FINANCIAL STATEMENTS 2023

GARD MARINE & ENERGY LIMITED

for the period 1 January 2023 to 31 December 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Gard Marine & Energy Limited

Opinion

We have audited the financial statements of Gard Marine & Energy Limited ("the Company") and of the Group, of which the Company is the parent, which comprise the balance sheet as at 31 December 2023, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with the "Regulations for Annual Accounts for General Insurance Companies" approved by the Norwegian Ministry of Finance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements as at and for the period ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 16 March 2023.

Responsibilities of management and those charged with governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and/or the Group to cease to continue as a going concern.

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

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

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

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
15 March 2024

GARD MARINE & ENERGY LIMITED

Statement of comprehensive income

Amounts in USD 000's	Notes	Parent company 01.01.23 to 31.12.23	Parent company 21.02.22 to 31.12.22	Consolidated accounts 01.01.23 to 31.12.23	Consolidated accounts 21.02.22 to 31.12.22
Technical account					
Gross written premium	4, 5	439,344	325,823	508,104	383,221
Gross earned premium	5	431,097	404,547	497,375	469,439
Ceded reinsurance	5	(262,545)	(254,878)	(279,171)	(274,722)
Earned premium for own account	**5**	**168,552**	**149,669**	**218,204**	**194,717**
Other insurance related income		**729**	**17**	**1,201**	**24**
Gross incurred claims	5	301,027	166,074	352,568	200,382
Reinsurers' share of gross incurred claims	5	(165,136)	(85,360)	(168,120)	(90,581)
Claims incurred for own account	**5**	**135,891**	**80,714**	**184,448**	**109,801**
Acquisition cost	6	14,887	15,014	26,330	23,396
Agents' commission	6	50,310	47,790	48,099	44,111
Commission received	6	(49,229)	(46,818)	(57,294)	(54,722)
Insurance related expenses for own account	**6**	**15,969**	**15,986**	**17,135**	**12,784**
Other insurance related expenses	**6**	**1,387**	**1,327**	**2,931**	**2,277**
Technical result		**16,035**	**51,658**	**14,892**	**69,879**
Non-technical account					
Income from investments in group companies		(7,773)	0	(8,000)	0
Interest and similar income/(expenses)	7	3,487	(48)	6,413	(887)
Change in unrealised gain/(loss) on investments	10	22,266	(20,280)	26,968	(21,834)
Loss on realisation of investments		(687)	(409)	(552)	(1,504)
Other expenses		(116)	(237)	(112)	(202)
Non-Technical result		**17,176**	**(20,974)**	**24,717**	**(24,426)**
Profit before tax		**33,211**	**30,684**	**39,609**	**45,453**
Corporate income tax	8	(6,018)	5,166	(4,381)	8,598
Net result before other comprehensive income		**39,229**	**25,518**	**43,990**	**36,855**
Other comprehensive income/(loss)					
Items that may be reclassified to profit or loss					
Exchange differences on subsidiaries		0	0	25	(10)
Total comprehensive Income		**39,229**	**25,518**	**44,015**	**36,845**

GARD MARINE & ENERGY LIMITED

Balance sheet

		Parent company		Consolidated accounts	
Amounts in USD 000's	Notes	As at 31.12.23	As at 31.12.22	As at 31.12.23	As at 31.12.22
Assets					
Investments					
Financial investments in subsidiaries					
Investments in subsidiaries	9	66,550	66,550	0	0
Financial investments at fair value through profit or loss					
Equities and investment funds	10	61,348	46,692	64,418	49,290
Interest-bearing securities and funds	10, 11	272,956	238,976	407,503	341,579
Other financial investments	10, 11	7,752	0	7,753	0
Total investments		**408,606**	**352,218**	**479,675**	**390,869**
Reinsurers' share of technical provisions					
Reinsurers' share of gross premium reserve	5, 11	89,515	84,966	91,596	87,685
Reinsurers' share of gross claims reserve	5, 11	226,345	183,663	237,370	194,470
Total reinsurers' share of technical provisions		**315,860**	**268,629**	**328,965**	**282,155**
Receivables					
Receivables from direct insurance operations					
Policyholders	, 12	3,870	1,429	4,878	3,000
Intermediaries	12	126,160	137,983	217,239	218,737
Receivables from reinsurance operations					
Receivables from reinsurance operations		2,777	1,420	2,903	1,410
Receivables from subsidiaries		57,291	42,097	0	0
Other receivables					
Other receivables		3	3	37	3
Other receivables from Group companies		29,691	10,139	30,574	10,455
Total receivables	11	**219,792**	**193,071**	**255,630**	**233,606**
Other assets					
Equipment		0	0	1	10
Cash and cash equivalents	11, 13	14,165	7,539	26,257	19,381
Deferred tax asset	8	12,260	454	11,181	560
Other assets	11	11,586	10,747	18,173	16,237
Total other assets		**38,011**	**18,741**	**55,613**	**36,187**
Prepayments and accrued income					
Accrued income and other prepayments		26,344	30,250	25,008	30,917
Total prepayments and accrued income		**26,344**	**30,250**	**25,008**	**30,917**
Total assets		**1,008,613**	**862,908**	**1,144,890**	**973,733**

