at fair value through profit or loss					
Equities and investment funds	14	229 053	189 211	635 995	619 684
Interest-bearing securities and funds	14, 15	305 551	399 033	1 627 242	1 607 052
Other financial investments	14, 15	107	1	107	1
Total investments		**1 187 847**	**1 242 394**	**2 287 895**	**2 253 683**
Reinsurers' share of technical provisions					
Reinsurers' share of gross premium reserve	6	40 784	3 470	22 042	60 249
Reinsurers' share of gross claims reserve	6, 15	499 916	507 576	151 680	169 857
Total reinsurers' share of technical provisions		**540 700**	**511 046**	**173 722**	**230 106**
Receivables					
Receivables from direct insurance operations					
Policyholders	5, 17	29 020	21 149	267 161	299 199
Receivables from reinsurance operations					
Receivables from reinsurance operations		7 775	7 538	11 387	8 486
Receivables from subsidiaries		22 135	25 117	0	0
Other receivables					
Other receivables	18	1	5	20 007	19 072
Other receivables from subsidiaries	18	306	516	0	0
Total receivables	**15**	**59 238**	**54 324**	**298 554**	**326 757**
Other assets					
Equipment	12	661	661	9 301	7 465
Cash and cash equivalents	15, 19	86 557	133 348	234 978	301 643
Deferred tax asset	9	35 202	21 994	33 101	22 325
Other assets	15	5 568	5 478	29 606	29 552
Total other assets		**127 989**	**161 479**	**306 986**	**360 985**
Prepayments and accrued income					
Accrued income and other prepayments		6 686	3 584	46 495	41 944
Total prepayments and accrued income		**6 686**	**3 584**	**46 495**	**41 944**
Total assets		**1 922 459**	**1 972 828**	**3 123 766**	**3 222 487**

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Balance sheet, continued

Amounts in USD 000s	Notes	Parent company 21.02.22 to 31.12.22	Parent company 21.02.21 to 20.02.22	Consolidated accounts 21.02.22 to 31.12.22	Consolidated accounts 21.02.21 to 20.02.22
Equity and liabilities					
Equity					
Statutory reserve	20	463	463	463	463
Retained earnings					
Guarantee scheme	20	424	452	545	575
Other equity	20	935 924	972 214	1 259 443	1 277 243
Total equity	**21**	**936 811**	**973 128**	**1 260 451**	**1 278 281**
Technical provisions					
Gross premium reserve	6	61 566	6 771	278 402	287 800
Gross claims reserve	6, 15	826 785	827 423	1 427 846	1 403 790
Total technical provisions	**6**	**888 351**	**834 194**	**1 706 248**	**1 691 590**
Provisions for other liabilities					
Pension obligations, net	16	1 192	1 372	35 134	44 887
Income tax payable	9, 15	0	0	17 255	7 387
Other provision for liabilities		0	0	433	571
Total provisions for other liabilities		**1 192**	**1 372**	**52 822**	**52 844**
Payables					
Payables arising out of direct insurance operations	15	35 305	53 043	54 971	83 630
Payables arising out of reinsurance operations	15	10 242	10 629	20 937	82 500
Payables arising out of reinsurance operations - group companies	15	14 596	2 214	0	0
Payables to group companies	15	20 830	87 035	0	0
Other payables	15	196	92	8 437	8 740
Total payables		**81 168**	**153 012**	**84 345**	**174 870**
Accruals and deferred income					
Accruals and deferred income	15	14 938	11 122	19 900	24 902
Total accruals and deferred income		**14 938**	**11 122**	**19 900**	**24 902**
Total liabilities		**985 648**	**999 700**	**1 863 315**	**1 944 206**
Total equity and liabilities		**1 922 459**	**1 972 828**	**3 123 766**	**3 222 487**

Statement of changes in equity

Parent company

Amounts in USD 000s	Statutory reserve	Guarantee Scheme	Other equity	Total
Equity as at 21.02.21	**463**	**454**	**984 628**	**985 545**
Net result before other comprehensive income/(loss)	0	0	(12 378)	(12 378)
Remeasurement due to change in pension assumptions	0	0	(39)	(39)
Provision to obliged fund	0	(2)	2	0
Equity as at 20.02.22	**463**	**452**	**972 214**	**973 128**
Equity as at 21.02.22	**463**	**452**	**972 214**	**973 128**
Net result before other comprehensive income/(loss)	0	0	(36 309)	(36 309)
Remeasurement due to change in pension assumptions	0	0	(8)	(8)
Provision to obliged fund	0	(28)	28	0
Equity as at 31.12.22	**463**	**424**	**935 924**	**936 811**

Consolidated accounts

Amounts in USD 000s	Statutory reserve	Guarantee Scheme	Other equity	Total
Equity as at 21.02.21	**463**	**535**	**1 261 922**	**1 261 922**
Net result before other comprehensive income/(loss)	0	0	19 546	19 546
Remeasurement due to change in pension assumptions	0	0	(2 739)	(2 739)
Income tax related to change in pension assumptions	0	0	675	675
Provision to obliged fund	0	41	(41)	0
Other changes in equity	0	0	17	17
Exchange differences on subsidiaries	0	0	(2 137)	(2 137)
Equity as at 20.02.22	**463**	**575**	**1 277 243**	**1 278 281**
Equity as at 21.02.22	**463**	**575**	**1 277 243**	**1 278 281**
Net result before other comprehensive income/(loss)	0	0	(18 390)	(18 390)
Remeasurement due to change in pension assumptions	0	0	5 239	5 239
Income tax related to change in pension assumptions	0	0	(1 312)	(1 312)
Provision to obliged fund	0	(30)	30	0
Exchange differences on subsidiaries	0	0	(3 367)	(3 367)
Equity as at 31.12.22	**463**	**545**	**1 259 443**	**1 260 451**

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Statement of cash flow

Amounts in USD 000s	Notes	Parent company 21.02.22 to 31.12.22	Parent company 21.02.21 to 20.02.22	Consolidated accounts 21.02.22 to 31.12.22	Consolidated accounts 21.02.21 to 20.02.22
Cash flow from operating activities					
Profit/(loss) before tax		(51 444)	(15 114)	(19 009)	20 314
Tax paid	9	0	0	(2 917)	(13 785)
Dividends received from subsidiaries	3	(22 644)	(5 500)	0	0
Change in unrealised loss on investments		43 124	11 253	155 644	27 045
Depreciation, impairment and amortisation expenses	10, 11, 12	0	0	3 415	4 713
Change in pension obligations	16	(181)	(45)	(9 753)	(1 289)
Pension defined benefit plan/pension cost paid		(81)	(87)	(311)	(2 334)
Financial investments		10 410	57 586	(192 251)	41 648
Change in valuation due to change in exchange rates		3 013	1 986	6 440	(67)
Change in receivables and payables		(76 847)	77 765	(62 376)	4 004
Change in technical provisions and other accruals		25 217	(13 795)	61 489	40 882
Net cash flow from operating activities		**(69 433)**	**114 048**	**(59 629)**	**121 130**
Cash flow from investment activities					
Dividends received from subsidiaries	3	22 644	5 500	0	0
Payments of capital increases in subsidiaries		0	(49 215)	0	0
Purchase of intangible assets net of sales	10	0	0	(2 998)	(2 160)
Purchase of equipment net of sales	12	0	0	(3 797)	(2 527)
Purchase of property and plant net of sales	11	0	0	(305)	(1 533)
Proceeds from disposal of equipment		0	0	65	262
Net cash flow from investment activities		**22 644**	**(43 715)**	**(7 035)**	**(5 957)**
Cash flow from financial activities					
Borrowings		0	0	0	0
Repayment of borrowings		0	0	0	0
Net cash flow from financial activities		**0**	**0**	**0**	**0**
Net change in cash and cash equivalents		(46 790)	70 332	(66 664)	115 173
Cash and cash equivalents at the beginning of the period		133 348	63 015	301 643	186 471
Cash and cash equivalents at the end of the period		**86 557**	**133 348**	**234 978**	**301 643**

Notes to the accounts

Note 1 – Corporate information – the Gard group of companies

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

In 2021, The Board of Directors of Gard P. & I. (Bermuda) Ltd. resolved to change the group's financial period, which will now end on 31 December. Therefore, the current financial period is from 21 February 2022 to 31 December 2022. From 1 January 2023, the full financial period will be 1 January to 31 December.

Comparative figures have not been adjusted in relation to the change of financial period and shows the activity for the 12-month period 21 February 2021 to 20 February 2022.

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

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

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

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

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

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

Gard Reinsurance Co Ltd ("Gard Re") is a wholly owned subsidiary of the Company domiciled in Bermuda. Gard Re is registered by the Bermuda Monetary Authority as a Class 3A insurer.

Its principal activity is the reinsurance of an agreed proportion of the risks retained by the Company, Gard M&E, and Gard Norway.

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

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

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

Note 2 - Accounting policies

2.1 Basis of preparation of the Accounts
Gard P. & I. (Bermuda) Ltd. is incorporated under Bermuda Law. The operations and insurance activities of the Company are carried out by Lingard. The accounts include the activity from 21 February 2022 to 31 December 2022.

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

2.2 Changes in accounting policies
There are no changes in accounting policies for Gard P. & I. (Bermuda) Ltd. for the financial period ending 31 December 2022.

Starting 1 January 2023, the Company will implement IFRS 9. "Equities and investment funds" and "Interest-bearing securities and funds" have been measured at fair value in accordance with IAS 39. The same measurement rules will be applied under IFRS 9. As a result, the implementation of IFRS 9 is not expected to impact measurement of the Company's investments.

Notes to the accounts

Note 2 - Accounting policies, continued

At 31 December 2022, the Company did not hold investments measured at amortised cost. The impact of implementation of IFRS 9 on other financial assets is expected to be immaterial, if any.

2.3 Basis for consolidation
The consolidated financial statements comprise Gard P. & I. (Bermuda) Ltd. and the accounts of the companies over which the Company has a controlling interest. A controlling interest is usually obtained when ownership of the shares in a company is more than 50 per cent, and that ownership can exercise control over the company. The Company has the right to exercise membership rights in Gard Norway; therefore the Company controls all voting rights in Gard Norway. This is the legal basis for consolidating the two associations' accounts according to the International Financial Reporting Standard 10 - Consolidated and Separate Financial Statements.

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.

2.4 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.

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

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

All foreign exchange gains and losses relating to technical operations are presented in the statement of comprehensive income as part of the technical result.

The assets and liabilities of group companies that have a functional currency different from USD are converted into USD at the rate of exchange at the closing date. Income and expenses are translated at an average rate of exchange. All resulting exchange differences are recognised in 'Other comprehensive income.'

2.5 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.

