



NORWEGIAN HULL CLUB

# Annual Report

## 2024



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# Introduction & Leadership



NORWEGIAN HULL CLUB

# CEO's review

2024 marked two noteworthy milestones in Norwegian Hull Club's history. In a year where we successfully directed the company towards uneventful pathways after a 2023 with the launch of several ambitious plans, in particular for the subsidiaries, we managed to secure the strongest result ever. Towards the end of the year, we also surpassed the number of 300 employees across the four companies of the Norwegian Hull Club group.

The historical result ascribes to several factors that coincide, with considerable profits from both insurance and investments, driven by the absence of major claims and exceptionally low claims cost. These achievements have been realized in an increasingly complex world, shaped by geopolitical dynamics and the unraveling of global trade connections over the past decades. Such a result, at the threshold of entering a softer market cycle, is however mainly made possible by our 300 employees, with a can-do attitude and a dedication to a comprehensive service concept that builds trust and nurture relationships through knowledge and experience combined with accessibility and curiosity. I'd like to thank all the employees of Norwegian Hull Club, Instech Solutions, Marine Benefits and NIORD for your enthusiasm, drive and commitment in the year that passed. To me, and to the management, it is additionally motivating to experience that same wholeheartedness among the Board Members, and we are grateful for having a strong and close cooperation with an active and engaged Board.

I'm known for stating that "The difference is the people" and that is a statement that never stops proving itself. As our growing organisation

evolves and Norwegian Hull Club is gradually developing into its corporate structure, we keep acknowledging that the difference is not only the people – but all the different people, and how we need all kinds to succeed within the various fields within the Norwegian Hull Club group. We are confident that Instech Solutions, Marine Benefits, NIORD – and Norwegian Hull Club - utilise their potential and serve their clients better as independent brands, nurturing diversity in what motivates, in skills, knowledge, entrepreneurial spirit and background. Different - yet with the same drive and dedication for their clients and their jobs - we still nurture and celebrate the foundation that we share, a common culture and the same fundamental values.

In its first year, NIORD has grown The Group's renewables portfolio. The newcomer has an experienced team and has been established as a leader in the floating wind market already after only one year in operation. Delivering on its ambitions, the team started its marathon with a sprint from the starting block, hosting the two-day Bergen Wind Academy in June and the London Wind Academy in November, events that are fully booked and that welcome competitors as well as clients, continuing to build on The Club's legacy of knowledge sharing. With the spirit of a start-up, the dedicated team doubtless has proven it is enabling endless energy – not least within the team members.

Mindful of the shortage of qualified crew, a growing demand as our industry is headed for the transition to the technologies of the future, Marine Benefits and their medical insurance covers have never been more relevant to ship owners and managers. By the end of 2024, they insured more than 170,000 seafarers and family members. As 36,000 took part in their survey on physical and mental well-being, Marine Benefits provided valuable insight with the most comprehensive seafarer survey ever conducted, enlightening both the specific companies participating, as well as the larger industry.

Instech Solutions almost doubled the number of employees in the year that passed, manning to create a marine and energy insurance software that simplifies and standardizes working processes for insurers, brokers and agents. Ambitious and with a commitment to customer-centric innovation, they have started the development of the completely new marine and energy software, Etuity Core, and are inviting stakeholders to be active participants in a community that builds an efficient, collaborative and secure working tool for the future.

Also for Norwegian Hull Club, maintaining strong relationships and interaction with our clients and brokers remains our primary focus. As we navigate a softer market cycle, and mindful that our core product, hull and machinery, is at break-even – the strategy remains steadfast: honouring the long-term relationships by always developing our service concept to stay relevant to our clients while we navigate complex waters together.

The service concept is at the core of The Group's business model and was also amongst the strengths noted by S&P when they reaffirmed The Club's A/Stable rating last summer. In its analysis, S&P highlighted The Club's 'strong service proposition' and stated its expectations that Norwegian Hull Club 'maintains its position as a premium provider of marine insurance where it offers high-end loss-prevention, emergency response, and claims handling process'.

Faced with challenging global politics as well as the industry transition to zero-emission technology, Norwegian Hull Club acknowledges the importance of being an enabler for global trade through de-risking the transition to the technologies and regulations of tomorrow. Recognizing the challenges our clients face in making difficult decisions without having a complete risk picture, we are pleased to observe a steady increase in the number of vessels with alternative fuels and propulsion in our portfolio.

We remain committed to supporting this transition by sharing the risk associated with the unknown.

As a mutual insurance company, the end of the year comes with the anticipation of being in the position to honouring long-term commitment and loyalty also financially. This year, we are proudly announcing a premium return of 10% to our members for the calendar year 2024. Thank you for your continued trust, you should continue to expect more from us.



Hans Christian Seim  
CEO

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Norwegian Hull Club is a mutual marine insurance company serving clients worldwide. As conveyed by the company slogan 'Expect More', The Club aims to be the 'number-one service provider'. Its service concept includes claims handling, emergency response support, prevention and mitigation training for clients' onshore and offshore personnel, benchmarking services for clients, operational, technical and legal advice, as well as knowledge sharing in general. The Club ranks as one of the world's largest marine and offshore energy underwriters and insures 9762 unique vessels. Of these, 5829 are on claims lead with The Club. The company employs 145 people and has offices in Bergen (main office), Oslo and London. Norwegian Hull Club is not only dedicated to serving the needs of its clients today – it is also mindful of their needs tomorrow. The Club has therefore focused strongly on digital solutions ever since the foundation of its wholly owned subsidiary company Insurance Technology Solutions AS (Instech) in 1994. Instech develops innovative marine insurance software that supports the transformation of The Club's product and service provision, as well as the long-term needs of the industry. Instech employs 37 people in Bergen.

Norwegian Hull Club's second wholly owned subsidiary, Marine Benefits AS, prides itself on being the shipping industry's leader in employment benefit solutions for seafarers, offering 'Medical Plan' as well as 'Crew P&I' insurance. The company employs 101 people across its offices in in Bergen, Manila and Malmö.

In November 2023, The Club announced its third wholly-owned subsidiary - NIORD AS - dedicated to the Offshore Renewables segment. The company, which became operational on January 1 2024, serves owners, developers and operators of Offshore Renewable Energy installations, including their main contractors and service providers in relation to the development, construction, and operation of such installations. Its service concept includes claims handling, emergency response support, preventive and mitigating training for clients' onshore personnel, in addition to operational, technical and legal advice related to insurance. NIORD employs 12 and is located in Bergen.

# This is Norwegian Hull Club



A recognised global leader  
in marine and energy insurance



A recognised global leader in medical  
covers for seafarers and their families



Dedicated marine insurance  
software development



A recognised global leader in insurance  
covers for floating offshore renewables



### Ownership

The Club is owned by mutual members, representing owners and managers of insured units.

### Governance

Members of Norwegian Hull Club, clients that write business on a mutual basis, vote at the general meeting according to the Norwegian Limited Companies Act § 5-2, cf. Norwegian Financial Institutions Act § 8.1-8.3. Members have votes according to the members' share of The Club's mutual earned premium in the preceding calendar year. Joint Members have, together, as many votes as if the insurance agreement had been entered into by one member. The right to vote on behalf of the Joint Members shall be vested in the member named first in the insurance agreement.

**The Committee** elects the Board, recommends annual accounts to the General Meeting and supervises the Board and management. The members of the Committee are elected from the members, i.e. the owners, of Norwegian Hull Club.

**The Board** is responsible for setting out the strategy - including risk tolerance - and generally overseeing the management of Norwegian Hull Club. Up to two members of the Board can be independent; the others represent members of The Club. The Board has audit, risk and compensation sub-committees. The Chair of the Audit Committee is independent of Norwegian Hull Club.

**The Audit Committee** is a subcommittee of the Board. Its responsibility is to discuss significant accounting issues with management

and the external auditor, as well as assess procedures adopted for preparing the accounts. The Audit Committee shall further assess the independence of the external auditor, discuss audit issues with external and internal auditors, assess auditors' work and make recommendations to the Board regarding election of external and internal auditors.

**The Risk Committee** is a subcommittee of the Board. It is responsible for supervising The Club's total risk and regularly considers whether the management and control systems are adapted to the risk level and scope of operations. The Risk Committee also assesses continuous compliance with capital requirements and requirements for technical insurance provisions, as well as the appropriateness of the risk management



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system. It shall follow up the company's actuary, as well as compliance and risk management.

**The Compensation Committee** is also a subcommittee of the Board. It makes recommendations to the Board regarding the compensation of the Chief Executive Officer, as well as the structure of general compensation, including compensation for the management team.

The company's remuneration policy is adopted by the Board on an annual basis. In addition to fixed salary, up to 8 % of the operating result in any year may be allocated to employees by way of a bonus.

**The Election Committee** makes recommendations regarding candidates for the various governing bodies. The Election Committee shall have a minimum

of five members. At least one member shall have served on the Board of Directors during the preceding five years. The Election Committee shall seek to replace members of governing bodies regularly and in a well-planned manner. In general, members of the Board of Directors, the Election Committee and the Chair and Deputy Chair of the Committee shall step down after 10 years' service.

**The Club** has established the four key independent control functions required under the Solvency II Directive - risk management, compliance, actuarial and internal audit. These functions are responsible for providing an overview of challenges to the business and for providing assurance to the Board in relation to Norwegian Hull Club's control framework.

As a mutual insurance company, The Club will - by definition - enter into commercial agreements with member owners and with members of the Board of Directors. None of these transactions are considered material in relation to Norwegian Hull Club's business volume.

### Mission, vision and values

Norwegian Hull Club's Mission is to secure lives, health, environment and property to help protect both people and the planet.

The Club's Vision is to be the leading insurance provider - not necessarily the largest. As such, being considered 'the best' is a more desirable, worthy ambition.

To help Norwegian Hull Club fulfil this ambition, the company's core Values consist of Integrity, Sharing, Agile and Curious. By remaining curious and sharing knowledge, Norwegian Hull Club aims to help its clients and members prevent accidents from occurring, while also being agile enough to react optimally in a crisis to mitigate losses.

### Memberships of Associations

Norwegian Hull Club is a member of Cefor - The Nordic Association of Marine Insurers, as well as the International Underwriting Association (IUA). It is also a signatory to

the Poseidon Principles for Marine Insurance, as well as a member of the Maritime Anti-Corruption Network (MACN) since 2022.

### Market and market share

The Club writes a global book of covers including Hull & Machinery, Loss of Hire, Increased Value, War, Yacht, Builder's Risks, Energy (fixed and floating) insurance - operation and construction. Marine and Energy insurance is placed and written globally, mainly through brokers. A significant amount of business is with international clients.

Norwegian Hull Club has an approximate 23,9 % share (2023 figures, 2024 figures to be released by Cefor spring 2025) of the Nordic market (defined as business written by companies operating from the Nordic countries), which accounts for about 14 % of global hull premium. The Club, therefore, has a 3 % market share of global hull business. The Nordic market has its own conditions (<http://www.nordicplan.org/>), in which the role as claims leader is distinct and important. Norwegian Hull Club has long-held experience as claims leader and the role is an important part of its service offering. The company has a branch office in London, writing business produced by London brokers as well as maintaining existing business relationships.

### Insurance risk supply chain

Distribution, diversification and mitigation of risk is central to insurance. In marine insurance, the supply chain is reflected in the typical Scandinavian business model and market structure: the ship owner purchases insurance directly or through a broker, while Norwegian Hull Club mitigates parts of its own risk by purchasing reinsurance through reinsurance brokers.

The Club operates with clients such as shipping companies, insurance brokers and reinsurance brokers worldwide. It outsources and has outsourcing arrangements only where there is a sound commercial basis for doing so, and where the risk can be effectively managed. A due-diligence process is undertaken prior to any final

# Values

### Integrity

We believe in doing 'the right thing' - in holding ourselves to the highest ethical, professional and sustainability standards. This belief is the foundation of everything we do: Integrity forms the bedrock of our business and our long-term, valued relationships. It is a matter of trust.

### Agile

Our organisation is designed to adapt quickly - to assess conditions promptly and react optimally. This enables us to provide a superior, tailor-made service to our clients, featuring dedicated support and future- oriented solutions founded on nearly 200 years' experience.

### Sharing

We are committed to knowledge sharing. By promoting such a culture, both internally and within the maritime industry, we better protect lives, health, the environment and assets. This approach is also the cornerstone of our social responsibility program, delivering greater opportunities through increased knowledge.

### Curious

Our team members are not afraid to challenge convention; to ask, "Is there a better way?" for our clients and the industry we serve. We encourage such passionate curiosity - it has helped us become innovators in our field, setting new standards in solutions and services.





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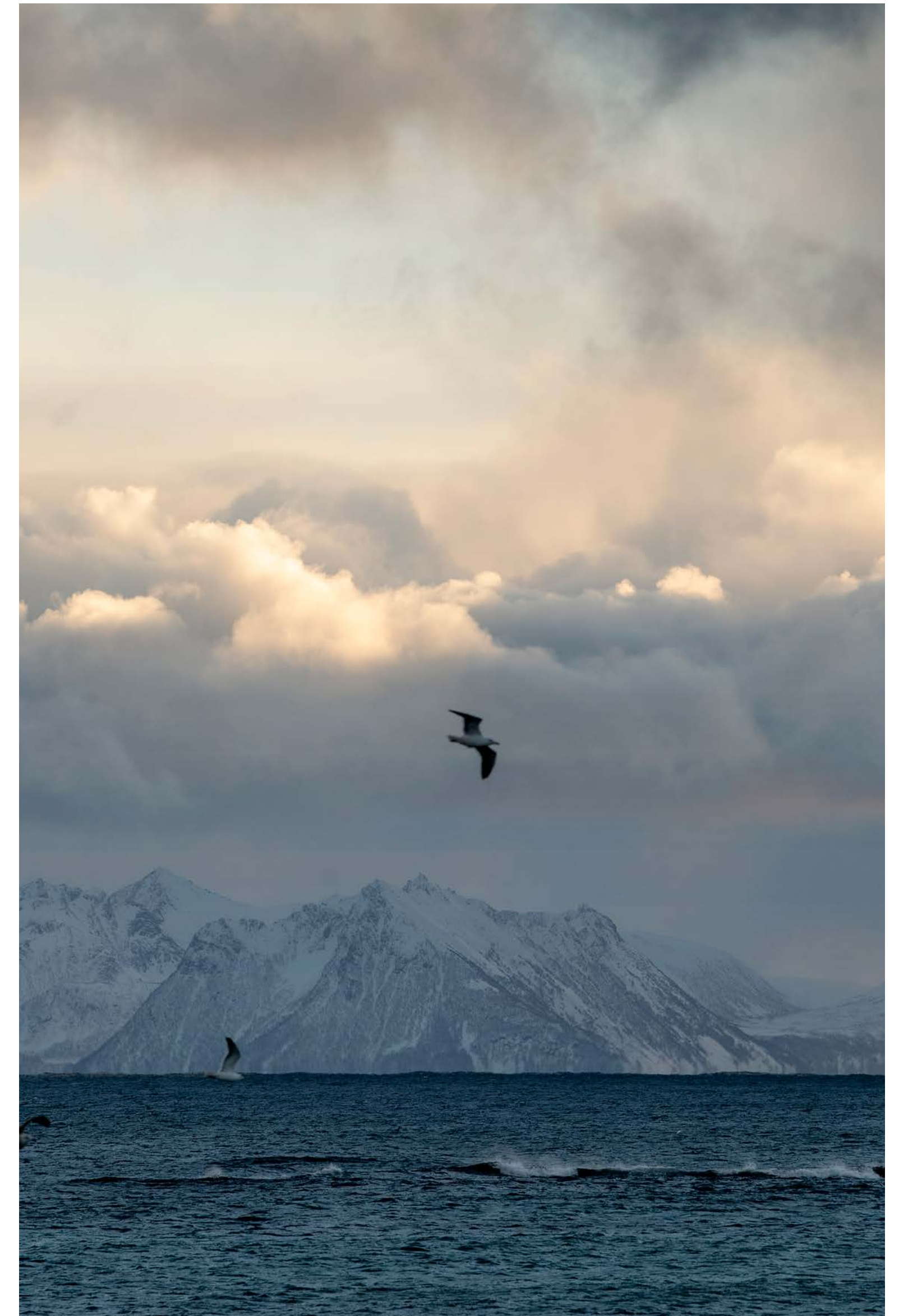
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decision being made as to whether to outsource a material business activity. This addresses all material factors that would impact on the potential service provider's ability to perform the business activity.

The company has established an Outsourcing Policy to cover the requirements for identifying, justifying and implementing material outsourcing arrangements.

