nordic guarantee

ANNUAL REPORT 2024

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The Board of Directors and CEO of Nordic Guarantee Försäkringsaktiebolag hereby present the Annual Report for the financial year ended 31 December 2024.

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The undersigned CEO of Nordic Guarantee Försäkringsaktiebolag, corporate identity number 516406-0112, hereby certifies that the income statement and balance sheet for the period 01/01/2024 – 31/12/2024 were adopted at the Annual General Meeting held on 27 March 2025. At this meeting, shareholders also approved the Board's proposal concerning the appropriation of the profit.

Stockholm, 27 March 2025

Erik Ljungren

CEO COMMENT

Erik Ljungren

2024

The conditions for our operations at the outset of 2024 appeared in many ways more favourable than the previous year. The intense inflationary pressure and high interest rate environment had begun to ease, indicating a trend toward greater financial stability in our markets. However, economic growth remained subdued, and the construction industry did not pick up as anticipated. The recession took hold, and it became evident that investments in the construction sector would be delayed. This had an impact on our surety insurance business, particularly in our Nordic markets.

Market capacity remained high, and risk appetite stayed strong, resulting in continued high competition and pricing pressure. Nevertheless, our geographic diversification and strategic initiatives allowed for solid growth. Notably, our Spanish operations demonstrated robust performance and significant expansion.

Our distribution partner for motor insurance in Ireland decided to cease operations outside the UK, leading to the Irish motor insurance portfolio entering run-off. Meanwhile, our pet insurance business in France showed strong growth and is expected to continue developing positively.

The company's investment portfolio delivered solid returns, partly due to the higher interest rate environment, but also as a result of prudent investment decisions and a strong risk awareness.

Overall, we can report healthy growth and a profit before tax and appropriations of SEK 48 million.

Gross Written Premium

The increase in gross written premium was primarily driven by the growth of the Spanish surety insurance portfolio, which more than doubled its premium income. Our Norwegian surety business also showed solid growth with a 17% increase. The motor insurance portfolio contributed a modest rise due to a one-off transaction in the Czech Republic. The pet insurance initiative expanded significantly and is now beginning to show substantial premium income, increasing from SEK 7 million to SEK 24 million.

Looking ahead, we expect continued challenges in the Northern European surety insurance markets, but we foresee a recovery in due course. We believe the ongoing recession will continue to negatively impact the construction sector—especially residential construction—for some time.

The geopolitical situation remains uncertain as of early 2025, but we will maintain our focus on diversifying our surety insurance offerings. We are already seeing tangible results from our work with guarantees related to renewable energy projects. In a short period, we have established a comprehensive product range that has been well received by the market. We see strong potential for continued growth in this area and are actively evaluating opportunities to grow also in other lines of insurance.

Operating Expenses

Growth and the general increase in costs contributed to a marginal rise in operating expenses, which increased from 39% to 40%.

Claims

Bankruptcy rates remained high in certain industries. The construction sector has been particularly affected, suffering delayed effects of the pandemic along with rising costs and high interest rates. Despite these challenges, the net claims ratio improved year-on-year. We now report a net claims ratio of 51%, down from 64% the previous year. The combined ratio amounted to 90%.

Reinsurance and Financial Position

The surety reinsurance programme was renewed on July 1 with a panel of financially strong reinsurers holding credit ratings of A or better (Standard & Poor's). This provides us with competitive capacity and strong creditworthiness.

Our ambition to grow, particularly in the area of renewable energy guarantees and in sectors outside the construction industry, has led to increased capital requirements during the year. To meet these needs and enable continued, stable growth, the owner has contributed additional capital, resulting in strong solvency and a solid foundation for expansion. At year-end, the solvency ratio stood at 171%.

Board of Directors and Management

The Board of Directors is composed of individuals with extensive experience in relevant insurance sectors as well as in the construction industry. During the year, a new board member with strong expertise in both insurance and construction was appointed. The company's operational management remained unchanged throughout the year. Each business line has its own dedicated management team, and representatives from these teams form part of the company's executive management team.

Gratitude

Following a year of high growth and our highest turnover to date, I am proud of what we have accomplished. We also succeeded in improving the company's profitability and have established a solid platform to support continued positive development in the years ahead. Our management and all teams have demonstrated an ability to perform at a high level—safely and reliably—even in challenging market conditions, exceeding expectations.

Sincere thanks,

Erik Ljungren
CEO

DIRECTORS' REPORT

Nature of business

Nordic Guarantee Försäkringsaktiebolag ('the company') is a wholly owned subsidiary of Manzillo Holdings Limited, corporate identity number 69287, domiciled in Guernsey. The company's headquarters are located in Kista outside Stockholm, Sweden.

The company's main activity is the issuance of guarantees into the construction industry in the Nordic market and in Spain. A large part of the business is to provide guarantees to the construction industry, but guarantees and surety are offered to a number of different industries. The company has been in operation since December 2003 and is licenced to write non-life insurance risks, classes 15 (surety). 14 (credit), 16 (miscellaneous financial loss) and 9 (other property damage). Up until 2020, only class 15 (surety) insurance was written. From 2020 the company started writing business in class 16 (miscellaneous financial loss) and from 2022 in class 9 (other property damage). Under class 16 (miscellaneous financial loss), motor ancillaries insurance in Ireland is written and under class 9 (other property damage), pet insurance in France is written. From 2025, the company will cease underwriting motor ancillaries insurance in Ireland. The portfolio will be in run-off for the remaining policy term.

Nordic Guarantee Försäkringsaktiebolag's head office is in Kista, outside Stockholm, Sweden, and its operations are carried out in Sweden and through branches in Norway, Finland and Denmark and Spain. The company is also registered for cross-border business in a number of countries within the EU.

Sales, performance and financial position

Guarantees in the construction industry continues to be the company's main business. The focus for the year has been to maintain the balanced risk in the Company's exposure to the construction industry, as well as diversifying the insurance offerings to other sectors and insurance class portfolios. The macroeconomic situation has remained volatile. The war in Ukraine and the geopolitical climate have negatively impacted our markets and, consequently, our customers. Until recently, the economic environment has been viewed with some optimism with hopes that we are emerging from the recession, the high-interest rate environment and risk of persistent inflation which collectively have limited investments in the construction industry. However, recent geopolitical developments alongside escalating risks to global trade present significant risks to this optimistic outlook. Despite challenging conditions, the company's growth has been strong, particularly in Spain. To maintain the volume of the business, new market areas for guarantee/surety have been identified in renewable energy, as well as in various service sectors. The company has increased the focus on diversifying the company's risk exposure and expanding in other insurance classes. The exposure in miscellaneous financial loss, which has been a significant part of the company's operations and diversification, will decrease in the near future. This makes it even more important to further diversify our business within surety and other property damage insurance. Gross written premium increased compared to the previous year across all insurance classes, with the most notable growth in Surety. The largest increase in premium income comes from the Spanish operations. The market for Surety insurance has been strong, and the Company has now established itself and strengthened its position in the Spanish market. The company's premium income increased to TSEK 526,432 (362,607) of which miscellaneous financial loss accounted for TSEK 63,806 (52,995) and other property damage for TSEK 24,155 (6,975).

Insurance compensation for own account increased to TSEK -110,562 (-97,885) during the year. This increase is a result of higher volumes and a continued strained economic climate. The company experienced fewer large claims during the year compared to the previous year but saw an increase in claim frequency. The gross loss ratio ended at 49% (70%).

The investment activities have remained conservative, and the persistently high interest rate environment during the year has benefited the company with a good return on invested capital as well as on bank deposits. The return on capital for the year amounted to TSEK 18,634 (21,123).

The company reported a technical profit of TSEK 30,628 (646), and a profit before tax of TSEK 47,624 (16,720). The effective tax rate for the year amounted to 17.5% (23.4%), and the net income after tax for the year amounted to TSEK 31,380 (12,811). The difference between the effective and nominal tax rate is primarily attributable to a capital gain from the sale of an associated company during the year.

The company's capital base is subject to the statutory minimum requirements according to Solvency II regulations. At the end of the year, the company carried out a new share issue to support the company's growth, through which additional capital was provided by the company's owners. This, combined with a positive result, has strengthened the company's solvency ratio. At the balance sheet date, the minimum capital requirement (MCR) was calculated as TSEK 63,213 (52,822) the solvency capital requirement (SCR) as TSEK 252,851 (211,286) and capital base as TSEK 433,303 (263,110).

