



nordic **g**uarantee
ANNUAL
REPORT 2025



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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 2025.

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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 01/01/2025 – 31/12/2025 were adopted at the Annual General Meeting held on 23 March 2026. At this meeting, shareholders also approved the Board's proposal concerning the appropriation of the profit.

Stockholm, 23 March 2026



Erik Ljungren

CEO COMMENT

Erik Ljungren



Introduction

The beginning of 2025 was characterised by continued uncertainty across our markets, where the geopolitical situation, including the effects of the war in Ukraine and other global challenges, created a complex business environment. Despite these challenges, we have maintained our focus on diversifying and strengthening our operations, resulting in a stable foundation for the future.

At the same time, within the framework of Cert Group, we have continued to strengthen collaboration with other parts of the group to improve efficiency, enhance knowledge sharing, and create additional long-term value across our operations.

Premium Income and Growth

Despite the weak macroeconomic climate, we continued to see growth within pet insurance, which has now become a significant part of our business. Surety insurance remains our largest line of business and continues to generate the majority of our earnings.

We report total premium income of SEK 403.5 million. Pet insurance doubled its premium income compared with the previous year, while surety insurance developed more conservatively. Denmark and Finland were the strongest performing markets during the year.

Operating Expenses and Loss Ratio

Our net operating expense ratio remained at 40 percent, in line with the previous year. The net loss ratio improved to 48 percent, down from 50 percent the year before. This is the result of our focused efforts to limit the impact of claims, together with continuously improving processes for underwriting and risk management.

Reinsurance and Financial Position

We successfully renewed our reinsurance program, providing us with robust capacity and ensuring strong credit quality. Our solvency ratio strengthened to 192 percent, providing a solid foundation for continued growth and for meeting market demands.

The reinsurance program for surety insurance was renewed effective from 1 July, supported by a panel of financially strong reinsurers with Standard & Poor's credit ratings equivalent to A or better. This provides us with competitive capacity and strong creditworthiness.

Our ambition to continue growing places demands on maintaining a strong solvency ratio relative to the existing business. To support our growth strategy, we completed a new share issue during the year. The capital contribution, combined with a strong financial result, contributed to a solvency ratio of 192 percent at year end. The company therefore remains well positioned and financially strong for continued growth.

Future Outlook

Looking ahead, our focus remains on continuing to diversify our offering within surety insurance. We see strong growth opportunities within guarantees related to renewable energy projects, where we have established a comprehensive product offering that has been well received by the market.

We also plan to expand our operations within personal lines insurance, with a particular focus on pet insurance in additional EU/EEA countries. Our strategy includes identifying new partnerships and distribution channels in order to reach more customers and secure a strong presence in these markets.

We are confident that the positive development will continue and see significant opportunities to become a leading player at an international level.

Thank You

I would like to express my sincere gratitude to our employees for their commitment and hard work. Despite challenging conditions, you have demonstrated great professionalism and a strong ability to deliver results. Together, we look forward to continued positive development in the years ahead.

Erik Ljungren
CEO

DIRECTORS' REPORT

Nature of business

Nordic Guarantee Försäkringsaktiebolag ('the Company') is a wholly owned subsidiary of Cert. Insurance Group Limited, corporate identity number 15384137, headquartered in United Kingdom. The Company's head office is located in Kista, outside of Stockholm, Sweden.

The company's main activities are the issuance of guarantees into the construction industry in the Nordic market and in Spain, as well as pet insurance in a number of European markets. A large part of the surety 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). The company has had a focus on carefully diversifying its insurance exposures since 2020, both within its surety division and by adding new lines of business including pet insurance.

As of 2025, the company ceased underwriting motor ancillary insurance in Ireland. The portfolio is in run-off for the remainder of its 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

One of the Company's primary focus areas continues to be providing guarantees to the construction industry. Throughout the year, the focus has been on maintaining a balanced risk profile in the Company's exposure to the construction sector, as well as diversifying the insurance offering into other industries and insurance classes. The macroeconomic environment has remained volatile. The war in Ukraine and the overall geopolitical climate have continued to impact the Company's markets and customers. Towards the end of the year, the economic environment was viewed with some optimism, amid hopes that we are emerging from the recession and that investments in the construction industry may begin to gain momentum once again. However, continued uncertainty in global trade suggests that the recovery may take further time. Under these conditions, the Company's growth in surety insurance has been moderate, while development within other property damage has been strong. Increasing focus has been placed on diversifying the Company's risk exposure and expanding operations within other insurance classes. Exposure within miscellaneous financial loss, which has been a significant part of the Company's operations and diversification, has decreased, as the motor insurance portfolio is in run-off. Consequently, it is becoming increasingly important to further diversify operations within surety and other property damage. Pet insurance, which is underwritten within the other property damage insurance class, has grown during the year to represent a more significant portion of the Company's business and is planned to continue to increase.

Gross written premium decreased compared to the previous year. Surety insurance declined compared to prior year, partly due to a one-off effect in the Spanish portfolio during the preceding year. Miscellaneous financial loss, which is currently in run-off, consequently lost its entire premium income. Pet insurance, under other property damage, doubled its premium income compared to the previous year. The Company's premium income amounted to TSEK 403,513 (526,432), of which surety insurance accounted for TSEK 352,105 (438,470), miscellaneous financial loss accounted for TSEK 105 (63,806) and other property damage for TSEK 51,303 (24,155). Earned premiums, net of reinsurance, for the period amounted to TSEK 227,624 (218,542).