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

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

The following table includes other significant accounting policies that are described in separate notes to the financial statements, including the number of the note:

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

Note 3 - Intra-group transactions

Reinsurance agreements
Gard P. & I. (Bermuda) Ltd. and Gard Norway have entered into mutual reinsurance agreements. The Company reinsures a proportion amounting to 85 per cent for policy year up to 2009 and 25 per cent for policy year from 2010 of Gard Norway's insurance portfolio after taking the external reinsurance into account. The Company cedes to Gard Norway by way of reinsurance 15 per cent for policy year up to 2009 and 2 per cent for policy year from 2010 of the Company's insurance portion after taking the external reinsurance into account. In the financial period ending 31 December 2022, a direct call of USD 34 million has been levied based on the reinsurance agreement.

	Received from Gard Norway		Ceded to Gard Norway	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Reinsurance premium	33 833	32 059	(38 966)	(4 548)
Reinsurers' share of gross settled claims	(24 174)	(21 083)	2 831	4 129
Reinsurance commission	(10 475)	(10 950)	10 549	1 531

	Received from Gard Norway		Ceded to Gard Norway	
Amounts in USD 000s	As at 31.12.22	As at 20.02.22	As at 31.12.22	As at 20.02.22
Reinsurers' share of gross claims reserve	86 990	83 890	10 504	10 120

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

	Ceded to Gard Re	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Reinsurance premium	(121 072)	(127 460)
Reinsurers' share of gross settled claims	76 806	110 603
Reinsurance commission	34 978	43 643

	Received from Gard Re	
Amounts in USD 000s	As at 31.12.22	As at 20.02.22
Reinsurers' share of gross claims reserve	287 287	276 455

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

	Ceded to Hydra	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Ceded reinsurance premium	(58 492)	(40 720)

Notes to the accounts

Note 3 - Intra-group transactions, continued

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

	Insurance services invoiced	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Lingard	49 540	56 988
Gard (Singapore) Pte. Ltd.	3 630	3 656

Insurance/reinsurance agency agreements
Lingard in its capacity as insurance manager of the Company and Gard M&E has entered into insurance agency agreements with Gard AS and its subsidiaries. Gard AS is the general agent of the Norwegian branches of the Company and Gard M&E, whereby Gard AS is delegated authority as an agent and insurance intermediary to perform claims handling and underwriting functions on behalf of the two Bermuda based risk carriers. A similar agency agreement has been entered into between Gard Norway and Gard M&E Europe as the principal and Gard AS as the agent.

Insurance agency agreements have been concluded between Lingard and each of the subsidiaries of Gard AS for the purpose of sub-delegating certain insurance intermediary functions to regional offices in Finland, Greece, Hong Kong, Singapore, Japan, the United Kingdom and the United States of America.

Loan agreement
The Company has entered into loan agreement with AS Assuransegården. The loan is payable on demand and is subject to an interest of NIBOR plus 0.5 per cent per annum. and Gard AS as the agent.

	Loan balance	
Amounts in USD 000s	As at 31.12.22	As at 20.02.22
AS Assuransegården (borrower)	10 557	11 571
Total loan to subsidiaries	**10 557**	**11 571**

	Interest received	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22
AS Assuransegården	212	118

Note 3 - Intra-group transactions, continued

Dividends and capital contributions	Dividends received	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Gard Re	0	1 500
Lingard	4 000	4 000
Hydra	18 644	0
Total dividends and capital contributions	**22 644**	**5 500**

Note 4 - Gross written premium by geographical areas

	Parent company		Consolidated accounts	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22	21.02.22 to 31.12.22	21.02.21 to 20.02.22
EEA / European Economic Area	165 400	139 418	442 053	518 318
Norway	107 355	103 472	122 766	127 020
Other areas	145 234	126 374	407 286	371 550
Total gross written premium	**417 989**	**369 265**	**972 105**	**1 016 888**

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

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

Note 5 - Owners' General Discount

These accounts are prepared on the basis of 5 per cent Owners' General Discount in respect of the 2022 policy year (5 per cent in the respect of the 2021 policy year). The policy year is based on the period from GMT noon on 20 February to GMT noon on 20 February the following year.

The Owners' General Discount amounted to USD 19.5 million for the financial period ending 31 December 2022 (USD 19.1 million for the financial period ending 20 February 2022). On Estimated Total Call basis the gross written premium for the financial period ending 31 December 2022 is USD 994.8 million (financial period ending 20 February 2022 USD 1,036.0 million).

Notes to the accounts

Note 6 - Technical result and technical provisions

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

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

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

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

	Parent company			Consolidated accounts		
	21.02.22 to 31.12.222			21.02.22 to 31.12.22		
Amounts in USD 000s	P&I	M&E	Total	P&I	M&E	Total
Technical result						
Gross written premium	417 989	0	417 989	588 885	383 221	972 105
Gross earned premium	363 195	0	363 195	512 065	469 439	981 503
Ceded reinsurance	(259 604)	0	(259 604)	(104 822)	(125 053)	(229 875)
Earned premium for own account	**103 591**	**0**	**103 591**	**407 243**	**344 386**	**751 629**
Claims incurred, gross						
Incurred this period	236 662	0	236 662	350 913	214 957	565 870
Incurred previous periods	21 071	0	21 071	(11 032)	(14 783)	(25 815)
Total claims incurred, gross	**257 734**	**0**	**257 734**	**339 881**	**200 174**	**540 055**
Reinsurers' share of gross incurred claims	(120 991)	0	(120 991)	7 519	(20 574)	(13 054)
Claims incurred for own account	**136 743**	**0**	**136 743**	**347 400**	**179 600**	**527 000**

	Parent company			Consolidated accounts		
	21.02.21 to 20.02.22			21.02.21 to 20.02.22		
Amounts in USD 000s	P&I	M&E	Total	P&I	M&E	Total
Technical result						
Gross written premium	369 265	0	369 265	514 760	502 127	1 016 888
Gross earned premium	365 601	0	365 601	509 959	454 601	964 560
Ceded reinsurance	(239 930)	0	(239 930)	(98 687)	(103 172)	(201 859)
Earned premium for own account	**125 671**	**0**	**125 671**	**411 273**	**351 429**	**762 702**
Claims incurred, gross						
Incurred this period	293 401	0	293 401	432 255	265 107	697 363
Incurred previous period	12 838	0	12 838	(19 015)	6 529	(12 486)
Total claims incurred, gross	**306 239**	**0**	**306 239**	**413 240**	**271 637**	**684 877**
Reinsurers' share of gross incurred claims	(159 437)	0	(159 437)	(28 917)	(26 932)	(55 849)
Claims incurred for own account	**146 802**	**0**	**146 802**	**384 323**	**244 705**	**629 028**

Accounting policy
Technical provisions are calculated in accordance with the regulations for annual accounts for insurance companies.

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.

Notes to the accounts

Note 6 - Technical result and technical provisions, continued

	Parent company			Consolidated accounts		
	21.02.22 to 31.12.222			21.02.22 to 31.12.22		
Amounts in USD 000s	P&I	M&E	Total	P&I	M&E	Total
Technical provisions gross						
Provisions, at the beginning of the period	827 423	0	827 423	1 033 236	370 554	1 403 790
Claims paid	(258 372)	0	(258 372)	(323 331)	(192 668)	(515 999)
Claims incurred - gross this period	236 663	0	236 663	350 913	214 957	565 870
Claims incurred - gross previous periods	21 071	0	21 071	(11 032)	(14 783)	(25 815)
Provisions, at the end of the period	**826 785**	**0**	**826 785**	**1 049 786**	**378 060**	**1 427 846**
Reinsurers' share of claims provision	(499 916)	0	(499 916)	(83 664)	(68 017)	(151 680)
Provisions net, at the end of the period	**326 869**	**0**	**326 869**	**966 123**	**310 044**	**1 276 166**
Provision for unearned premiums, gross	61 566	0	61 566	86 274	192 128	278 402
Reinsurers' share of premium provision	(40 784)	0	(40 784)	(17 204)	(4 838)	(22 042)
Provision for unearned premiums, net	**20 782**	**0**	**20 782**	**69 070**	**187 290**	**256 360**
The Company is a member of the International Group of P&I Clubs.						
Gross technical provision regarding Pooling Agreement	(199 391)	0	(199 391)	(235 645)	0	(235 645)
Net technical provision regarding Pooling Agreement	(61 194)	0	(61 194)	(106 421)	0	(106 421)
Provision for outstanding claims						
Technical provision gross	826 785	0	826 785	1 049 786	378 060	1 427 846
Technical provision net	326 869	0	326 869	966 123	310 044	1 276 166

Provided guarantees outside cover, not recognised in the balance sheet, amount to USD 1.4 million as at 31 December 2022.

Sensitivity analysis has been performed in order to evaluate how sensitive gross claims reserve is dependent on the actuarial methods applied. The Company applied the following methods: Development factor method, Bornhuetter Ferguson, Apriori reduced method and Benktander. Based on these methodologies the gross claim reserve for the group ranges between USD 1,415 million and USD 1,440 million. The claim reserves for the parent company ranges between USD 821 million and 832 million.

	Parent company			Consolidated accounts		
	21.02.21 to 20.02.22			21.02.21 to 20.02.22		
Amounts in USD 000s	P&I	M&E	Total	P&I	M&E	Total
Technical provisions gross						
Provisions, at the beginning of the period	850 587	0	850 587	1 100 289	372 999	1 473 288
Claims paid	(329 403)	0	(329 403)	(480 293)	(274 081)	(754 375)
Claims incurred - gross this period	293 400	0	293 400	432 255	265 107	697 363
Claims incurred - gross previous periods	12 839	0	12 839	(19 015)	6 529	(12 486)
Provisions, at the end of the period	**827 423**	**0**	**827 423**	**1 033 236**	**370 554**	**1 403 790**
Reinsurers' share of claims provision	(507 576)	0	(507 576)	(101 467)	(68 390)	(169 857)
Provisions net, at the end of the period	**319 847**	**0**	**319 847**	**931 769**	**302 164**	**1 233 933**
Provision for unearned premiums, gross	6 771	0	6 771	9 454	278 345	287 800
Reinsurers' share of premium provision	(3 470)	0	(3 470)	(52)	(60 196)	(60 249)
Provision for unearned premiums, net	**3 301**	**0**	**3 301**	**9 402**	**218 149**	**227 551**
The Company is a member of the International Group of P&I Clubs.						
Gross technical provision regarding Pooling Agreement	(198 640)	0	(198 640)	(235 352)	0	(235 352)
Net technical provision regarding Pooling Agreement	(57 098)	0	(57 098)	(101 725)	0	(101 725)
Provision for outstanding claims						
Technical provision gross	827 423	0	827 423	1 033 236	370 554	1 403 790
Technical provision net	319 847	0	319 847	931 769	302 164	1 233 933

Provided guarantees outside cover, not recognised in the balance sheet, amount to USD 10.0 million as at 20 February 2022.