Employee benefits

The total amount paid to employees for remuneration and benefits was TSEK 78,662 (80,605). For additional information relating to remuneration and benefits paid to employees, refer to note 6 of the annual financial statements.

Risks and risk management

The company's claims outcome is greatly affected by economic trends in the countries in which it operates. Insurance risk within surety is mitigated through careful assessment of each individual customers' financial position and profitability. In addition, emphasis is placed on strict enforcement of internal policies and guidelines for underwriting and claims settlement. The company's reinsurance cover is designed to limit the impact of losses per individual risk. Risks within miscellaneous financial loss and other property damage is managed through actuarial calculation models based on historical claims and premium data. Further information on risks can be found in note 1 of the annual financial statements.

Investment operations

The company has a low level of risk in its financial investments. By the end of the year, the portfolio consisted primarily of interest-bearing investments. A smaller portion of the investment assets is invested in mortgage-backed securities, which have demonstrated stable returns.

Outlook

Notwithstanding the market uncertainty arising from the Russian Federation's invasion of Ukraine, conflict in Middle East and the effects of the higher interest rate environment, the prospects for the company to maintain premium volume and reasonable claims costs are considered good. The Nordic banks still dominate the guarantee/surety market. The market alongside the banks is characterized by a few market players. The company's product offering provides an attractive alternative to the banking solution, primarily due to banks' requirements for collateral and the simpler administrative functions employed by the company.

Growth and profitability in other property damage is assessed to be good. The diversification benefits of writing in various insurance classes, both from a geographic and product perspective, is expected to further reduce the volatility in the result of the company.

Events after the balance date

After the balance date, no significant events have occurred.

Proposal for appropriation of profit

The balance sheet shows that the company has SEK 286,578,445 of non-restricted retained earnings at its disposal.

Translation reserve	-15,524,878
Share premium reserve	101,150,000
Profit brought forward	169,573,357
Profit for the year	31,379,966
Retained earnings	**286,578,445**

The Board of Directors propose that SEK 286,578,445 be carried forward.

FINANCIAL STATEMENTS

FIVE-YEAR FINANCIAL SUMMARY

SEK thousand		2024	2023	2022	2021	2020
Insurance result						
Premium income		526,432	362,607	349,770	300,353	225,785
Premium earned		422,808	343,425	266,184	192,215	184,297
Return on capital transferred from financial business		9,310	4,664	3,913	2,903	2,073
Other technical income / cost		36,250	40,642	28,091	17,462	11,792
Insurance compensation, ooa		-110,562	-97,885	-56,638	-30,277	-24,138
Technical profit / loss from non-life insurance business		30,628	646	27,175	25,929	14,220
Profit / Loss for the year		31,380	12,811	14,873	40,207	17,947
Financial position						
Financial investment assets at fair value		462,952	335,565	297,254	186,302	154,450
Actuarial provisions ooa		370,925	278,811	226,190	170,833	121,493
Capital strength according to Solvency II regulation						
Capital base		433,303	263,110	274,584	241,934	214,498
- Tier 1		433,303	251,272	264,584	228,282	196,252
- Tier 2		-	11,838	10,000	13,652	18,246
Solvency capital requirement (SCR)		252,851	211,286	160,649	182,225	148,484
Minimum capital requirement (MCR)		63,213	52,822	40,334	45,556	38,351
Key ratios						
Loss ratio	1	50%	64%	47%	35%	31%
Operating costs ratio	2	40%	39%	33%	36%	54%
Combined operating ratio	3	90%	103%	81%	71%	85%
Yield in percent	4	0.9%	0.9%	0.5%	0.2%	-1.0%
Total return in percent	5	3.6%	5.4%	-0.3%	1.9%	-1.8%
Capital base/SCR	6	171%	125%	171%	133%	144%

Definitions

1 Insurance compensation as a percentage of premium income on own account
2 Operating expenses and other technical income in relation to insurance revenue and reinsurance premium costs
3 Loss ratio plus operating costs ratio
4 Interest income, interest expenses and dividends on shares in relation to investment assets and liquid funds
5 Yield, capital gains and losses, unrealized changes in value in relation to investment assets and liquid funds
6 Capital base as a percentage of capital requirement according to Solvency II regulation

ooa = on own account

INCOME STATEMENT

for the year ended 31 December

SEK thousand	Note	2024	2023
TECHNICAL ACCOUNTS			
Earned premium			
Premium income	2	526,432	362,607
Reinsurer's share of premium income		-250,558	-191,393
Change in provisions for unearned premiums and protracted risks		-103,624	-19,182
Reinsurer's share of change in provisions for unearned premiums and protracted risks		46,292	1,670
Earned premium, ooa		**218,542**	**153,702**
Return on capital transferred from financial business	3	9,310	4,664
Other technical income		36,250	40,642
Insurance compensation, ooa	4		
Insurance compensation paid			-79,513
Reinsurer's share of insurance compensation paid		-207,152	23,091
		90,201	**-56,422**
Change in provisions for unsettled claims		-3,364	-164,372
Reinsurer's share of change in provisions for unsettled claims		9,753	122,909
		6,389	**-41,463**
Insurance compensation, ooa		**-110,562**	**-97,885**
Operating costs	5,6,8	-122,912	-100,476
Technical profit/loss from non-life insurance business		**30,628**	**646**
NON-TECHNICAL ACCOUNTS			
Technical profit/loss from non-life insurance business		**30,628**	**646**
Result from Associated companies	13	5,799	-893
Return on capital, revenues	9	22,079	23,164
Return on capital, costs	9	-3,445	-2,041
Return on capital transferred to non-life insurance business	3	-9,310	-4,664
Forex, net	10	1,259	339
Other income		614	169
Profit before appropriations and taxes		**47,624**	**16,720**
Appropriations			
Safety reserve		-9,600	-
Profit before tax		**38,024**	**16,720**
Taxation for the year	11	-6,644	-3,909
Profit for the year		**31,380**	**12,811**

STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December

SEK thousand	2024	2023
Profit for the year	**31,380**	**12,811**
Other comprehensive income		
Items that may be reclassified to profit or loss		
Translation differences for the year in foreign branches	-2,762	256
Translation differences for tax in foreign branches	146	-231
Comprehensive income for the year	**28,764**	**12,836**

STATEMENT OF FINANCIAL POSITION

as at 31 December

SEK thousand	Note	2024	2023
ASSETS			
Intangible assets			
Intangible assets	12	17,989	18,274
Investment assets			
Share in associate companies	13	-	-
Financial investment assets	14	462,952	335,565
		462,952	**335,565**
Reinsurer's share of actuarial provisions			
Unearned premiums and protracted risks		242,677	193,876
Unsettled claims		214,182	200,000
		456,859	**393,876**
Receivables			
Receivables concerning direct insurance	15	244,122	91,232
Receivables concerning reinsurers		62,188	59,606
Other receivables	16, 17	9,897	13,546
		316,207	**164,384**
Other assets			
Tangible fixed assets	18	4,302	3,942
Cash and bank balances		193,700	177,818
		198,002	**181,760**
Prepaid expenses and accrued income			
Other prepaid expenses and accrued income	19	118,703	101,446
TOTAL ASSETS	25	**1,570,712**	**1,195,305**

STATEMENT OF FINANCIAL POSITION

as at 31 December

SEK thousand	Note	2024	2023
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
Share capital		60,000	50,000
Statutory reserve		10,000	10,000
Fund for development expenses		17,989	18,274
Restricted equity		**87,989**	**78,274**
Translation reserve		-15,525	-12,909
Share premium reserve		101,150	11,150
Profit brought forward		169,573	156,477
Profit for the year		31,380	12,811
Non-restricted equity		**286,578**	**167,529**
Total equity		**374,567**	**245,803**
Untaxed reserves			
Safety reserve		9,600	-
		9,600	-
Subordinated loan	20	**-**	**10,000**
Actuarial provisions			
Provisions for unearned premiums and protracted risks	21	525,774	415,802
Provisions for unsettled claims	22	302,010	292,296
		827,784	**708,098**
Liabilities	23		
Liabilities concerning direct insurance		53,979	70,391
Liabilities concerning reinsurers		101,721	47,788
Other liabilities		30,384	19,241
		186,084	**137,419**
Accrued expenses and deferred income			
Other accrued expenses and deferred income	24	172,677	93,984
TOTAL EQUITY, PROVISIONS AND LIABILITIES	25	**1,570,712**	**1,195,305**