Insurance compensation for own account were in line with previous year, amounting to TSEK -109,671 (-110,562). During the year, the Company recorded significant recoveries, while a few larger claims were added. The loss ratio before reinsurance fell to 23% (49%), while the loss ratio after reinsurance amounted to 48% (51%). The combined ratio amounted to 88% (90%). Key ratios are specified in further detail in the five-year summary along with their respective definitions.

The investment activities have remained conservative, and despite the slightly lower interest rate environment, the Company has achieved a relatively good return on invested capital as well as on bank balances. The return on capital for the year amounted to TSEK 14,815 (18,634).

The company reported a technical profit of TSEK 35,080 (30,628), and a profit before tax of TSEK 45,453 (47,624). The effective tax rate for the year amounted to 17.9% (17.5%), and the net income after tax for the year amounted to TSEK 26,337 (31,380). The difference between the effective and the nominal tax rate is primarily attributable to foreign exchange effects on intra-group balances.

The company's capital base is subject to the statutory minimum requirements according to Solvency II regulations designed to ensure that the company can meet its obligations and support its forward looking business plan. The shareholders remain very positive about the company's business plan and prospects and demonstrated this through taking up a subscription for additional ordinary shares in December 2025 to support growth which, combined with a positive trading result for the year, has strengthened the company's solvency ratio. At the balance sheet date, the minimum capital requirement (MCR) was TSEK 66,724 (63,213), the solvency capital requirement (SCR) TSEK 266,895 (252,851), the capital base TSEK 512,734 (433,303) and the solvency ratio was 192% (171%).

Employee benefits

The total amount paid to employees for remuneration and benefits was TSEK 81,233 (78,662). For additional information relating to remuneration and benefits paid to employees, refer to note 6.

Risks and risk management

The company's claims outcome within surety 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 customer's 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, the conflict in the Middle East, and general uncertainty and volatility in global trade, the Company's prospects for maintaining premium volumes and reasonable claims costs within surety insurance are assessed as 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.

The company also see opportunity for growth in its pet insurance book, having built positive experience over the last few years in this sector, and has expanded its activities in this sector into other European markets and with additional distribution partners. The company is also looking to build other personal lines partnerships. The diversification benefits of writing in various insurance classes, both from a geographical and product perspective, is expected to contribute to the stability of the Company's results.

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 347,554,16 of non-restricted retained earnings at its disposal.

Translation reserve	-15,152,604
Share premium reserve	137,150,000
Profit brought forward	199,219,860
Profit for the year	26,336,905
Retained earnings	347,554,161

The Board of Directors propose that SEK 347,554,161 be carried forward.



FINANCIAL STATEMENTS

FIVE-YEAR FINANCIAL SUMMARY

SEK thousand	2025	2024	2023	2022	2021	
Insurance result						
Premium income	403,513	526,432	362,607	349,770	300,353	
Premium earned	401,543	422,808	343,425	266,184	192,215	
Return on capital transferred from financial business	8,443	9,310	4,664	3,913	2,903	
Other technical income / cost	46,647	36,250	40,642	28,091	17,462	
Insurance compensation, ooa	-109,671	-110,562	-97,885	-56,638	-30,277	
Technical profit / loss from non-life insurance business	35,080	30,628	646	27,175	25,929	
Profit / Loss for the year	26,337	31,380	12,811	14,873	40,207	
Financial position						
Financial investment assets at fair value	504,953	462,952	335,565	297,254	186,302	
Actuarial provisions ooa	337,961	370,925	278,811	226,190	170,833	
Capital strength according to Solvency II regulation						
Capital base	512,734	433,303	263,110	274,584	241,934	
- Tier 1	512,734	433,303	251,272	264,584	228,282	
- Tier 2	-	-	11,838	10,000	13,652	
Solvency capital requirement (SCR)	266,895	252,851	211,286	160,649	182,225	
Minimum capital requirement (MCR)	66,724	63,213	52,822	40,334	45,556	
Key ratios						
Loss ratio	1	48%	50%	64%	47%	35%
Operating costs ratio	2	40%	40%	39%	33%	36%
Combined operating ratio	3	88%	90%	103%	81%	71%
Yield in percent	4	0.5%	0.9%	0.9%	0.5%	0.2%
Total return in percent	5	2.5%	3.6%	5.4%	-0.3%	1.9%
Capital base/SCR	6	192%	171%	125%	171%	133%