GARD MARINE & ENERGY LIMITED
Balance sheet

Amounts in USD 000's	Notes	Parent company As at 31.12.23	Parent company As at 31.12.22	Consolidated accounts As at 31.12.23	Consolidated accounts As at 31.12.22
Equity and liabilities					
Equity					
Statutory reserve	14	190,000	190,000	190,000	190,000
Retained earnings					
Guarantee scheme		91	118	91	118
Other equity		112,670	73,414	137,152	93,110
Total equity	15	**302,761**	**263,532**	**327,243**	**283,228**
Liabilities					
Technical provisions					
Gross premium reserve	5	176,059	167,813	202,856	192,128
Gross claims reserve	5, 11	410,139	326,510	480,799	378,060
Total technical provisions		**586,198**	**494,323**	**683,655**	**570,188**
Provisions for other liabilities					
Income tax payable	8, 11	5,888	5,207	6,204	10,896
Total provisions for other liabilities		**5,888**	**5,207**	**6,204**	**10,896**
Payables					
Payables arising out of direct insurance operations	11	17,843	8,021	28,582	13,369
Payables arising out of reinsurance operations	11	4,340	4,952	5,915	6,962
Payables arising out of reinsurance operations - group companies	11	68,539	63,819	68,539	63,819
Payables to group companies	11	151	454	661	548
Other payables	11	112	115	610	1,111
Total payables		**90,985**	**77,361**	**104,308**	**85,809**
Accruals and deferred income					
Accruals and deferred income		22,781	22,485	23,480	23,613
Total accruals and deferred income		**22,781**	**22,485**	**23,480**	**23,613**
Total liabilities		**705,852**	**599,376**	**817,647**	**690,505**
Total equity and liabilities		**1,008,613**	**862,908**	**1,144,890**	**973,733**

GARD MARINE & ENERGY LIMITED

Statement of changes in equity

Parent company

Amounts in USD 000's	Statutory reserve	Guarantee Scheme	Other equity	Total
Equity as at 21.02.22	**190,000**	**120**	**47,894**	**238,014**
Net result before other comprehensive income/(loss)	0	0	25,518	25,518
Provision to obliged fund	0	(2)	2	0
Equity as at 31.12.22	**190,000**	**118**	**73,414**	**263,532**
Equity as at 01.01.23	**190,000**	**118**	**73,414**	**263,532**
Net result before other comprehensive income/(loss)	0	0	39,229	39,229
Provision to obliged fund	0	(28)	28	0
Equity as at 31.12.23	**190,000**	**91**	**112,671**	**302,761**

Consolidated accounts

Amounts in USD 000's	Statutory reserve	Guarantee Scheme	Other equity	Total
Equity as at 21.02.22	**190,000**	**120**	**56,264**	**246,384**
Net result before other comprehensive income/(loss)	0	0	36,855	36,855
Provision to obliged fund	0	(2)	2	0
Exchange differences on subsidiaries	0	0	(10)	(10)
Equity as at 31.12.22	**190,000**	**118**	**93,110**	**283,228**
Equity as at 01.01.23	**190,000**	**118**	**93,110**	**283,228**
Net result before other comprehensive income/(loss)	0	0	43,990	43,990
Provision to obliged fund	0	(28)	28	0
Exchange differences on subsidiaries	0	0	25	25
Equity as at 31.12.23	**190,000**	**91**	**137,153**	**327,243**

GARD MARINE & ENERGY LIMITED

Statement of cash flow

Amounts in USD 000's	Notes	Parent company 01.01.23 to 31.12.23	Parent company 21.02.22 to 31.12.22	Consolidated accounts 01.01.23 to 31.12.23	Consolidated accounts 21.02.22 to 31.12.22
Cash flow from operating activities					
Profit before tax		33,211	30,684	39,609	45,453
Tax paid	8	(4,786)	(1,484)	(10,158)	(1,484)
Change in unrealised loss on investments		(22,266)	20,280	(26,968)	21,834
Financial investments		(34,122)	(55,319)	(61,838)	(84,391)
Change in valuation due to change in exchange rates		(320)	96	(740)	(133)
Change in receivables and payables		(13,937)	19,607	(5,462)	34,740
Change in technical provisions and other accruals		48,846	(13,104)	72,434	(18,305)
Net cash flow from operating activities		**6,627**	**761**	**6,876**	**(2,286)**
Cash flow from investment activities					
Capital contribution paid to subsidiary	3	0	0	0	0
Net cash flow from investment activities		**0**	**0**	**0**	**0**
Net change in cash and cash equivalents		6,626	761	6,876	(2,286)
Cash and cash equivalents at the beginning of the period		7,539	6,779	19,381	21,668
Cash and cash equivalents at the end of the period	11	**14,165**	**7,539**	**26,257**	**19,381**

GARD MARINE & ENERGY LIMITED

Notes to the accounts

Note 1 - Corporate information – the Gard group of companies

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

In 2022,the Company's General Assembly resolved to change the group'sfinancial year, which will now end on 31 December. The current financial period is covering a full financial year, from 1 January to 31 December. The comparative figures have not been adjusted in relation to the change and shows the activity for a shorter period from 21 February 2022 to 31 December 2022.

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

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

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

Note 2 - Accounting policies

2.1 Basis of preparation of the accounts
The Company is incorporated under Bermuda Law.. The operations and insurance activities of the Company are carried out by its insurance manager, Lingard Limited. The accounts include the activity from1 January 2023 to 31 December 2023.
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
Starting 1 January 2023, the Company has implemented IFRS 9.
Classification of financial assets and financial liabilities
IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

For an explanation of how the Company classifies and measures financial assets and accounts for related gains and losses under IFRS 9, see Note 10.

The change in accounting policy from IAS 39 to IFRS 9 have not had a significant effect onthe Company financial position, financial asset balances or financial liability balances.

Impairment of financial assets
IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39 (see Note 10).

Transition
Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. The comparative period has been restated. The change in accounting policy from IAS 39 to IFRS 9 have not had any material effect on the restated comparative period. Details of the changes and implications resulting from the adoption of IFRS 9 are presented in table below ("Effect of initial application").

The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2023.

- The determination of the business model within which a financial asset is held.

- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

- If a financial asset had low credit risk at 1 January 2023, then the Company determined that the credit risk on the asset had not increased significantly since initial recognition.