Notes to the accounts

Note 7 - Insurance related expenses and number of staff

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

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

Amounts in USD 000s	Parent company 21.02.22 to 31.12.22	Parent company 21.02.21 to 20.02.22	Consolidated accounts 21.02.22 to 31.12.22	Consolidated accounts 21.02.21 to 20.02.22
Acquisition costs and commissions				
Sales related salaries	0	0	24 922	26 219
Other acquisition costs	0	0	18 197	17 503
Insurance intermediary	14 635	16 014	0	0
Agents' commission	22 669	23 990	64 933	66 675
Commission received	(41 749)	(45 345)	(23 477)	(12 496)
Insurance related expenses for own account	**(4 445)**	**(5 341)**	**84 577**	**97 902**
Number of staff	**0**	**0**	**619**	**567**

Remuneration to Group Leadership Team

Amounts in USD 000s	Salary incl.	Benefits	Total	Loan
Group Leadership Team				
Rolf Thore Roppestad (CEO)	744	73	818	138
Bjørnar Andresen	379	36	415	256
Torunn Biller White	237	2	238	0
Kristian Dalene	489	220	709	0
Lars Lislegard-Bækken	245	2	247	151
Christen Guddal	351	33	384	0
Line Dahle	245	2	248	172
Christian Pritchard-Davies	275	2	277	253
Total dividends and capital contributions	**2 966**	**369**	**3 335**	**969**

* All figures are excluding social security costs.

The table below provides information regarding payments made in the financial period 2022 to members of the Board of Directors within the group. Remuneration relating to the financial period 2022, but not yet paid, is accrued for in the accounts.

Remuneration to Board of Directors and Committees — Consolidated accounts

Amounts in USD 000s	Board remuneration	Board committee remuneration	Board remuneration, other group companies	Total remuneration
Members of the Board of Directors				
Morten W. Høegh (Chairman)	75	25	0	100
Michael Lykiardopulo (Deputy Chairman)	40	5	0	45
Kenneth Hvid (Member)	20	5	0	25
Nils Aden (Member)	20	45	20	85
Aristidis Alafouzus (Member)	20	0	0	20
Yngvild Asheim (Outgoing member)	20	58	20	98
Sandra Gluck (Member)	0	0	0	0
Ian Beveridge (Member)	20	75	20	115
Captain Ian Blackley (Member)	20	0	0	20
Kuo - Hua Chang (Member)	20	0	0	20
Trond Eilertsen	20	122	25	167
Timothy C. Faries	20	0	0	20
Konstantinos Gerapetritis (Member)	20	5	0	25
Carl-Johan Hagman (Member)	20	45	0	65
Jarle Haugsdal (Member)	20	13	0	33
Georgios Karagergiou (Member)	20	0	0	20
Stephen Knudtzon	20	12	0	32
Jason Liberty (Member)	20	0	0	20
Halvor Ribe (Member)	20	13	0	33
Callum Sinclair (Member)	20	12	0	32
Captain Rajalingam Subramaniam (Member)	20	0	0	20
Jane Sy (Member)	20	45	20	85
Takaya Uchida (Member)	20	0	0	20
Cyril Ducau	20	0	0	20
Bjorn Giaever	20	0	0	20
Weng Yew Hor	20	0	0	20
Ingvild Saether	20	5	0	25
Anne Glestad Lech (Employee representative)	0	0	10	10
Jostein Aaland (Outgoing employee representative)	0	0	10	10
Erika Correia (Employee representative)	0	0	0	0
Are Solum (Employee representative)	0	0	10	10
Total	**595**	**485**	**135**	**1 215**

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Notes to the accounts

Note 7 - Insurance related expenses and number of staff, continued

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

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

The minority of the Group Leadership Team (GLT) and certain key personnel have a pension scheme that gives them the right to retire at 60 years of age and covers income included and above 12 times the base amount (see note 20 for definition of base amount). The full pension requires a thirty year accrual period in Gard, or it will be reduced accordingly. The accounting expense for the pension benefits earned in the period are for Roppestad (USD 0.6 million), Guddal (USD 0.25 million), Andresen (USD 0.3 million), Dalene (USD 0.1 million), Dahle (USD 17 thousand), Lislegard-Bækken (USD 17 thousand), White (USD 17 thousand) and Pritchard-Davies (USD 17 thousand).

Gard P. & I. (Bermuda) Ltd. has given a collective bonus promise to all employees within the group including the CEO. A bonus will be paid if predefined targets are met. Members of GLT (Group Leadership Team including CEO) and other Key Employees, as defined in the legislation, are participating in the collective bonus scheme subject to certain adjustments required in the new Finance Institution Act of 2015 (Finansforetaksloven). The bonus will be paid through the companies where the employees work and refunded by Gard P. & I. (Bermuda) Ltd. A maximum possible bonus is 20 per cent of gross salary. For all employees, a bonus of 10 per cent of gross salary is expected to be paid for the year to 31 December 2022.

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

1. The payment of a proportion of the bonus triggered by the collective scheme shall be deferred for a period of 36 months from the expiry of the financial period the bonus is linked.

2. An individual component based on an individual assessment conducted by the CEO in consultation with the Chairman of the Executive Committee of Gard P. & I. (Bermuda) Ltd.

	Parent company		Consolidated accounts	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Remuneration auditor				
Auditing fee	279	316	948	1 114
Tax advising	0	0	184	43
Non audit services	0	0	237	79
Total auditors' fee	**279**	**316**	**1 369**	**1 236**

Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Remuneration to related parties				
Wikborg, Rein & Co.	751	1 886	3 679	2 680
Appleby (Bermuda) Limited	28	0	28	0
Total remuneration related parties	**779**	**1 886**	**3 706**	**2 680**

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

Note 7 - Insurance related expenses and number of staff, continued

	Parent company		Consolidated accounts	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Net operating expenses				
Bad debt	246	(736)	479	158
Service cost	53 171	60 644	0	0
Allocated to claims handling and acquisition costs	(52 654)	(61 603)	0	0
Other operating expenses	2 611	5 260	10 885	11 276
Other insurance related expenses	**3 374**	**3 566**	**11 365**	**11 434**

Included in other operating expenses are also revenues related to non-insurance activities.

Note 8 - Interest and similar income/(expenses)

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

	Parent company		Consolidated accounts	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Interest and similar income/(expenses)				
Interest income/(expenses)	0	(8)	1 081	293
Income from financial investments	2 690	2 166	9 798	5 349
Foreign exchange loss	(5 212)	(3 361)	(8 274)	(5 541)
Total interest and similar income/(expenses)	**(2 522)**	**(1 203)**	**2 604**	**101**

Note 9 - Tax

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

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

Notes to the accounts

Note 9 - Tax, continued

Taxes are calculated as follows	Parent company		Consolidated accounts	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Basis for income tax expense, changes in deferred tax and tax payable				
Profit/(loss) before tax as stated in Statement of comprehensive income	(51 444)	(15 114)	(19 009)	20 314
Loss before tax as basis for tax calculation	(51 631)	(5 387)	(14 085)	(6 580)
Pension charged directly to equity	0	0	5 239	(2 415)
Basis for calculating tax	**(51 631)**	**(5 387)**	**(8 846)**	**11 319**
Permanent differences	(8 908)	(5 207)	6 121	25 478
Basis for the tax expense for the period	**(60 539)**	**(10 594)**	**(2 725)**	**16 483**
Change in temporary differences	(10)	(729)	19 510	(1 735)
Basis for payable taxes in the income statement	**(60 549)**	**(11 323)**	**16 786**	**14 748**
Change in (utilisation of) tax losses carried forward	60 549	11 323	30 214	(456)
Taxable income (basis for payable taxes in the balance)	**0**	**0**	**47 000**	**14 292**
Income tax expenses				
Tax payable	0	0	12 511	4 807
Tax correction earlier period	0	(88)	(28)	(64)
Tax payable on net assets	0	0	485	185
Change in deferred tax	(15 134)	(2 648)	(12 704)	(4 593)
Tax payable related to change in pension assumptions	0	0	(1 312)	675
Accrual tax in foreign branches	0	0	429	(242)
Tax expenses ordinary result	**(15 134)**	**(2 736)**	**(619)**	**768**
Income tax payable				
Tax at the beginning of the period	0	0	7 387	16 657
Tax payable related to the period	0	0	13 208	4 491
Tax correction earlier period	0	0	(97)	(6)
Tax paid during the period	0	0	(2 917)	(13 785)
Exchange adjustments	0	0	(326)	30
Tax payable at the end of the period	**0**	**0**	**17 255**	**7 387**
Deferred tax asset				
Specification of tax effect resulting from temporary differences				
Pension obligations	0	0	33 501	42 895
Portfolio investments	0	0	2 550	(16 210)
Equipment	0	0	38	830
Tax loss carried forward	139 507	86 538	140 375	120 736
Retained earnings	0	0	(49 280)	(64 814)
Other temporary differences	1 300	1 435	5 220	5 862
Total temporary differences	**140 807**	**87 973**	**132 404**	**89 299**
Deferred tax asset, 25 per cent of total temporary differences	**35 202**	**21 994**	**33 101**	**22 325**

As a company organised under the laws of Bermuda, the Company is not subject to taxation in Bermuda, as Bermuda does not impose taxation on receipts, dividends, capital gains, gifts or net income. In the event that such taxes are levied, the Company has received an assurance from the Bermuda government to be exempted from all such taxes until 28 March 2035.