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

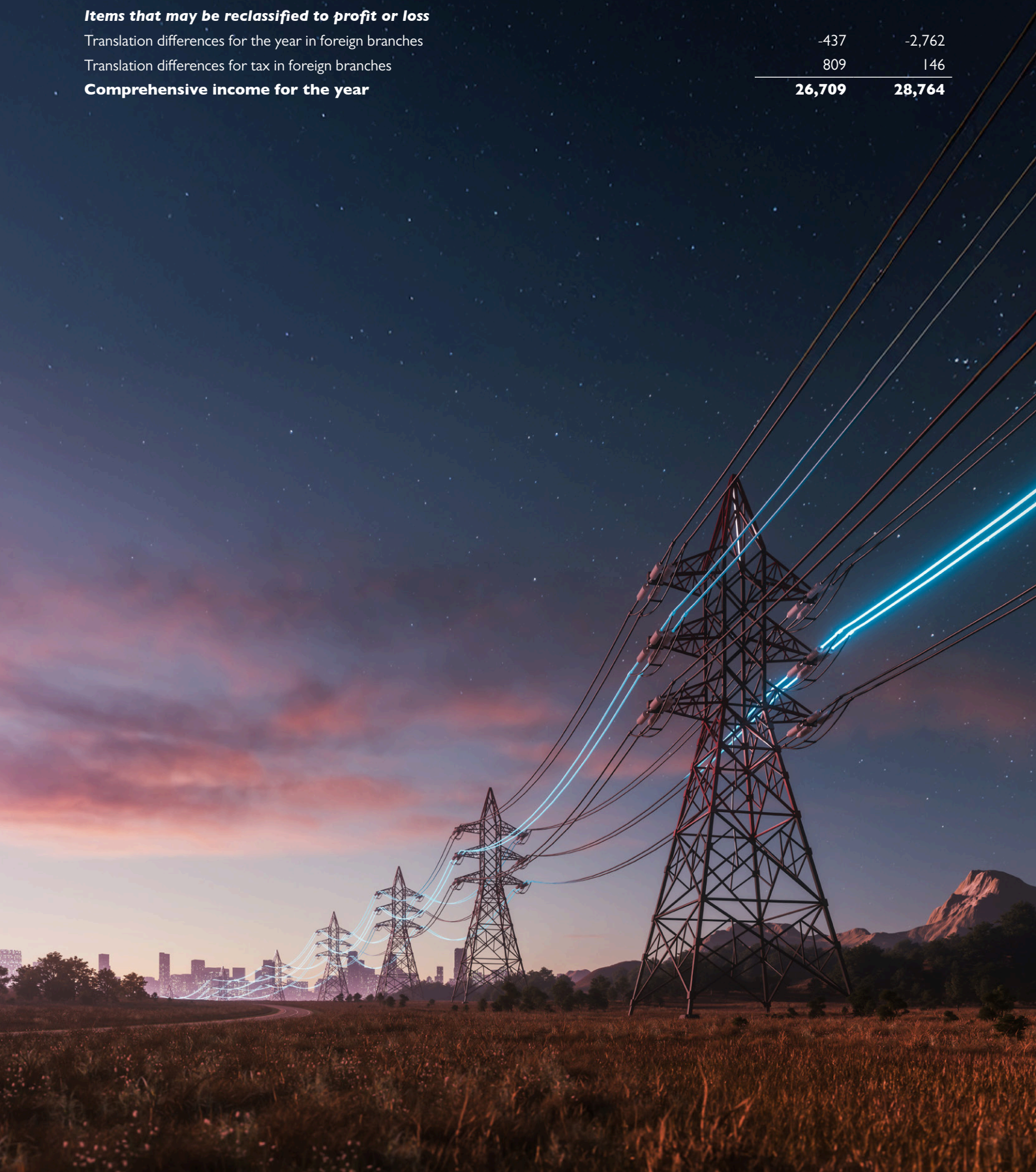
SEK thousand	Note	2025	2024
TECHNICAL ACCOUNTS			
Earned premium			
Premium income	2	403,513	526,432
Reinsurer's share of premium income		-184,515	-250,558
Change in provisions for unearned premiums and protracted risks		-1,970	-103,624
Reinsurer's share of change in provisions for unearned premiums and protracted risks		10,596	46,292
Earned premium, ooa		227,624	218,542
Return on capital transferred from financial business	3	8,443	9,310
Other technical income		46,647	36,250
Insurance compensation, ooa			
Insurance compensation paid	4	-168,341	-207,152
Reinsurer's share of insurance compensation paid		53,235	90,201
		-115,106	-116,951
Change in provisions for unsettled claims		73,586	-3,364
Reinsurer's share of change in provisions for unsettled claims		-68,151	9,753
		5,435	6,389
Insurance compensation, ooa		-109,671	-110,562
Operating costs	5,6,8	-137,963	-122,912
Technical profit/loss from non-life insurance business		35,080	30,628
NON-TECHNICAL ACCOUNTS			
Technical profit/loss from non-life insurance business			
Result from Associated companies	13	-	5,799
Return on capital, revenues	9	15,590	22,079
Return on capital, costs	9	(775)	(3,445)
Return on capital transferred to non-life insurance business	3	(8,443)	(9,310)
Forex, net	10	3,684	1,259
Other income		317	614
Profit before appropriations and taxes		45,453	47,624
Appropriations			
Safety reserve		-13,366	-9,600
Profit before tax		32,087	38,024
Taxation for the year	11	-5,750	-6,644
Profit for the year		26,337	31,380

STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December

SEK thousand

	2025	2024
Profit for the year	26,337	31,380
Other comprehensive income		
Items that may be reclassified to profit or loss		
Translation differences for the year in foreign branches	-437	-2,762
Translation differences for tax in foreign branches	809	146
Comprehensive income for the year	26,709	28,764



STATEMENT OF FINANCIAL POSITION

as at 31 December

SEK thousand	Note	2025	2024
ASSETS			
Intangible assets			
Intangible assets	12	19,722	17,989
Investment assets			
Financial investment assets	14	504,953	462,952
		504,953	462,952
Reinsurer's share of actuarial provisions			
Unearned premiums and protracted risks		240,872	242,677
Unsettled claims		137,954	214,182
		378,826	456,859
Receivables			
Receivables concerning direct insurance	15	245,497	244,122
Receivables concerning reinsurers		64,673	62,188
Other receivables	16, 17	52,901	9,897
		363,071	316,207
Other assets			
Tangible fixed assets	18	4,227	4,302
Cash and bank balances		109,814	193,700
		114,041	198,002
Prepaid expenses and accrued income			
Other prepaid expenses and accrued income	19	121,240	118,703
		121,240	118,703
TOTAL ASSETS	24	1,501,853	1,570,712