Effect of initial application
The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's and Group's financial assets and financial liabilities as at 1 January 2023.

The table includes the mandatory disclosure information in accordance with the Norwegian regulations on annual accounts for non-life insurance companies, § 5-28.

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Notes to the accounts

Note 2 - Accounting policies continued

			Parent company		
Amounts in USD 000's	Notes	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets					
Equities and investment funds		FVTPL	FVTPL	46,692	46,692
Interest-bearing securities and funds	10,11	FVTPL	FVTPL	238,976	238,976
Other financial investments	10,11	FVTPL	FVTPL	0	0
Other receivables		Other receivables	Amortised cost	3	3
Cash and cash equivalents	13	Other assets	Amortised cost	7,539	14,165
Other assets		Other assets	Amortised cost	10,747	10,747

			Consolidated accounts		
Amounts in USD 000's	Notes	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets					
Equities and investment funds		FVTPL	FVTPL	49,290	49,290
Interest-bearing securities and funds	10,11	FVTPL	FVTPL	341,579	341,579
Other financial investments	10,11	FVTPL	FVTPL	0	0
Other receivables		Loans and Receivables	Amortised cost	3	3
Cash and cash equivalents		Other assets	Amortised cost	19,381	19,381
Other assets		Loans and Receivables	Amortised cost	16,237	16,237

There are no other changes in accounting policies for Gard Marine & Energy Limited for the financial period ending31 December 2023

2.3 Basis for consolidation
The consolidated financial statements are made up of the accounts of Gard Marine & Energy Limited and the companies over which the Company has a controlling interest, i.e., Gard M&E Europe and Gard Brasil. A controlling interest is usually obtained when ownership of the shares in a company is more than 50 per cent, and that ownership can exercise control over the company.

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

2.4 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
<u>Functional currency and presentation currency</u>
The accounts are prepared in USD, which is both the functional currency and presentation currency of the Company.

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

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

Note 2 - Accounting policies continued

2.6 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.

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

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

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

Note 3 - Intra-group transactions

Reinsurance agreement with Gard M&E Europe

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

	Received from Gard M&E Europe	
	01.01.23	21.02.22
Amounts in USD 000's	to 31.12.23	to 31.12.22
Reinsurance premium	115,854	105,112
Reinsurers' share of gross settled claims	(53,871)	(38,250)
Reinsurance commission	(21,216)	(21,397)

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

	Ceded to Gard Re	
	01.01.23	21.02.22
Amounts in USD 000's	to 31.12.23	to 31.12.22
Reinsurance premium	(168,552)	(149,669)
Reinsurers' share of gross settled claims	86,087	70,642
Reinsurance commission	37,636	31,118

	Ceded to Gard Re	
	As at	As at
Amounts in USD 000's	31.12.23	31.12.22
Reinsurers' share of gross claims reserve	165,262	126,454
Reinsurers' share of gross premium reserve	86,544	82,847

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

In addition, secondment agreements have been entered into between the insurance branches in Singapore and Hong Kong, and the insurance intermediary service company in the same country. Costs related to these agreements are reimbursed by the insurance branches directly to the insurance intermediary service companies.

	Insurance services invoiced	
	01.01.23	21.02.22
Amounts in USD 000's	to 31.12.23	to 31.12.22
Lingard	28,582	26,379
Gard (Singapore) Pte. Ltd.	2,595	1,629
Gard (HK) Limited	682	568

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Notes to the account

Note 3 - Intra-group transactions continued

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

	Insurance Services Invoiced	
	01.01.23	21.02.22
Amounts in USD 000's	to 31.12.23	to 31.12.22
Gard Brasil	230	365

Note 4 - Gross written premium by geographical areas

	Parent company		**Consolidated accounts**	
	01.01.23	21.02.22	01.01.23	21.02.22
Amounts in USD 000's	to 31.12.23	to 20.02.22	to 31.12.23	to 20.02.22
EEA / European Economic Area	159,545	101,440	302,564	204,050
Norway	178,757	129,875	50,780	48,202
Other areas	101,041	94,509	154,759	130,969
Total gross written premium	**439,344**	**325,823**	**508,104**	**383,221**

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

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

GARD MARINE & ENERGY LIMITED

Notes to the accounts

Note 5 - Technical result and technical provisions

Accounting policy

Premiums and received reinsurance premiums

Premiums are based on the insurance contracts where one party (the insurer) has accepted a significant risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Premiums are recognised over the insurance policy period.

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

Ceded reinsurance premiums

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

Claims expenses

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

Reinsurers' share of gross incurred claims

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

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

			Parent company			Consolidated accounts
			21.02.22 to 31.12.22			21.02.22 to 31.12.22
Amounts in USD 000's	Marine	Energy	Total	Marine	Energy	Total
Technical result						
Gross written premium	276,663	49,160	325,823	327,545	55,676	383,221
Gross earned premium	345,969	58,579	404,547	402,465	66,973	469,439
Ceded reinsurance	(223,466)	(31,413)	(254,878)	(241,443)	(33,279)	(274,722)
Earned premium for own account	**122,503**	**27,166**	**149,669**	**161,023**	**33,694**	**194,717**
Claims incurred, gross						
Incurred this period	159,284	18,729	178,013	186,105	22,538	208,643
Incurred previous periods	(3,425)	(8,513)	(11,938)	(155)	(8,106)	(8,261)
Total claims incurred, gross	**155,858**	**10,216**	**166,074**	**185,950**	**14,432**	**200,382**
Reinsurers' share of gross incurred claims	(81,219)	(4,141)	(85,360)	(86,440)	(4,141)	(90,581)
Claims incurred for own account	**74,639**	**6,075**	**80,714**	**99,510**	**10,291**	**109,801**

Note 5 - Technical result and technical provisions continued

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

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..