This policy, adopted by the Board, sets out:

- Roles and responsibilities;
- Definition of outsourcing;
- Criteria for outsourcing;
- Assessing outsourcing risks;
- Contracts and confidentiality agreements;
- Assess controls;
- Security audits;
- Outsourcing audit.
- Norwegian Hull Club has outsourced the following operational functions or activities:
  - Internal Audit – located in Norway;
  - IT Infrastructure – located in Norway;
  - First and second line support – located in Norway
- ITS ops consultancy, maintenance of core Insurance system, maintenance and development of Etuity products – located in Norway
- Cloud platform – located in Norway, Netherlands and Ireland
- Discretionary asset management of investment portfolio – located in UK and US
- Administrative support and service - located in Norway
- Underwriting of Medical Plan – located in Norway
- Claims service of Medical Plan and Crew P&I Insurance – located in Norway and the Philippines
- Underwriting and claims service H&M insurance (small hull facility) - located in Norway
- Claims service of run-off portfolio P&I - located in Norway
- Payroll and tax services for NHC UK Branch – located in UK
- Administrative and claims services of run-off portfolio offshore renewables – located in Norway





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# Overview & Key Figures



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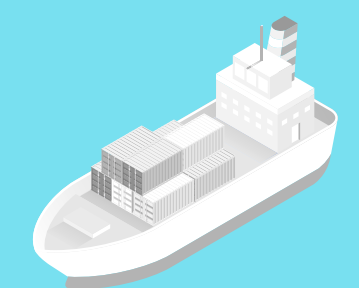
# The Club at a Glance



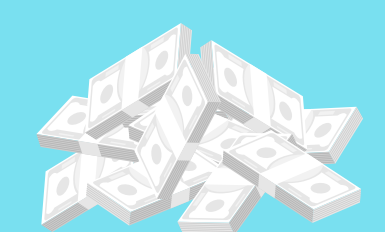
**Sources**  
IUMI 2024 Global Marine Insurance Report - Hull Premium 2023 - By Markets  
Total Estimate: 9.2 USD Billion  
The figures for 2024 are not released yet.  
The 2023 Cefor Nomis Ocean Hull Key Figures 'Distribution of Cefor Marine Hull\* Premium 2023'  
Total Cefor Marine Hull Premium 2023 USD 1,190.6 Million  
The figures for 2024 are not released yet.



**171.231**  
People insured on Medical Plan

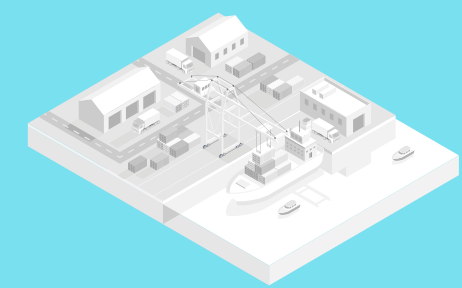


**9.762**  
Floating units insured



**351 MUSD**  
Gross earned premiums\*

\*Premium before return



**112 BUSD**  
Total values insured





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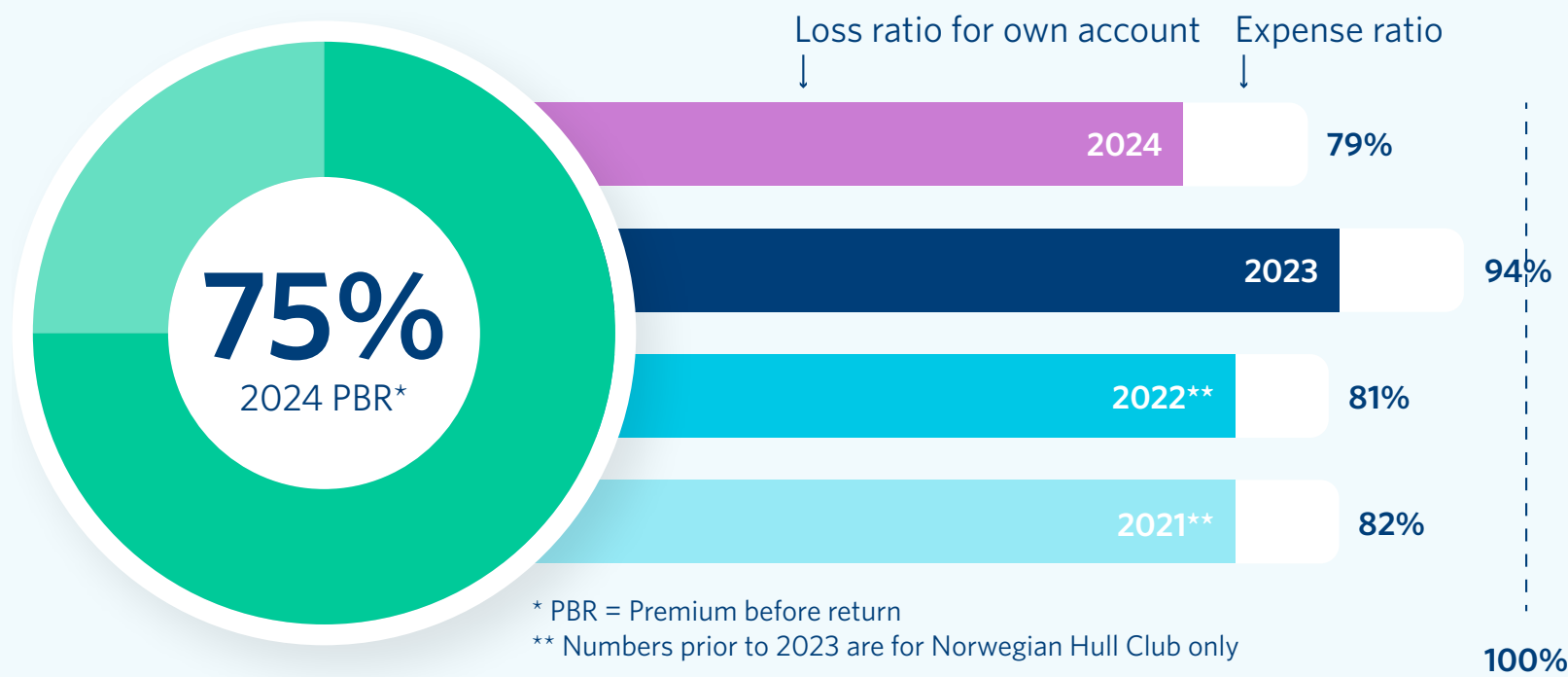
# Key Figures

Norwegian Hull Club Group - amounts in 000 USD

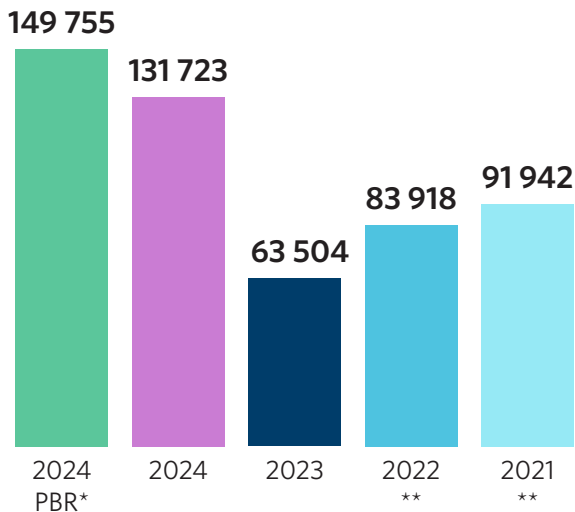
	2024 PBR*	2024	2023	2022**	2021**
Gross earned premiums	350 667	332 636	322 550	323 659	267 642
Gross claims	200 913	200 913	259 046	239 740	175 700
Gross result	149 755	131 723	63 504	83 918	91 942
Premiums for own account	290 242	275 090	260 328	265 043	222 068
Claims for own account	184 618	184 618	214 488	190 641	159 067
Insurance result f.o.a.	105 624	90 472	45 840	74 402	63 001
Other insurance related income	10 596	10 596	9 451	6 838	7 284
Operating expenses	42 909	42 909	40 478	32 085	30 778
Technical result f.o.a.	73 310	58 158	14 813	49 154	39 507
Other income	1 639	1 639	1 635		
Other expenses	3 843	3 843	1 530		
Net financial income	32 075	32 075	33 515	-28 153	7 489
Operating result	103 182	88 030	48 433	21 002	46 996
Total assets		1 183 848	1 064 160	1 009 048	905 162
Equity		476 277	416 989	383 144	374 396
Loss ratio for own account	64%	67%	82%	72%	72%
Expense ratio	11%	12%	12%	10%	11%
Combined ratio	75%	79%	94%	81%	82%
Gross loss ratio	57%	60%	80%	74%	66%
Return on investment portfolio		4,9%	5,8%	-4,4%	3%

\*PBR = Premium before return

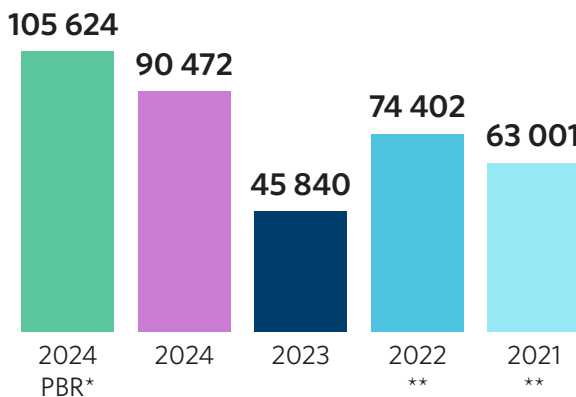
\*\* Numbers prior to 2023 are for Norwegian Hull Club only



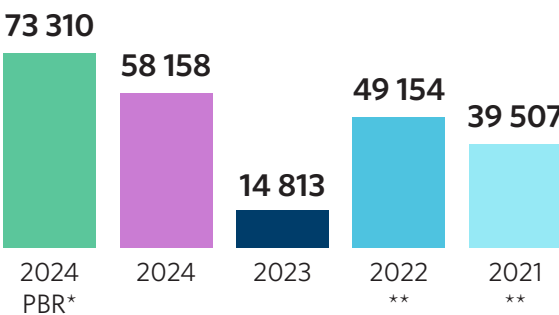
## Gross result



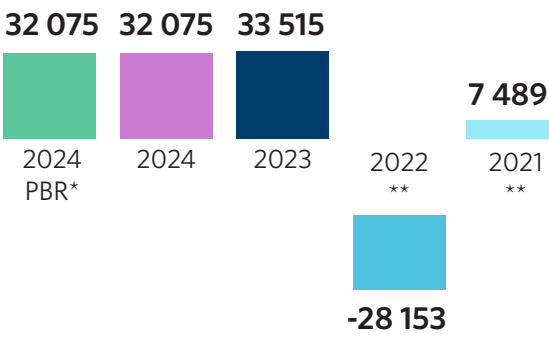
## Insurance result f.o.a.



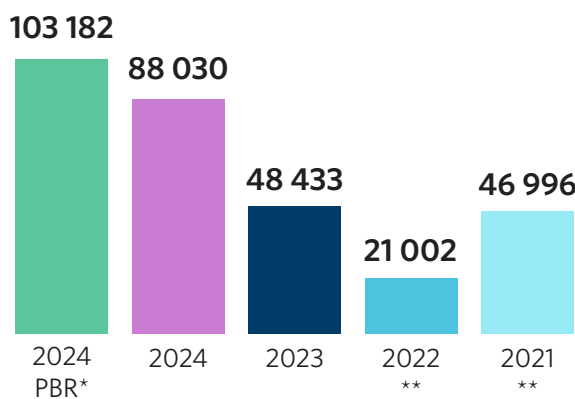
## Technical result f.o.a.



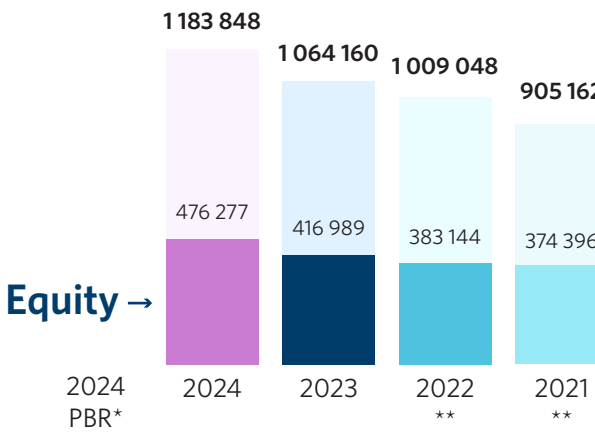
## Net financial income



## Operating result



## Total assets

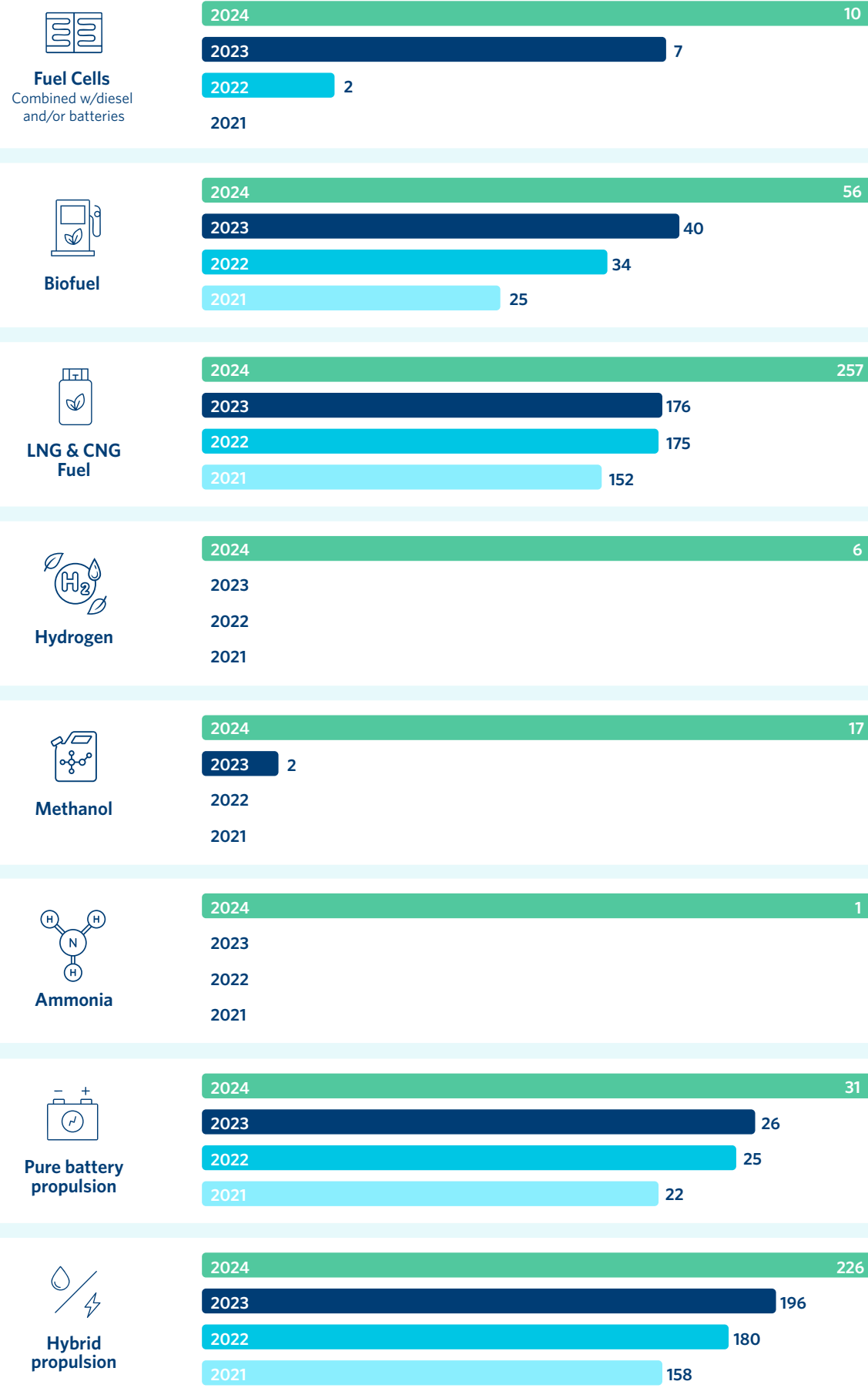




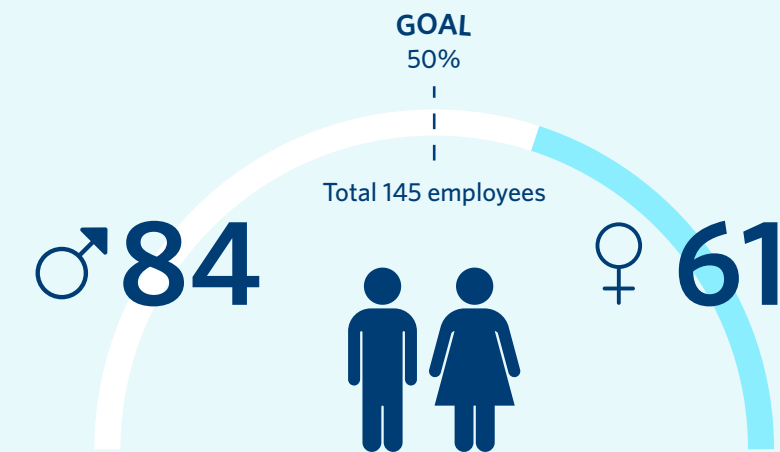
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### Alternative Fuels / Propulsion Methods on The Club's books in 2024