STATEMENT OF FINANCIAL POSITION

as at 31 December

SEK thousand	Note	2025	2024
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
Share capital		64,000	60,000
Statutory reserve		10,000	10,000
Fund for development expenses		19,722	17,989
Restricted equity		93,722	87,989
Translation reserve		-15,152	-15,525
Share premium reserve		137,150	101,150
Profit brought forward		199,220	169,573
Profit for the year		26,337	31,380
Non-restricted equity		347,555	286,578
Total equity		441,277	374,567
Untaxed reserves			
Safety reserve	17	22,966	9,600
		22,966	9,600
Actuarial provisions			
Provisions for unearned premiums and protracted risks	20	500,193	525,774
Provisions for unsettled claims	21	216,594	302,010
		716,787	827,784
Liabilities			
Liabilities concerning direct insurance	22	24,273	53,979
Liabilities concerning reinsurers		90,472	101,721
Other liabilities		29,738	30,384
		144,483	186,084
Accrued expenses and deferred income			
Other accrued expenses and deferred income	23	176,340	172,677
		176,340	172,677
TOTAL EQUITY, PROVISIONS AND LIABILITIES	24	1,501,853	1,570,712

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 01/01/2024	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
Profit disposition						12,811	-12,811	-
Closing balance, 31/12/2024	60,000	10,000	17,989	-15,525	101,150	169,573	31,380	374,568
Closing balance, 01/01/2025	60,000	10,000	17,989	-15,525	101,150	169,573	31,380	374,568
Profit disposition						31,380	-31,380	-
Fund for development expenses			1,733			-1,733		-
New share issue	4,000				36,000			40,000
Profit for the year							26,337	26,337
Other comprehensive income for the year				372				372
Closing balance, 31/12/2025	64,000	10,000	19,722	-15,152	137,150	199,220	26,337	441,277

During the year, the company issued 40,000 shares. After the issuance, the total number of shares amounts to 640,000, 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	15,930	186,627	25,067	227,624
Return on capital transferred from financial business		930	6,544	969	8,443
Other technical revenue		4,205	42,442	-	46,647
Insurance compensation, ooa	b	-2,853	-106,143	-675	-109,671
Operating costs		-7,224	-110,294	-20,445	-137,963
Technical profit from non-life insurance business		10,988	19,176	4,916	35,080
Run off result		-469	-4,578	-	-5,047
Change in actuarial provisions, before reinsurance					
Provisions for unearned premiums and protracted risks		7,651	12,218	-21,839	-1,970
Provisions for unsettled claims		53,768	19,818	-	73,586
Total change in actuarial provisions, before reinsurance		61,419	32,036	-21,839	71,616
Reinsurer's share of change in actuarial provisions					
Provisions for unearned premiums and protracted risks		-5,342	15,938	-	10,596
Provisions for unsettled claims		-43,352	-24,799	-	-68,151
Reinsurer's share of change in actuarial provisions		-48,694	-8,861	-	-57,555
Notes to the performance analysis					
Note a, Premium revenue, ooa					
Premium income		31,706	322,938	48,869	403,513
Change in premium income		7,651	12,218	-21,839	-1,970
<i>Premium earned before reinsurance</i>		<i>39,357</i>	<i>335,156</i>	<i>27,030</i>	<i>401,543</i>
Reinsurer's share of change unearned premiums		-5,342	15,938	-	10,596
Reinsurer's share of premium income		-18,084	-164,468	-1,963	-184,515
<i>Reinsurer's share of premium revenue</i>		<i>-23,427</i>	<i>-148,529</i>	<i>-1,963</i>	<i>-173,919</i>
Premium revenue, ooa		15,930	186,627	25,067	227,624
Note b, Insurance compensation, ooa					
<i>Insurance compensation paid</i>					
-Before reinsurance		-23,918	-143,748	-675	-168,341
-Reinsurer's share		10,650	42,585	-	53,235
<i>Changes in provisions for unsettled claims</i>					
-Before reinsurance		53,768	19,818	-	73,586
-Reinsurer's share		-43,352	-24,799	-	-68,151
Insurance compensation, ooa		-2,853	-106,143	-675	-109,671

STATEMENT OF ACCOUNTING POLICIES

General information

The annual report is submitted on 31 December 2025 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 Cert. Insurance Group Limited (London), which is the parent company that prepares the consolidated financial statements for the largest group of which the Company is a member. The Group's annual report for the 2025 financial year is available at <https://certgroup.com/>.

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

In April 2024, the IASB published IFRS 18, which replaces IAS 1. Among other changes, the standard introduces new requirements for the categorization of income and expenses in the statement of profit or loss, as well as expanded disclosure requirements for certain key performance measures. The standard is effective for periods beginning on or after January 1, 2027.

The Company's assessment is that IFRS 18 will have a limited impact on its financial reporting, as the Company applies legally restricted IFRS in the legal entity. The Annual Accounts Act for Insurance Companies (ÅRFL) stipulates specific presentation formats that must be followed, and the Swedish Financial Supervisory Authority (Finansinspektionen) has not yet announced the extent to which IFRS 18 will be applied within the framework of these regulations. The Company is monitoring developments and is awaiting further guidance from the Financial Supervisory Authority and the Swedish Financial Reporting Board (RFR).

Beyond this, no other new or amended accounting standards or interpretations from the IASB are assessed to have a material impact on the Company's financial reporting in future periods.

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 below.