			Parent company			**Consolidated accounts**
			As at 31.12.23			As at 31.12.23
Amounts in USD 000's	Marine	Energy	Total	Marine	Energy	Total
Technical provisions gross						
Provisions, at the beginning of the period	272,829	53,681	326,510	316,656	61,404	378,060
Claims paid	(198,369)	(19,029)	(217,398)	(226,284)	(23,546)	(249,830)
Claims incurred - gross this period	270,005	25,358	295,363	310,675	29,414	340,089
Claims incurred - gross previous periods	5,911	(247)	5,664	12,234	245	12,480
Provisions, at the end of the period	**350,376**	**59,763**	**410,139**	**413,282**	**67,517**	**480,799**
Reinsurers' share of claims provision	(199,731)	(26,614)	(226,345)	(210,756)	(26,614)	(237,370)
Provisions net, at the end of the period	**150,645**	**33,149**	**183,794**	**202,526**	**40,903**	**243,429**
Provision for unearned premiums, gross	134,621	41,438	176,059	153,032	49,824	202,856
Reinsurers' share of premium provision	(68,400)	(21,115)	(89,515)	(69,689)	(21,907)	(91,596)
Provision for unearned premiums, net	**66,221**	**20,323**	**86,544**	**83,343**	**27,917**	**111,260**
Provision for outstanding claims						
Technical provision gross	350,376	59,763	410,139	413,282	67,517	480,799
Technical provision net	150,645	33,149	183,794	202,526	40,903	243,430

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

Sensitivity analyses have been performed in order to evaluate how sensitive the data driven IBNR estimate is to changes in the input parameters (DFM-factors and a priori). The parameters are adjusted one by one, increasing and decreasing the values by 10%. The results are then compared with the booked results. Based on these methodologies the gross claim reserve ranges between USD 460.2 million and USD 500.6 million for consolidated accounts. The claim reserves for the parent company ranges between USD 406.3 million and USD 413.9 million.

GARD MARINE & ENERGY LIMITED

Notes to the accounts

Note 6 - Insurance related expenses and number of staff

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

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

	Parent company		Consolidated accounts	
	01.01.23	21.02.22	01.01.23	21.02.22
Amounts in USD 000's	to 31.12.23	to 31.12.22	to 31.12.23	to 31.12.22
Acquisition costs and commissions				
Insurance intermediary	14,887	15,014	26,330	23,396
Agents' commission	50,310	47,790	48,099	44,111
Commission received	(49,229)	(46,818)	(57,294)	(54,722)
Insurance related expenses for own account	**15,969**	**15,986**	**17,135**	**12,784**

	Parent company		Consolidated accounts	
	01.01.23	21.02.22	01.01.23	21.02.22
Amounts in USD 000's	to 31.12.23	to 31.12.22	to 31.12.23	to 31.12.22
Remuneration auditor				
Auditing fee	172	300	220	326
Tax advising	1	0	7	66
Total auditors' fee	**173**	**300**	**227**	**392**

	Parent company		Consolidated accounts	
	01.01.23	21.02.22	01.01.23	21.02.22
Amounts in USD 000's	to 31.12.23	to 31.12.22	to 31.12.23	to 31.12.22
Net operating expenses				
Bad debt	(712)	(21)	(671)	67
Service cost	32,133	29,003	53,242	44,139
Allocated to claims handling and acquisition costs	(30,768)	(28,266)	(51,533)	(43,325)
Other operating expenses	734	612	1,893	1,396
Other insurance related expenses	**1,387**	**1,327**	**2,931**	**2,277**

Gard M&E has no employees. No salaries or other benefits have been paid to the Board of Directors.

Note 7 - Interest and similar income/(expenses)

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

	Parent company		Consolidated accounts	
	01.01.23	21.02.22	01.01.23	21.02.22
Amounts in USD 000's	to 31.12.23	to 31.12.22	to 31.12.23	to 31.12.22
Interest and similar income/(expenses)				
Interest income/(expenses)	0	153	(68)	209
Income from financial investments	3,030	1,478	4,548	2,145
Foreign exchange income/(loss)	457	(1,679)	1,932	(3,240)
Total interest and similar income/(expenses)	**3,487**	**(48)**	**6,413**	**(887)**

GARD MARINE & ENERGY LIMITED

Notes to the accounts

Note 8 - Tax

Accounting policy

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

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

Taxes are calculated as follows	Parent company		Consolidated accounts	
	01.01.23	21.02.22	01.01.23	21.02.22
Amounts in USD 000's	31.12.23	to 31.12.22	31.12.23	to 31.12.22
Basis for income tax expense, changes in deferred tax and tax payable				
Profit before tax as stated in Statement of comprehensive income	33,211	30,684	39,868	45,453
Profit not taxable to Norway	(10,959)	(15,457)	(10,959)	(15,457)
Basis for calculating tax	**22,252**	**15,227**	**28,909**	**29,997**
Permanent differences	1,887	5,439	3,679	3,605
Basis for the tax expense for the period	**24,139**	**20,666**	**32,588**	**33,602**
Change in temporary differences	79,186	164	73,458	2,268
Basis for payable taxes in the income statement	**103,325**	**20,830**	**106,046**	**35,870**
Change in (utilisation of) tax losses carried forward	0	(700)	(1,507)	(700)
Taxable income (basis for payable taxes in the balance sheet)	**103,325**	**20,131**	**104,539**	**35,170**
Income tax expenses				
Tax payable	5,888	5,033	6,192	8,801
Tax correction earlier periods	(87)	0	(186)	(12)
Change in deferred tax	(11,819)	134	(10,638)	(392)
Accrual tax in foreign branches	0	0	251	202
Tax expenses ordinary result	**(6,018)**	**5,167**	**(4,382)**	**8,598**
Income tax payable				
Tax at the beginning of the period	5,207	1,620	10,896	3,534
Tax payable related to the period	5,888	5,033	6,453	8,994
Tax correction earlier periods	(87)	0	(186)	(12)
Tax paid during the period	(4,786)	(1,484)	(10,158)	(1,484)
Exchange adjustments	(334)	38	(803)	(136)
Other adjustments	0	0	2	0
Tax payable at the end of the period	**5,888**	**5,207**	**6,204**	**10,896**
Deferred tax asset				
Specification of tax effect resulting from temporary differences				
Portfolio investments	0	0	(4,857)	1,381
Foreign tax credit	0	0	1,002	0
Other temporary differences	1,177	1,818	2,370	2,991
Bermuda ETA	79,772	0	79,772	0
Retained earnings	0	0	(1,654)	(2,131)
Total temporary differences	**80,949**	**1,818**	**76,633**	**2,241**
Deferred tax asset, 25 percent of total temporary differences	294	454	(785)	560
Deferred tax asset, 15 percent of total temporary differences	11,966	0	11,966	0
Net deferred tax asset/(deferred tax) of total temporary differences	**12,260**	**454**	**11,181**	**560**