STATEMENT OF CHANGES IN EQUITY

	Restricted equity			Non-restricted equity				Total equity
	Share capital	Statutory reserve	Fund for development expenses	Translation reserve	Share premium reserve	Profit brought forward	Profit for the year	
Opening balance 01/01/2023	**50,000**	**10,000**	**18,704**	**-12,934**	**11,150**	**141,174**	**14,873**	**232,967**
Profit disposition						14,873	-14,873	-
Fund for development expenses			-430			430		-
Profit for the year							12,811	12,811
Other comprehensive income for the year				25				25
Closing balance, 31/12/2023	**50,000**	**10,000**	**18,274**	**-12,909**	**11,150**	**156,477**	**12,811**	**245,803**
Opening balance 01/01/2024	**50,000**	**10,000**	**18,274**	**-12,909**	**11,150**	**156,477**	**12,811**	**245,803**
Profit disposition						12,811	-12,811	-
Fund for development expenses			-285			285		-
New share issue	10,000				90,000			100,000
Profit for the year							31,380	31,380
Other comprehensive income for the year				-2,616				-2,616
Closing balance, 31/12/2024	**60,000**	**10,000**	**17,989**	**-15,525**	**101,150**	**169,573**	**31,380**	**374,567**

During the year, the company issued 100,000 shares. After the issuance, the total number of shares amounts to 600,000, with a quota value of SEK 100.

All components of other comprehensive income can be reversed via the income statement.

PERFORMANCE ANALYSIS

	Notes	Direct insurance, Swedish risks (Surety)	Direct insurance, foreign risks	Reinsurance received	Total
Earned premium, ooa	a	16,766	184,149	17,627	218,542
Return on capital transferred from financial business		1,252	7,573	485	9,310
Other technical revenue		3,928	32,322	-	36,250
Insurance compensation, ooa	b	-18,853	-91,429	-280	-110,562
Operating costs		- 12,064	-96,449	-14,399	-122,912
Technical profit from non-life insurance business		**-8,971**	**36,166**	**3,433**	**30,628**
Run off result		-8,390	11,610	-	3,220
Change in actuarial provisions, before reinsurance					
Provisions for unearned premiums and protracted risks		8,075	-97,987	-13,712	-103,624
Provisions for unsettled claims		-78,465	75,101	-	-3,364
Total change in actuarial provisions, before reinsurance		**-70,390**	**-22,886**	**-13,712**	**-106,988**
Reinsurer's share of change in actuarial provisions					
Provisions for unearned premiums and protracted risks		-5,009	51,301	-	46,292
Provisions for unsettled claims		64,739	-54,986	-	9,753
Reinsurer's share of change in actuarial provisions		**59,730**	**-3,685**	**-**	**56,045**
Notes to the performance analysis					
Note a, Premium revenue, ooa					
Premium income		41,503	453,590	31,339	526,432
Change in premium income		8,075	-97,987	-13,712	-103,624
Premium earned before reinsurance		*49,578*	*355,603*	*17,627*	*422,808*
Reinsurer's share of change unearned premiums		-5,010	51,302	-	46,292
Reinsurer's share of premium income		-27,802	-222,756	-	-250,558
Reinsurer's share of premium revenue		*-32,812*	*-171,454*	*-*	*-204,266*
Premium revenue, ooa		**16,766**	**184,149**	**17,627**	**218,542**
Note b, Insurance compensation, ooa					
Insurance compensation paid					
-Before reinsurance		-8,079	-198,792	-281	-207,152
-Reinsurer's share		2,952	87,249	-	90,201
Changes in provisions for unsettled claims					
-Before reinsurance		-78,465	75,101	-	-3,364
-Reinsurer's share		64,740	-54,987	-	9,753
Insurance compensation, ooa		**-18,852**	**-91,429**	**-281**	**-110,562**

STATEMENT OF ACCOUNTING POLICIES

General information

The annual report is submitted on 31 December 2024 and concerns Nordic Guarantee Försäkringsaktiebolag, an insurance company with its registered office in Stockholm. The address of the head office is Kista Science Tower, 164 51 Kista, Sweden, and the company's corporate identity number is 516406-0112. The company is a wholly-owned subsidiary of Manzillo Holdings Limited and is included in the consolidated financial statements of the parent company. The consolidated financial statements of Manzillo Holdings Limited as at December 2023 may be obtained from 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey, GY1 1WD.

Compliance with standards and legislation

The annual report has been prepared in accordance with the Annual Accounts per the Insurance Companies Act and in accordance with the Swedish Financial Supervisory Authority's regulations and general recommendations on annual reports for insurance companies (FFFS 2019:23), including the amending regulations of the Swedish Financial Supervisory Authority (SFSA) and recommendation RFR 2 issued by the Swedish Financial Reporting Board. The company applies statutory IFRS and this means that all IFRS and statements approved by the EU are applied where possible within the framework of Swedish law and in respect to the link between accounting and taxation.

New and amended standards and interpretations not yet effective

At the time of preparation of the company's financial statements as at 31 December 2024, there are standards and interpretations that have been published by the International Accounting Standards Board (IASB) that are not yet effective. None of the upcoming changes in accounting regulations for international standards or regulations and general guidelines from the Financial Supervisory Authority are expected to have a material impact on the company's financial reports.

IAS 1

During the year, the IASB published amendments to IAS 1 regarding the classification of liabilities as current or non-current. The amendments to IAS 1 have not resulted in any changes to the classification of the company's liabilities.

Assumptions for the preparation of financial statements

The functional currency is Swedish Krona (SEK) and the financial statements are presented in SEK. All amounts are rounded to the nearest thousand, unless specified otherwise. Assets and liabilities are recognised at cost, except certain financial assets that are valued at fair value. Financial assets valued at fair value comprise bonds and other interest-bearing securities. Changes in relation to book value are recognised in the income statement.

Estimates and valuations in the financial statements

Preparation of the financial statements in accordance with statutory IFRS requires the company's management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts for assets, liabilities, revenue and costs. The estimates and assumptions are based on past experience and a number of other factors that are reasonable under the prevailing conditions. The result of these estimates and assumptions are then used to assess the carrying amounts for assets and liabilities that are not otherwise clear from other sources. Actual results may differ from these estimates and assessments.

Estimates and assumptions are reviewed regularly. Changes to estimates are recognised in the period in which the estimate is changed if the change only affects that period, or in the period in which the change is made and future periods if the change affects both the current and future periods.

Assessments made by management for the application of IFRS that have a significant effect on the financial statements and estimates made that may entail material adjustments in the financial statements for subsequent years are described in further detail in a separate note, where appropriate.

Estimates and assessments are made in technical provisions, deferred taxes and intangible assets. Valuation principles are described below. The accounting policies indicated below were applied consistently to all periods presented in the financial statements, unless otherwise specified on the following page.

Translation of foreign branches

Balance sheet items are translated using the exchange rate at the balance sheet date and items in the income statement are translated using the average exchange rate for the period in which the item occurred. When translating items in the balance sheet from foreign currency values, the following exchange rates were used as at 31 December:

Currency	2024	2023
NOK	0.98	0.99
EUR	11.50	11.10
DKK	1.54	1.49

Translation differences generated in connection with the translation of a foreign net investment are recognised in other comprehensive income as part of the translation reserve reported in equity.

Insurance contracts

The principles for accounting of insurance contracts are based on ÅRFL and the Swedish Financial Supervisory Authority's regulations (2019:23). According to FFFS 2019:23 and ÅRFL, contracts that transfer significant insurance risk shall be classified as insurance. Following a review of all products, the company has concluded that all should be considered insurance contracts.

Revenue recognition/premium income

According to the Swedish Financial Supervisory Authority's regulations and general guidelines on annual reporting for insurance companies (FFFS 2019:23), IFRS 17 Insurance Contracts should not be applied at the legal entity level. As a result, Nordic Guarantee is exempt from reporting insurance contracts under IFRS 17. Instead, the principles for accounting for insurance contracts are based on the Swedish Insurance Annual Accounts Act (ÅRFL) and the Financial Supervisory Authority's regulations (FFFS 2019:23).

In accordance with FFFS 2019:23 and ÅRFL, contracts that transfer significant insurance risk shall be classified as insurance. Following a review of all its products, the company has concluded that all should be considered insurance contracts.

Actuarial provisions

Actuarial provisions consist of provisions for unearned premiums and protracted risks, plus provisions for unsettled claims.