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	2025	2024
NOK	0.91	0.98
EUR	10.82	11.50
DKK	1.45	1.54

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.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Amounts in SEK thousand, unless stated otherwise

Note I – Information about risks

Objectives, principles and methods for risk management

The company's profit is derived partly from its insurance business and the management of insurance risks, and 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 of Directors. The Investment Committee makes decisions about the company's investment strategy. The Underwriting Committee consists of members of the Board of Directors and makes decisions regarding major insurance risks. The Claims Committee consists of members of the Board of Directors as well as the Head of Claims. The Claims Committee monitors and makes decisions concerning claims reserves and the management of major claims cases. The Risk and Audit Committee consists of members of the Board of Directors and is responsible for ensuring that the Company maintains effective internal control and an appropriate risk management framework. The Company applies the three lines of defence principle. The first line of defence consists of the business units, where each unit manager reports directly to the CEO. The second line of defence consists of the independent key functions for risk management, compliance, and the actuarial function. The head of the risk management function is the Company's Risk Manager, whose responsibilities include identifying and reporting material risks to the Board. The third line of defence consists of the internal audit function, which reviews and evaluates the Company's internal control and processes.

Insurance Risks

During the year, the Company has underwritten non-life insurance within the classes of Credit and Suretyship, Other Financial Loss, and Other Damage to Property. Non-life underwriting risk is the Company's most significant risk and is divided into premium and reserve risk, catastrophe risk, and lapse risk. The meaning of these concepts and the Company's general methods for managing these types of risks are described below.

Underwriting and Reserve Risks

Underwriting risk is the risk that the calculated insurance premium will not correspond to the actual claims and operating costs associated with the insurance. The risk is largely driven by business volume and is managed through the business plan and the annual Own Risk and Solvency Assessment (ORSA) as established by the Board of Directors.

Reserve risk, i.e., the risk that technical provisions are insufficient to settle incurred claims, is primarily managed through developed actuarial methods and meticulous, continuous monitoring of reported as well as potential claims. Risk mitigation also occurs through reinsurance. The Board of Directors makes decisions regarding the scope of the reinsurance. Through ceded reinsurance, the consequences of claims are limited, allowing the size of exposures to be managed and the company's equity to be protected. The Company's maximum retention per claim event is decided by the Board of Directors.

Catastrophe and Lapse Risks

Catastrophe risk is the risk of large losses resulting from individual events or systemic shocks (e.g., a recession scenario). This risk is primarily managed through the Company's reinsurance cover, which enables the underwriting of large risks while limiting the net impact on equity.

Lapse risk refers to the risk of loss resulting from insurance contracts being cancelled or not renewed to the expected extent. The risk is primarily linked to issued credit and suretyship insurance and pet insurance where future premiums have not yet been invoiced.

Concentration Risk and Risk Mitigation

Concentration risk arises through exposure to specific geographical areas or industries, primarily the construction industry. A downturn in this sector could negatively affect both premium volume and claims frequency. The Company counteracts this through a diversification strategy involving spread across multiple geographical markets and product areas.

The primary method for risk mitigation is reinsurance, prudent risk selection, as well as regular stress tests and simulations. The Board of Directors and the Underwriting Committee receive continuous, detailed reporting to ensure that exposure remains within the framework of the Company's risk appetite.

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	27.5%
AA	39.3%
A	27.5%
B	2.7%
C	0.8%
Recently formed companies and companies without a rating class	2.2%
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: 2.9 years
- Miscellaneous Financial loss: 2.2 years
- Other property damage: 1.0 year

Of the total exposure, the ten largest exposures account for 22.7% (23.6%) which is shown in the table below. Rating classification is obtained from an external party.

10 largest exposures	Rating	Percentage	10 largest exposures	Rating	Percentage
			c/f		14.3%
No. 1	AAA	3.6%	No. 6	AAA	2.0%
No. 2	AA	3.6%	No. 7	AA	1.7%
No. 3	AA	2.8%	No. 8	A	1.6%
No. 4	AA	2.2%	No. 9	AA	1.6%
No. 5	AAA	2.1%	No. 10	AAA	1.5%
c/f		14.3%	Total before reinsurance		22.7%

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 prior years ooa

The tables below shows the estimated cost in 2025 and 2024 of unsettled claims (net) per claim year.

2025

Claims ooa	Prior years	2022	2023	2024	Total prior years	2025	Total
Opening reserve	13,109	37,606	116,132	135,163	302,010	-	302,010
Insurance compensation paid	10,772	-2,416	-20,151	-59,023	-70,818	-93,425	-164,243
External claims handling costs	-960	-221	-1,843	-992	-4,016	-82	-4,098
Currency translation impact	-1,022	-738	-4,501	-2,580	-8,841	-2,988	-11,829
Subtotal	21,899	34,231	89,637	72,568	218,335	-96,495	121,840
Closing reserve	20,165	13,083	79,783	45,744	158,775	57,820	216,594
Gross settlement result	1,734	21,148	9,854	26,824	59,560		59,560
Reinsurer's share							
Opening receivable	6,967	31,082	81,153	94,980	214,182	-	214,182
Insurance compensation recovered	7,126	-2,572	-12,117	-27,721	-35,284	-15,977	-51,261
External claim handling cost	-462	-107	-887	-478	-1,934	-40	-1,974
Currency translation impact	-727	-503	-3,086	-1,769	-6,085	-1,992	-8,077
Subtotal	12,904	27,900	65,063	65,012	170,879	-18,009	152,870
Closing receivable	10,018	9,550	54,105	32,599	106,272	31,682	137,954
Settlement result	-2,886	-18,350	-10,958	-32,413	-64,607	49,691	-14,916
Net settlement result	-1,152	2,798	-1,104	-5,589	-5,047		-5,047

2024

Claims ooa	Prior years	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		2,544
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		3,220

Financial Risks

In the Company's operations, various types of financial risks arise, such as market risks, credit risks, and liquidity risks. To limit and control risk-taking within the operations, the Company's Board of Directors, which bears ultimate responsibility for internal control, has established guidelines and instructions for financial operations.