Note 8 - Tax continued

	Parent company		Consolidated accounts	
	01.01.23	21.02.22	01.01.23	21.02.22
Amounts in USD 000's	31.12.23	to 31.12.22	31.12.23	to 31.12.22
Deferred tax asset reconciliation				
Deferred tax asset/deferred tax at beginning of the period	454	645	560	184
Deferred tax expense related to the period	11,819	(134)	10,638	392
Exchange adjustment	(13)	(57)	(17)	(16)
Deferred tax asset/deferred tax at end of the period	**12,260**	**454**	**11,181**	**560**

Reconciliation of the tax expense				
Loss before tax as basis for tax calculation	22,252	15,227	28,909	29,997
Calculated tax 25 per cent	**5,563**	**3,807**	**7,227**	**7,499**
Tax expense	(6,018)	5,166	(4,382)	8,598
Difference	**11,581**	**(1,359)**	**11,609**	**(1,099)**
The difference consists of:				
Accrual tax in foreign branches	0	0	0	(202)
Foreign tax credit deducted	0	0	377	0
Deferred tax related to Bermuda ETA	11,966	0	11,966	0
Tax correction earlier year	87	0	186	0
Differences related to different tax rates within the group	0	0	0	(18)
Permanent differences not subject to tax	(472)	(1,359)	(920)	(901)
Asymmetric currency adjustment	0	0	0	19
Other differences	0	0	0	3
Sum explained differences	**11,581**	**(1,359)**	**11,609**	**(1,099)**

Following the OECD's proposed Global Minimum Tax framework, the Bermuda Government enacted the Corporate Income Tax Act (the "Act") on 27 December 2023. Although the Company had previously received an undertaking from the Bermuda Government in the form of a Tax Assurance Certificate, exempting it from any future tax computed on profits or income or computed on any capital asset, gain or appreciation until 31 March 2035, the Act specifies that the corporate income tax shall apply notwithstanding any such prior assurances.

Given the new legislation, a 15 percent corporate income tax will be applicable to Bermuda tax-resident entities and permanent establishments that are part of multinational enterprise (MNE) groups with annual revenue of at least €750M. The Corporate Income Tax Act will be effective from 1 January 2025 and will be applicable to the Company. The Act includes a provision referred to as the economic transition adjustment, which is intended to provide a fair and equitable transition into the tax regime, and results in a deferred tax benefit for the Company. Pursuant to this new legislation, the Company recorded a net deferred tax asset of USD 12.0 million as at 31 December 2023. The Company expects to incur and pay increased taxes in Bermuda beginning in 2025.

The Bermuda Monetary Authority (the "Authority") has directed that the impact of the Act shall not be reflected in the Capital and Solvency Return until the Authority has completed its assessment and under the terms to be directed by the Authority. As a result, the Company has not recognised net deferred tax asset of USD 12.0 million as at 31 December 2023 in the Bermuda Statutory financial statements.

Norwegian tax authorities has ongoing tax investigations in two of the subsidiaries in the Group.

Note 9 - Investments in subsidiaries

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

Amounts in USD 000's	Ownership	Voting share	Place of office		Share capital	Book value USD As at 31.12.23
Gard M&E Europe	100%	100%	Norway	NOK	521,011	66,245
Gard Brasil	99%	99%	Brasil	BRL	616	305
Total						**66,550**

GARD MARINE & ENERGY LIMITED

Notes to the accounts

Note 10 - Financial investments at fair value through profitt or loss

Accounting policy

Recognition and initial measurement

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

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

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

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

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

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

The financial asset must meet the following two criteria to be accounted for using amortised cost:
- Business model test: Financial assets are held with the purpose of collecting contractual cash flows.
- Cash flow characteristics test: The contractual cash flows are either principal or interest on principal, only.

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

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

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

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

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

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

Note 10 - Financial investments at fair value through profitt or loss continued

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

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

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

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

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

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

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

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

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

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

Investments listed in the following have been classified on Level 2 in the pricing hierarchy:
• Equity funds and interest-bearing securities and funds where fair values are determined by using quoted market prices of the assets where the funds are invested.
• 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 derivatives are priced by standard and well recognised methods.

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

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

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

Financial investments in Level 3
There are no investments in Level 3.