Provisions for unearned premiums and protracted risks

Provisions for unearned premiums correspond to the company's liability for claims, costs of administration and other costs during the remainder of the contract term for current insurance contracts. Current insurance means insurance under contracts that have been made, regardless of whether they concern subsequent insurance periods in full or in part. These provisions are calculated by estimating the expected costs of claims that may arise during the remaining term of the insurance, plus the costs of administration during this period. The estimation of costs is based on the company's prior experience, but the observed and forecast development of relevant costs is also considered. The premium reserve is earned linearly over the entire duration of each individual contract.

Provisions for unearned premiums are recognised in full for all the company's operations. Protracted risks mean the risk that the claims and costs arising out of insurance contracts cannot be covered by unearned and expected premiums after the end of the financial year. For insurance contracts with premiums paid in advance for several years, the provisions for unearned premiums are calculated based on an estimate of the company's liability for current contracts and the expected pay-out pattern. Provisions for unearned premiums are estimated using the unearned proportion of premiums for current insurance. If the premium level for current insurance is considered to be insufficient, provisions are made for protracted risks.

The current period's change in provisions for unearned premiums and protracted risks is recognised in the income statement.

Provisions for unsettled claims

Provisions for unsettled claims consist of estimated undiscounted cash flows of final costs to meet all claims based on events that occurred before the end of the financial year, less amounts already paid out in connection with claims. The provision for unsettled claims is divided into provisions for incurred and reported claims, incurred but not enough reported claims, and claims handling costs. The change in unsettled claims for the period is recognised in the income statement.

Loss check

The company's accounting and valuation policies applied to the balance sheet item 'Provisions for unearned premiums and protracted risks', automatically entails a check that the provisions are sufficient to cover expected future cash flows.

Operating costs

Operating costs are described in notes 5 and 6 of the financial statements. Changes in actuarial provisions for insurance contracts are recognised in the income statement under the respective headings. Compensation paid out during the financial year corresponds to payments to policy holders on account of losses that have occurred, regardless of when the loss occurred.

Reinsurance purchased

The amount paid out during the financial year is recognised as the premium for reinsurance purchased. The premium is amortised so that the cost is allocated to the period covered by the insurance protection.

Recognition of return on capital

Return on capital transferred from financial business to non-life insurance business

The return on capital is transferred from the result of asset management to the result of insurance business based on average actuarial provisions on own account. The return on capital transferred is calculated based on an interest rate equivalent to the company's long-term return on investment.

Net return on capital

The return on capital revenue item comprises return on investment assets, which includes interest income, exchange gains (net), reversed impairments and capital gains (net), and the company's share of the result in associated companies. The costs of investment assets are recognised under return on capital, costs. This item includes interest expenses, exchange losses (net), depreciation/amortisation, impairments and capital losses (net).

Realised and unrealised changes in value

For investment assets valued at fair value, the capital gain is the positive difference between the sales price and the cost of acquisition. For sales of investment assets, previously unrealised changes in value are entered as adjustment items as either unrealised gains on investment assets or unrealised losses on investment assets.

Taxes

Income tax

Income tax comprises current tax and deferred tax. Income tax is recognised in the income statement, except where the underlying transaction is recognised directly in equity, in which case the associated tax effect is recognised in equity. Current tax is tax that must be paid or received for the current year, applying the tax rates adopted or adopted in practice as at the balance sheet date. This also includes adjustments of current tax attributable to prior periods. Deferred tax is calculated using the balance sheet method based on temporary differences between carrying amounts and tax bases of assets and liabilities. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated applying the tax rates and tax rules adopted or adopted in practice as at the balance sheet date. Deferred tax assets for tax-deductible temporary differences and the carry-forward of losses are recognised only to the extent it is likely that it will be possible to utilise these items. The value of deferred tax assets is derecognised when it is no longer deemed likely that they can be utilised. Any future income tax arising in connection with dividends is recognised at the same time that the dividend is recognised as a liability.

Intangible assets

Other intangible assets

Other intangible assets consist of capitalized development costs for IT systems expected to provide economic benefits in the future. Development costs are capitalized only if all of the following criteria are met:

- The asset is identifiable.
- It is probable that the asset will generate future economic benefits.
- The company has control over the asset.
- The acquisition cost of the asset can be reliably measured.

Other intangible assets are valued at cost deducted by accumulated depreciation.

The amount capitalized for other intangible assets is transferred from unrestricted equity to the fund for development expenditures in restricted equity.

Amortisation methods

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the intangible asset. Useful lives of intangible assets are reviewed annually. Amortisable intangible assets are amortised from the date on which they are available for use. The estimated useful life is determined individually for each asset and is up to a maximum of 5 years.

Financial instruments

Financial instruments recognised as assets in the balance sheet include fund units and interest-bearing securities, cash equivalents, loan receivables, accounts receivables relating to reinsurance and direct insurance. Financial instruments recognised as liabilities in the balance sheet include subordinated loan, accounts payable and other liabilities. Cash and cash equivalents consist of bank balances. Nordic Guarantee applies IFRS 9 *Financial Instruments* which comprises the following three areas: Classification and Valuation of Financial Instruments, Impairment, and General Hedge accounting.

Classification and valuation of financial instruments

According to IFRS 9, financial instruments are classified according to the following categories: fair value through profit and loss, accrued acquisition value or fair value through other comprehensive income.

The starting point for the classification of debt instruments is the company's business model for managing the financial asset and whether the contractual cash flow of the instrument contains only interest and capital payments. Equity instruments shall be classified at fair value through profit and loss, unless the company has chosen to present such instruments at fair value through other comprehensive income at the first reporting date.

Impairment

The assets subject to impairment testing under IFRS 9 are all those valued at accrued acquisition value or fair value through other comprehensive income including guarantees and credit commitments, lease assets and contractual assets. The risk of default on the company's financial instruments valued at accrued acquisition value is assessed as minimal and the expected loan losses are deemed to be non-existent.

Recognition in and derecognition from the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the terms and conditions of the instrument. Accounts receivables are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has completed its undertaking and a contractual obligation to pay exists, even if no invoice has yet been received. Accounts payable are recognised when the invoice has been received.

A financial asset is derecognised from the balance sheet when the rights in the contract are realised or mature or the company loses control of them. This also applies to parts of financial assets. A financial liability is derecognised from the balance sheet when the obligation in the contract is performed or is otherwise extinguished. This also applies to parts of financial liabilities.

Acquisition and disposal of financial instruments

Acquisition and disposal of financial assets are recognised on the trade date, which is the date on which the company undertakes to acquire or dispose of the asset.

Investment assets

Investment assets comprise fund units and interest-bearing securities. The main purpose of the asset management function within the company is to always hold enough capital base to cover the actuarial provisions and the solvency capital requirement, according to the Solvency 2 regulation. Management of the company seek to ensure that the company's assets follow the insurance commitments and to prevent inconsistencies in the accounting, the investment assets are recognized as fair value through profit and loss, considering that the SPPI-test isn't applicable.

Financial instruments divided into classes and levels for valuation at fair value

Information must be provided on a method for determination of fair value using a valuation hierarchy consisting of three levels. The levels must reflect the extent to which fair value is based on observable market data or own assumptions.

Levels for valuation at fair value:

- Quoted prices in an active market (level 1)
- Valuation model based on observable market data (level 2)
- Valuation model based on own assumptions (level 3)

All of the company's financial instruments are valued at prices (bid rates on the balance sheet date) according to level 1 (quoted prices in an active market) or level 2 (valuation model based on observable market data). These instruments are recognised in the balance sheet item Financial investment assets.

Other receivables

The company doesn't conduct any trade in accounts receivable or other receivables and they are therefore valued at accrued acquisition value.

Impairment of tangible and intangible assets

Impairment test for intangible assets

The carrying amounts of assets are tested at each balance sheet date. If there is an indication of impairment, the asset's recoverable amount is calculated in accordance with IAS 36. For intangible assets that are not yet ready for use, the recoverable amount is calculated annually. An impairment is recognised when the carrying amount of an asset or cash generating unit exceeds the recoverable amount. Any impairment is charged to the income statement. Impairment of assets attributable to a cash generating unit is allocated in proportion to the assets in the unit. The recoverable amount is calculated as the higher of fair value less selling expenses and value in use.