Market risks

Market risk is defined as the risk of loss or a negative change in the financial position caused, directly or indirectly, by fluctuations in the level or volatility of market prices for the Company's financial instruments.

The Company is primarily exposed to interest rate risk through the risk that the market value of the Company's assets, liabilities, and financial instruments will change as market interest rates rise or fall. The degree of interest rate risk increases with the maturity of the asset or liability.

Sensitivity analysis of the fair value of listed financial assets

tsek	2025		2024	
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
Handelsbanken Euro Ranta	-	-	22,936	5
Handelsbanken Foretagsobl Cri	124,723	943	130,971	851
Handelsbanken Företagsobligation				
Investment Grade	122,488	513	128,409	411
Handelsbanken Høyrente	1,758	-	1,958	-
Handelsbanken Kort Rente Norge	3,397	-	3,634	-
Handelsbanken Ranteavkastning	121,799	1,362	125,566	1,306
Handelsbanken Obligasjon	2,891	1	2,746	1
Federal Republic of Germany 1,9% 2027-09-16	9,786	4	-	-
Federal Republic of Germany 2,4% 2028-10-19	9,563	5	-	-
Federal Republic of Germany Treasury Bill 2026-08-	3,245	0	-	-
Federal Republic of Germany 2,5% 2029-10-11	9,584	7	-	-
	409,234	2,835	427,008	2,594

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

SEK '000	DKK	EUR	NOK	AUD	GBP	USD	Total
Net position 2025	26,185	125,928	14,554	28,375	1,098	372	196,511
10 % change in currency rates, foreign currencies against SEK 2025	2,618	12,593	1,455	2,837	110	37	19,651
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

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	2025
Financial investment assets	503,704
Deposits	382
Bank balances	109,814
Total	613,900

Financial Investment Assets	AAA	AA	A	BBB	BB	No rating	Total
Swedish government	10.0%	0.4%	0.0%	0.0%	0.0%	0.0%	10.4%
Foreign governments	5.7%	0.5%	0.0%	0.0%	0.0%	0.0%	6.2%
Other Swedish issuers	0.1%	6.6%	4.8%	4.6%	0.0%	16.3%	32.3%
Other foreign issuers	2.1%	4.4%	3.2%	3.3%	0.3%	19.8%	33.2%
Deposits						0.1%	0.1%
Bank balances			17.9%				17.9%
Total	17.9%	11.9%	25.9%	7.9%	0.3%	36.2%	100.0%

* Refers to state-owned companies

Credit risks concerning reinsurers

As at 31 December 2025, there were receivables from reinsurers amounting to TSEK 64,673.

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 2021	55%	45%	100%
Underwriting year 2022	37%	63%	100%
Underwriting year 2023	37%	63%	100%
Underwriting year 2024	30%	70%	100%
Underwriting year 2025	31%	69%	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	305,128	2.9
Miscellaneous financial loss	31,712	2.2
Property damage	1,121	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	-		503,703	-	-	2.47
Derivatives	-	868	-	-	-	1
Deposits	-	-	382	-	-	-
Bank balances	-	-	-	-	109,814	-
Total	-	868	504,085	-	109,814	

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.

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 66,724 (63,213) and the solvency capital requirement is TSEK 266,895 (252,851). The Company's own funds, according to Solvency II regulatory valuation rules, were TSEK 512,734 (433,303). Own funds' development in relation to solvency capital is monitored on a quarterly basis throughout the financial year and amounts to 191.1% at the balance sheet date (171.4%).

Note 2 – Premium income ooa

	2025	2024
Direct insurance, Sweden	31,706	41,503
Direct insurance, foreign	322,938	453,590
Reinsurance received, foreign	48,869	31,339
Premium income ooa	403,513	526,432

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 2025 was 2.5% (2.5%)

Note 4 – Insurance compensation, ooa	2025	2024
<i>Claim costs attributable to the business for the year:</i>		
Insurance compensation paid	-93,425	-79,085
Reinsurer's share of insurance compensation paid	15,977	6,261
Change in provisions for unsettled claims	-55,265	-130,298
Reinsurer's share	31,682	94,980
	-101,031	-108,142
<i>Claim costs attributable to the business for previous years:</i>		
Insurance compensation paid	-70,818	-119,663
Reinsurer's share of insurance compensation paid	35,285	80,167
Change in provisions for unsettled claims	139,846	123,555
Reinsurer's share	-107,910	-80,798
	-3,597	3,261
Claims handling costs	-1,290	-7,603
Currency effect	-3,753	1,922
Total	-109,671	-110,562

Note 5 – Operating costs	2025	2024
Acquisition costs	-149,714	-134,892
Commission from reinsurers	61,597	58,180
Administrative expenses	-49,846	-46,200
Total	-137,963	-122,912

Operating costs divided into cost types	2025	2024
Staff	-103,567	-99,612
Claims handling cost	-7,448	-6 970
Premises	-7,352	-7,287
Depreciation/amortisation	-3,399	-2,943
Commission from reinsurers	61,598	58,180
Change in DAC	-8,932	2,045
Other operational costs	-68,863	-66,325
Total	-137,963	-122,912