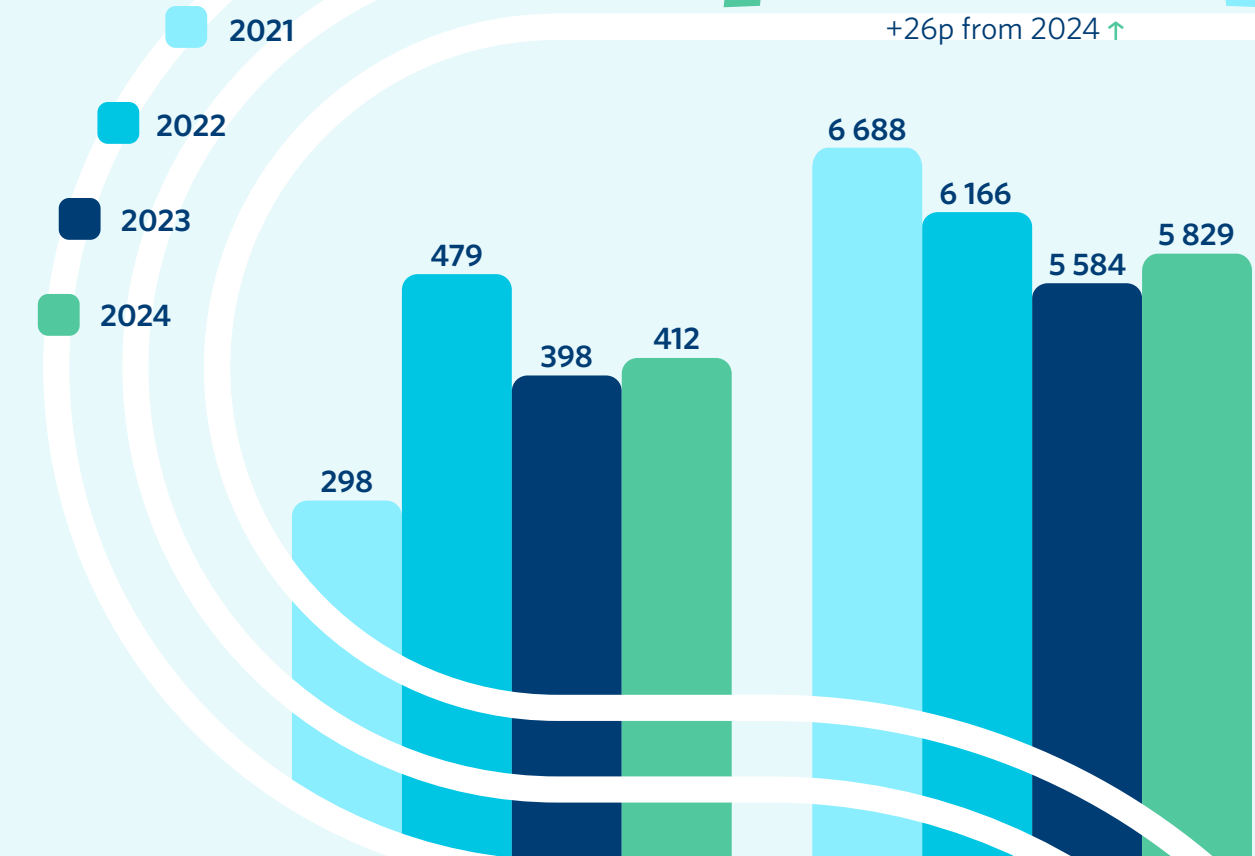
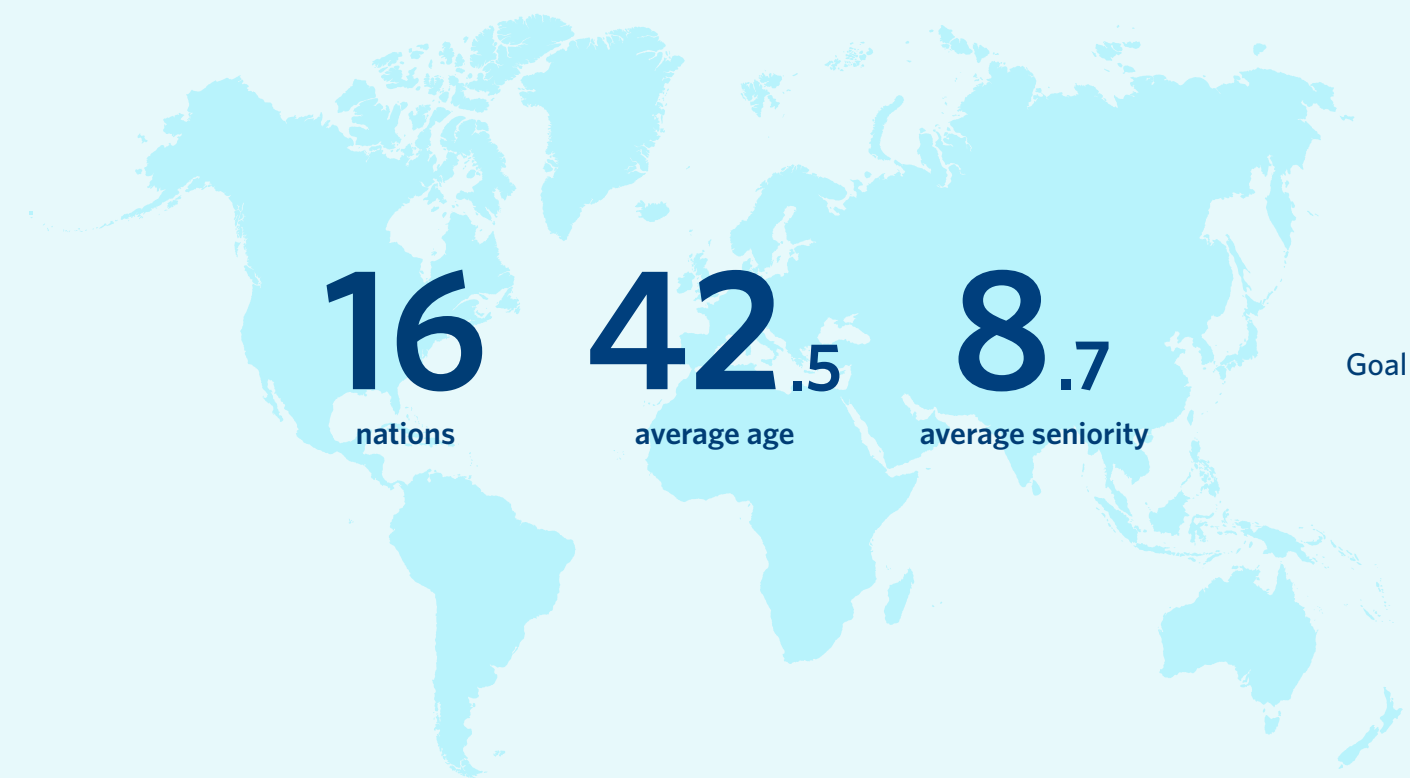
### The Club's offshore renewables portfolio Transferred to NIORD from January 1, 2024



171.231  
People insured on Medical Plan



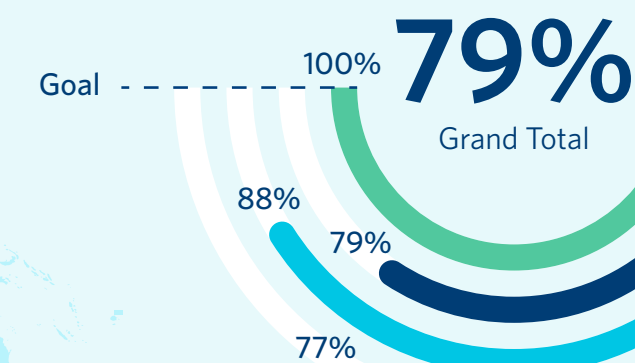
9.762  
Floating units insured



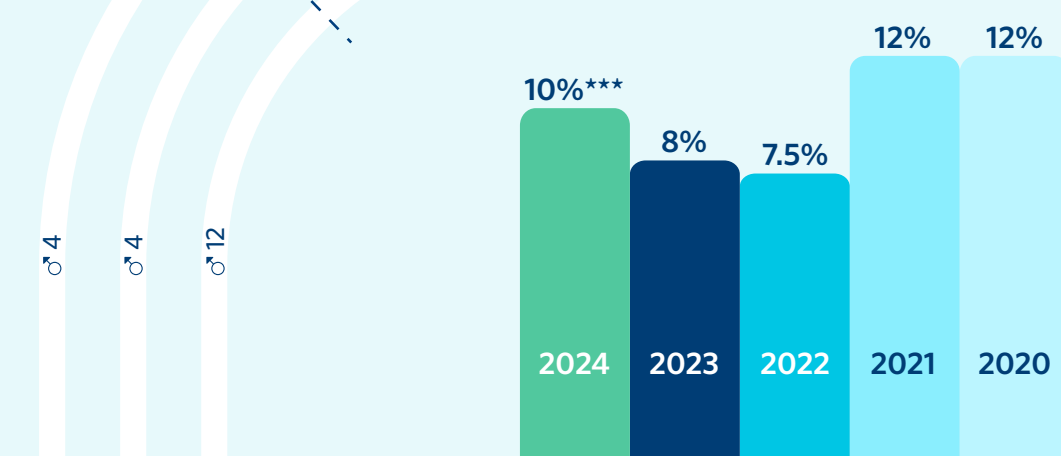
Client activities

Claims lead vessels

Executive Management  
Middle Management  
Managers & Advisors  
Staff



Women's share of men's wages



Return  
premium to  
members

\*\*\*Pending approval  
at AGM



Likelihood  
our clients would  
recommend us  
(NPS\*)

The next  
client survey will  
be conducted  
in 2025

\*Net promoter  
score



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# Environment & People





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# Continuous Journey Toward Sustainability

Norwegian Hull Club's mission is to safeguard lives, health, the environment, and property. Its business model reflects this commitment. The Club asserts that the claims experience and knowledge it has amassed over nearly 200 years provide insight and preparedness that enable it to help mitigate and reduce the negative consequences of unforeseen incidents.

Norwegian Hull Club is dedicated to knowledge sharing and adopts a proactive stance on loss prevention, emergency response, and claims handling processes. These principles are central to the Club's beliefs and operations. Employees are encouraged to adopt a 'curious' approach to every challenge, in alignment with the company's core values. The Club believes that nurturing curiosity will enhance its capacity to expand knowledge and support clients in addressing new risks as they arise.

## Preventive and mitigating contingency training

In its Loss Prevention programme, The Club collaborates closely with clients to enhance the safeguarding and prevention of loss or damage to life, health, environment, and assets. Norwegian Hull Club processes approximately 2,500 claims annually, offering valuable insights into potential issues on-board vessels and energy units, as well as experience in handling emergencies alongside clients. Leveraging this insight and experience, Norwegian Hull Club organises various activities to share and discuss topics related to loss prevention and incident response.

One notable initiative is The Club's Loss Prevention Committee, which brings together a diverse group of industry specialists, relevant non-industry experts, clients, and members to improve best practices through knowledge

sharing. Comprised of representatives from 35 of The Club's clients, the committee holds biannual meetings to address general safety and security challenges and examine emerging risks. Insights from these meetings inform The Club's comprehensive training programme, primarily focused on planning and facilitating customised, one-to-one training for clients. This includes workshops, tabletop exercises, large-scale training scenarios, seminars, and courses for clients' office personnel, as well as workshops, seminars, and courses for clients' crew members at officers' conferences.

In 2024, The Club facilitated over 400 seminars and workshops. Surveys conducted among clients and brokers reveal that companies highly value these training sessions. Norwegian Hull Club is pleased with the average score of 4.26 out of 5 in its most recent survey, conducted in November 2023. The next client survey will be conducted during the first half of 2025.

## Contingency support

Norwegian Hull Club provides real-time support for clients during incidents through its advanced Situation Room, combining in-house expertise with external partners. Using AIS tracking, weather monitoring, satellites, and social media, they deliver timely situational awareness to aid crucial decisions. The Club continually updates their technology, including AI for scenario development.

The emergency response team, trained in latest tools and supported by legal, technical, and claims experts, manages crises to minimize loss of life, injury, pollution, and damage. They leverage a global network of correspondents and experts for swift action and professional salvors to reduce environmental impact and property damage.



Waste management is a key part of their strategy, with a four-step plan implemented immediately after an incident. Annually handling around 2,500 new claims, The Club aims to grow its claims lead portfolio, believing in their positive impact on claim outcomes.

Client satisfaction with emergency response and claims handling is high, though slightly decreased from 4.57 in 2022 to 4.45 in 2023. The next survey is planned for early 2025.

## Knowledge sharing

Sharing knowledge serves as a preventive measure when The Club is called upon to provide operational advice on challenges such as heavy weather, trading in ice or Arctic conditions, war, piracy, cyber threats, passage planning, and special risks. Norwegian Hull Club also issues operational warnings related to severe weather and security risks. These warnings are communicated to all clients and brokers through newsletters, as well as a dedicated service for vessels navigating areas with elevated security risks.

Measuring the impact of these warnings can be challenging, and their frequency depends on the number of events presenting additional risks. Nonetheless, The Club has established routines and guidelines to ensure that warnings

regarding all risks above a specified threshold are disseminated.

Furthermore, knowledge-sharing constitutes the foundation of The Club's contributions to Officers' Conferences. At these conferences, a reciprocal exchange of experiences and lessons learned between The Club, seafarers, and management enhances understanding and learning, particularly concerning new and emerging challenges.

## De-risking the transition to decarbonisation

Owners and operators face challenges in meeting decarbonisation requirements. They must navigate uncertainties when deciding on measures to reduce their carbon footprint at sea, which requires substantial investments and critical decision-making. Many of these decisions are based on predictions about future optimal fuel types, such as biofuels, batteries, LNG, LPG, hydrogen, ammonia, methanol, fuel cells, or nuclear power. Additionally, there is the potential use of carbon capture units aboard ships, likely alongside various energy-saving technologies. Considerations include the commercial availability and safety of these fuels and technologies for both crews and their surroundings. Another factor is whether there will be qualified crews available to operate vessels utilising new technologies safely.