Note 10 - Financial investments at fair value through profitt or loss continued

Amounts in USD 000's	Quoted market prices Level 1	Observable market data Level 2	Non observable market data Level 3	Parent company As at 31.12.23 Total	Quoted market prices Level 1	Observable market data Level 2	Non observable market data Level 3	Parent company As at 21.02.22 Total
Financial investments								
Equities and investment funds	10,641	50,707	0	61,348	2,975	43,717	0	46,692
Interest-bearing securities and funds	53,481	219,475	0	272,956	76,512	162,464	0	238,976
Other financial investments	7,752	0	0	7,752	0	0	0	0
Total financial investments	**71,874**	**270,182**	**0**	**342,056**	**79,487**	**206,181**	**0**	**285,668**

Amounts in USD 000's	Quoted market prices Level 1	Observable market data Level 2	Non observable market data Level 3	Consolidated accounts As at 31.12.23 Total	Quoted market prices Level 1	Observable market data Level 2	Non observable market data Level 3	Consolidated accounts As at 21.02.22 Total
Financial investments								
Equities and investment funds	10,641	53,777	0	64,418	2,975	46,314	0	49,290
Interest-bearing securities and funds	93,037	314,466	0	407,503	103,639	237,940	0	341,579
Other financial investments	7,753	0	0	7,753	0	0	0	0
Total financial investments	**111,431**	**368,243**	**0**	**479,675**	**106,614**	**284,255**	**0**	**390,869**

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

Equities and investment funds
Each subfund holds well diversified portfolios with different investment objectives, and the underlying holdings are common stocks traded on regional stock exchanges. The Company possesses only minority interests in quoted companies.

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

In the tables below all the listed financial investments are measured at fair value through profit and loss at recognition, and there have been no changes in valuation method based on the implementation of IFRS 9.

Amounts in USD 000's	Investment profile	Currency	Parent company As at 31.12.23
Equity funds			
Gard Global Multifactor Equity Fund	Global equity	USD	19,079
Gard Global Impact Equity Fund	Global equity	USD	9,930
Gard Global Equity Fund II	Global equity	USD	15,412
Gard Emerging Markets Fund	Emerging market equity	USD	6,286
iShares Commodity ETF	Commodities	USD	2,753
iShares MSCI ETF	Global Equity	USD	3,916
Invesco S&P500 ETF	US equity	USD	3,973
Total Equity funds			**61,348**
Total Equities and investment funds			**61,348**
The part of Equity fund invested in quoted shares			61,348

GARD MARINE & ENERGY LIMITED

Notes to the accounts

Note 10 - Financial investments at fair value through profitt or loss continued

Amounts in USD 000's	Investment profile	Currency	Parent company As at 31.12.23
Interest-bearing securities			
US Treasury Bills	US Treasury bond	USD	29,097
Total Interest-bearing securities			**29,097**
Interest-bearing funds			
Gard Global Treasury Fund	Government debt	USD	30,679
Gard Strategic Global Bond Fund	Global aggregate bonds	USD	37,481
Northern Trust Cash Fund	Money market US Dollar	USD	13,401
Gard International Credit Bond Fund I	Global corporate bonds	USD	15,581
Gard US Credit Bond Fund I	US corporate bonds	USD	6,618
Gard Emerging Market Debt Fund	Emerging market debt	USD	14,464
Gard Global Bond Fund I	Global aggregate bonds	USD	87,484
CQS Credit Fund	Global multi asset credit	USD	27,168
iShares TIPS ETF	Government debt	USD	8,384
Luxor TIPS ETF	Government debt		2,599
Total Interest-bearing funds			**243,859**
Total Interest-bearing securities and funds			**272,956**

The consolidated accounts has an equity exposure of 12 per cent (financial period ending 31 December 2022 11.6 per cent) of its total investments.

Amounts in USD 000's	Investment profile	Currency	Consolidated accounts As at 31.12.23
Equity funds			
Gard Global Multifactor Equity Fund	Global Equity	USD	22,149
Gard Global Impact Equity Fund	Global Equity	USD	9,930
Gard Global Equity Fund II	Global Equity	USD	15,412
Gard Emerging Markets Fund	Emerging Market Equity	USD	6,286
iShares Commodity ETF	Commodities	USD	2,753
iShares MSCI ETF	Global Equity	USD	3,916
Invesco S&P500 ETF	US equity	USD	3,973
Total Equity funds			**64,418**
Total Equities and investment funds			**64,418**
The part of Equity fund invested in quoted shares			64,418

GARD MARINE & ENERGY LIMITED

Notes to the accounts

Note 10 - Financial investments at fair value through profitt or loss continued

			Consolidated accounts
			As at
Amounts in USD 000's	Investment profile	Currency	31.12.23
Interest-bearing securities			
United States Treasuries	US Treasury bonds	USD	29,097
Total Interest-bearing securities			**29,097**
Interest-bearing funds			
Gard Global Treasury Fund	Government debt	USD	52,517
Gard Strategic Global Bond Fund	Global aggregate bonds	USD	86,462
Northern Trust Cash Fund	Money market US Dollar	USD	41,086
Gard International Credit Bond Fund I	Global corporate bonds	USD	29,026
Gard US Credit Bond Fund I	US corporate bonds	USD	17,345
Gard Emerging Market Debt Fund	Emerging market debt	USD	14,464
Gard Global Bond Fund I	Global aggregate bonds	USD	87,484
CQS Credit Fund	Global multi asset credit	USD	27,168
iShares Treasury ETF	Government debt	USD	11,871
iShares TIPS	Government debt	USD	8,384
Luxor TIPS ETF	Government debt	USD	2,599
Total Interest-bearing funds			**378,406**
Total Interest-bearing securities and funds			**407,503**

Financial assets at amortised cost

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.23	31.12.22	31.12.23	31.12.22
Financial assets at amortised cost				
Cash and cash equivalents	14,165	7,539	26,257	19,381
Other financial assets	11,586	10,747	18,173	16,237
Receivables				
Receivables from direct insurance operations	130,030	139,412	222,117	221,738
Receivables from reinsurance operations	60,068	43,517	2,903	1,410
Other receivables	29,694	10,142	30,611	10,459
Total financial assets at amortised cost	245,543	211,357	300,061	269,223
Financial assets at fair value				
Total financial assets at fair value	408,606	352,218	479,675	390,869