Note 6 – Operating costs, staff

	2025		2024	
	Average number of employees	Gender distribution proportion of women %	Average number of employees	Gender distribution proportion of women %
Sweden	27	52%	25	45%
Norway	7	62%	8	63%
Finland	10	30%	10	30%
Denmark	3	0%	3	0%
Spain	11	30%	10	30%
Total	58	42%	56	40%

	2025	2024
Gender distribution, Board of Directors, Proportion of women	14%	0%
Gender distribution, CEO and senior executives, Proportion of women	25%	33%

	2025	2024
Recognized salaries, remunerations, pensions and social fees		
Salaries	-81,233	-78,662
Pensions	-11,519	-11,546
Social fees	-14,930	-14,707
	-107,682	-104,915

Recognized salaries and remunerations		
Chairman of the board	-315	-315
-where variable remuneration	-	-
Other board members	-200	-200
-where variable remuneration	-	-
CEO	-3,331	-2,887
-where variable remuneration	-834	-486
Other employees	-77,337	-75,260
	-81,233	-78,662

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 1,404 in pension contributions, excluding payroll tax, and social security contributions of 1,047 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

Parent Company and Ownership

Nordic Guarantee Försäkringsaktiebolag is a wholly-owned subsidiary of Cert. Insurance Group Limited, with its registered office in London, United Kingdom. The ultimate parent company of the group is Cert. Holdings Limited, with its registered office in Guernsey

Other associated companies

Wholly owned subsidiaries to Cert. Insurance Group Limited:

- Red Sands Insurance Company (Europe) (registered in Gibraltar)
- Red Sands Life Assurance Company (Europe) (registered in Gibraltar)
- Lombard Australia Holdings PTY Limited, with subsidiaries:
 - Assetinsure Holdings PTY Limited (registered in Australia)
 - Assetinsure PTY Limited (registered in Australia)

Associated companies to Cert. Insurance Group Limited:

- LomHold (Pty) Ltd (percentage of ownership 30 %), with subsidiary:
 - Lombard Insurance Company Limited (registered in South Africa)

Overview transactions with close related parties

	2025	2024
Receivables		
Cert. Insurance Group Limited	40,000	-
	40,000	-

The receivable from Cert. Insurance Group Limited relates to unpaid proceeds from a share issue. The amount has been settled in full after the end of the reporting period.

Income

Assetinsure Pty Limited – Consultant fee	2,470	10,373
	2,470	10,373

Costs

Red Sands Insurance Company (Europe) Limited - Interest	-	716
	-	716

Note 8 – Auditors' and other consulting fees

	2025	2024
EY, auditors' fees	-1 059	-1,140
Other consultancy fees	-412	-447
Total	-1 471	-1,587

Note 9 – Return on capital, net	2025	2024
Interest income, bonds and other interest-bearing securities	224	695
Other interest income	2,634	4,897
Realised profit on shares and other securities	3,836	-1,389
Unrealised profit on investment assets	8,129	15,202
Other interest expense	-8	-771
Total	14,815	18,634

Note 10 – Forex, net	2025	2024
Exchange gains	218,933	262,831
Exchange losses	-215,250	-261,572
Total	3,683	1,259

The recognized foreign exchange effects primarily arise from the revaluation of items in foreign currencies at the closing rate, a significant portion of which relates to currency effects on receivables and liabilities between the Company and its branches.

Note 11 – Effective tax	2025	2024
Income tax	-5,750	-6,644
Current foreign tax	-4,801	-2,906
Deferred tax attributable to unpaid foreign tax	-219	-3,734
Foreign tax credit	5,020	6,640
	-5,750	-6,644

Reconciliation of effective rate of taxation

Profit before tax	32,087	38,024
Tax at current rate (20.6%)	-6,610	-7,833
Non-deductible costs	-505	-363
Standardized return on untaxed reserves	-39	-
Currency-related tax effects	1,322	188
Non-taxable income	82	1,364
Recognised effective tax	-5,750	-6,644
Effective tax rate	17.9%	17.5%

Note 12 – Intangible assets

Intangible assets:

Opening accumulated cost	44,950	43,207
Acquisitions for the year	4,246	1,743
Closing accumulated cost	49,196	44,950
Opening accumulated amortisation	-26,961	-24,933
Amortisation for the year	-2,513	-2,028
Closing accumulated amortisation	-29,474	-26,961
Closing residual value according to plan	19,722	17,989

Note 13 – Share in associate companies

At the beginning of the year	-	-
Share acquisition	-	2,065
Disposal sale	-	-9,597
Gain on disposal	-	8,878
Shares in the associated company's results	-	-1,346
Carrying amount at year-end using the equity method	-	-

The Company divested all of its shares in Keyhole ApS during 2024.