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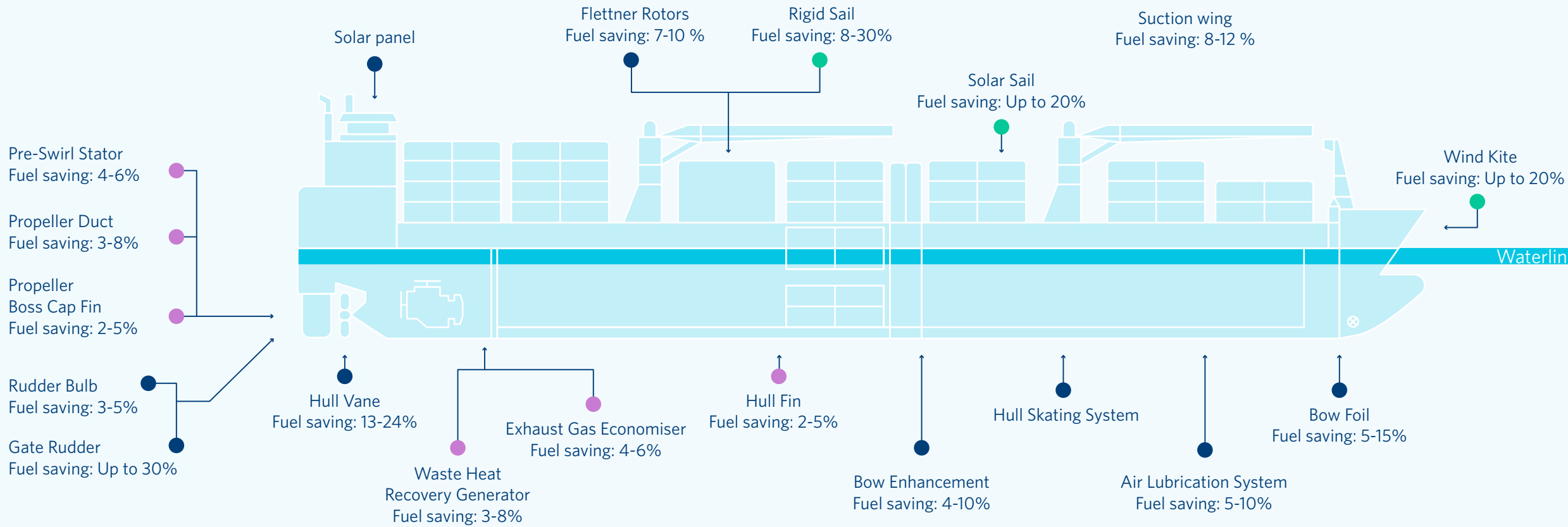
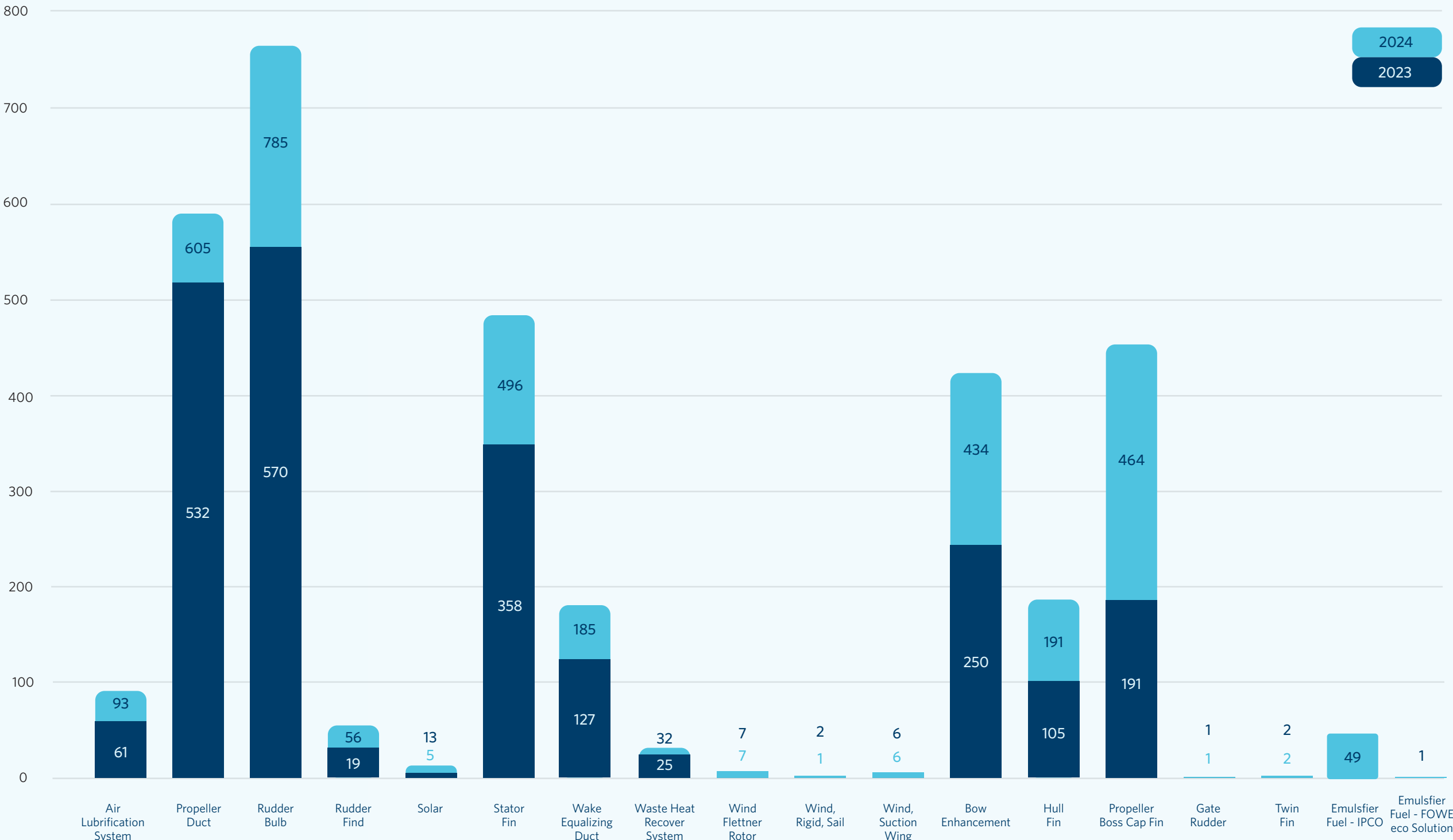
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Working with new technologies presents significant opportunities but also considerable risks. Norwegian Hull Club is committed to supporting owners and operators in their pursuit of sustainable shipping. This involves focusing on the development of future fuels and innovative energy-saving measures, ensuring these technologies are safe energy carriers, and serving as a proactive discussion partner for owners assessing various risks.

Reducing greenhouse gas emissions is a complex task. Slow steaming is an efficient and commonly used maritime approach, although it has its disadvantages. If the global fleet reduces speed, more ships are required, and shipbuilding itself contributes to emissions. For certain cargoes, slow steaming might lead to a shift from maritime transport to land or air transport, significantly increasing emissions. Data from Clarksons indicates that most vessels built before 2013 may become non-compliant with CII emission requirements unless they decrease speed by 5-10% and/or incorporate energy-saving technology. The figures to the right illustrates some of these technologies and makers' claims regarding energy savings, alongside the number of vessels with such technology installed that The Club is involved in. Some of these technologies have been in use for a long time, while others are new and untested.

For alternative fuels, the IMO's focus on "well-to-wake" emissions, encompassing all greenhouse gases, is crucial. Metrics based on this principle include emissions from the entire fuel production process. This has led to some alternative fuels being less advantageous than fuel oil in terms of greenhouse gas emissions. Even truly zero-emission fuels might result in greater emission reductions if used onshore rather than at sea. It is challenging to determine how maritime use impacts onshore use or the production of green fuels, making long-term assessments difficult.







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Ton-mile demand is a significant driver of maritime emissions. Due to sanctions, Russian European crude oil is no longer used in Europe, resulting in increased oil transport to and from Europe. Houthi attacks have also led to many vessels circumnavigating Africa instead of using the Suez Canal. Although ton-mile demand is beyond the control of the maritime community, it remains a crucial driver of emissions. Cutting global emissions urgently requires acknowledging the challenges owners face in navigating evolving targets and new technologies and fuels. Transparency among industry leaders is important to encourage technological and operational improvements. It is also essential to avoid premature conclusions based on simplified performance metrics. The transition to a net-zero industry significantly impacts the offshore energy segment, where The Club has provided service-driven insurance solutions for decades. Recently, Norwegian Hull Club has actively participated in the transition to renewable energy, notably in insuring offshore wind projects. This sector employs a 'certification regime' for quality assurance and control, differing from the conventional 'classification regime' of the shipping and offshore sectors. Norwegian Hull Club supports decarbonisation by aiding the safe development and operation of these projects. This involvement was transferred to subsidiary NIORD as of January 1, 2024.

The Club's commitment to the Poseidon Principles for Marine Insurance (PPMI), a framework to quantitatively assess and disclose the climate alignment of marine insurers' underwriting portfolios, is detailed in the chapter 'Keeping our house in order'. The figures to the right shows The Club's growing involvement in vessels designed to use alternative fuels and propulsion methods each year.

Battery power in marine applications continues to develop. We see this technology utilised on ferries with battery power as the sole energy provider, harbor tugs being built with the same technology, while hybrid solutions where battery power can be used as back-up reserves are found on both passenger vessels and offshore vessels.

Ferries and ro-ro / ro pax, as well as car carriers, also add to the risk of carrying electric vehicles with an increasingly larger total capacity of electric battery power on board. Lithium-ion batteries are also increasingly used for leisure craft and 'toys' on yachts.

Norwegian Hull Club continues to actively participate in forums and work to ensure that systems, procedures and knowledge of the challenges inherent in new technology are attended to on local, national and international levels. The latter years, The Club has witnessed a notable increase in yacht fires; industry groups estimate that there was a total of 16 losses resulting from fires between August 2021 and August 2022. As a result, Norwegian Hull Club launched a safety campaign together with OComp in 2024 to increase awareness through a sponsored, tailored e-learning for yacht crew. The campaign continues through 2025.

**Vessel fires**

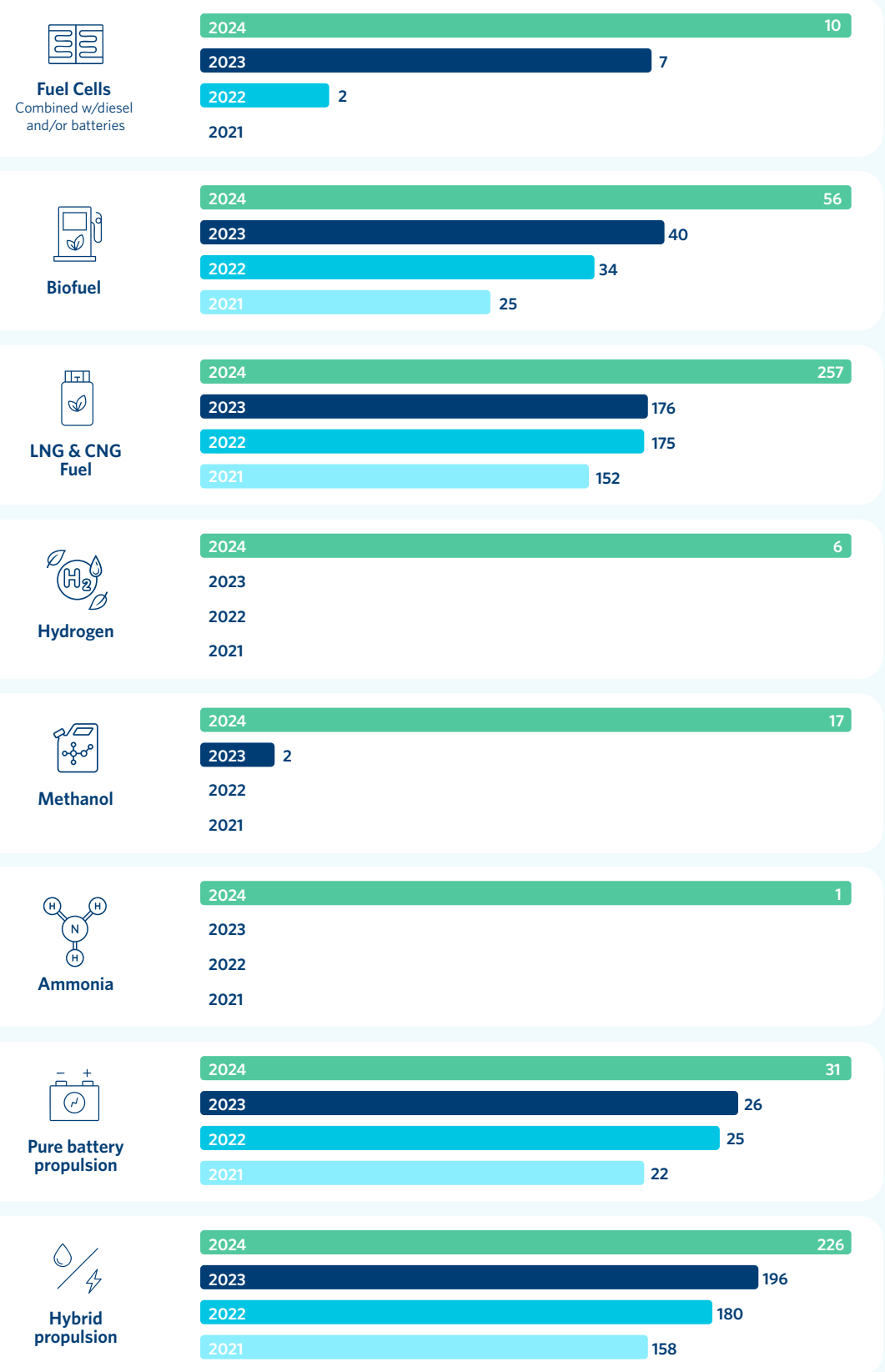
Fires on vessels are a significant risk. The 'low pressure fuel pipe fires project' initiated by Cefor's Technical Forum in 2017 remains relevant due to ongoing incidents from fuel pipe leaks. However, collaboration and knowledge sharing among Norwegian Hull Club, Cefor Tech Forum, IUMI, and IACS are yielding results with new IACS recommendations and guidelines.

**Health insurance and studies**

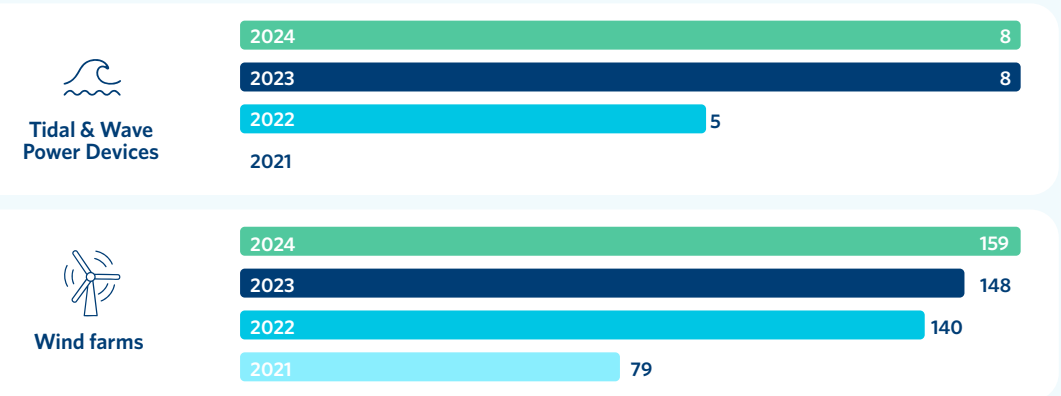
Marine Benefits, a subsidiary of Norwegian Hull Club, provides employment benefit solutions for seafarers through the Medical Plan and related crew covers. This insurance offers quality healthcare access for crew members and their families both at home and at sea, meeting the requirements of the Maritime Labour Convention (MLC) 2006, the Amended Migrant Workers Act, and the Data Protection Act.

As of the end of 2024, over 170,000 seafarers and their family members had medical plan insurance from Marine Benefits, an increase of approximately 20,000 since the end of 2023. The goal is to continue growing this number to provide more people with access to quality healthcare.

**Alternative fuels / propulsion methods on  
The Club's books in 2024**



**The Club's offshore renewables portfolio - transferred  
to NIORD from January 1, 2024**







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Marine Benefits' Re:refresh programme enhances health and wellbeing for international seafarers through holistic health-risk assessments, focusing on living conditions, food, job satisfaction, and physical and mental health risks. This enables clients to address potential risks and promotes healthy choices among seafarers. Safe working conditions are vital for a healthy workforce, which supports economic growth for the individual seafarer, the shipping company and in the shipping industry. Marine Benefits contributes to global health efforts by raising awareness and providing healthcare access for seafarers.

Since 2016, Marine Benefits has surveyed about 100,000 seafarers, producing five industry reports from India, the Philippines, and Myanmar, plus three well-being studies. Amid the pandemic's impact since 2020, the three well-being studies has helped highlighting the importance of mental health in the shipping industry. The latest 2024 survey included responses from over 36,000 seafarers across 52 companies worldwide.

To attract and retain seafarers, emphasis on their health and wellbeing is crucial, alongside fostering health-promoting mindsets within occupational safety and health (OSH) frameworks.

### A trusted companion on our clients' sustainability voyages

Norwegian Hull Club is committed to delivering excellent solutions, service, and support. This dedication extends to addressing sustainability challenges and opportunities.

The Club helps clients make better choices for the future with innovative insurance solutions. Its strategy supports the maritime and offshore energy industries in reducing emissions by the continuous focus on developing relevant insurance products and services.

Transition through innovative technology  
Norwegian Hull Club supports clients with insurance solutions as they transition to

greener operations, including electrical power, eco-friendly fuel, or other initiatives to reduce emissions.