	Parent company		Consolidated accounts	
Amounts in USD 000s	21.02.22 to 31.12.22	21.02.21 to 20.02.22	21.02.22 to 31.12.22	21.02.21 to 20.02.22
Deferred tax asset reconciliation				
Deferred tax asset/deferred tax at beginning of the period	21 994		22 325	
Deferred tax expense related to the period	15 134		12 704	
Deferred tax asset/deferred tax at end of the period	(1 926)		(1 928)	
Deferred tax asset/deferred tax at end of the period	**35 202**		**33 101**	
Reconciliation of the tax expense				
Loss before tax as basis for tax calculation	(51 631)	(5 387)	(14 085)	(6 580)
Calculated tax 25 per cent	(12 908)	(1 347)	(3 521)	(1 645)
Tax expense	(15 134)	(2 736)	(619)	768
Difference	**2 227**	**1 390**	**(2 902)**	**(2 413)**
The difference consists of:				
Changes in temporary differences not subject to deferred tax	0	0	0	(5 306)
Tax payable on net assets	0	0	(485)	0
Accrual tax in foreign branches	0	0	(429)	0
Tax correction earlier period	0	88	28	117
Differences related to different tax rates within the group	0	0	(456)	(897)
Permanent differences not subject to tax	2 227	1 302	(1 530)	0
Asymmetric currency adjustment	0	0	(30)	0
Other differences	0	0	0	3 673
Sum explained differences	**2 227**	**1 390**	**(2 902)**	**(2 413)**

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Note 10 - Intangible assets

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

	Consolidated accounts	
Amounts in USD 000s	As at 31.12.22	As at 20.02.22
Software at cost		
Costs at the beginning of the period	18 212	17 087
Net additions/(disposals)	2 998	2 160
Exchange adjustments	(1 595)	(1 035)
Costs at the end of the period	**19 615**	**18 212**
Depreciation and impairment at the beginning of the period	9 200	8 365
Depreciation	1 105	1 341
Exchange adjustments	(804)	(506)
Depreciation at the end of the period	**9 501**	**9 200**
Net book value at the end of the period	**10 114**	**9 012**
Amortisation period	3-5 years	3-5 years
Amortisation type	linear	linear

Note 11 - Property and plant used in operation

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

	Consolidated accounts as at 31.12.22		
Amounts in USD 000s	Real estate	Property, plant	Total
Costs at the beginning of the period	20 470	21 831	42 300
Net additions/(disposals)	(693)	998	305
Exchange adjustments	(1 658)	(1 589)	(3 247)
Costs at the end of the period	**18 119**	**21 240**	**39 358**
Depreciation at the beginning of the period	10 269	5 086	15 355
Depreciation charge for the period	200	548	748
Exchange adjustments	(862)	(434)	(1 296)
Depreciation at the end of the period	**9 608**	**5 200**	**14 808**
Net book value at the end of the period	**8 511**	**16 040**	**24 551**

	Consolidated accounts as at 20.02.22		
Amounts in USD 000s	Real estate	Property, plant	Total
Costs at the beginning of the period	20 554	22 568	43 121
Net additions/(disposals)	1 129	404	1 533
Exchange adjustments	(1 213)	(1 141)	(2 354)
Costs at the end of the period	**20 470**	**21 831**	**42 300**
Depreciation at the beginning of the period	10 650	4 911	15 561
Depreciation charge for the period	240	471	711
Exchange adjustments	(621)	(296)	(917)
Depreciation at the end of the period	**10 269**	**5 086**	**15 355**
Net book value at the end of the period	**10 201**	**16 745**	**26 946**
Amortisation period	67 years	5-20 years	
Amortisation type	linear	linear	

Rent included in the consolidated accounts is charged to Comprehensive income in the period the offices are used. Any remaining rental liabilities are not included in the balance sheet. Exernal rental liabilities amount to USD 10.1 million as at the balance sheet date (USD 8.1 million as at 20 February 2021). Total costs regarding rent in the consolidated account amount to USD 4.7 million (USD 4.6 million as at 20 February 2021).

Notes to the accounts

Note 12 - Equipment

	Parent company	Consolidated accounts		
	As at 31.12.22			As at 31.12.22
Amounts in USD 000s	**Art**	**Art**	**Equipment**	**Total**
Acquisition costs at the beginning of the	1 356	4 385	15 248	19 632
Net additions/(disposals)	0	1 294	2 503	3797
Exchange adjustments	0	(16)	(1 190)	(1 206)
Costs at the end of the period	**1 356**	**5 663**	**16 561**	**22 223**
Depreciation at the beginning of the period	695	1 482	10 684	12 166
Depreciation charge for the period	0	0	1 937	1 937
Reversal of depreciations on disposals	0	0	(375)	(375)
Exchange adjustments	0	0	(806)	(806)
Depreciation at the end of the period	**695**	**1 482**	**11 440**	**12 922**
Net book value at the end of the period	**661**	**4 181**	**5 120**	**9 301**

	Parent company	Consolidated accounts		
	As at 20.02.22			As at 20.02.22
Amounts in USD 000s	**Art**	**Art**	**Equipment**	**Total**
Acquisition costs at the beginning of the	1 356	4 390	18 554	22 944
Net additions/(disposals)	0	0	(2 324)	(2 324)
Exchange adjustments	0	(6)	(982)	(989)
Costs at the end of the period	**1 356**	**4 385**	**15 248**	**19 631**
Depreciation at the beginning of the period	695	1 482	13 596	15 078
Depreciation charge for the period	0	0	2 661	2 661
Reversal of depreciations on disposals	0	0	(4 851)	(4 851)
Exchange adjustments	0	0	(722)	(722)
Depreciation at the end of the period	**695**	**1 482**	**10 684**	**12 167**
Net book value at the end of the period	**661**	**2 903**	**4 563**	**7 465**
Amortisation period			3-5 years	
Amortisation type			linear	

Art is not subject to depreciation.

Note 13 - Investments in subsidiaries

Accounting policy

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

Amounts in USD 000s	Ownership	Voting share	Place of office		Share capital	Book value USD As at 31.12.22
AS Assuransegården	100%	100%	Norway	NOK	22 220	21 096
Gard AS	100%	100%	Norway	NOK	30 000	70 932
Gard Marine & Energy Limited	100%	100%	Bermuda	USD	190 000	197 737
Gard Reinsurance Co Ltd	100%	100%	Bermuda	USD	150 000	295 000
Hydra Insurance Company Ltd. (Gard's cell)	100%	100%	Bermuda	USD	56 913	56 913
Lingard Limited	100%	100%	Bermuda	USD	900	900
Total						**642 578**

Notes to the accounts

Note 14 - Financial investments at fair value through profit or loss

Accounting policy

Classification
The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and held to maturity investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets at initial recognition.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss 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. Derivative financial investments are also categorised as held for trading.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as receivables and payables in the balance sheet.

Held-to-maturity financial assets
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities where group's management has the positive intention and ability to hold to maturity, other than:

- Those that the group upon initial recognition designates as at fair value through profit or loss;
- Those that meet the definition of loans and receivables.

Recognition and 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. Loans, receivables and held to maturity investments are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

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.

Interest on held-to-maturity investments 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.

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.

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 only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the 'loans and receivables' category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. The Company may measure impairment on the basis of an investment's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement

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

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

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

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

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

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

- Equity funds and interest-bearing securities and funds where fair values are determined by using quoted market prices of the assets where the funds are invested.
- Equity futures, 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 deriviatives are priced by standard and well recognised methods.

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

Specific valuation techniques used to value financial investments include:

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

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

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

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

Notes to the accounts

Note 14 - Financial investments at fair value through profit or loss , continued

	Parent company				Parent company			
	As at 31.12.22				As at 20.02.2022			
	Quoted market prices	Observable market prices	Non-observable market data		Quoted market prices	Observable market prices	Non-observable market data	
Amounts in USD 000s	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial investments								
Equities and investment funds	42 414	146 199	40 440	229 053	11 395	137 148	40 668	189 211
Interest-bearing securities and funds	61 550	197 904	46 097	305 551	53 304	305 246	40 483	399 033
Other financial investments	107	0	0	107	1	0	0	1
Total financial investments	**104 071**	**344 103**	**86 537**	**534 711**	**64 700**	**442 394**	**81 151**	**588 245**

	Consolidated accounts				Consolidated accounts			
	As at 31.12.22				As at 20.02.2022			
	Quoted market prices	Observable market prices	Non-observable market data		Quoted market prices	Observable market prices	Non-observable market data	
Amounts in USD 000s	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial investments								
Equities and investment funds	80 324	456 508	99 162	635 995	42 951	477 023	99 709	619 684
Interest-bearing securities and funds	272 782	1 262 266	92 195	1 627 242	249 168	1 276 918	80 966	1 607 052
Other financial investments	107	0	0	107	1	0	0	1
Total financial investments	**353 214**	**1 718 774**	**191 357**	**2 263 344**	**292 120**	**1 753 941**	**180 675**	**2 226 737**

Notes to the accounts

Note 14 - Financial investments at fair value through profit or loss , continued

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

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

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

			Parent company
Amounts in USD 000s	Investment profile	Currency	As at 31.12.22
Equity funds			
Gard Global Equity Fund II	Global equity	USD	44 876
Gard Global Impact Equity Fund	Global equity	USD	16 910
Gard Global Multifactor Equity Fund	Global equity	USD	15 184
Gard Emerging Markets Fund	Emerging market equity	USD	15 582
GS Specialized Investment Fund	Volatility option strategy	USD	53 647
CBRE Global Real Estate Fund	Global real estate	USD	38 539
Invesco Commodity ETF	Commodities	USD	2 084
Invesco S&P500 ETF	US equity	USD	11 116
iShares Gold ETF	Commodities	USD	9 304
iShares MSCI ETF	Global equity	USD	8 008
iShares REIT ETF	Global real estate	USD	4 656
Phoenix Global Real Estate Fund I	Global real estate	USD	1 900
iShares Commodity ETF	Commodities	USD	7 246
Total Equity funds			**229 053**
Total Equities and investment funds			**229 053**
The part of Equity fund invested in quoted shares			134 966

			Parent company
Amounts in USD 000s	Investment profile	Currency	As at 31.12.22
Interest-bearing securities			
US Treasury Bills	US Treasury bond	USD	26 321
Total Interest-bearing securities			**26 321**
Interest-bearing funds			
CQS Credit Fund	Global multi asset credit	USD	43 303
Gard Emerging Market Debt Fund	Emerging market debt	USD	36 803
Gard Global Bond Fund I	Global aggregate bonds	USD	67 420
Gard Global Treasury Fund	Government debt	USD	5 068
Gard Private Debt Fund	Global private debt	USD	46 097
Gard Strategic Global Bond Fund	Global aggregate bonds	USD	15 370
Gard International Credit Bond Fund I	Global corporate bonds	USD	19 956
Gard US Credit Bond Fund I	US corporate bonds	USD	9 986
iShares TIPS	Government debt	USD	11 070
Northern Trust Cash Fund	Money market US Dollar	USD	24 158
Total Interest-bearing funds			**279 230**
Total Interest-bearing securities and funds			**305 551**

The group has an equity exposure of 13.4 per cent (financial period ending 20 February 2022 14.0 per cent) of its total investments.