Note 11 - Financial risk

Risk management framework

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

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

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

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

Main financial risks

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

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

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

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

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

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

GARD MARINE & ENERGY LIMITED

Notes to the accounts

Note 11 - Financial risk continued

Currency split balance sheet

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.23	31.12.22	31.12.23	31.12.22
Assets				
USD	909,249	764,334	1,021,922	859,963
EUR	11,205	8,856	48,622	40,780
GBP	2,744	5,077	5,794	6,471
Other	85,415	84,641	68,553	66,519
Total assets	**1,008,613**	**862,908**	**1,144,890**	**973,733**
Equity and liabilities				
USD	953,410	811,575	945,273	819,912
EUR	19,360	17,438	132,000	88,691
GBP	9,613	6,900	14,334	9,098
Other	26,230	26,994	53,283	56,033
Total equity and liabilities	**1,008,613**	**862,908**	**1,144,890**	**973,733**
Net asset exposure				
USD	(44,161)	(47,241)	76,648	40,051
EUR	(8,155)	(8,582)	(83,379)	(47,910)
GBP	(6,869)	(1,824)	(8,540)	(2,627)
Other	59,185	57,647	15,270	10,486

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

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.23	31.12.22	31.12.23	31.12.22
Impact on fixed income portfolio investments given an increase of 50 basis points	(4,124)	(3,304)	(5,725)	(4,482)
Impact on equity portfolio given a 10 per cent drop in quoted market prices	(5,829)	(4,310)	(6,134)	(4,567)
Impact on total investment portfolio given a change of 10 per cent in foreign exchange rates against USD	(6,671)	(6,398)	(8,257)	(8,430)
Impact on fixed income portfolio investments given an increase of 100 basis points of inflation	(3,546)	(2,578)	(4,859)	(3,499)

The sensitivity analysis assumes no correlation between equity price, property market and foreign currency rate risk. It also assumes that all other receivables and payables remain unchanged and that no management action is taken. The sensitivity analysis for inflation risk assumes that the inflation rate is intrinsically linked to interest rates. In general, interest rates are expected to increase when inflation is rising and vice versa. The assumption for assessing the impact on fixed income investments from a change of 100 basis point of inflation is based on the historical relationship between changes in rates and inflation. The Company has no significant risk concentrations which are not in line with the overall investment guidelines set by the Gard's Board of Directors. Any impact from risk tested in the table above is not, due to tax regulations, assumed to have any taxable impact.

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

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

Note 11 - Financial risk continued

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

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

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

The credit exposure on the reinsurance program is in line with the guidelines of only accepting reinsurers with an A- or higher rating. 31 December 2023. The Company are however exposed to lower ratings origing from fronting agreements. Fronting is the use of an insurer to issue an insurance policy on behalf of a self-insured organisation or captive insurer, without the intention of transferring any of the risk. The risk of loss is retained by the self-insured or captive insurer with an indemnity or reinsurance agreement. Gard continuously monitors the counterparty default risk in respect of receivables and makes necessary provisions for estimated credit losses in accordance with an established provision matrix based.

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

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

The Company acknowledges that there is an increased counterparty risk towards Russian entities due to the different sanction regimes imposed. Although, due to the Company's limited exposure towards these counterparties, this does not impose any material financial risk as at 31 December 2023.

The tables below show the credit risk exposure as at 31 December 2023. 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.

Note 11 - Financial risk continued

Credit risk exposure in balance sheet

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.23	31.12.22	31.12.23	31.12.22
Interest-bearing securities and funds				
AAA	13,401	41,339	41,086	57,066
AA	29,097	26,870	29,097	26,870
Not rated	230,458	170,766	337,320	257,643
Total interest-bearing securities and funds	**272,956**	**238,976**	**407,503**	**341,579**
Reinsurers' share of gross premium reserve				
AA	975	526	2,234	734
A	87,203	84,440	87,995	86,951
B	0	0	5	0
BBB	1,281	0	1,281	0
Not rated	56	0	81	0
Total reinsurers' share of gross premium reserve	**89,515**	**84,966**	**91,596**	**87,685**
Reinsurers` share of gross claims reserve				
AA	1,214	109	1,214	109
A	165,363	127,356	165,364	127,544
B	0	0	10,751	11,097
BBB	59,525	55,948	59,798	55,470
Not rated	243	250	243	250
Total reinsurers' share of gross claims reserve	**226,345**	**183,663**	**237,370**	**194,470**
Receivables				
AA	2,782	0	2,917	0
A	86,982	52,236	1,377	10,455
Not rated	130,028	140,835	251,336	223,150
Total receivables	**219,792**	**193,071**	**255,630**	**233,606**
Cash and cash equivalents				
AAA	0	0	69	0
AA	43,361	7,539	55,384	19,381
A	(29,196)	0	(29,196)	0
Total cash and cash equivalents	**14,165**	**7,539**	**26,257**	**19,381**

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.23	31.12.22	31.12.23	31.12.22
Other financial assets				
AAA	6,586	5,747	13,173	11,237
BB	5,000	5,000	5,000	5,000
Total other financial assets presented in balance sheet	**11,586**	**10,747**	**18,173**	**16,237**

Other financials assets also include regulatory and contractually required deposits that is considered encumbered assets amounting to USD 18.2 million as at 31 December 2023 (USD 16.2 million as at 31 December 2022) in the consolidated accounts. Correspondingly, restricted assets amounts to USD 11.6 million as at 31 December 2023 for the parent company (USD 10.7 million as at 31 December 2022).

* Includes loan to subsidiaries and other financial assets.