The development of new technology and innovation presents new risks of unwanted incidents, whether due to increased likelihood, inadequate mitigation measures, or insufficient facilities and equipment for repairs.

Transitioning to a more sustainable future involves innovations and technologies that have not yet undergone all possible scenarios of their normal operations. This transition requires shared responsibility among industry players, including developers, operators, ship owners, and managers.

Norwegian Hull Club aims to participate in this transition by developing necessary insurance solutions that provide coverage for its clients.

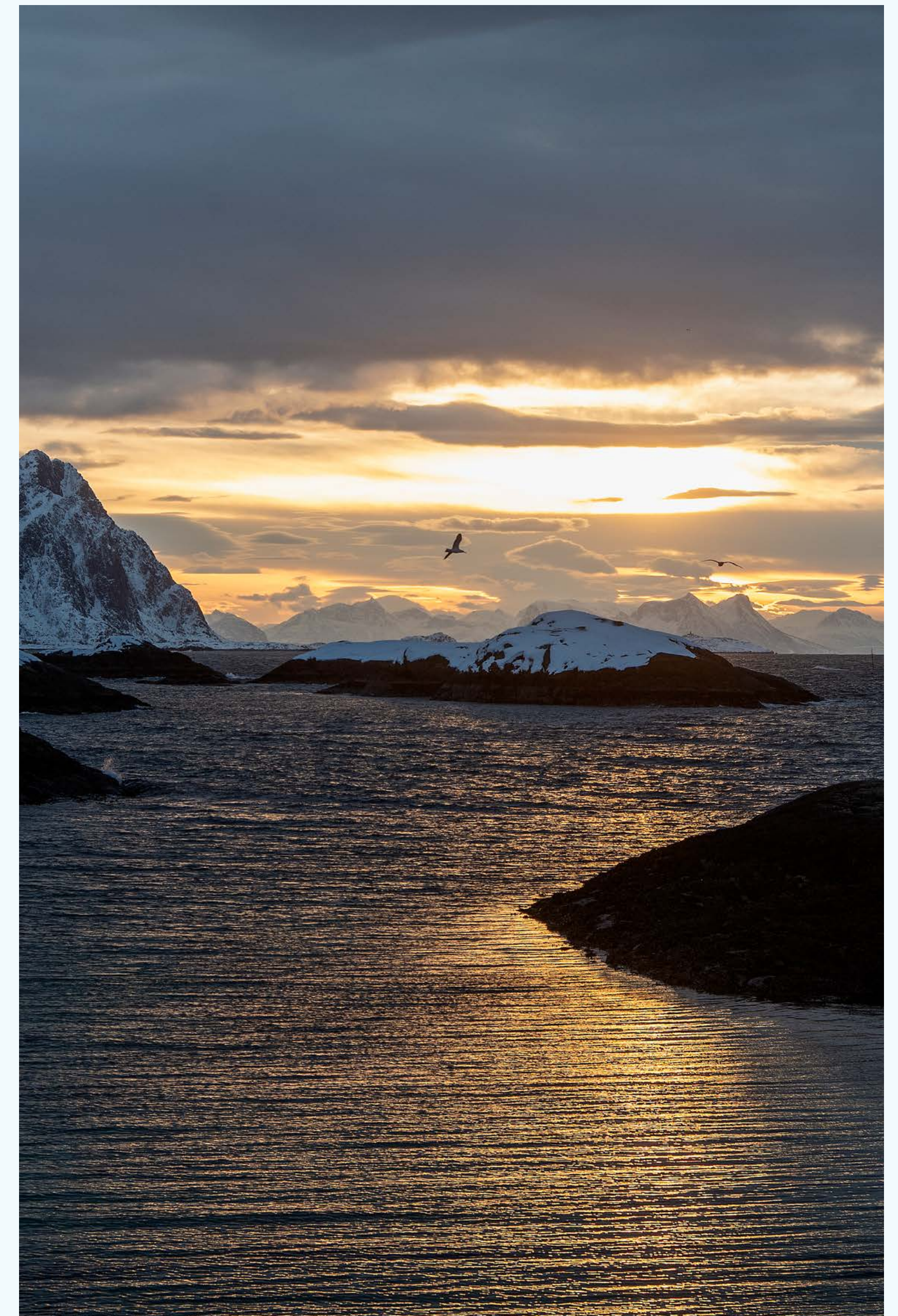
### Transition through new regulations

Norwegian Hull Club aims to create innovative insurance solutions tailored to address the risks clients face due to new regulations or their pursuit of zero emissions. Voluntary initiatives alone aren't enough for a sustainable future; we need both incentives and mandates. The rising global temperatures haven't prompted sufficient change, so international, regional, and national laws must guide us.

These laws may introduce new risks for our clients as they adapt. Conducting business sustainably involves greater responsibility for one's value chain. Norwegian Hull Club will develop insurance products to support clients in taking necessary actions.

### Transition through renewables

Norwegian Hull Club aims to support its clients in new marine and offshore energy segments, including wind, solar, and tidal energy. The transition to a sustainable economy with a low carbon future is critical, and the focus on climate-neutral energy has gained global support.







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The Club supports clients in the offshore energy industry through its subsidiary, NIORD, offering specialist risk-transfer knowledge tailored for renewables. NIORD continued to expand its renewables portfolio in 2024.

**Transition through insight**

Norwegian Hull Club will keep exploring statistics and new technologies to understand claims trends and emerging risks. The Club uses its extensive data from years of claims experience, combined with vessel specifics and travel patterns, to identify patterns and reveal trends such as manufacturing errors or increased fire risks. This information aids in selection, pricing, and generating benchmark reports for clients. These reports compare clients' claim frequencies, claim types, detention rates, third-party ratings, insured values, and CO2 emissions against similar vessels in the Club's portfolio.

Recognizing that knowledge must be shared to be valuable, Norwegian Hull Club conducts in-depth studies and shares findings across the marine industry. They continue to explore and investigate statistical data, often sharing results through Cefor annual reports.

**Transition through smarter solutions**

Norwegian Hull Club and its subsidiary Instech Solutions are leveraging new technology to streamline insurance processes, enhance claims handling, simplify surveys, provide critical emergency information, and reduce compliance complexity.

With nearly three decades of experience in digital solutions for marine insurance, they aim to address the fragmented market's challenges, which lack standardisation. They focus on developing new technologies to simplify insurance placement and understand emerging risks, recognising that standardising data and processes is essential.

In 2024, Instech Solutions began developing Etuity Core, a SAAS solution to replace the INS+ system, currently used by The Club and 13 other marine insurance companies. Developed in close collaboration with industry professionals, Instech Solutions aim to challenge today's processes and by implementing integrated solutions, refining processes, and promoting data sharing, boost efficiency for underwriters, brokers, and agents.

**Transition through partnerships**

Norwegian Hull Club aims to be a reliable partner for its clients, supporting their sustainability efforts. We will listen, ask questions, and find the best ways to help. Through our Loss Prevention Committee, Cefor, IUMI, and other partnerships, we will promote best practices and sustainability in the industry. Norwegian Hull Club is a signatory of the Poseidon Principles for Marine Insurance (PPMI) and a member of the Maritime Anti-Corruption Network.

**Social responsibility**

**- Cooperation for the future**

Collaboration and strategic partnerships are essential in achieving our collective objective of a more sustainable future. Voluntary organisations play a significant role in fostering a more equitable world. Norwegian Hull Club has a longstanding tradition of engaging in partnerships and sponsorships aimed at promoting global sustainability, with a particular emphasis on initiatives that support the company's knowledge-sharing concept, particularly those enhancing access to education. Additionally, The Club dedicates time and expertise to various maritime organisations and projects.







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# People and the workplace

## Our talent

Norwegian Hull Club seeks to distinguish itself from its competitors through the skills, knowledge, experience and its employee's exceptional dedication to service. These qualities, coupled with the core value of 'sharing' - particularly in terms of knowledge - have helped forge the long-term client relationships that Norwegian Hull Club relies on at a strategic level. In doing so, they have also helped cement the company's reputation within the marine and energy offshore insurance market, forming the foundation for The Club's 'Expect more' promise. An attractive employer with dedicated employees

Attracting, developing and retaining highly competent employees is crucial for achieving The Club's overarching objectives, executing strategies and implementing organisational changes. Through continuous development of its culture, knowledge and employee behaviour, The Club will continue to deliver on its 'Expect more' promise.

The overall policy for people in the organisation entails:

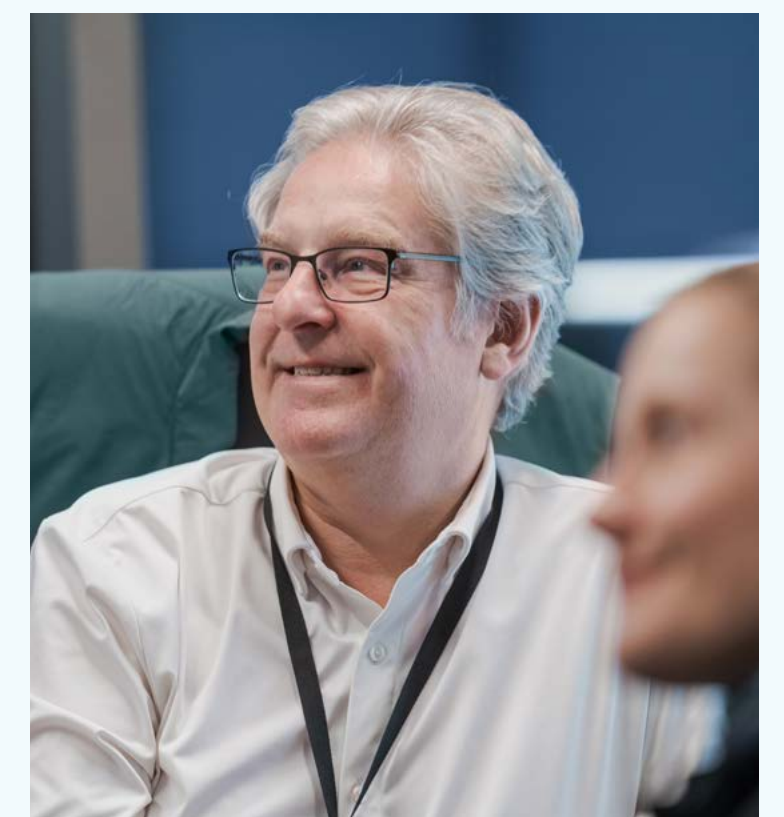
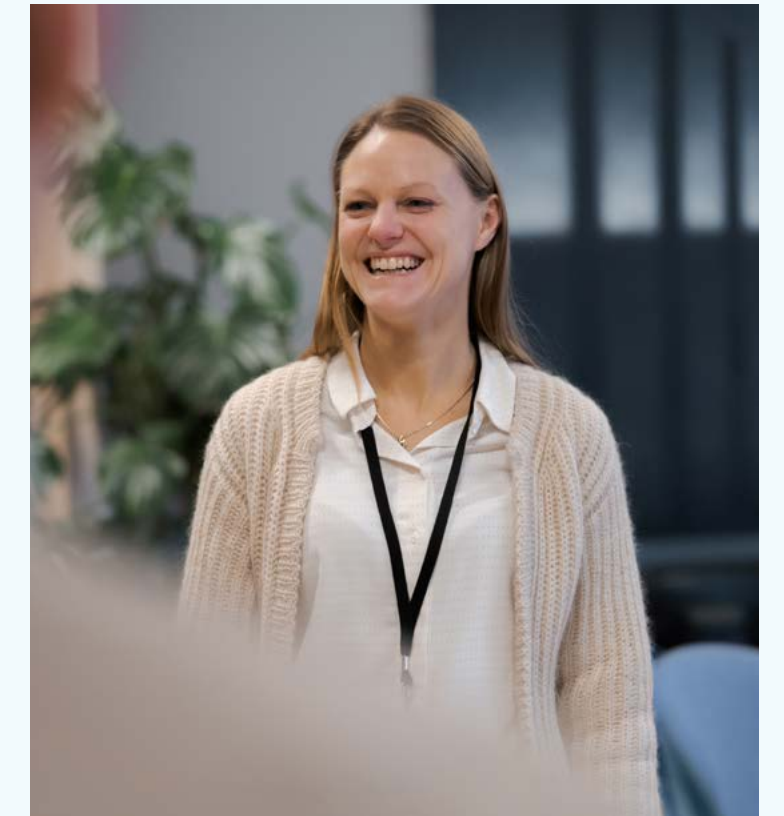
- Understanding that the company's success depends on the skills, motivation and attitude of its employees;
- Offering good, stable working conditions, competitive terms and equal opportunities for personal growth and development;
- Involving employees in the planning and efficient execution of activities;
- Promoting cooperation, knowledge sharing and team spirit throughout the organisation.

The Club will focus on developing a culture characterised by diversity, transparency, openness and trust, and will ensure its employees remain relevant in the future. In 2024, employee turnover was 8%, down from 11.4% in 2023 and within the target of a maximum 8% turnover.

Health, Safety and the Environment (HSE)  
The company structures its Health, Safety, and Environment (HSE) work around various processes and activities, utilizing different tools to identify and assess HSE challenges. Additionally, it has implemented a system that allows employees to report issues anonymously via a "whistle-blowing" mechanism.

Employees at the Club have full freedom of association, and employee representatives are regularly engaged by the company. The employees are also represented in the governing bodies and are elected by their peers. The working environment, encompassing both physical and psychosocial aspects, is included in the employee satisfaction survey conducted to highlight areas that require special focus.

Since autumn 2023, the company has adopted Winningtemp as its employee engagement platform. Winningtemp, an AI-powered tool, measures and optimizes the employee experience through regular pulse surveys, providing managers with accurate, detailed, and current insights into team sentiment.







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In 2024, 92% of employees responded to the survey at least once throughout the year, with the overall satisfaction score reaching 8.2 out of 10, an improvement from 7.9 in 2023. General measures to promote health and a favorable working environment include:

- Annual medical check-ups offered to all employees;
- A Company Sports Club that organizes various activities;
- A Company Social Committee that arranges social events throughout the year;
- An annual company contribution of up to NOK 6,000 per employee for individual training activities;
- Subsidised naprapathy treatments available for booking.

**Learning and development philosophy**  
Norwegian Hull Club is a competence-based company. The office has been the primary location for work and meetings, facilitating interaction, culture, and competence building. However, the Club anticipates that future working life will increasingly be characterized by individual flexibility and the ability to work from locations other than permanent office spaces. Key elements of employee development occur daily in the workplace. The Club focuses on "development from within," providing employees with career development and growth opportunities.

The Club will continue to enhance, structure, and communicate various learning and development opportunities, aligning with our learning philosophy (90% of our learning occurs in the workplace).

Key Indicators

Permanent employees	2024	2023	2022	2021
Turnover	8%	11.4%	7.9%	10.53%
Sickness absence	4.03%	2.01%	2.81%	3.12%

Employee overview / gender balance - 2024/2023

	31.12.2024 Total	31.12.2023 Total	31.12.2024 Gender Balance %	31.12.2023 Gender Balance %
Norwegian Hull Club No. of employees (incl. temporary)	145	143	♀ 42 58 ♂	♀ 40 60 ♂
Number recruited during the year	21	17	♀ 52 48 ♂	♀ 41 59 ♂
Total turnover (based on permanent employees)	11	16	♀ 55 45 ♂	♀ 44 56 ♂
Number of promotions during the year	19	21	♀ 32 68 ♂	♀ 48 52 ♂
Number of employees working part-time during the year	3	1	♀ ♀ 100 ♂	♀ ♀ 100 ♂
Number of employees working involuntary part-time	0	0	♀ 0 ♂	♀ 0 ♂
Temporary employees during the year	4	5	♀ 50 50 ♂	♀ 40 60 ♂
Employees on maternity/paternity leave during the year	4	11	♀ 25 75 ♂	♀ 45 55 ♂

Career development opportunities are also crucial for promoting the attractiveness of the industry overall. Development opportunities and goals are discussed and planned during the biannual appraisal process.

In 2024, 19 employees received promotions. The Club hosted 3 students in Internship programs in 2024. During 2024, there were 4 employees on temporary contracts.

Norwegian Hull Club's Internal Academy serves as a platform for fostering a common culture across departments and facilitates in-house knowledge sharing. Through the Internal Academy, a wide range of training activities are organized and offered.

**External development processes**  
External programs are also an integral part of leadership succession pipeline planning, as well as the strategy for company development. Norwegian Hull Club has participants on the AFF Accelerate program every year as a structured part of developing leaders. The Club also offers further education to employees and in 2024 several employees are attending further education and executive programs at both BI Norwegian Business School and NHH Norwegian School of Economics.