			Consolidated accounts
Amounts in USD 000s	Investment profile	Currency	As at 31.12.22
Equity funds			
Gard Global Equity Fund II	Global equity	USD	86 405
Gard Global Impact Equity Fund	Global equity	USD	57 480
Gard Global Multifactor Equity Fund	Global equity	USD	74 559
Gard Emerging Markets Fund	Emerging market equity	USD	56 241
Invesco Commodity ETF	Commodities	USD	5 439
Invesco S&P500 ETF	US equity	USD	20 050
iShares MSCI ETF	Global equity	USD	16 471
GS Specialized Investment Fund	Volatility option strategy	USD	53 647
CBRE Global Real Estate Fund	Global real estate	USD	77 079
iShares REIT ETF	Global real estate	USD	14 057
Phoenix Global Real Estate Fund I	Global real estate	USD	1 900
Phoenix Global Real Estate Fund II	Global real estate	USD	20 183
Caxton Global Investments Ltd	Global tactical asset alloca-	USD	64 466
Bridgewater Pure Alpha Fund	Global tactical asset alloca-	USD	63 710
iShares Gold ETF	Commodities	USD	9 304
iShares Commodity ETF	Commodities	USD	15 002
Total Equity funds			**635 995**
Total Equities and investment funds			**635 995**
The part of Equity fund invested in quoted shares			355 010

Notes to the accounts

Note 14 - Financial investments at fair value through profit or loss , continued

			Consolidated accounts
Amounts in USD 000s	Investment profile	Currency	As at 31.12.22
Interest-bearing securities			
United States Treasuries	US Treasury bonds	USD	53 191
Total Interest-bearing securities			**53 191**
Interest-bearing funds			
CQS Credit Fund	Global multi asset credit	USD	157 230
Gard Emerging Market Debt Fund	Emerging market debt	USD	102 998
Gard Global Bond Fund I	Global aggregate bonds	USD	341 150
Gard International Credit Bond Fund I	Global corporate bonds	USD	103 140
Gard US Credit Bond Fund I	US corporate bonds	USD	121 394
Gard Global Treasury Fund	Government debt	USD	224 877
Gard Private Debt Fund	Global private debt	USD	92 195
Gard Strategic Global Bond Fund	Global aggregate bonds	USD	211 476
iShares TIPS ETF	Government debt	USD	66 425
iShares Treasury ETF	Government debt	USD	41 269
Northern Trust Cash Fund	Money market US Dollar	USD	111 897
Total Interest-bearing funds			**1 574 050**
Total Interest-bearing securities and funds			**1 627 242**

Note 15 - Financial risk

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

Risk appetite and limits: Overall Risk Appetite and Comfort Zone (target range for capitalisation) are defined in accordance with risk-bearing capacity and corporate objectives. This cascades into limits by risk type and legal entities. This forms the basis for all risk management, monitoring and reporting.

Risk policies: There are group policies describing the processes and procedures for managing material risk exposures. The purpose of the policies is to ensure consistent and adequate risk and capital management.

Risk management cycle: Material risks are identified, assessed regularly, managed proactively, monitored regularly and reported to the relevant responsible body. Assessments are made on a quarterly basis as a minimum.

Main financial risks

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

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

Note 15 - Financial risk, continued

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

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

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

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

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

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

Currency split balance sheet	Parent company		Consolidated accounts	
Amounts in USD 000s	As at 31.12.22	As at 20.02.22	As at 31.12.22	As at 20.02.22
Assets				
USD	1 770 763	1 811 787	2 767 823	2 874 595
EUR	2 594	6 586	48 973	62 965
GBP	2 197	7 490	12 051	17 245
Other	146 906	146 965	294 919	267 681
Total assets	**1 922 459**	**1 972 828**	**3 123 766**	**3 222 487**
Equity and liabilities				
USD	1 881 381	1 774 945	2 826 412	2 742 510
EUR	16 399	48 073	114 342	151 972
GBP	5 435	49 551	20 047	64 207
Other	19 244	100 259	162 965	263 798
Total equity and liabilities	**1 922 459**	**1 972 828**	**3 123 766**	**3 222 487**
Net asset exposure				
USD	(110 618)	36 842	(58 589)	132 085
EUR	(13 805)	(41 487)	(65 369)	(89 007)
GBP	(3 239)	(42 061)	(7 996)	(46 962)
Other	127 662	46 706	131 954	3 883

Notes to the accounts

Note 15 - Financial risk, continued

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

	Parent company		Consolidated accounts	
Amounts in USD 000s	As at 31.12.22	As at 20.02.22	As at 31.12.22	As at 20.02.22
Impact on fixed income portfolio investments given an increase of 50 basis points	(4 462)	(8 128)	(23 955)	(28 778)
Impact on equity portfolio given a 10 per cent drop in quoted market prices	(16 333)	(13 720)	(36 050)	(36 481)
Impact on total investment portfolio given a change of 10 per cent in foreign exchange rates against USD	(10 915)	(11 651)	(44 478)	(46 564)
Impact on real estate portfolio given a 10 per cent drop in NAV	(4 510)	(4 067)	(11 322)	(9 971)
Impact on alternatives portfolio given a 10 per cent drop NAV	0	0	(12 818)	(12 246)

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

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

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

Credit spread risk.
The risk of economic losses due to the difference in yield between a defined rating class bucket and interest-bearing securities/funds with the same duration.

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.

Counterparty default risk
The main sources of counterparty default risk are reinsurers, cash deposits at banks and receivables from policyholders.

The credit exposure on the reinsurance program is in line with the guidelines of only accepting reinsurers with an A- or higher rating. The Group is, however, faced with BBB rating exposure through the IG Pooling agreement. Among the thirteen clubs, three have ratings of BBB or lower. The Group is also 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.

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.

The credit risk in respect of receivables is handled by policies and by close follow up. Outstanding receivables can be netted off against outstanding claims payments to reduce the risk of doubtful debts.

The Group acknowledges that there is an increased counterparty risk towards Russian entities due to the different sanction regimes imposed. Although, due to the Group's limited exposure towards these counterparties, this does not impose any material financial risk as at 31 December 2022.

The tables below show the credit risk exposure as at 31 December 2022. Assets are classified according to the median rating amongst the three market leading providers, Standard & Poor's, Moody's and Fitch. Top rated assets are denoted with AAA rating and US long-term sovereign credit rating is equivalent to a AAA rating due to an applied median approach.

Credit risk exposure in balance sheet	Parent company		Consolidated accounts	
Amounts in USD 000s	As at 31.12.22	As at 20.02.22	As at 31.12.22	As at 20.02.22
Interest-bearing securities and funds				
AAA	24 158	8 120	111 897	43 585
AA	26 321	27 432	53 191	55 282
Not rated	255 071	363 481	1 462 154	1 508 186
Total interest-bearing securities and funds	**305 551**	**399 033**	**1 627 242**	**1 607 052**
Other financial investments				
A	107	1	107	1
Total other financial investments	**107**	**1**	**107**	**1**
Reinsurers` share of gross claims reserve				
AA	6 472	8 011	7 469	9 467
A	477 599	488 508	57 810	84 731
B	0	0	11 097	0
BB	0	0	0	230
BBB	15 845	11 057	74 924	75 275
Not rated	0	0	380	155
Total reinsurers' share of gross claims reserve	**499 916**	**507 576**	**151 680**	**169 857**
Receivables				
AA	0	0	1 340	0
A	25 965	27 182	4 274	5 563
BBB	0	32	254	1 652
Not rated	33 273	27 111	292 686	319 542
Total receivables	**59 238**	**54 324**	**298 554**	**326 757**
Cash and cash equivalents				
AA	65 966	129 913	156 862	201 482
A	20 591	3 435	76 112	98 907
B	0	0	431	105
BBB	0	0	1 562	1 140
Not rated	0	0	11	8
Total cash and cash equivalents	**86 557**	**133 348**	**234 978**	**301 643**

Notes to the accounts

Note 15 - Financial risk, continued

Credit risk exposure in balance sheet

Amounts in USD 000s	Parent company As at 31.12.22	Parent company As at 20.02.22	Consolidated accounts As at 31.12.22	Consolidated accounts As at 20.02.22
Other financial assets presented in balance sheet*				
AAA	5 568	5 478	22 295	21 931
A	0	0	1 594	1 832
BB	0	0	5 000	5 000
Not rated	10 557	11 571	717	788
Total other financial assets presented in balance sheet	**16 126**	**17 048**	**29 606**	**29 552**

Other financials assets also include regulatory and contractually required deposits that is considered encumbered assets amounting to USD 29.6 million as at 31 December 2022 (USD 29.5 million as at 20 February 2022) in the consolidated accounts. Correspondingly, restricted assets amounts to USD 5.6 million as at 31 December for the parent company (USD 5.5 million as at 20 February 2022).

* Includes loan to subsidiaries and other financial assets.

Age analysis of receivables after provision for bad debt

Amounts in USD 000s	Parent company As at 31.12.22	Parent company As at 20.02.22	Consolidated accounts As at 31.12.22	Consolidated accounts As at 20.02.22
Not due	43 171	42 642	252 275	278 186
0-60 days	9 508	2 361	23 772	32 008
61-90 days	1 315	1 272	4 210	3 656
Above 90 days	6 747	9 792	23 599	18 606
Provision for bad debt	(1 503)	(1 743)	(5 301)	(5 699)
Total receivables	**59 238**	**54 324**	**298 554**	**326 757**

Impaired receivables
As at 31 December 2022 there are impaired receivables in the parent company of USD 1.5 million (20 February 2022 USD 1.7 million) and there are impaired receivables in the consolidated accounts of USD 5.3 million (20 February 2022 USD 5.7 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

Amounts in USD 000s	Parent company As at 31.12.22	Parent company As at 20.02.22	Consolidated accounts As at 31.12.22	Consolidated accounts As at 20.02.22
Balance as at the beginning of the period	1 743	2 466	5 699	8 618
Provision for receivables impairment	239	723	398	174
Receivables written off during the period as uncollectable	(485)	(13)	(881)	(2 981)
Unused amounts reversed	7	(1 433)	85	(111)
Balance as at the end of the period	**1 503**	**1 743**	**5 301**	**5 699**

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

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

Maturity profile
The following tables set out the maturity profile of liabilities combining amounts expected to be recovered within one year, between one and five years and more than five years.

The Gard group maintains highly marketable financial investments and diverse assets that can be liquidated in the event of an unforeseen interruption of cash flow. This, combined with the cash pool to meet liquidity needs, gives a presentation of how assets and liabilities have been matched.

Parent company

Amounts in USD 000s	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 31.12.22 Total
Gross claims reserve	262 174	490 036	74 576	0	826 785
Payables and accruals	95 910	0	0	0	95 910
Other payables	196	0	0	0	196

Parent company

Amounts in USD 000s	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 20.02.22 Total
Gross claims reserve	266 390	484 322	76 711	0	827 423
Payables and accruals	164 042	0	0	0	164 042
Other payables	92	0	0	0	92

Consolidated accounts

Amounts in USD 000s	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 31.12.22 Total
Gross claims reserve	489 858	835 207	102 781	0	1 427 846
Income tax payable	17 255	0	0	0	17 255
Payables and accruals	95 808	0	0	0	95 808
Other payables	8 437	0	0	0	8 437

Consolidated accounts

Amounts in USD 000s	Within 1 year	1-5 years	More than 5 years	No maturity date	As at 20.02.22 Total
Gross claims reserve	486 170	812 386	105 233	0	1 403 790
Income tax payable	7 387	0	0	0	7 387
Payables and accruals	191 032	0	0	0	191 032
Other payables	8 740	0	0	0	8 740

Notes to the accounts

Note 16 - Pensions

Accounting policy
The Gard group operates various pension schemes and employees are covered by pension plans, which comply with local laws and regulations in each country in which the group operates. The companies have a defined contribution plan and a closed defined benefit plan.