Reversal of impairment

An impairment is reversed if there is an indication that the asset is no longer impaired and there has been a change in the assumptions on which the calculation of the recoverable amount was based. Impairment of goodwill arising from the purchase of the net assets of a business is never reversed. Reversal of any impairment is only to the value that the asset would have had, with a normal rate of depreciation for the asset type, if no impairment had taken place.

Equity

Dividends are recognised as liabilities after the dividend has been approved at the Annual General Meeting.

Reinsurance

The company buys reinsurance for its exposure to surety insurance every year on a Policies Attaching basis every year, i.e. all risks that are written during the year are covered throughout their period of exposure by the reinsurance programme for the underwriting year. The purchased cover comprises quota share reinsurance along with excess of loss cover which limits the company's costs in the event of a major loss. This provides the company with cover against high-frequency losses and limits the loss for each risk to a maximum self-retention value. The self-retention value is set at a level which the company's Board of Directors deems acceptable for a single risk. A risk may consist of one or more policies written for the same company or groups of companies that are linked in such a way that they can be regarded as the same risk.

Shareholders' contributions

The company recognises Group contributions and shareholders' contributions in accordance with RFR 2. Shareholders' contributions are recognised directly into equity.

Approval and adoption of the annual report

The annual report was approved for publication by the Board of Directors and the Chief Executive Officer on 27 March 2025. The income statement and balance sheet will be presented for adoption to the Annual General Meeting on 27 March 2025.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Amounts in SEK thousand, unless stated otherwise

Note 1 – Information about risks

Objectives, principles and methods for risk management

partly from its investment business and financial risks. Risk and risk management are therefore a central part of the company's business. The note below comprises a description of the company's risk management, plus quantitative and qualitative information about insurance, operational and financial risks. In separate instructions, the Board of Directors has delegated certain risk-management activities to various functions within the company. The Board of Directors has appointed five committees, the Investment Committee, the Underwriting Committee, the Claims Committee, the Risk and Audit Committee and the Remuneration Committee. The tasks of these committees include developing proposals, within their areas of responsibility, for policies and guidelines which the Board then approves and adopts. The committees are also responsible for the implementation and follow-up of policies and procedures within their areas of responsibility, with policies and procedures being checked and revised regularly. Recurring training programmes and clear processes and job descriptions are used to ensure that risk control is performed throughout the organisation and that each employee understands their role and responsibility.

The aim of the company's risk management is to identify, measure and manage all meaningful risks to which the company is exposed. Another important aim is to ensure that the company has adequate solvency in relation to the identified risks. The Board of Directors has primary responsibility for identification and management of the meaningful risks to which the company is exposed. The Board of Directors adopts guidelines that will apply to risk management, risk reporting, internal control and follow-up. The Investment Committee consists of external experts together with members of the company's board and the company's CFO. The Investment Committee makes decisions about the company's investment strategy. The Underwriting Committee consists of members of the Board of Directors and the company's Chief Executive Officer. The Underwriting Committee makes decisions on major insurance risks. The Risk and Audit Committee consists of members of the board and the company's CEO. The committee is responsible for ensuring that the company has effective internal controls and a risk management framework. The second line of defence includes the Compliance function and the Risk function. The coordinator for risk management is the company's Chief Risk Officer, whose tasks include to report on risks identified as potential material to the board. The Compliance function is outsourced to third party who report directly to the Risk and Audit Committee. The third line of defence includes the internal audit function.

Risks in insurance business

During the reporting year, the company wrote non-life insurance in the field of surety insurance, other property damage and miscellaneous and financial loss. Insurance risks comprise both underwriting risks and reserve allocation risks. The meaning of these terms and the company's general methods for managing both types of risk are described below.

Underwriting risks

Underwriting risk is the risk that the calculated premium for the insurance will not match the actual claim and operating costs associate with the insurance. There are various methods for reducing underwriting risks. These include the company diversifying its portfolio over time and/or between different types of insurance risk. The company's principal method for managing underwriting risks is the business plan and the own risk and solvency assessment which is drawn up every year and adopted by the Board of Directors.

Reserve allocation risks

Reserve allocation risk, i.e. the risk that the actuarial provisions are not sufficient to settle claims that arise, is primarily managed by means of developed actuarial methods and careful continuous follow-up on claims reported and potential claims. Risk is also limited by means of reinsurance. The Board of Directors decides on the extent of reinsurance. Reinsurance purchased is used to limit the consequences of claims, making it possible to manage the size of exposure and to protect the company's equity. The company's maximum self-retention per claim is decided on by the Board of Directors.

Surety insurance, Other property damage and Miscellaneous and financial loss

Risks attributable to surety insurance, other property damage and miscellaneous and financial loss are managed primarily by means of pricing, product design and risk selection. Where risks cannot be mitigated to within an acceptable tolerance via these methods, then the company utilises reinsurance.

The total aggregated risk the company is willing to assume is determined in relation to risk concentrations within the field of insurance. The company monitors this exposure, both when signing contracts and on an ongoing basis, by reviewing reports of significant risk concentrations. Various statistical methods, stress tests and simulations are used to prepare such reports and identify risk concentrations on an ongoing basis.

Operational risks

Operational risk refers to the risk that errors or deficiencies in administrative procedures lead to unexpected financial losses or losses of confidence. These may, for example, be caused by a lack of internal control, inadequate systems or deficiencies in technical equipment. The risk of irregularities, whether internal or external, is also part of operational risk. The operational risks are counteracted by means of internal control. The maintenance of good internal control is an ongoing process in the company.

Concentration of insurance risk and sensitivity

The insurance risks to which the company is exposed are directly related to the risks in the insurance contracts written.

- Surety insurance is used as security in business transactions. The insurance covers, up to a predetermined amount, the risk of one party (the customer) being unable to perform its obligations to another party (the beneficiary).
- Other property damage refers to pet insurance. The insurance covers, up to a predetermined amount, the risk of the pet needing to visit a veterinary practice for treatment or the liability from damage caused by a pet.
- Miscellaneous financial loss refers to motor warranty insurance. The insurance provides extended warranty cover in relation to new or used vehicle sales.

In relation to surety, the company follows up on insurance risks, among other items via the customer's rating. At year-end, the exposure was divided into the rating classes presented in the table below, where AAA is the best rating. Rating classification is obtained from an external party.

Recently formed companies and companies without a rating class consists of companies that are not given an official rating. However, these companies insurance risks are secured with sureties from their holding company in the rating class A-AAA.

Rating	Percentage
AAA	30.4%
AA	32.9%
A	29.6%
B	4.1%
C	2.2%
Recently formed companies and companies without a rating class	0.8%
Total	**100%**

Source: Bisnode and Informa for the Spanish risks

Economic fluctuations present a major risk factor. The number of bankruptcies generally increases in a recession, which affects the company's claim costs. This means that it is important to follow the rate at which insurance risk decreases. The company's average duration of the insurance classes is:

- Surety: 2.49 years
- Miscellaneous Financial loss: 2.25 years
- Other property damage: 1 year

Of the total exposure, the ten largest exposures account for 23.6% (28.9%) which is shown in the table below. Rating classification is obtained from an external party.

10 largest exposures	Rating	Percentage
No. 1	AAA	5.0%
No. 2	AA	3.0%
No. 3	AA	2.9%
No. 4	AA	2.6%
No. 5	AAA	2.0%
c/f		**15.5%**

10 largest exposures	Rating	Percentage
c/f		15.5%
No. 6	AAA	1.9%
No. 7	AA	1.6%
No. 8	A	1.5%
No. 9	AA	1.6%
No. 10	AAA	1.5%
Total before reinsurance		**23.6%**

Regarding Other Property Damage and Other Asset Damage, the duration is typically shorter, and the exposure per risk is significantly lower. However, the frequency of claims is higher. Taken together, this makes these exposures less volatile and allows the risk to be more accurately calculated using actuarial methods. Deviations from expected results can be adjusted through changes in pricing and terms.

Cost for claim years 2008-2024 ooa

The table below shows the estimated cost in 2024 of unsettled claims (net) per claim year.