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## Overview of men and women in management positions



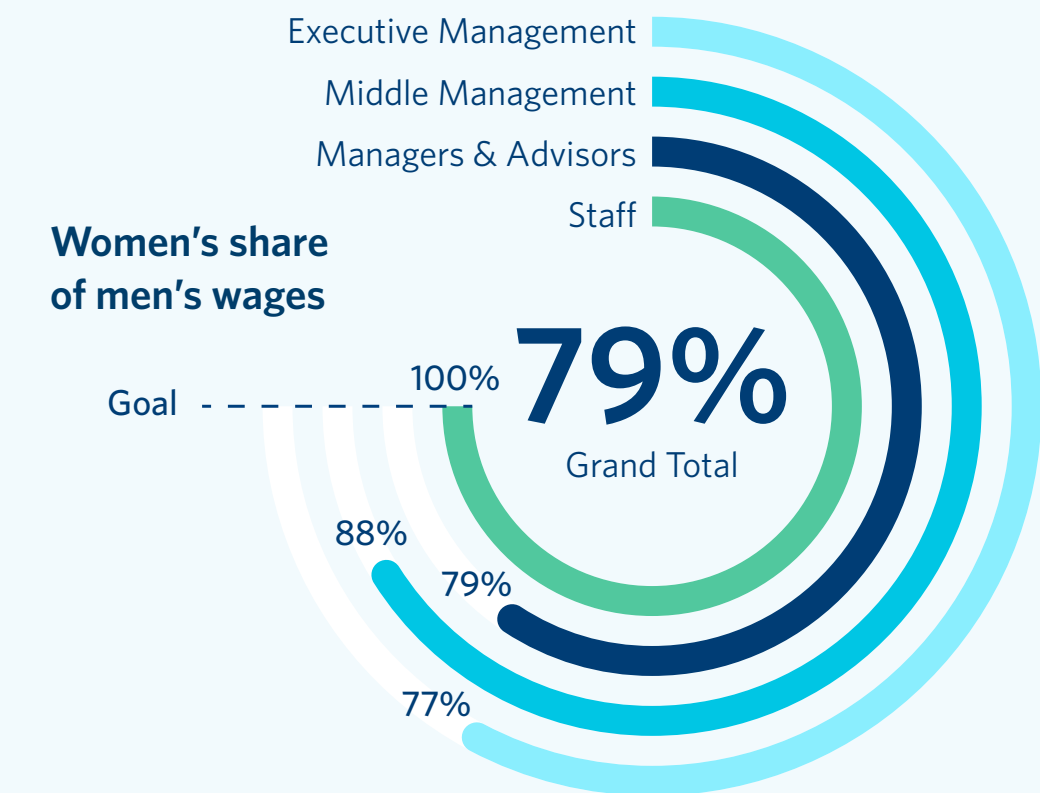
### Equality and diversity work

To achieve its goals of being an attractive employer and delivering excellent service, Norwegian Hull Club aims to build a diverse team with varied experiences, educational backgrounds, ages, nationalities, and genders. Different viewpoints and skills from such teams inspire innovation.

Last year, employees ranged in age from 24 to 70, representing 16 different nations. Although there has been progress in improving gender balance at management levels,

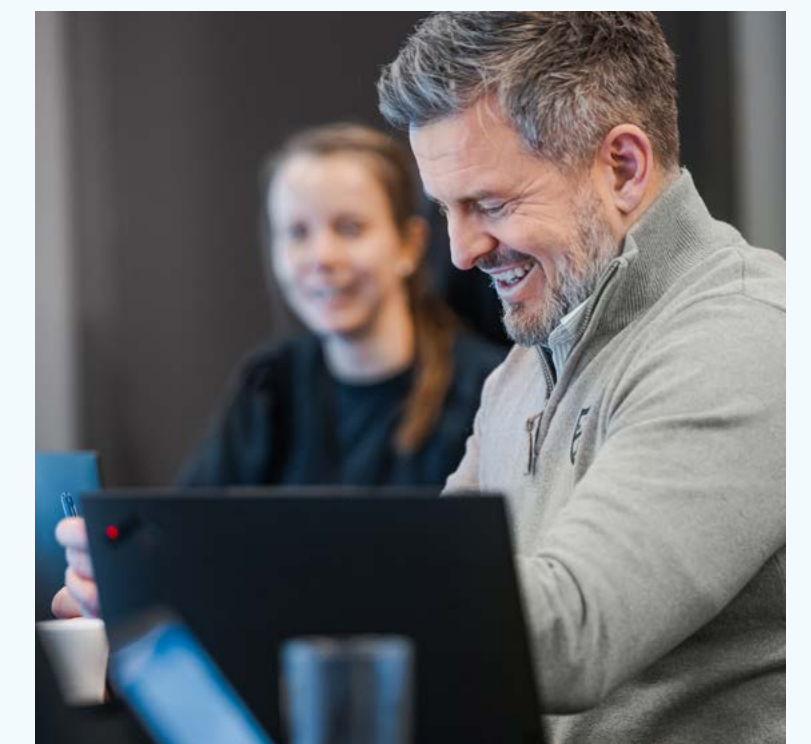
closing the gender gap remains a focus. In 2024, 3 out of 7 (2 out of 7 in 2023) top managers were female, and 7 out of 17 (5 out of 20 in 2023) direct reports were women.

The Club continues its focus on recruiting and promoting women to senior roles. Commitment from management at all levels to diversity and inclusion is vital, and efforts are made to raise awareness of unconscious bias in business decisions.



Flexibility is valued, providing support for home office setups to balance work and life. Since 2019, the Club has reported on gender equality via the SHE Index. The results of the reporting for 2025, reflecting on 2024, are not published until later this spring. The Club however scored 92 out of 100, an increase of 26 points since the 2023 reporting year (66 out of 100), and expects that it reflects the positive development that has taken place in respect of female representation at management levels.

To promote diversity, the recruitment process has been revised, and exit interviews are conducted to understand employee turnover. The goal is a gender-balanced workforce (50% men and women) and diverse teams in experience, nationality, age, and background. Norwegian Hull Club believes that its culture, policies, and benefits will attract diverse talent and foster greater inclusivity.





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# Governance & Compliance



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# Keeping our house in order

As a financial institution subject to regulatory governance, Norwegian Hull Club complies with a number of requirements regarding governance and organizational structure, financial strength and operational issues, in addition to standard business enterprise considerations and compliance regulations.

The European Solvency II regulation defines the responsibilities of the Board and management. It has specific requirements for independent compliance and control functions.

Solvency II also has specific requirements regarding financial strength. The Club's capital is substantially above this requirement. In addition, Norwegian Hull Club has chosen to be rated by Standard & Poor's in order to obtain a financial strength rating that is widely acknowledged globally. Managing financial strength is key to providing first-class insurance protection and other services to clients. Over the past few years, awareness of sustainability and ESG (Environmental, Social and Governance) issues have increased substantially, both among businesses and governments. This is a wide and complex area but 'keeping our house in order' is an important part of The Club's sustainability efforts. Using as few resources as possible in the operation, knowing that business partners - both clients and service providers - as well as limiting cyber risk and protecting business partners' data, are all important issues in a sustainability context and make sense commercially. This is an importance that has been emphasized through geopolitical developments in the last few years.

## Corporate governance and compliance

Norwegian Hull Club conducts its business and operations with the greatest integrity and to the highest ethical standards. These elements are embraced by the entire

organisation. Integrity is also one of the core values of the company. The Club has a comprehensive risk management and internal control framework to systematically identify, assess, manage and communicate risks throughout the organisation.

Clients and business partners can trust that Norwegian Hull Club conducts its business with a high level of responsibility, respect, and transparency and in accordance with the laws, legislations and standards presented in the model on the previous page.

## Responsible investments

Norwegian Hull Club is - and aims to remain - a responsible investor. Active corporate governance, international conventions and integration of sustainability topics into asset management form the basis of responsible investments.

The foundation of Norwegian Hull Club's investment philosophy is the conviction that strong corporate governance, combined with a focus on environmental and social issues, is instrumental for long-term profitability. The best investments over time are those made in well-managed companies that - in addition to strong business performance - apply a systematic and integrated approach to sustainability to protect and grow future cashflows. Such companies will also be best able to manage risk associated with ESG issues. Sustainability and ESG are, therefore, integral parts of the investment manager screening and selection process. Norwegian Hull Club uses third-party asset managers for security selection, through funds and discretionary mandates. Responsible investment is a key consideration when selecting external asset managers.

### Code of Conduct

Providing standards and guidelines for the organisation and business partners.

### Antitrust

To secure free and fair competition and to comply with antitrust legislation.

### Anti Corruption

Preventing corruption through policies and monitoring.

### Anti Money Laundering

Preventing money laundering and terrorist financing.

### Risk Management

Risk identification, assessment, management and mitigation.

### Compliance

Monitoring regulatory requirements and ensuring effective Compliance programme.

### GDPR

Proper handling to secure and protect personal data and privacy.

### Sanctions

Implementation of policies and procedures to comply with sanction legislation



In general, asset managers continue to improve their abilities within the field of sustainable investments as clients and society increase expectations.

Norwegian Hull Club primarily seeks external asset managers that:

- Are signatories to UN Principles for responsible investments (Norms-based screening)
- Are transparent about ESG issues
- Apply a systematic and integrated approach to sustainability factors in their investment processes
- Report on ESG
- Seek investments with positive ESG effects that do not require financial trade-off

## Climate risk

Globally, extreme weather events are expected to increase in frequency and intensity going forward. Climate risks are high on the agenda for Norwegian Hull Club and included in the Board's annual own risk and solvency assessment.

The assessment concluded with the identification of the following, most relevant risks for The Club:

- Increasing frequency, severity and volatility of extreme weather events hurricanes, windstorms etc. leading to increased weather-related claims regarding stationary objects,
- Inflation including increased cost of raw materials and energy
- Reputational risk tied to changing customer or community perceptions of an organization's contribution to or detracting from the transition to a lower-carbon economy.





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Due to this and the possibility of increases in frequency and size of claims, Norwegian Hull Club will continually monitor and assess climate risk together with the evolvement of guidelines/ tools from external sources and supervisory authorities. The Club has also implemented various actions to better assess climate risk and its impact on business including the underwriting, claims handling, loss prevention and investment management processes.

**Sustainable practices through the value chain**

**Poseidon Principles for Marine Insurance**

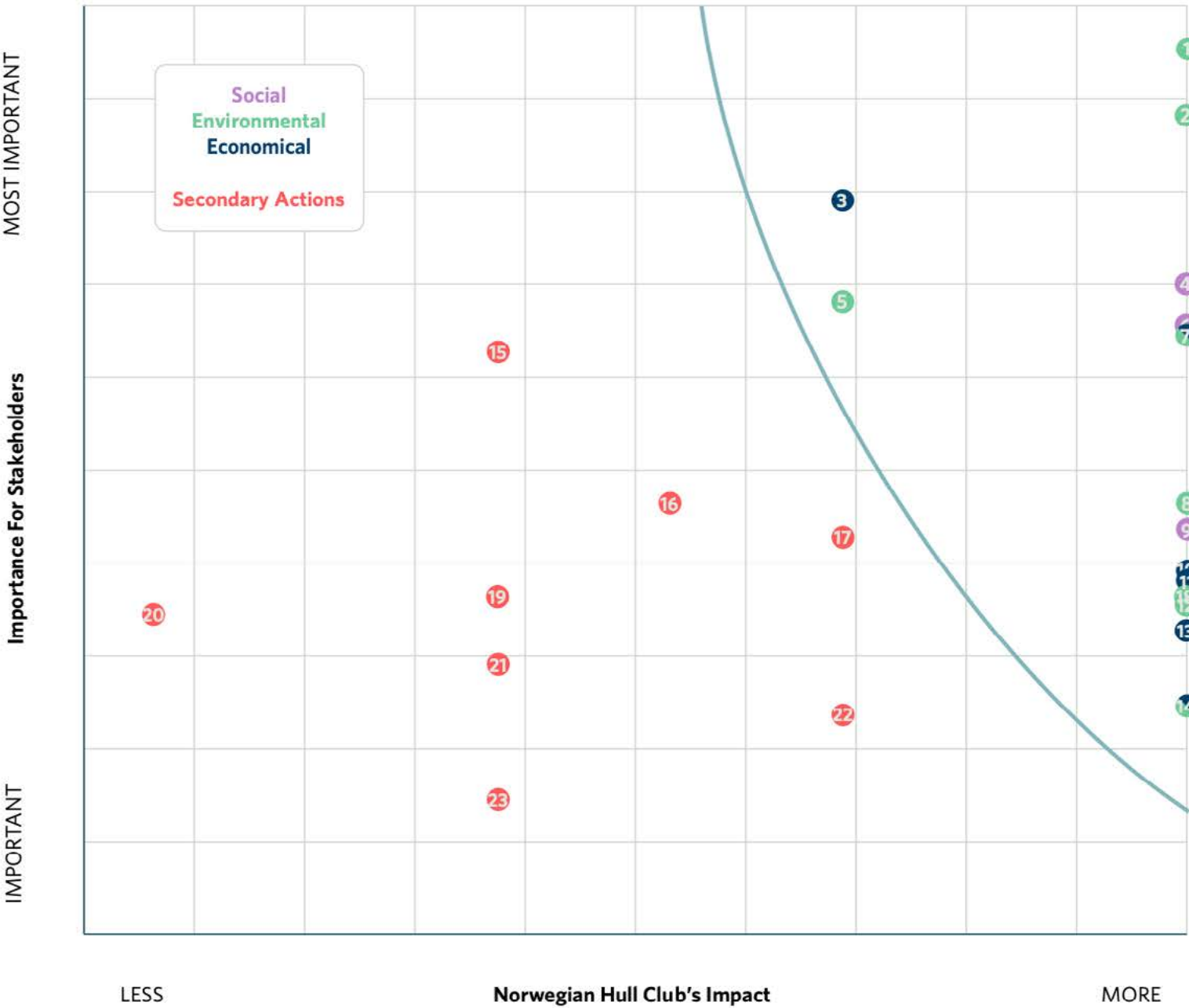
Norwegian Hull Club is a signatory to The Poseidon Principles for Marine Insurance (PPMI). The PPMI is a framework to quantitatively assess and disclose the climate alignment of marine insurers' underwriting portfolios in support of IMO's strategy to reduce greenhouse gas emissions.

In 2023, the CO2 emissions from the Club's H&M portfolio are 24% higher than IMO's minimum targets and 31% higher than IMO's striving targets. The figures are not comparable to last year's as the reporting methodology and targets have changed. The new methodology is based on emission estimates from OceanScore. This approach gives more insight into the position of the world fleet and the individual vessel types. The Club's emissions are in line with the world fleet emissions per vessel type. In the Club's 2022 annual report, world fleet alignment per vessel type was disclosed based on data from EU's MRV database. This showed that the Bulk and Container segments were most misaligned, and Tankers were better aligned. This is still the case with the 2023 methodology. An insurer's alignment score is therefore more driven by its mix of vessel types than the performance of individual vessels or fleets. As this might be caused by model calibration issue, it is questionable if the current methodology can be used to identify "good" and "bad" vessels, fleets or portfolios. It is however clear that the world fleet is not making the needed progress to meet the IMO

targets in 2030. Increased ton-mile demand due to geopolitical conflict make this even more challenging.

**Transparency fosters progress**

Norwegian Hull Club believes that full transparency on the individual vessel's global emissions will benefit maritime transport in general and the best vessels in particular, as all other modes of transportation (air, road, rail) have higher emissions. Further, transparency will help expose flaws in the reporting metrics, improve the quality of reported data and reduce the administrative burden of everyone involved - as there are currently many parties requesting the same data. Most importantly, The Club believes that transparency will foster academic research on the overall goal the industry is sharing: how to reduce emissions. Openness may result in less focus on individual vessels and more on the effects of congestion, using the optimal type of vessels (large/ small, bulk/container), optimising ballast voyages, optimising the mix between land/ air/sea transport, reduce the overall need of transport and increase focus on the emissions involved in building vessels. Norwegian Hull Club believes that a proactive approach to transparency and sharing of best practice will be key to achieve net-zero GHG emissions by 2050. In the absence of full transparency, the Club believes that the use of emission estimates contributes to more transparency than collecting confidential emission data. The Club has therefore been pushing for using estimates in the PPMI reporting and welcomes the decision to allow estimates this year.