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

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

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

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

The companies have collective pension agreements in place in accordance with the Norwegian Pension Act. As of 31 December 2015 the defined benefit plan was terminated for active employees, with the option for employees born in or before 1954 to remain in the previous defined benefit plan. All other active employees have been transferred to a defined contribution plan with effect of 1 January 2016, with contribution levels of 7 per cent from 0 – 12 G, and an additional 18.1 per cent from 7.1 – 12 G. G is a base rate used as the basis for calculating benefits. G is adjusted annually and is approved each year by the Norwegian parliament.

The last time G was updated was in May 2022. As of 31 December 2022 G equals NOK 111,477 (USD 11,316). Retired and disabled employees were not subject to change and remain in the defined benefit plan. All employees hired after February 2009 are covered by the new levels in the defined contribution scheme.

The contribution plan as of 31 December 2022 covers a total of 455 employees. In the defined contribution plan 9 employees are disabled. In relation to the defined benefit plan, 3 employees born in 1954 or earlier remain active members, 9 are partly or wholly disabled, 3 are active with flexible pension withdrawals and 79 are retired.

In addition to the collective agreement, all employees can apply for a tariff based lifelong retirement pension (AFP) which the employee may start to draw from the age of 62. The AFP pension is partially financed by Gard AS.

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

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

	Parent company		Consolidated accounts	
Amounts in USD 000s	As at 31.12.22	As at 20.02.22	As at 31.12.22	As at 20.02.22
Pension cost				
Defined benefit pension plans				
Pension benefits earned during the period	21	13	925	1 073
Interest expense on earned pension	9	12	1 009	1 158
Yield on pension funds	0	0	(375)	(450)
Past service cost - curtailment/plan amendment	0	0	0	(604)
Net pension cost earning related plan	**30**	**24**	**1 560**	**1 177**
Defined benefit pension plans	**0**	**0**	**6 604**	**6 953**
Total pension cost charged to the statement of comprehensive income	**30**	**24**	**8 164**	**8 130**
Changes in pension assumptions charged to other comprehensive income				
Change in pension assumptions	(8)	(39)	5 239	(2 739)
Income tax related to change in pension assumptions	0	0	(1 312)	675
Liabilities according to the actuarial calculations				
Pension obligation gross	(1 192)	(1 372)	(59 554)	(72 261)
Pension funds at market value	0	0	24 420	27 374
Net pension obligation at the end of the period	**(1 192)**	**(1 372)**	**(35 134)**	**(44 887)**
Changes in pension funds at market value				
Fair value of assets at the beginning of the period	0	0	27 374	31 663
Exchange differences	0	0	(2 398)	(4 357)
Expected return on plan assets	0	0	375	451
Actuarial gains or losses	0	0	(197)	252
Employer contribution	0	0	737	817
Benefits paid	0	0	(1 470)	(1 451)
Fair value of assets at the end of the period	**0**	**0**	**24 420**	**27 374**
Financial assumptions	Per cent	Per cent	Per cent	Per cent
Discount rate	3,00	1,90	3,00	1,90
Assumed annual salary regulation	3,50	2,75	3,50	2,75
Assumed pension increase	2,00	1,75	2,00	1,75
Assumed regulations of public pensions	3,5	2,00	3,25	2,00
Assumed yield on funds	3,00	1,90	3,00	1,90
Actual yield on funds	(3,0)	3,7	(3,0)	3,7

Notes to the accounts

Note 17 - Receivables from direct insurance operations

Amounts in USD 000s	Parent company As at 31.12.22	Parent company As at 20.02.22	Consolidated accounts As at 31.12.22	Consolidated accounts As at 20.02.22
Direct and received premium	28 737	20 657	47 612	42 322
Direct and received premium through broker	705	319	119 545	121 186
Not closed premium	321	30	49 200	87 504
Claims related debtors, co-insurers	761	1 886	56 067	53 853
Provision for bad debts	(1 503)	(1 743)	(5 264)	(5 666)
Receivables from direct insurance operations	**29 020**	**21 149**	**267 161**	**299 199**

Note 18 - Other receivables

Amounts in USD 000s	Parent company As at 31.12.22	Parent company As at 20.02.22	Consolidated accounts As at 31.12.22	Consolidated accounts As at 20.02.22
Other receivables				
Other receivables	1	5	111	1 606
Other receivables from subsidiaries	306	516	0	0
Loan to employees	0	0	19 896	17 467
Total other receivables	**307**	**520**	**20 007**	**19 072**

Note 19 - Cash and cash equivalents

Accounting policy
Cash and cash equivalents include cash in hand and deposits held at call with banks, brokers and fund managers. In the balance sheet, cash and cash equivalents that relate to investment management is presented as other financial investments. All other cash is presented as cash and cash equivalents. In the cash flow statement, cash and cash equivalents do not include cash and cash equivalents presented as other financial investments.

Cash and cash equivalents
Cash and cash equivalents include restricted cash amounting to USD 29.3 million as at 31 December 2022 (USD 31.2 million as at 20 February 2022). 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 73.3 million as at 31 December 2022 (USD 64.1 million as at 20 February 2022).

There are no Letter of Credit, Guarantees or other instruments included in the balance sheet. A Letter of Credit in the amount of HKD 660.3 million equal to USD 84.6 million has been issued in relation to insurance licence of Gard group's Hong Kong branches.

Note 20 - Statutory reserve

Gard P. & I. (Bermuda) Ltd. is registered under and regulated by the Insurance Act 1978 and related regulations. The Company is under the supervision of the Bermuda Monetary Authority (BMA) and has to be in compliance with a set of regulatory requirements. Gard P. & I. (Bermuda) Ltd. maintained a statutory reserve of USD 462,500 and all regulatory requirements are complied with as at 31 December 2022.

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

Note 21 - Statutory and regulatory requirement

Gard P. & I. (Bermuda) Ltd. including subsidiaries have operations which are subject to laws and regulations in the jurisdictions in which they operate, of which the most significant ones are Bermuda and Norway. The statutory capital and surplus in Bermuda and Norway as at 31 December and 20 February 2022 was as follows:

Amounts in USD 000s	Parent Bermuda (a) As at 31.12.22	Parent Bermuda (a) As at 20.02.22	Regulated by Bermuda (b) As at 31.12.22	Regulated by Bermuda (b) As at 20.02.22	Regulated by Norway (c) As at 31.12.22	Regulated by Norway (c) As at 20.02.22
Required statutory capital and surplus	32 687	37 527	84 549	370 445	351 870	385 674
Actual capital and surplus	936 811	973 128	855 510	763 947	508 488	512 098

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

(b) The Company's Bermuda based insurance subsidiaries are required to maintain minimum statutory capital and surplus equal to the greater of a Minimum Solvency Margin ("MSM") and the Enchanced Capital Requirement ("ECR"). The ECR is equal to the higher of each insurers' MSM or the Bermuda Solvency Capital Requirement ("BSCR") model or approved internal capital model. The BSCR for the relevant insurers for the year ended 31 December 2022 will not be filed with the BMA until end of April 2022. As a result, the required statutory capital and surplus as at 31 December 2022, as set out above, is based on the MSM of all relevant insurers, whereas the required statutory capital and surplus as at 20 February 2022 is based on the MSM and ECR where applicable for all relevant insurers. The required statutory capital and surplus based on MSM of all relevant insurers disclosed in previous year financial statement amounted to USD 000's 33,986 (Parent Bermuda), 86,597 (Regulated by Bermuda) and 396,640 (Regulated by Norway). Required statutory capital and surplus includes Gard P. & I. (Bermuda) Ltd., Gard Marine & Energy Limited, Gard Reinsurance Co Ltd and Hydra Gard Cell.

(c) Gard P. & I. (Bermuda) Ltd., Norwegian branch, Gard Marine & Energy Limited, Norwegian branch, Assuranceforeningen Gard - gjensidig - and Gard Marine & Energy Insurance (Europe) AS are required to maintain minimum capital and surplus equal to the Solvency Capital Requirement ("SCR") under Solvency II. The statutory capital and surplus for Gard P. & I. (Bermuda) Ltd., Norwegian branch and Assuranceforeningen Gard - gjensidig - include supplementary calls based on gross written premium for the last three open policy years. The SCR, which is part of the Solvency II reporting package, will not be filed with the Norwegian Financial Services Authority (Finanstilsynet) until early April 2023. As a result, preliminary figures are included as at 31 December 2022.

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

Policy period accounts

	Consolidated accounts		
Amounts in USD 000s	2022	2021	2020
Premiums and calls			
Premiums	478 182	498 622	429 161
Additional calls debited	(57)	584	40 059
Owners' general discount	19 563	19 056	0
Total premiums and last instalment	497 688	518 262	469 220
Reinsurance premiums	(106 093)	(100 579)	(103 327)
Net premium earned	**391 595**	**417 683**	**365 893**
Incurred claims net			
Claims paid	84 949	241 347	266 931
Estimates on outstanding claims	164 512	164 369	134 883
IBNRs	78 556	10 741	5 776
Unallocated Loss Adjustment Expenses	6 868	3 112	2 210
Incurred claims net	334 885	419 569	409 800
Acquisition cost and net operating expenses	46 279	47 716	35 088
Technical result	**10 431**	**(49 601)**	**(78 995)**

Notes to the consolidated policy period accounts

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

2. These accounts are prepared on the basis of 5 per cent Owners' General Discount in respect of the 2022 policy year (financial period ending 31 December 2022). The Owners' General Discount in the respect of the 2021 policy year (financial period ending 20 February 2022) was 5 per cent. The Owners' General Discount was introduced from the 2021 policy year and is a premium policy for mutual Members. The Owners' General Discount is given as a percentage of the agreed Estimated Total Call at renewal.

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

   2020 policy year USD 38.4 million
   2021 policy year USD 39.1 million
   2022 policy year USD 48.1 million

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

5. Provision for outstanding and unreported claims for closed years before policy year 2019, USD 395.1 million, consists of estimated outstanding claims in the amount of USD 345.3 million and estimates for IBNR claims of USD 49.8 million.