Claims ooa	2008-2020	2021	2022	2023	Total prior years	2024	Total
Opening reserve	-6,136	19,616	69,295	209,521	292,296	-	292,296
Insurance compensation paid	15,726	-18,548	-7,588	-109,253	-119,663	-79,085	-198,748
External claims handling costs	-306	-749	-1,919	-3,805	-6,778	-1,626	-8,404
Currency translation impact	98	129	809	2,499	3,536	2,776	6,311
Subtotal	**9,382**	**447**	**60,597**	**98,963**	**169,390**	**-77,935**	**91,455**
Closing reserve	7,124	5,985	37,606	116,131	166,846	135,163	302,010
Gross settlement result	**2,259**	**-5,538**	**22,991**	**-17,168**	**2,544**	**-213,098**	**-210,555**
Reinsurer's share							
Opening receivable	-2,026	9,107	54,561	138,358	200,000	-	200,000
Insurance compensation recovered	7,867	-8,254	-7,014	-72,767	-80,167	-6,261	-86,429
External claim handling cost		-		-3,772	-3,772	-	-3,772
Currency translation impact	58	93	553	1,762	2,465	1,925	4,390
Subtotal	**5,899**	**946**	**48,100**	**63,581**	**118,526**	**-4,336**	**114,190**
Closing receivable	3,998	2,969	31,082	81,153	119,202	94,980	214,182
Settlement result	**-1,901**	**2,023**	**-17,018**	**17,572**	**676**	**99,317**	**99,992**
Net settlement result	**358**	**-3,515**	**5,973**	**403**	**3,220**	**-113,782**	**-110,562**

Risks in financial operations

Various types of financial risks such as credit risks, market risks, currency risks, liquidity risks and operational risks arise in the company's operations. In order to limit and control risk-taking in its operations, the company's Board of Directors, as the body with ultimate responsibility for internal control, has adopted guidelines and instructions for financial operations.

Credit risks in financial management

Credit risk refers to the risk of the company not receiving payment as agreed and/or making a loss on account of the other party's inability to meet its obligations. The company has a financial management policy that only permits investments in securities with a high credit rating. Consequently, credit risks in this part of operations are considered to be low. The maximum risk to which the company is exposed in various classes of financial assets is shown in the table below. The rating classification is based on information from Standard & Poor's. At the year-end, there were no assets that were subject to impairment.

Maximum credit risk exposure

Asset class	2024
Financial investment assets	459,295
Loan	3,251
Deposits	406
Bank balances	193,392
Total	**656,344**

Financial Investment Assets	AAA	AA	A	BBB	BB	No rating	Total
Swedish government	2.9%	0.5%*	0.0%	0.0%	0.0%	0.0%	**3.4%**
Foreign governments	0.6%	2.0%	0.3%	0.8%	0.0%	0.0%	**3.7%**
Other Swedish issuers	3.1%	2.3%	8.2%	4.3%	0.0%	15.0%	**32.9%**
Other foreign issuers	2.8%	3.1%	5.1%	4.5%	0.3%	14.3%	**30.0%**
Loan						0.5%	**0.5%**
Deposits						0.1%	**0.1%**
Bank balances			29.4%				**29.4%**
Total	**9.4%**	**7.9%**	**43.0%**	**9.6%**	**0.3%**	**29.9%**	**100.00%**

* Refers to state-owned companies

Credit risks concerning reinsurers

As at 31 December 2024, there were receivables from reinsurers amounting to TSEK 62,188.
The company's reinsurance policy requires that all reinsurance is conducted with reinsurers with strong credit ratings. The credit ratings of reinsurers are reviewed regularly to ensure that the reinsurance cover adopted is maintained. The distribution of credit ratings for reinsurers is detailed below. The rating classification is based on information from Standard & Poor's.

Percentage	AA	A	Total
Underwriting year 2020	55%	45%	**100%**
Underwriting year 2021	55%	45%	**100%**
Underwriting year 2022	37%	63%	**100%**
Underwriting year 2023	37%	63%	**100%**
Underwriting year 2024	30%	70%	**100%**

Liquidity risks

The company's strategy for managing liquidity risk aims to match expected in-payments and out-payments to each other to the greatest possible extent. This is done by means of a liquidity analysis of financial assets and insurance liabilities. Liquidity is managed on an ongoing basis. For insurance liabilities, the estimated time of the cash outflow is shown in the table below.

Branch of insurance	Total provisions	Duration, years
Surety	306,888	2.49
Miscellaneous financial loss	63,471	2.25
Property damage	565	1.0

The company's liquidity exposure in respect of remaining durations of financial assets is shown in the table below.

Remaining terms	<3 mån	3-12 mån	1-5 år	>5 år	Without term	Average term (years)
Financial investment assets	-		460,580	-	-	2,24
Loan		3,251	-	-		1
Derivatives	-	-1,285	-	-	-	1
Deposits	-	-	406	-	-	1
Bank balances	-	-	-	-	193,392	-
Total	**-**	**1,966**	**460,986**	**-**	**193,392**	

Market risks

The Company is exposed to interest rate risk through the risk that the market value of the Company's assets, liabilities and financial instruments will be reduced when market interest rises or drops respectively. The level of interest rate risk increases with the duration of the asset or the liability.

Sensitivity analysis of the fair value of the financial assets

tsek	2024		2023	
Bonds and other interest bearing securities	**Book value**	**Change in value at 1% unit parallel change in interest rate level**	**Book value**	**Change in value at 1% unit parallel change in interest rate level**
Handelsbanken Euro Obligation	10,788	20	10,335	28
Handelsbanken Euro Ranta	22,936	5	21,416	9
Handelsbanken Foretagsobl Cri	130,971	851	80,000	560
Handelsbanken Företagsobligation Investment Grade	128,409	411	78,284	274
Handelsbanken Høyrente	1,958	0	1,847	-
Handelsbanken Kort Rente Norge	3,634	0	3,522	-
Handelsbanken Ranteavkastning	125,566	1,306	77,255	742
Handelsbanken Obligasjon	2,746	1	2,766	1
	427,008	**2,594**	**275,425**	**1,614**

The company is also exposed to currency risks, which arise due to differences in the value of assets and liabilities denominated in the same foreign currency. The company's net exposure to currency risk is limited, as its strategy for managing such risks is to match technical provisions in foreign currencies with corresponding assets as far as possible. As the Company has operations in the Nordic countries, Spain, Ireland, France and Australia, it has currency exposures against the currencies of these countries. In below table the net exposures concerning the actuarial provisions are shown. The table below shows the net exposure for each currency.

Sensitivity analysis, currency risk in actuarial provisions

tsek	DKK	EUR	NOK	AUD	GBP	Total
Net position 2024	13,499	120,486	36,557	14,648	1,047	**186,237**
10 % change in currency rates, foreign currencies against SEK 2024	1,350	12,049	3,656	1,465	105	**18,624**
Net position 2023	13,906	79,148	20,387	12,715	579	**126,735**
10 % change in currency rates, foreign currencies against SEK 2023	1,391	7,915	2,039	1,272	58	**12,674**

Solvency

The company calculates the solvency capital requirement according to the Insurance Business Act (2010: 2043) and the standard model in the Solvency II regulations. According to calculations at the balance sheet date, the minimum capital requirement is TSEK 63,213 (52,822) and the solvency capital requirement is TSEK 252,851 (211,286). The Company's own funds, according to Solvency II regulatory valuation rules, were TSEK 433,303 (263,110). Own funds' development in relation to solvency capital is monitored on a quarterly basis throughout the financial year and amounts to 171.4% at the balance sheet date (124.5%).

Note 2 – Premium income ooa	**2024**	**2023**
Direct insurance, Sweden	41,503	44,480
Direct insurance, foreign	453,590	306,106
Reinsurance received, foreign	31,339	12,021
Premium income ooa	**526,432**	**362,607**

Note 3 – Return on capital transferred from financial business

The return on the assets that correspond to actuarial provisions was transferred from the non-technical account to the technical account. The amount was calculated on the net average actuarial provisions. The interest rate that was applied is a rate equivalent to the long-term return on investment assets. The interest rate used in 2024 was 2.5% (1.5%).