- |    |  |    |  |
|----|--|----|--|
| 1  | Hands-on claims handling to mitigate injuries, spill and damage  | 4  | Secure equal rights and framework conditions for Norwegian Hull Club's employees   |
| 2  | Hands-on emergency response support to clients   | 6  | Develop employee skills and training   |
| 5  | Making use of data and technology to adapt for quicker decision making in emergencies  | 9  | Focus on diversity in own organisation   |
| 7  | Provide clients with warnings related to operational risks   |    |  |
| 8  | Preventive and mitigating emergency training for onshore and offshore crew   | 15 | Contribute to developing insurance conditions tailored to adapt for a more sustainable industry  |
| 12 | Reduce organisational/operational carbon footprint   | 16 | Develop "green" insurance products to support expanded use of environmentally friendly technology  |
| 14 | Conducting studies on clients' crew members' physical and mental health (mapping of crew's working conditions)   | 17 | Contribute to due diligence and sustainability (compliance, working conditions and waste/spill management) assessment of common suppliers (e.g. yards)       |
| 18 | Expanding its renewable energy portfolio   | 19 | Exclusionary screening: the exclusion of certain sectors, companies or practices based on specific ESG criteria  |
| 3  | Making use of data to identify new risks   | 20 | Best-in-class screening: invest in sectors, companies or projects selected for positive ESG performance relative to industry peers                           |
| 7  | Provide clients with warnings related to operational risks   | 21 | Contribute to development of environmentally friendly technology   |
| 10 | Offering a health insurance (for of -hire periods) to seafarers from countries with low or no medical welfare system   | 22 | Sustainability themed investing: investing in assets specifically related to sustainability (e.g. clean energy, green technology or sustainable agriculture) |
| 11 | Norms-based screening: screening of investments against minimum standards of business practice based on international norms, such as those issued for example by the OECD, ILO, UN and UNICEF. | 23 | Corporate engagement and shareholder action: the use of shareholder power to influence corporate behaviour.  |
| 13 | ESG integration: the systematic and explicit inclusion of environmental, social and governance factors into the investment analysis.   |    |  |
| 14 | Conducting studies on clients' crew members' physical and mental health (mapping of crew's working conditions)   |    |  |





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# Corporate Sustainability Reporting Directive

## Managing sustainability

Norwegian Hull Club's mission is to secure lives, health, environment and property; a sustainable approach to emergency response and the claims handling process is, therefore, at the very heart of what the company believes in, what it does and how things are done. Integrity is the backbone of the business and one of The Club's four core values; business is conducted in accordance with strict ethical guidelines. The Club is also a valued workplace as well as a service provider likely to be recommended by clients. As such, Norwegian Hull Club rests upon a solid and sustainable foundation.

However, to succeed in finding the more responsible solutions and make sustainable choices requires a clearly communicated focus that pervades the organisation. An internal committee is therefore responsible for driving the company's sustainability initiatives forward. The committee is headed by the Chief Communications & Sustainability Officer, with committed support from the CEO as well as other members of the top management group, and key personnel from other departments and subsidiaries.

Reporting and transparency are a prerequisite to succeeding in achieving a sustainable future, and Norwegian Hull Club started its voluntary Global Reporting Initiative (GRI) inspired reporting in 2019. In the wake of the Corporate Sustainability Reporting Directive (CSRD) being approved in Parliament on the 11th of June 2024 and going into effect, and becoming part of Norwegian law on the 1st of November 2024, The Club has prepared to start reporting from 2026 on the fiscal year of 2025, in accordance with the directive that also required reporting on the EU Taxonomy.

The Club selected a reporting system, Greenly, that could handle the complexities of the CSRD, with integrated double materiality assessment (DMA), greenhouse gas (GHG) accounting, and tools to report according to the EU Taxonomy. In this process, the inhouse sustainability committee has been expanded to also include a core project reporting team that has started the systematic approach to the reporting in accordance with the CSRD.

On 26th February 2025, the European Commission published its Omnibus I with proposals to simplify the EU rules of ESG reporting directives (CSRD, CSDDD, EU Taxonomy). If the omnibus is approved by the European Parliament, the Council of the European Union, and the Norwegian Government, Norwegian Hull Club will likely not be subject to mandatory reporting in accordance with the directives. The Club will thus re-evaluate its plan for future sustainability reporting before concluding on its approach.

## Material topics

The double materiality assessment is a vital part of the CSRD to define which of the topics of the European Sustainability Reporting Standards (ESRS) that are considered material for The Club and its stakeholders. Through the Greenly reporting platform and its integrated DMA solution, The Club has conducted this assessment process with the help from key stakeholders.

The Club has based its previous approach to materiality on the GRI standards, looking at The Club's impact on social, environmental, and economic areas and considering stakeholder importance. The double materiality perspective as put forth by EFRAG (European Financial







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Reporting Advisory Group) in accordance with the CSRD takes a broader view with a two-fold approach, which in essence incorporates the GRI approach, but also assimilates the SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-related Financial Disclosures) materiality approaches. Practically, this means that materiality is seen from both the companies and the stakeholder's perspective in terms of both impact materiality and financial materiality. Impact materiality is therefore seen as how the company and its stakeholders impact environmental, social and governance (ESG) issues in accordance with the ESRS framework. Financial materiality looks at how ESG issues, both physical and transitional, may have a financial impact on the company in terms of both risks and opportunities. Considering both perspectives, these impacts, risks, and opportunities, are often abbreviated "IROs" in the CSRD framework.

The ESRS is divided into topics and sub-topics to be evaluated. To evaluate if a ESRS topic is material, the company needs to both understand the value chain in which one operates and the potential effects of the services one provides. Like with the GRI approach, the DMA may also result in a long list of material topics and requires that the organisation set a threshold to be able to focus its efforts on the topics that are the most material for the company and its stakeholders, while also mapping issues that might become material at a later stage.

Reviewing the outcome of the first double materiality assessment, The Club was as expected found to have both positive and negative impacts, as well as resource dependencies, that were considered material in accordance with the ESRS framework in areas that covered ESG. Viewing the entire DMA matrix, all the main topics covered had differing degrees of materiality, not one being completely immaterial. This reflects that the ESRS topics are interrelated, and positive focus on one material topic might also have a positive effect on other interrelated topics. Taking a comprehensive approach to viewing the materiality matrix serves as a tool that can be utilised when

making strategic decisions regarding both the risks and opportunities, as well as mitigating the impacts the company already have.

The results of the first DMA did not differ significantly from The Club's previous GRI materiality assessment, but due to its more thorough yet encompassing view broadened the results. Meaning that the topics considered material in the previous GRI approach did not cease to be material, their scope was however expanded. Comparing the two approaches, overlaps in topics and how they related to each other were found. Given that the new DMA approach has partly evolved from GRI, it is natural that the topics that were material for The Club and our stakeholders then remain so now.

Norwegian Hull Club acknowledges that conducting a double materiality assessment does not give an everlasting, conclusive answer to material topics. To serve as a valuable tool, the process has to be dynamic, and impacts, risks and opportunities must be reassessed and stakeholders actively engaged, as both The Club and its stakeholder's insight and understanding of the topics will develop in the coming years.

**Value chain**

In the context of double materiality, the value chain refers to all the activities Norwegian Hull Club as a company undertakes, this includes The Club's resources and relationships related to the company's business model and the external environment The Club operate in. This involves looking internally at all the processes needed to steer the ship, keep it afloat and always running. It also involves taking a broader view of who the company does business with, and how those activities and processes interact. This means looking upstream at suppliers and beyond that ensures that the company can deliver on its economic activities and services, and looking downstream in the company value chain. This includes, but is not limited to, clients, workers in the value chain, end-users of goods delivered, the communities clients operate in, and how these are affected by the services provided by the company.





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A value chain is considered both from an activity's perspective, as well as geographically, to review the impact the company might have on a broader view as part of a global industry. The practical assessment is to consider the corporation's activities; the products and services offered, where they are offered, what is needed to provide the services both upstream, within the organization, and downstream by looking at whom and what is affected.

The CSRD further requires the company to then look at secondary activities, or support services needed to provide and support the primary ones with the same perspective. Further mapping is done by identifying all the processes related to the investment portfolio, as well as other activities and interactions that are needed for enterprise to function. Based on the assessment of the value chain, the main stakeholders, which includes crucial suppliers, customers, distributors, and end-users are identified. Finally, the exercise is to evaluate how these stakeholders connect to the company and the nature of the inter-dependence between the company and its stakeholders.

**Building knowledge and gaining insight**

The ESRS topics are comprehensive and developed to cover all kinds of industries. Such all-encompassing approaches will at the beginning hit everyone and no-one, until more sector specific standards are developed over time. To understand and properly respond to the ESRS topics with the aim to include everything that is relevant, thus require to build new knowledge accordingly.

Emissions stemming from the marine and shipping industry are estimated to be around 3 % of global GHG emissions, which raises significant challenges to meet the ambitious zero-emission goal by 2050. Norwegian Hull Club's commitment to supporting the maritime and offshore energy industries in the drive towards zero emissions is laid out in its strategy. This is realized through continual development of insurance products and services that cater to these increasingly sustainability-driven

industries to help clients enable the transition. This remains the most pressing challenge for the industry The Club works within, and to gain a more comprehensive insight of the impact of its clients is thus a key topic for Norwegian Hull Club, whether it relates to new fuels and propulsion methods, the vessel's life cycle or wastewater.

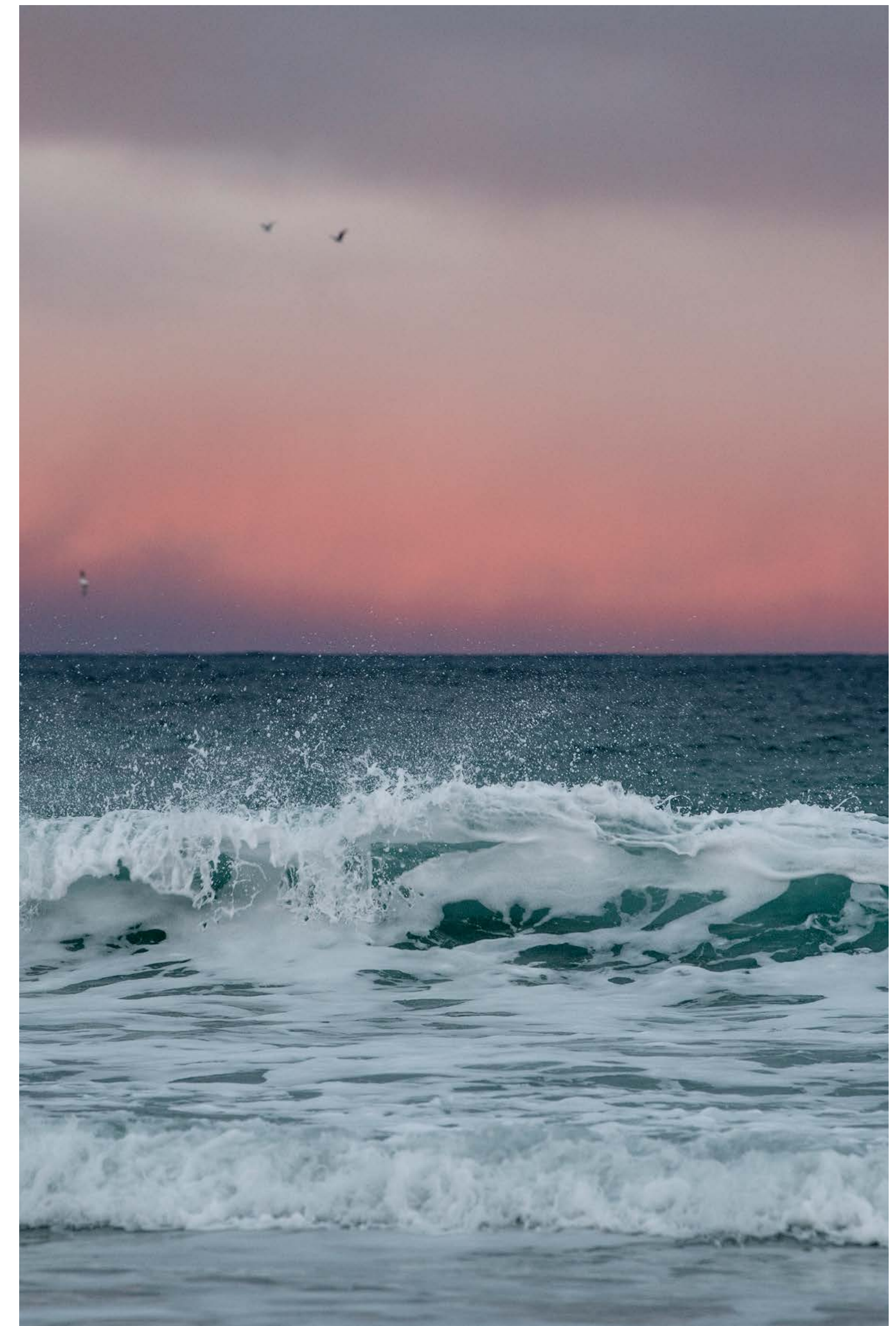
Further, The Club's impact on its own employees, alongside that of its impact on workers in the value chain, in first instance specifically the seafarers onboard Norwegian Hull Club's insured portfolio and the seafarers and their family members covered by The Club's subsidiary, Marine Benefits, is a main priority when seeking and building knowledge. Alongside this, the renewables covers offered through our subsidiary NIORD, requires understanding of the positive and negative impact of renewable energy on the environment.

**Climate accounting**

The CSRD approach to reporting include calculation of greenhouse gas (GHG) emissions. GHG calculation takes into account various factors such as IT Inventory, building data, travel data, investments and insured emissions. Climate accounting involves tracking and reporting these emissions to ensure transparency and identifying areas for improvement and implementing strategies to reduce the overall carbon footprint.

The primary contributor to The Club's carbon footprint is the emissions from its insurance portfolio. Norwegian Hull Club's carbon footprint is determined based on the Scope 1 and 2 estimated emissions from OceanScore, with the share calculated based on gross insurance premiums relative to the customer revenues.

In terms of Norwegian Hull Club's investment portfolio, the carbon footprint is influenced by the emissions of the companies and projects in which the portfolio is invested. This is often referred to as financed emissions. The overall carbon footprint of the portfolio is the sum of







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the attributed emissions from all investments. To compute these emissions, The Club follows the PCAF methodology which is the industry-lead initiative validated by the GHG Protocol in 2020. As of today, approximately 80 % of The Club’s investments in corporate bonds and equity are included in the calculation to provide a comprehensive and sufficient representation of the impact on greenhouse gas (GHG) emissions. This threshold ensures that the majority of Norwegian Hull Club’s investments are accounted for, capturing the most significant contributors to the company’s overall GHG footprint while maintaining a manageable scope for accurate and efficient reporting. Expenses, such as operational costs, can

significantly impact the amount of GHG emissions. Higher operational costs often correlate with higher emissions. For the year 2024, all relevant expenses excluding salary, tax and financial expenses are included in the GHG accounting to ensure a comprehensive and accurate representation of The Club’s environmental impact. This approach allows a focus on the operational and capital expenditures that have a direct and significant impact on Norwegian Hull Club’s GHG emissions, thereby providing a clearer picture of the company’s sustainability performance. Understanding and managing the expenses is essential for accurate GHG accounting and effective sustainability strategies.

Scope	Category	Description	CO <sub>2</sub> e (tCO <sub>2</sub> e)
1	1.4	Fugitive emissionsw	7
2	2.1	Electricity related indirect emissions	40
2	2.2	Steam, heat and cooling related indirect emissions	40
3	3.1	Purchased goods and services	3 435
3	3.2	Capital goods	591
3	3.3	Fuel- and energy- related activities not included in Scope 1 or Scope 2	49
3	3.4	Upstream transportation and distribution	1
3	3.5	Waste generated in operation	9
3	3.6	Business travel	2 389
3	3.8	Upstream leased assets	3
3	3.15	Insured emissions and Investments	215 603
Total			222 167







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# Corporate Governance

Norwegian Hull Club is subject to supervision by the Financial Supervisory Authority of Norway. In addition, The Club's governing bodies have adopted separate internal regulations regarding corporate governance issues.

## General Meeting

Members of The Club, clients that write business on a mutual basis, vote at the general meeting.

## Committee

The Committee elects the Board of Directors and the Election Committee. The Committee also recommends the annual accounts to the General Meeting and supervises the Board of Directors and management. The members of the Committee are elected from the members, i.e. the owners, of The Club.

## Board of Directors

The Board of Directors is responsible for setting out the strategy, including risk tolerance, and generally overseeing the daily management of The Club. Up to two members of the Board of Directors can be independent; the others represent members of The Club. The Board of Directors has audit, risk and compensation sub-committees. The Chair of the Audit Committee is independent of The Club.