Average Expense Ratio (AER) - P&I

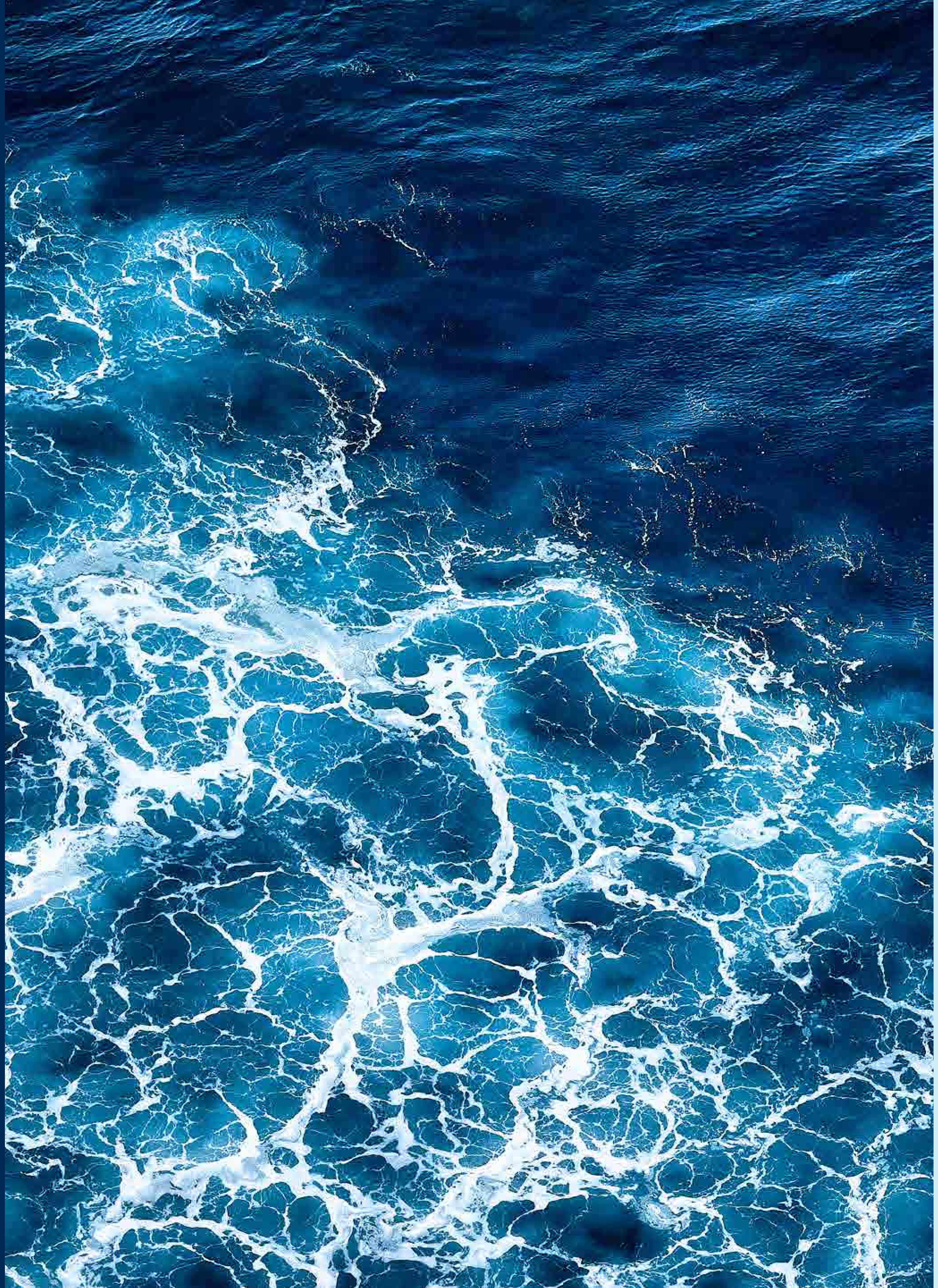
In accordance with Schedule 3 of the International Group Agreement 1999 the group is required to disclose the AER for the group's P&I business for the five years ended 31 December 2022. The ratio of 14.8 per cent (13.7 per cent last year) has been calculated in accordance with the Schedule and the guidelines issued by the International Group and is consistent with the relevant financial statements.

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

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

Bermuda, 16. March 2023

Morten W. Høegh Chairman	Michael Lykiardopulo Deputy Chairman	Rolf Thore Roppestad President
Nils Aden	Aristidis Alafouzus	Timothy C. Faries
Stephen Knudtzon	Ian Beveridge	Trond Eilertsen
Callum Sinclair	Kuo - Hua Chang	Georgios Karagergiou
Takaya Uchida	Carl-Johan Hagman	Halvor Ribe
Weng Yew Hor	Jason Liberty	Jane Sy
Lois Zabrocky	Captain Rajalingam Subramaniam	Bjorn Giaever
Lasse Kristoffersen	Cyril Ducau	Ingvild Saether
	Kenneth Hvid	



CHAPTER 05

About this report

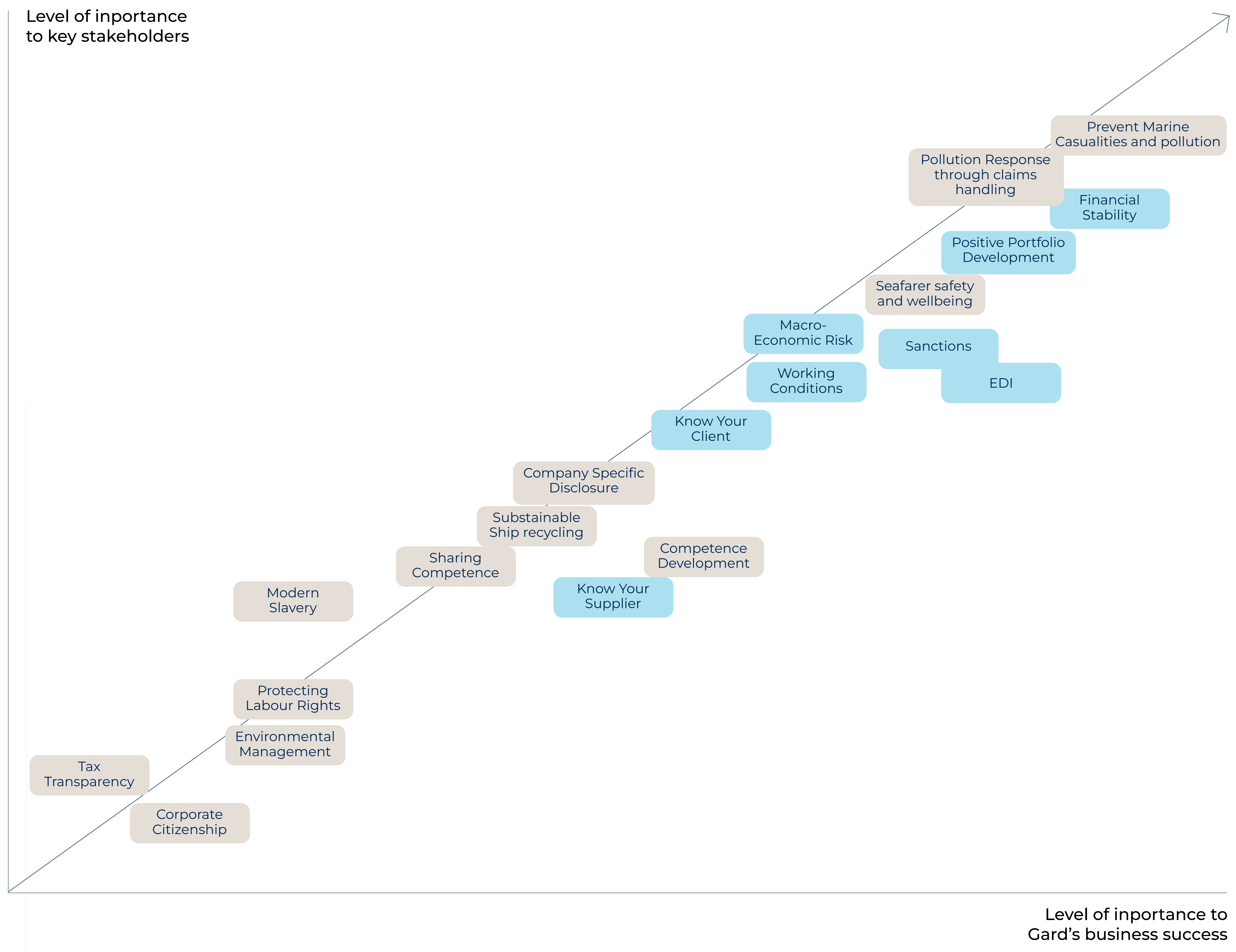
gard

Our material topics

Gard takes a proactive and constructive approach by engaging with our stakeholders to identify the most relevant topics as we develop our efforts in the area of sustainable business. From November 2020 to February 2021, we undertook an extensive internal and external stakeholder dialogue. For more details on this, see last year's annual report. This year, we have updated our material topics via a peer and competitor analysis, a trend analysis, and a media analysis. The outcomes of the analysis are presented in a materiality matrix, which has been validated and approved by the Group Leadership Team. In addition to the seven existing topics included in the top upper right quadrant in terms of its level of materiality to Gard's business success and to key stakeholders, three topics are added to the top-list in 2022: Financial Stability, Sanctions and Know Your Customer. The definitions of some topics have been slightly changed to reflect the outcomes from the 2022 analysis. The full list of topics and its definitions can be found in Appendix G.