Note 4 – Insurance compensation, ooa

	2024	2023
Claim costs attributable to the business for the year:		
Insurance compensation paid	-79,085	-55,934
Reinsurer's share of insurance compensation paid	6,261	16,450
Change in provisions for unsettled claims	-130,298	-203,626
Reinsurer's share	94,980	138,358
	-108,142	**-104,752**
Claim costs attributable to the business for previous years:		
Insurance compensation paid	-119,663	-18,446
Reinsurer's share of insurance compensation paid	80,167	4,323
Change in provisions for unsettled claims	123,555	44,585
Reinsurer's share	-80,798	-19,478
	3,261	**10,984**
Claims handling costs	-7,603	-2,698
Currency effect	1,922	-1,419
Total	**-110,562**	**-97,885**

Note 5 – Operating costs

	2024	2023
Acquisition costs	-134,892	-112,960
Commission from reinsurers	58,180	66,455
Administrative expenses	-46,200	-53,971
Total	**-122,912**	**-100,476**

Operating costs divided into cost types

	2024	2023
Staff	-99,612	-99,217
Claims handling cost	-6 970	-6 173
Premises	-7,287	-6,471
Depreciation/amortisation	-2,943	-1,993
Commission from reinsurers	58,180	66,455
Change in DAC	2,045	-5,164
Other operational costs	-66,325	-47,913
Total	**-122,912**	**-100,476**

Note 6 – Operating costs, staff

	2024		2023	
	Average number of employees	Gender distribution proportion of women %	Average number of employees	Gender distribution proportion of women %
Sweden	25	45%	25	44%
Norway	8	63%	7	60%
Finland	10	30%	10	30%
Denmark	3	0%	2	0%
Spain	10	30%	7	29%
Total	**56**	**40%**	**51**	**40%**

	2024	2023
Gender distribution, Board of Directors, Proportion of women	0%	0%
Gender distribution, CEO and senior executives, Proportion of women	33%	43%

	2024	2023
Recognized salaries, remunerations, pensions and social fees		
Salaries	-78,662	-80,605
Pensions	-11,546	-10,895
Social fees	-14,707	-13,890
	-104,915	**-105,390**
Recognized salaries and remunerations		
Chairman of the board	-315	-275
-where variable remuneration	-	-
Other board members	-200	-200
-where variable remuneration	-	-
CEO	-2,887	-2,752
-where variable remuneration	-486	-444
Other employees	-75,260	-77,378
	-78,662	**-80,605**

Remuneration of senior executives - The members and Chair of the Board receive fixed annual remuneration. Remuneration of the Chief Executive Officer consists of fixed and variable salary, other benefits and pension. The Board of Directors determines the annual remuneration of the Chief Executive Officer.

Pension and social fees - During the year, TSEK 1,365 in pension contributions, excluding payroll tax, and social security contributions of 907 tsek were incurred for the Chief Executive Officer.

Notice of termination and severance pay - The notice of termination for employees varies from country to country and is longest in Sweden. For individuals in Sweden who have been employed for at least 30 months, the notice of termination is 12 months in the event of termination by the company. For the CEO, the notice of termination is 18 months.

Note 7 – Associate companies

Nordic Guarantee Försäkringsaktiebolag ('the company') is a wholly owned subsidiary of Manzillo Holdings Limited (registered in Guernsey).

Other associated companies

Wholly owned subsidiaries to Manzillo Holdings Limited:

- Red Sands Group Holdings Limited (registered in Gibraltar), with the subsidiary's:
  - Red Sands Insurance Company (Europe) (registered in Gibraltar)
  - Red Sands Life Assurance Company (Europe) (registered in Gibraltar)
- Red Sands Services Limited (registered in the United Kingdom)
- Polar Risk Managers AB (registered in Sweden)
- Lombard Australia Holdings PTY Limited, with subsidiary:
  - Assetinsure PTY Limited

Nordic Guarantee has divested its associated company Keyhole Aps, registered in Denmark, during the year.

Overview transactions with close related parties

Overview transactions with close related parties	2024	2023
Subordinated loan		
Red Sands Insurance Company (Europe) Limited	-	10,000
Loans issued		
Polar Risk Managers AB	-	9,594
	-	**9,594**
Current liabilites		
Red Sands Insurance Company (Europe) Limited – accrued costs	-	-202
	-	**-202**
Income		
Assetinsure Pty Limited – Consultant fee	10,373	2,517
Polar Risk Managers AB – interest	453	480
Keyhole ApS -interest	23	23
	10,849	**3,020**
Costs		
Red Sands Insurance Company (Europe) Limited - Interest	716	814
	716	**814**

Note 8 – Auditors' and other consulting fees

Note 8 – Auditors' and other consulting fees	2024	2023
EY, auditors' fees	-1,140	-1,225
Other consultancy fees	-447	-782
Total	**-1,587**	**-2,007**

Note 9 – Return on capital, net

Note 9 – Return on capital, net	2024	2023
Interest income, bonds and other interest-bearing securities	695	1,915
Other interest income	4,897	2,379
Realised profit on shares and other securities	-	-
Realised profit on bonds and other securities	-1,389	1,095
Unrealised profit on investment assets	15,202	16,642
Financial expenses	-	-
Other interest expense	-771	-908
Total	**18,634**	**21,123**

Note 10 – Forex, net

Note 10 – Forex, net	2024	2023
Exchange gains	262,831	245,454
Exchange losses	-261,572	-245,115
Total	**1,259**	**339**

Note 11 – Effective tax	**2024**	**2023**
Income tax	-6,644	-1,432
Current foreign tax	-2,906	-
Deferred tax attributable to unpaid foreign tax	-3,734	-1,277
Foreign tax credit	6,640	1,277
Tax on not activated loss carried forward	-	-2,477
	-6,644	**-3,909**
Reconciliation of effective rate of taxation		
Profit before tax	38,024	16,720
Tax at current rate (20.6%)	-7,833	-3,444
Non-deductible costs	-363	-467
Non-taxable income	1,552	3
Current foreign tax	-2,906	-
Foreign tax credit	2,906	-
Recognised effective tax	**-6,644**	**-3,909**
Effective tax rate	17.5%	23.4%

Note 12 – Intangible assets	**2024**	**2023**
Intangible assets:		
Opening accumulated cost	43,207	42,328
Acquisitions for the year	1,743	879
Closing accumulated cost	**44,950**	**43,207**
Opening accumulated amortisation	-24,933	-23,624
Amortisation for the year	-2,028	-1,309
Closing accumulated amortisation	**-26,961**	**-24,933**
Closing residual value according to plan	**17,989**	**18,274**

Note 13 – Share in associate companies	**2024**	**2023**
At the beginning of the year	-	557
Share acquisition	2,065	336
Disposal sale	-9,597	-
Gain on disposal	8,878	-
Shares in the associated company's results	-1,346	-893
Carrying amount at year-end using the equity method	**-**	**-**

The company has divested all its shares in Keyhole Aps during the year.

Note 14 – Financial investment assets	**Acquisition cost**		**Market value**		**Book value**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Bonds and other interest-bearing securities	430,233	289,146	460,580	304,599	460,580	304,599
Loan	3,251	13,574	3,251	13,574	3,251	13,574
Derivatives	-	-	-1,285	507	-1,285	507
Deposits	406	17,392	406	17,392	406	17,392
Total	**433,890**	**320,112**	**462,952**	**335,565**	**462,952**	**335,565**

TSEK 427,008 (275,931) of the financial investment assets are valued at prices according to level 1 (quoted prices in an active market) and TSEK 33,572 (28,668) are valued in accordance with level 2 (valuation model based on observable market data).

Type of issuer	Nominal value	%	Market value	%	Book value	%
The Swedish government	22,783	5%	22,327	5%	22,327	7%
Other Swedish issuers	214,710	48%	216,322	47%	216,322	44%
Foreign governments	25,532	6%	24,449	5%	24,449	6%
Other foreign issuers	186,318	41%	197,482	43%	197,482	44%
Total	**449,343**	**100%**	**460,580**	**100%**	**460,580**	**100%**

Note 15 – Receivables concerning direct insurance	2024	2023
Receivables from policyholders	244,122	91,232
Total	**244,122**	**91,232**

Note 16 – Other receivables	2024	2023
Deferred tax assets	-	3,734
Other receivables	9,897	9,812
Total	**9,897**	**13,546**

Note 17 – Deferred tax assets	2024	2023
Foreign tax not settled	-	3,734
Deferred tax related to unpaid foreign tax	-	3,734
Total deferred tax	-	3,734
Change in deferred tax asset	3,754	3,985
- Where of change in deferred tax asset in income statement	3,754	3,754
- Where of change in deferred tax asset in other comprehensive income	-	231

Note 18 – Tangible fixed assets	2024	2023
Equipment:		
Opening accumulated cost	6,202	6,570
Currency impact	64	-5
Purchases for the year	2,762	1,465
Disposal/sale	-3,301	-1,828
Closing accumulated cost	**5,727**	**6,202**
Opening accumulated amortisation	-2,260	-2,366
Currency impact	-23	27
Amortisation for the year	-835	-699
Disposal/sale	1,693	778
Closing accumulated amortisation	**-1,425**	**-2,260**
Closing residual value according to plan	**4,302**	**3,942**