Note 14 – Financial investment assets	Acquisition cost		Market value		Book value	
	2025	2024	2025	2024	2025	2024
Bonds and other interest-bearing securities	468,839	430,233	503,703	460,580	503,703	460,580
Loan	-	3,251	-	3,251	-	3,251
Derivatives	-	-	868	-1,285	868	-1,285
Deposits	382	406	382	406	382	406
Total	469,221	433,890	504,953	462,952	504,953	462,952

TSEK 442,666 (427,008) of the financial investment assets are valued at prices according to level 1 (quoted prices in an active market) and TSEK 61,037 (33,572) 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	64,168	14%	63,719	13%	63,719	13%
Other Swedish issuers	195,303	41%	198,504	39%	198,504	39%
Foreign governments	37,866	8%	37,813	8%	37,813	8%
Other foreign issuers	176,987	37%	203,667	40%	203,667	40%
Total	474,325	100%	503,703	100%	503,703	100%

Note 15 – Receivables concerning direct insurance	2025	2024
Receivables from policyholders	245,497	244,122
Total	245,497	244,122

Note 16 – Other receivables	2025	2024
Receivables from group companies	40,000	-
Other receivables	12,901	9,897
Total	52,901	9,897

Note 17 – Deferred tax assets	2025	2024
<i>Deferred tax asset</i>		
Opening balance	-	3,734
Adjustment of preliminary estimated foreign tax	219	-
Change in unutilized foreign tax credits	-219	-3,734
Closing balance	-	-

Total deferred tax - -

Note 18 – Tangible fixed assets	2025	2024
<i>Equipment:</i>		
Opening accumulated cost	5,727	6,202
Currency impact	59	64
Purchases for the year	1,379	2,762
Disposal/sale	-1,216	-3,301
Closing accumulated cost	5,949	5,727

Opening accumulated amortisation	-1,425	-2,260
Currency impact	-32	-23
Amortisation for the year	-821	-835
Disposal/sale	556	1,693
Closing accumulated amortisation	-1,722	-1,425
Closing residual value according to plan	4,227	4,302

Note 19 – Other prepaid expenses and accrued income	2025	2024
Accrued interest income	180	85
Prepaid rental charges	706	619
Deferred Acquisition Cost	69,147	82,120
Other	51,207	35,880
	121,240	118,704

Note 20 – Provisions for unearned premiums and protracted risks	2025	2024
Opening balance	525,774	415,802
Change in provisions for unearned premiums and protracted risks	1,970	103,624
- of which, premium income for the year	403,513	526,432
- of which, release premium reserve for the year	-401,543	-422,808
Currency impact due to consolidation	-27,551	6,348
	500,193	525,774

Note 21 – Provisions for unsettled claims	2025	2024
Opening balance	302,010	292,296
Change in provisions for unsettled claims	-73,586	3,364
Currency impact due to consolidation	-11,830	6,350
	216,594	302,010

Note 22 – Liabilities	2025	2024
Liabilities to reinsurers	90,472	101,721
Liabilities to insurance intermediaries	21,431	22,849
Liabilities to policyholders	2,842	31,129
Accounts payable	12,346	15,414
Other	17,392	14,971
	144,483	186,084

Note 23 – Other accrued expenses and deferred income	2025	2024
Staff-related expenses	31,984	28,705
Commission reinsurance	79,483	77,463
Commission insurance intermediaries	4,089	3,184
Other	60,784	63,325
	176,340	172,677

Note 24 – Expected recovery times for assets and liabilities	No more than 1 year	Longer than 1 year	Total
Other intangible assets	2,793	16,929	19,722
Other financial investment assets	0	504,953	504,953
Receivables concerning direct insurance	183,920	61,577	245,497
Reinsurers share of unearned premiums and protracted risks	121,034	119,838	240,872
Receivables from reinsurers, unsettled claims	80,312	57,642	137,954
Receivables concerning reinsurance, settled claims	64,673	0	64,673
Other receivables	52,901	0	52,901
Tangible fixed assets	1,008	3,219	4,227
Bank balances	109,814	0	109,814
Other prepaid expenses and accrued income	61,953	59,287	121,240
Total assets	678,408	823,445	1 501,853

	No more than 1 year	Longer than 1 year	Total
Subordinated loan	0	22,966	22,966
Provisions for unearned premiums and protracted risks	247,785	252,408	500,193
Provisions for unsettled claims	126,093	90,501	216,594
Liabilities concerning direct insurance	17,462	6,811	24,273
Liabilities concerning reinsurers	46,230	44,242	90,472
Other liabilities	29,738	0	29,738
Other accrued expenses and deferred income	113,212	63,128	176,340
Total provisions and liabilities	580,520	480,056	1 060,576

Note 25 – Class analysis	Surety	Miscellaneous Financial loss	Other property damage	Total
2025:				
Premium income ooa	182,620	105	51,303	234,028
Premium revenue ooa	148,941	27,453	51,230	227,624
Insurance compensation ooa	-53,699	-22,044	-33,928	-109,671
Operating costs ooa	-115,983	-4	-21,976	-137,963
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

Note 26 – Other information	2025	2024
Pledged assets		
Registered assets to cover actuarial provisions, ooa	584,869	734,745
Contingent liabilities		
	None	None
Commitments		
	None	None

Note 27 – 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	-15,152,604
Share premium reserve	137,150,000
Profit brought forward	199,219,860
Profit for the year	26,336,905
Retained earnings	347,554,161

The Board of Directors propose that SEK 347,554,161 be carried forward

The annual report was approved for publication by the Board of Directors and the Chief Executive Officer on 23 March 2026. The income statement and balance sheet will be presented for adoption to the Annual General Meeting on 23 March 2026.

Peter Lindblad
Chair
2026-03-23

Erik Ljungren
Director and CEO
2026-03-23

Robert John Symmonds
Director
2026-03-23

Donnell Gouveia
Director
2026-03-23

Shaun Cawdery
Director
2026-03-23

Håkan Broman
Director
2026-03-23

Malin Karlberg
Director
2026-03-23

Our audit report was submitted on 23 March 2026
Ernst & Young

Erik Benjaminsson Castlin
Authorised Public Accountant



nordicguarantee