Materiality Matrix Refresh

Blue = Change or update made in 2022



Reporting criteria

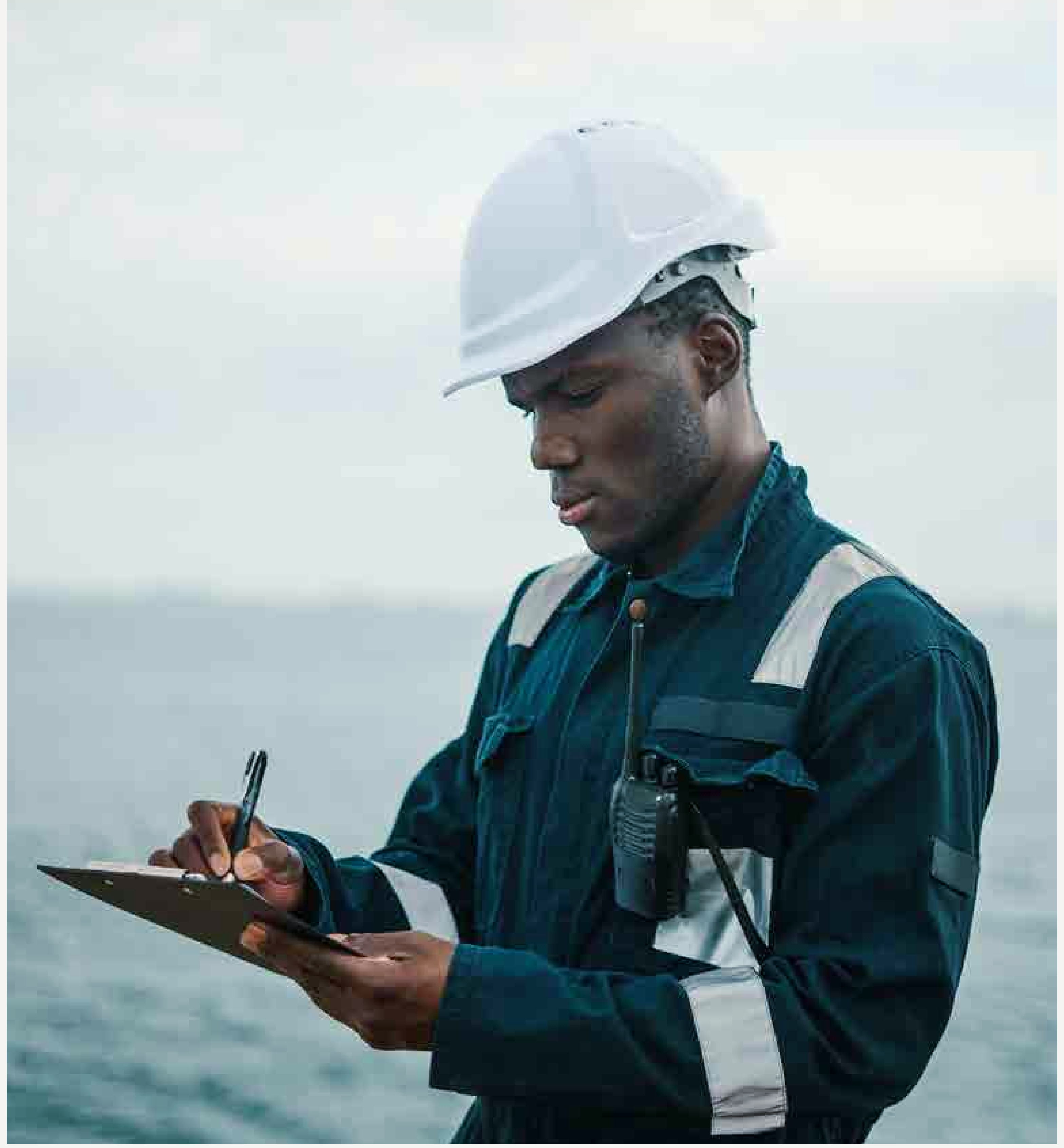
During the preparation of our second integrated report, we used the Value Reporting Foundation's Integrated Reporting framework. The framework enables us to communicate about how our strategy, governance, and (non-) financial performance, within the context of external developments, lead to long term value creation. The report has been externally verified to be in accordance with the content elements of the guidelines.

The process for defining the material topics and report content, as well as the list of material topics, is described in the materiality analysis section of this document. The progress around these topics is set out in this report. We aim to mature in the transparency around targets and indicators to measure the progress of our broader value creation as a company.

The Integrated Report and complementing appendixes show our commitment to the Principles for Sustainable Insurance (PSI) (Appendix D), and they incorporate information on our activities according to the UN Global Compact Advanced Level criteria. Our Communication on Progress report is available on the UN Global Compact's and the UN Environment Finance Initiative (UNE FI) website's. Gard is a signatory to the UN Sustainable Ocean Principles (Appendix B) and the ten principles of the United Nations Global Compact (Appendix C). We are also committed to the Agenda 2030 for Sustainable Development and report in accordance with the Norwegian "Aktivitets- og redegjørelsesplikten" (Appendix F). For more information about Gard's organisation and ownership structure, please see Gard's Corporate Governance report. For more information about Gard's Human Rights Due Diligence process, please see Gard's Human Rights Due Diligence Report.

Reporting criteria were defined as part of our materiality assessment. For the 2022 reporting year, the updated GRI Standards have come into effect. In this update, the GRI has revised its reporting principles.
Even though many of the topics required by the GRI are integrated in this report, we have decided to maintain the double materiality matrix approach similar to our previous annual report, focusing on both financial materiality and impact materiality. This is in line with the Value Reporting Foundation's Integrated Reporting framework and anticipates on upcoming regulations such as the CSRD.

A list of Gard's updated material topics can be found in Appendix G. For certain data sets, information is only available for our Norwegian operations at present, as specified in the relevant sections of this report.



Glossary

Capitals
Stocks of value on which all organisations depend for their success as inputs to their business model, and which are increased, decreased or transformed through the organisation's business activities and outputs. The capitals are categorised in the Framework as financial, manufactured, intellectual, human, social and relationship, and natural.

Compliance
The ways in which a company ensures that it is following internal rules and policies as well as external laws and regulations that apply to its business or industry. Compliance involves among others the development, design, implementation, and monitoring of policies, procedures and practices.

Correspondents
An individual or entity which is considered a partner to Gard that will handle all claims arising from accidents caused in the correspondent's country by objects insured by our Members and clients.

External Service Provider
An individual or entity that provides other services to Gard.

ESG
Stands for Environmental Social and Governance, and refers to the three key factors when measuring the sustainability and ethical impact of an organisation or company.

Estimated Total Call
The Estimated Total Call is the premium that is to be paid by a Member or a client for a given policy year not included the Owners' General Discount.

High-impact casualty
A demand for payment or compensation made by a policyholder, reinsurer or third party on a policyholder to be compensated for some injury, damage or loss that exceeds USD 5.0 million.

Integrated report
A concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value in the short, medium and long term.

Know Your Customer
Proactively mapping your clients to ensure compliance with all relevant sanctions, laws and regulations related to money laundering, terrorism financing, and other financial crime-related issues.

Know Your Supplier
Proactively mapping your supply chain and (prospective) vendors to ensure compliance with all relevant sanctions, laws and regulations, and that relevant ESG considerations and sustainability standards are taken into account.

Material/materiality
A concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value in the short, medium and long term.

Owners' General Discount
A discount that is given as a percentage of the agreed Estimated Total Call at renewal in the forthcoming policy and financial year.

Stakeholders
Those groups or individuals that can reasonably be expected to be significantly affected by an organisation's business activities, outputs or outcomes, or whose actions can reasonably be expected to significantly affect the ability of the organisation to create value over time. Stakeholders may include providers of financial capital, employees, customers, suppliers, business partners, local communities, NGOs, environmental groups, legislators, regulators and policy-makers.

Sanctions
Commercial and financial penalties applied by one or more countries against a targeted state, group, or individual, often for the purpose of achieving political, military or social goals.

Short, medium and long term
Refers to different time ranges, where short-term perspective is 0 – 2 years; medium-term perspective is 3 - 5 years; long-term perspective is 5+ years.

CHAPTER 06

Auditors report

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Independent auditor's report

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

Our opinion

We have audited the financial statements of Gard P. & I. (Bermuda) Ltd., which comprise:

- The financial statements of the parent company Gard P. & I. (Bermuda) Ltd. (the "Company"), which comprise the balance sheet as at December 31, 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the period from February 21, 2022 to December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies, and

- The consolidated financial statements of Gard P. & I. (Bermuda) Ltd. and its subsidiaries (together the "Group"), which comprise the balance sheet as at December 31, 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the period from February 21, 2022 to December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements of the Company give a true and fair view of the financial position of the Company as at December 31, 2022, and of its financial performance and its cash flow for the period from February 21, 2022 to December 31, 2022 in accordance with the "Regulations for Annual Accounts for General Insurance Companies" approved by the Norwegian Ministry of Finance, and

- the consolidated financial statements of the Group give a true and fair view of the financial position of the Group as at December 31, 2022, and of its consolidated financial performance and its consolidated cash flow for the period from February 21, 2022 to December 31, 2022 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Chartered Professional Accountants of Bermuda Rules of Professional Conduct (CPA Bermuda Rules) that are relevant to our audit of the financial statements of the Company and the consolidated financial statements of the Group in Bermuda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the CPA Bermuda Rules.

Other information

The Board of Directors and the Managing Director (together "management") are responsible for the other information. The other information comprises the Board of Directors' report but does not include the financial statements of the Company and the consolidated financial statements of the Group and our auditor's report thereon.

Our opinion on the financial statements of the Company and the consolidated financial statements of the Group does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company and the consolidated financial statements of the Group, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company and the consolidated financial statements of the Group or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company and the consolidated financial statements of the Group that give a true and fair view 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 financial statements of the Company and consolidated financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company and the consolidated financial statements of the Group, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company and the consolidated financial statements of the Group 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, both the Company's and the Group's.

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 of the Company and the consolidated financial statements of the Group, 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 or 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 of the Company and the consolidated financial statements of the Group 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 the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company and the consolidated financial statements of the Group, including the disclosures, and whether the financial statements of the Company and the consolidated financial statements of the Group 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.

PricewaterhouseCoopers Ltd.

Chartered Professional Accountants

Hamilton, Bermuda

March 16, 2023

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

Independent statement regarding Gard P. & I. (Bermuda) Ltd.'s integrated annual report

We have undertaken a limited assurance engagement of the accompanying integrated annual report of Gard per 31 December 2022.

Our limited assurance engagement comprises whether Gard has developed an integrated annual report that includes the content elements described in the International Integrated Reporting Framework published by the Value Reporting Foundation (criteria). The International Integrated Reporting Framework is available at https://www.integratedreporting.org/resource/international-ir-framework/.

Our work does not include testing the accuracy or completeness of the measurements reported and the non-financial information presented in the integrated annual report.

Management's responsibility
Management is responsible for Gard's integrated annual report and that the content elements are developed and presented in accordance with the International Integrated Reporting Framework. The responsibility includes designing, implementing and maintaining an internal control that ensures appropriate reporting of the content elements.

Our independence and quality control
We are independent of the company in accordance with the law and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our ethical obligations in accordance with these requirements. We use ISQM 1 - Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements and maintain a comprehensive system of quality control including documented guidelines and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory claim.

The Auditors responsibilities
Our responsibility is to express a limited assurance conclusion on Gard's integrated annual report based on the procedures we have performed and the evidence we have obtained. We conducted our work in accordance with the Standard on Assurance Engagements ISAE 3000: "Assurance engagements other than audits or review of historical financial information". A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Gard's use of the International Integrated Reporting Framework as the basis for the preparation of its integrated annual report, assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the content elements in the integrated annual report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

PricewaterhouseCoopers AS, Sandviksbodene 2A, P.O Box 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

The procedures we performed were based on our professional judgement and, among others, included an assessment of whether the criteria used are appropriate, as well as an assessment of the overall presentation of the integrated annual report. Given the circumstances of the engagement we have:

- Through inquiries, obtained an understanding of Gard's control environment and information systems relevant to its reporting of the content elements.
- Evaluated whether Gard's integrated annual report includes the required content elements and that the reporting of these answers the questions defined in the International Integrated Reporting Framework.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Gard's integrated annual report has been prepared, in all material respects, in accordance with the International Integrated Reporting Framework published by the Value Reporting Foundation.

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

Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Gard's integrated annual report per 31 December 2022, does not, in all material respects, include the content elements in the International Integrated Reporting Framework published by the Value Reporting Foundation.

Bergen, 16 March 2023
PricewaterhouseCoopers AS

Hanne S Johansen

Hanne Sælemyr Johansen

State Authorized Public Accountant