Note 19 – Other prepaid expenses and accrued income	2024	2023
Accrued interest income	85	1,378
Prepaid rental charges	619	874
Deferred Acquisition Cost	82,120	78,709
Other	35,880	20,485
	118,704	**101,446**

Note 20 – Subordinated loan	2024	2023
Subordinated loan	-	10,000
	-	**10,000**

Note 21 – Provisions for unearned premiums and protracted risks	2024	2023
Opening balance	415,802	405,105
Change in provisions for unearned premiums and protracted risks	103,624	19,182
- of which, premium income for the year	526,432	362,607
- of which, release premium reserve for the year	-422,808	-343,425
Currency impact due to consolidation	6,348	-8,485
	525,774	**415,802**

Note 22 – Provisions for unsettled claims	2024	2023
Opening balance	292,296	133,371
Change in provisions for unsettled claims	3,364	164,372
Currency impact due to consolidation	6,350	-5,448
	302,010	**292,296**

Note 23 – Liabilities	2024	2023
Liabilities to reinsurers	101,721	47,788
Liabilities to insurance intermediaries	22,849	1,738
Liabilities to policyholders	31,129	68,652
Accounts payable	15,414	9,902
Other	14,971	9,340
	186,084	**137,419**

Note 24 – Other accrued expenses and deferred income	2024	2023
Staff-related expenses	28,705	20,522
Commission reinsurance	77,463	61,700
Commission insurance intermediaries	3,184	1,557
Other	63,325	10,205
	172,677	**93,984**

Note 25 – Expected recovery times for assets and liabilities	No more than 1 year	Longer than 1 year	Total
Other intangible assets	2,281	15,708	17,989
Other financial investment assets	-	462,952	462,952
Receivables concerning direct insurance	154,529	89,593	244,122
Reinsurers share of unearned premiums and protracted risks	121,171	121,506	242,677
Receivables from reinsurers, unsettled claims	124,689	89,493	214,182
Receivables concerning reinsurance, settled claims	62,188	-	62,188
Other receivables	9,897	-	9,897
Tangible fixed assets	986	3,316	4,302
Bank balances	193,700	-	193,700
Other prepaid expenses and accrued income	56,030	62,673	118,703
Total assets	**725,471**	**845,241**	**1,570,712**

	No more than 1 year	Longer than 1 year	Total
Subordinated loan	-	9,600	9,600
Provisions for unearned premiums and protracted risks	263,183	262,591	525,774
Provisions for unsettled claims	175,819	126,191	302,010
Liabilities concerning direct insurance	53,979	-	53,979
Liabilities concerning reinsurers	50,703	51,018	101,721
Other liabilities	30,384	-	30,384
Other accrued expenses and deferred income	105,666	67,011	172,677
Total provisions and liabilities	**679,734**	**516,411**	**1,196,145**

Note 26 – Class analysis	Surety	Miscellaneous	Other property damage	Total
2024:				
Premium income ooa	222,055	63,806	24,155	310,016
Premium revenue ooa	119,235	75,219	24,088	218,542
Insurance compensation ooa	-49,139	-44,349	-17,074	-110,562
Operating costs ooa	-93,386	-20,917	-8,609	-122,912
2023:				
Premium income ooa	142,786	52,995	6,975	202,756
Premium revenue ooa	106,839	39,946	6,917	153,702
Insurance compensation ooa	-77,660	-14,391	-5,834	-97,885
Operating costs ooa	-78,303	-18,873	-3,300	-100,476

Note 27 – Other information	2024	2023
Pledged assets		
Registered assets to cover actuarial provisions, ooa	734,745	427,160
Contingent liabilities	None	None
Commitments	None	None

Note 28 – Proposal for appropriation of profit

The retained earnings available for the annual general meeting's disposition, according to the balance sheet, amount to:

SEK	
Translation reserve	-15,524,878
Share premium reserve	101,150,000
Profit brought forward	169,573,357
Profit for the year	31,379,966
Retained earnings	**286,578,445**

The Board of Directors propose that SEK 286,578,445 be carried forward

The contents of this annual report were determined on 27 March 2025

Peter Lindblad
Chair

Erik Ljungren
Director and CEO

Robert John Symmonds
Director

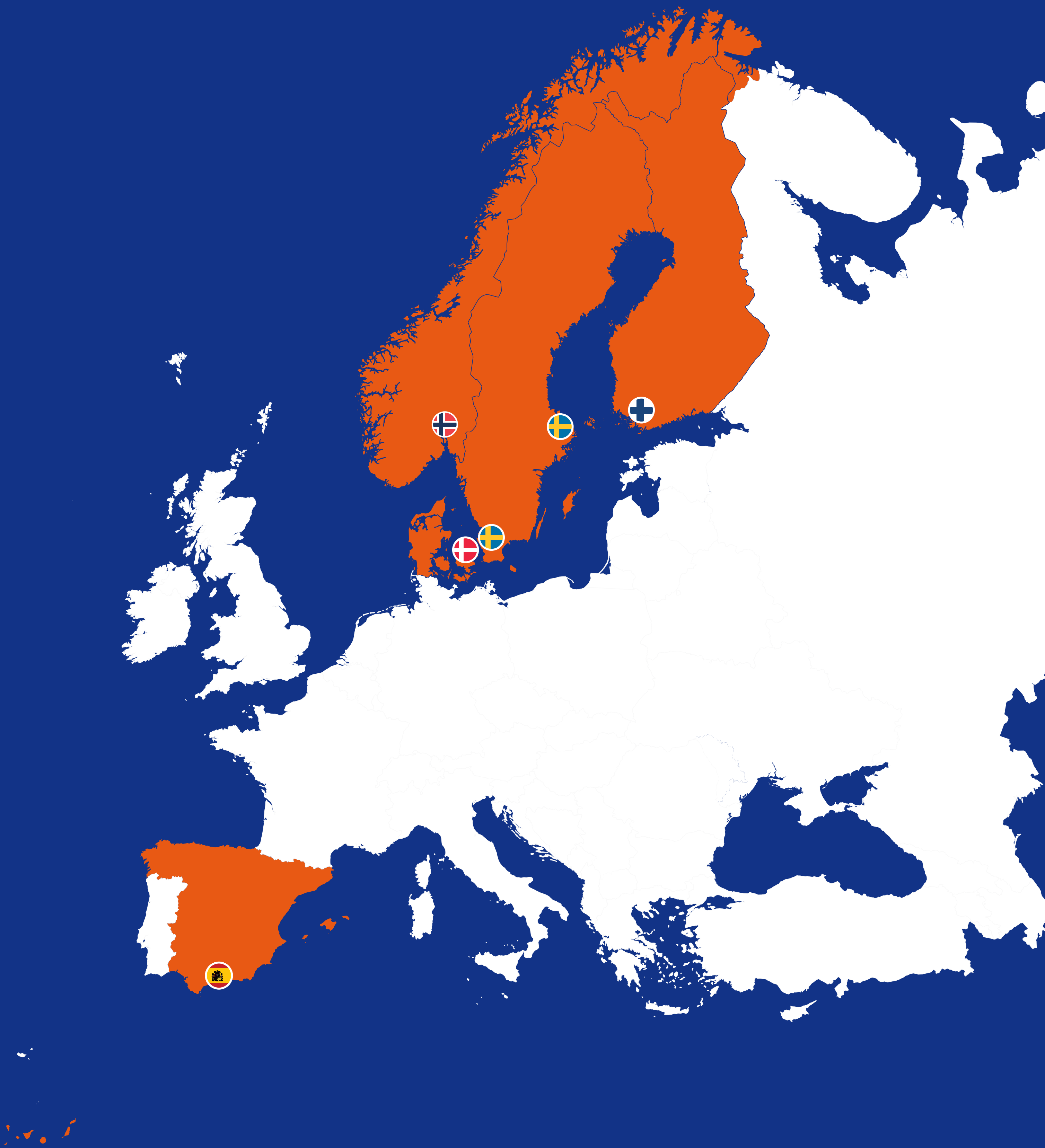
Donnell Gouveia
Director

Shaun Cawdery
Director

Håkan Broman
Director

Our audit report was submitted on 27 March 2025
Ernst & Young

Erik Benjaminsson Castlin
Authorised Public Accountant



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