Note 11 - Financial risk continued

Age analysis of receivables after provisions for bad debt

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.23	31.12.22	31.12.23	31.12.22
Not due	202,470	184,075	228,290	215,664
0-60 days	8,098	3,956	10,807	5,873
61-90 days	1,940	1,462	2,894	2,259
Above 90 days	8,554	5,511	16,103	12,915
Provision for bad debt	(1,271)	(1,932)	(2,463)	(3,105)
Total receivables	**219,792**	**193,071**	**255,630**	**233,606**

Impaired receivables
As at 31 December 2023 there are impaired receivables in the parent company of USD 1.3 million (31 December 2022 USD 1.9 million) and there are impaired receivables in the consolidated accounts of USD 2.5 million (31 December 2022 USD 3.1 million), related to past due. No collateral is held as security for the impaired receivables, but the receivables can be deducted from future claim payments if any. Impairment allowance is included in 'Other insurance related expenses'

Analysis of provision for bad debt

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.23	31.12.22	31.12.23	31.12.22
Balance as at the beginning of the period	0	2,013	0	3,113
Provision for receivables impairment	659	81	640	9
Receivables written off during the period as uncollectable	53	(60)	31	(76)
Unused amounts reversed	559	(102)	1,793	58
Balance as at the end of the period	**1,271**	**1,932**	**2,463**	**3,105**

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

GARD MARINE & ENERGY LIMITED

Notes to the accounts

Note 11 - Financial risk continued

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

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	Parent company As at 31.12.22 Total
Gross claims reserve	135,567	183,956	6,987	0	326,510
Income tax payable	5,207	0	0	0	5,207
Payables and accruals	99,731	0	0	0	99,731
Other payables	115	0	0	0	115

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

Amounts in USD 000's	Within 1 year	1-5 years	More than 5 years	No maturity date	Consolidated accounts As at 31.12.22 Total
Gross claims reserve	156,971	212,999	8,090	0	378,060
Income tax payable	10,896	0	0	0	10,896
Payables and accruals	108,311	0	0	0	108,311
Other payables	1,111	0	0	0	1,111

Note 12 - Receivables from direct insurance operations

	Parent company		Consolidated accounts	
	As at	As at	As at	As at
Amounts in USD 000's	31.12.23	31.12.22	31.12.23	31.12.22
Direct and received premium	3,862	2,668	4,865	4,289
Direct and received premium through broker	74,188	70,626	124,903	117,285
Not closed premium	27,443	29,489	49,974	48,876
Claims related debtors, co-insurers	25,804	38,533	44,824	54,355
Provision for bad debts	(1,266)	(1,904)	(2,449)	(3,067)
Receivables from direct insurance operations	**130,030**	**139,412**	**222,117**	**221,738**

Note 13 - Cash and cash equivalents

Accounting policy
Cash and cash equivalents include cash in hand and deposits held at call with banks, brokers and fund managers. 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 0.020 million as at 31 December 2023 (USD 0.019 million as at 31 December 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 6.8 million as at 31 December 2023 (USD 6.6 million as at 31 December 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 115.3 million equal to USD 14.8 million has been issued in relation to insurance licence of Gard group's Hong Kong branches.

Note 14 - Statutory reserve

Gard Marine & Energy Limited is registered under and regulated by the Insurance Act 1978 and related regulations. The Company is under the supervision of the Bermuda Monetary Authority (BMA) and has to be in compliance with a set of regulatory requirements. All regulatory requirements are complied with as at 31 December 2023.

Note 15 - Statutory and regulatory requirement

Gard Marine & Energy Limited have operations which are subject to laws and regulations in the jurisdictions in which they operate, of which the most significant ones are Bermuda and Norway. The statutory capital and surplus in Bermuda and Norway as at 31 December 2023 and 31 December 2022 was as follows:

		Parent		**Regulated by**
		Bermuda (a)		**Norway (b)**
	As at	As at	As at	As at
Amounts in USD 000's	31.12.23	31.12.22	31.12.23	31.12.22
Required statutory capital and surplus	27,569	133,851	88,901	82,285
Actual capital and surplus	331,329	300,034	106,681	99,021

(a)Gard Marine & Energy Limited 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 MSM or the Bermuda Solvency Capital Requirement ("BSCR") model or approved internal capital model. The BSCR for Gard Marine & Energy Limited for the period ended 31 December 2023 will not be filed with the BMA until end of April 2024. As a result, the required statutory capital and surplus as at 31 December 2023, as set out above, is based on the MSM of all relevant insurers, whereas the required statutory capital and surplus as at 31 December 2022 is based on the MSM and ECR. The MSM is calculated based on the period from 31 December 2022 to 31 December 2023

(b) Gard Marine & Energy Limited Norwegian branch are required to maintain minimum capital and surplus equal to the Solvency Capital Requirement (“SCR”) under Solvency II. The SCR, which is part of the Solvency II reporting package, will not be filed with the Norwegian. Financial Services Authority 'Finanstilsynet' until early April 2023. As a result, preliminary figures are included as at 31 December 2023

Note 16 - Liabilities not included in the balance sheet

Rent included in the consolidated accounts is charged to the statement of comprehensive income in the period the offices are used. Any remaining rental liabilities are not included in the balance sheet. There are no rental liabilities as of balance sheet date 31 December 2023 (31 December 2022 USD 29,097).

Note 17 - Subsequent events

Geopolitical tensions in the Red Sea have increased since the commencement of the Israel-Gaza conflict and this is particularly relevant for assets with links to Israel, the US, and UK transiting the region. As a part of Gard’s loss prevention work, Gard has published a member circular to member and clients with vessels deployed in the region. The circular and the threat assessment is produced by Ambrey. The threat assessment describes threats/risks, suggestions for preparations if entering the Red Sea and recommendations for what to do. Gard has limited exposure on the Hull War cover (an AAD annual aggregate deductible of USD 1.5 million).