## Audit Committee

The Audit Committee is a sub committee of the Board of Directors. Its responsibility is to discuss significant accounting issues with management and the external auditor and to assess procedures adopted for preparing the accounts. The Audit Committee shall further assess the independence of the external auditor, discuss audit issues with external and internal auditors, assess the auditors' work and make

recommendations to the Board of Directors regarding election of external and internal auditors.

## Risk Committee

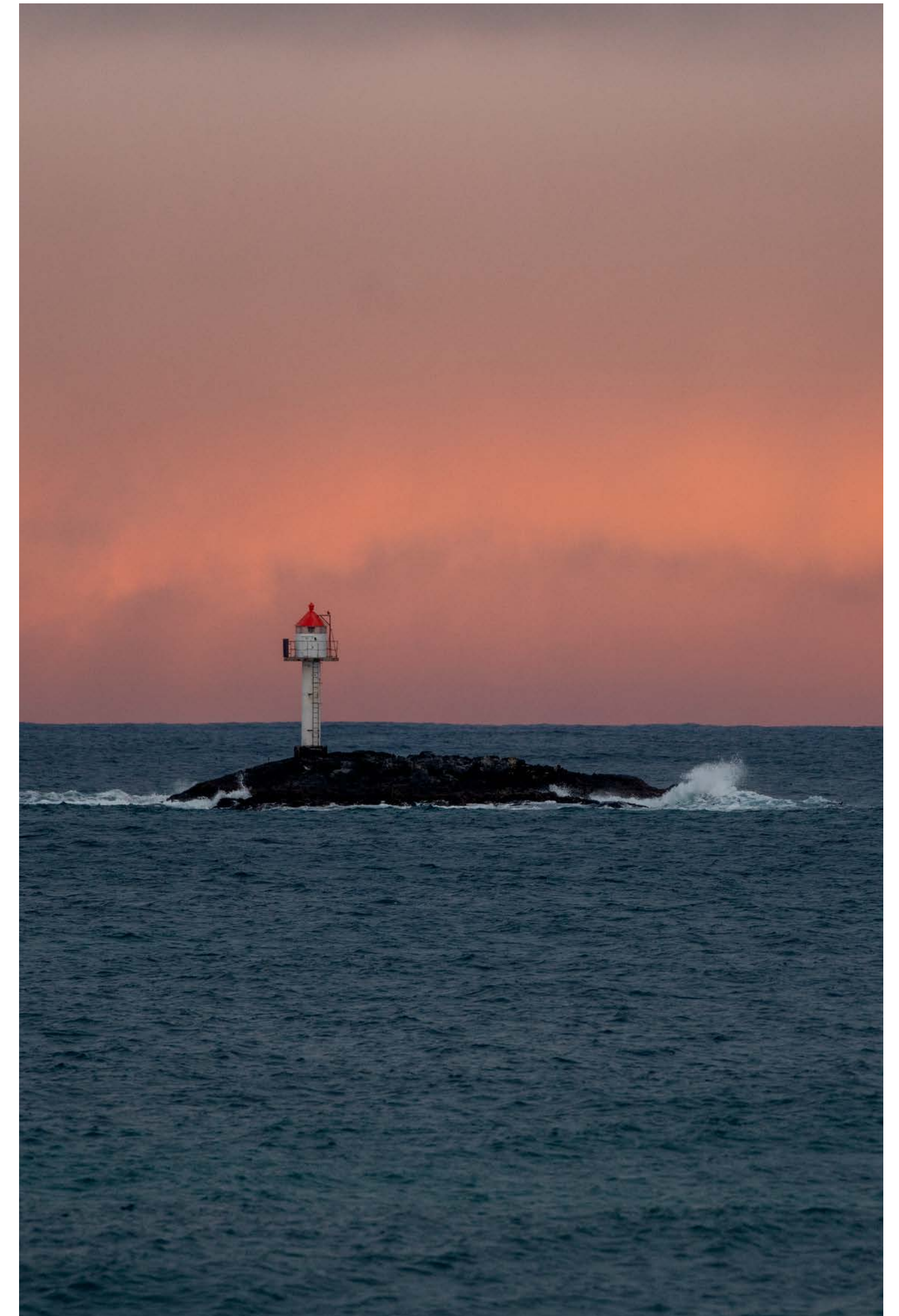
The Risk Committee is a sub committee of the Board of Directors. Its responsibility is to supervise Norwegian Hull Club's total risk and regularly consider if The Club's management and control systems are adapted to the risk level and scope of the operations. The Risk Committee shall further regularly consider the continuous compliance with capital requirements and requirements for technical insurance provisions. Finally, the Risk Committee shall also regularly consider the appropriateness of the risk management system; it shall follow up the key actuary, compliance, risk management and functions.

## Compensation Committee

The Compensation Committee is also a sub committee of the Board of Directors. The Compensation Committee makes recommendations to the Board of Directors on the compensation of the CEO as well as the structure of general compensation and oversees compensation for the management team.

## Election Committee

The Election Committee makes recommendations on candidates for the various governing bodies. The Election Committee shall have at least five members. At least one member shall have served on the Board of Directors during the last five years. According to the instructions for the Election Committee, the Chair and deputy chair of the Committee, members of the Board and members of the Election Committee shall in general not be re-elected after ten years of service.





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# Company overview of the year

The past year marked a significant milestone in Norwegian Hull Club's history. With substantial profits in both insurance and investment portfolios, combined with uncommonly low claims costs, The Club has achieved its strongest result ever. This reflects The Club's commitment to its educated and disciplined underwriting in a strong market, combined with a service approach driven by curious knowledge sharing, close dialogue, and proactive loss prevention and mitigation. The Club witnessed growth across most insurance business segments, including its subsidiaries Marine Benefits and NIORD, resulting in an increase in premium income compared to the previous year. Towards the end of 2024, a softer market cycle emerged due to the introduction of new capacity through managing general agents (MGAs). This trend has an impact on the portfolio and is anticipated to continue going forward. To sustain profitability in its diverse portfolio, Norwegian Hull Club adopts selective growth with disciplined underwriting and stringent risk controls.

Wars, geopolitical tensions, sanctions, laws and regulations continued to affect both the industry and Norwegian Hull Club in 2024. The increasing presence of the shadow fleet poses risks to global trade, with a fifth of the world's tanker fleet estimated to handle sanctioned business. The lack of accredited insurance raises concerns about potential major claims and oil spills without appropriate cover and response. The Club did not observe any significant claims trends over the past year and was spared from major impacts from severe weather and natural catastrophes. The costliest claim for Norwegian Hull Club in 2024 was under its war cover, underscoring the value of a comprehensive service offering.

In its latest review, Standard & Poor's Global Rating (S&P) reaffirmed Norwegian Hull Club's 'A' rating with a stable outlook, highlighting The Club's strong service proposition and extremely strong capital adequacy in its analysis.

## Business strategy

Norwegian Hull Club is a global mutual marine and energy insurer. Its business model and strategy focus on providing an integrated claims-leader service and diverse, innovative and competitive insurance solutions that cater to the needs of members and clients. This integrated claims-leader service includes - but is not limited to - efficient claims handling as well as emergency response and loss prevention activities.

Norwegian Hull Club covers vessels, offshore energy assets and yachts for traditional products such as Hull & Machinery (H&M), Loss of Hire (LoH), Total Loss, War and Builders'/Construction Risks. Additionally, The Club offers a portfolio of Special Risks products and covers for the offshore energy segment. Clients within the renewable segment are served through the subsidiary NIORD. The Club also provides medical insurance for seafarers through its subsidiary Marine Benefits. The majority of The Club's premium income is derived from international members and clients. The company's registered office is in Bergen, Norway.

## Management

As the market enters an expected softer cycle, delivering the service concept - a consistently strong differentiator in the market - demonstrates the value of having Norwegian Hull Club as a long-term insurance partner. This is best achieved through active interaction with clients, and market activity remained high in 2024.



Following its launch in November 2023, the latest subsidiary, NIORD, became fully operational on 1 January 2024. The focus of the Norwegian Hull Club group in 2024 has been on maintaining and nurturing its core business and developing its subsidiaries without introducing additional initiatives.

In 2024, recruitment activities were high to meet ambitious plans, particularly within operational departments and in the software subsidiary, Instech Solutions. The overall employee turnover across the business was 8 % in 2024, down from 11,4% in 2023, and in line with the target. The average employee satisfaction score in the company was 8.2 out of 10, which is a very high score.



New reporting requirements and compliance with sanctions necessitate attention and vigilance from management and throughout the organisation.

## Sustainability

Sustainability is embedded in The Club's strategy and is fundamental in all parts of its business, as expressed through the company's mission 'to secure lives, health, environment and property to help protect both people and the planet'. This is reflected in a service offering that includes tailor-made Loss Prevention & Emergency Response activities and hands-on services, together with experience and knowledge-driven claims handling.





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Supporting its members’ and clients’ journeys towards zero emissions, The Club tailors insurance solutions to new low-emission fuels and technologies. Consequently, Norwegian Hull Club portfolio of vessels with alternative propulsion technologies is expanding. The Club’s subsidiary, NIORD, continues to grow its renewables portfolio.

As an insurance company, Norwegian Hull Club and its Board of Directors adopt a risk-based approach also to assessing the consequences of climate change. The company remains focused on developing its service offering to contribute to reducing negative and increasing positive impacts towards a sustainable tomorrow.

Throughout 2024, Norwegian Hull Club has worked on adapting to the requirements of the Corporate Sustainable Reporting Directive (CSRD) to ensure compliance with the regulations for the 2025 reporting year. This annual report includes The Club’s first Green House Gases (GHG) accounting in accordance with the new directive. On 26th February 2025, the European Commission published its Omnibus I with proposals to simplify the EU rules of ESG reporting directives (CSRD, CSDDD, EU Taxonomy). If the omnibus is approved by the European Parliament, the Council of the European Union, and the Norwegian Government, Norwegian Hull Club will likely not be subject to mandatory reporting in accordance with the directives. The Club will thus re-evaluate its plan for future sustainability reporting before concluding on its approach. Norwegian Hull Club is a signatory to the Poseidon Principles for Marine Insurance (PPMI) and a member of the Maritime Anti-Corruption Network (MACN).

**Operational Review**  
**Underwriting**

The Marine & Energy market remained flat in the first half-year. However, as expected, the markets trended into a softer cycle towards the end of 2024. The new entrants that were established in 2023, started to influence the market cycle. Notably, several direct insurers and reinsurers – both old and new – sought to grow their topline in 2024.

New entrants are primarily set up as Managing General Agents (MGAs). Although brokers are aware that these entrants have historically been short-term capacity providers, they use this capacity to obtain overall premium reductions for their clients. Consequently, long-term capacity providers like The Club expect lower premium volumes and margins ahead.

Nevertheless, the marine and energy markets continued to navigate challenges such as restricted reinsurance capacity, implementation of new market clauses, complex sanction regimes and increasing compliance requirements.

Sanctions regimes are continually expanding, and The Club prioritises the screening of both new and existing fleets. Although The Club has not recorded any sanctions breaches, several cancellations have been issued for fleets or individual vessels due to insufficient documentation obtained from brokers or owners. The presence of the shadow fleet, representing sanctioned vessels without accredited insurance, is gradually increasing, with approximately 22% of tankers globally now classified as part of this.

In 2024, Norwegian Hull Club focused on selective growth, emphasising underwriting discipline. In a soft market such an approach may lead to lower premium volumes in 2025 for core products like H&M, LoH, and Total Loss. Throughout the year, The Club has seen growth across most business areas. Expected growth in subsidiaries NIORD and Marine Benefits has been achieved, while political instability unexpectedly increased the war product volume. Traditional marine book segments like special risk, builder risk, and yachts also developed positively. As expected, the revised strategy in the energy segment, reducing construction risk appetite, led to a decrease in written premium volume. Norwegian Hull Club has maintained its position as leader on many accounts in traditional marine, builders' risk, and energy. Throughout the year, The Club has also solidified its position within special risk insurance.

# Members of the Board



**Rebekka Glasser Herlofsen**  
Chair of the Board



**Magne Øvreås**  
Deputy Chair



**Marianne Møgster**



**Øystein Beisland**



**Katrine Trovik**



**Gøran Andreassen**



**Marlena Truszczynska**



**Anders Furnes**

Given the fully operational status of NIORD AS from January 1, 2024, The Club has transferred the authority to write risk in the offshore renewables segment to its subsidiary. Growth within this segment is expected to continue. Subsidiary Marine Benefits AS is authorised to write healthcare plans for seafarers and their families. The Club anticipates continued growth in this segment in 2025.

Growth expectations for 2025 is modest in terms of premium volume. Growth within traditional products is not anticipated, whilst a continued focus on portfolio management, underwriting discipline, and strong underwriting risk controls should result in a profitable underwriting year for 2025. External factors such as increased geopolitical tensions, sanctions, inflation, uncertainty surrounding technology and scarcity of repair facilities, could impact the results negatively.

These factors affect all parties in the marine value chain. Norwegian Hull Club aims to provide stability through disciplined underwriting and service-focused client relationships, serving as a long-term partner for its members and clients.

**Reinsurance**

The reinsurance renewal in 2024 was conducted in an orderly and timely manner for all segments of The Club’s business. Overall, the reinsurance programme renewal offered increased risk transfer while allowing for greater capacity for peak risks, including more flexibility for allocation between the various interests within the total capacity. The terms and conditions achieved have led to a reduction in operational risk.

The panel of reinsurers is maintained, 2024 was another year with a high degree of stability and continuity - in line with The Club’s strategy.





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Norwegian Hull Club has a strong brand name and attractive products within the specialty reinsurance segment, providing solid support from its reinsurance partners. This secures long-term capacity at attractive terms, protecting The Club's capital and reducing the volatility of the insurance book well within the business' risk appetite.

#### Claims

The top 10 reported claims or increased reserves from previous years do not indicate a specific pattern or trend. The Club's portfolio has been exposed to a frequent number of hurricanes and typhoons in both the Gulf of Mexico and the Far East, without any significant losses being reported.

The Hull & Machinery portfolio did not experience any major losses but still performed at break-even level due to pricing and frequency of claims. The Club suffered two large losses in the war portfolio, a tanker which was seized by Iran in January, and in July a container vessel was hit by two missiles off the coast of Somalia. Fortunately, no loss of life resulted from this attack, but it caused a complex and expensive contingency and repair project, which became the most expensive net claim for Norwegian Hull Club's share in 2024.

In total, 2,444 new claims were registered in 2024, an increase of 90 compared to 2023: 59 claims lead and 31 co-insurance claims. Throughout 2024, Norwegian Hull Club's claims handling process has been faster than the rest of the market, status per December 2024 was 100 days faster than Cefor member competitors and 138 days faster than non-Cefor members.

#### Investments

The investment portfolio returned 4.9 % in 2024. The US Dollar return was USD 36.2 million, including foreign exchange hedges. The actively managed portion of the investment portfolio underperformed its benchmark by 1.1 % due to defensive positioning, both in terms of tactical asset allocation and positioning within actively managed funds and mandates.

Despite initial optimism for central bank rate cuts due to falling inflation and expectations of weaker growth, 2024 unfolded differently than anticipated. Core inflation proved more persistent, and economies showed stronger growth, reinforcing central banks' cautious approach. As a result, market expectations for rate cuts were repeatedly postponed throughout the year. Interest rate markets also experienced significant volatility, with a gradual normalisation of the yield curve.

In the US, the labor market remained tight with low unemployment and solid wage growth. The economy grew strongly, driven by robust consumer spending and wartime levels of fiscal stimuli. Service sector growth accelerated, while the manufacturing sector activity remained in contraction territory.

2024 also saw the US economy decouple from other major regions. European economic momentum weakened significantly over the year, with the manufacturing sector particularly hard hit due to high energy costs and less export demand. In Asia, Chinese activity remained weak as the country grappled with falling property prices and weak consumer confidence.

In general, risk assets posted higher returns than expected in 2024. Public equities performed above expectations on the back of a resilient economy, expectations of interest rate cuts, cooling inflation, and further advancements within the AI revolution. The enthusiasm for generative AI and other innovations led to a significant concentration of stock market value in a few US mega-cap tech companies, especially in the first half of the year, pushing their valuation multiples higher. The MSCI World All Country total return index, measured in local currencies, posted a return of 20.2 % in 2024. The best performing market was the US stock market, returning 24.6 %, compared to a more muted return of 7.8 % in the European stock market.







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Global private equity markets showed positive signs in 2024, with increased fundraising and deal activity compared to previous years. Despite these positive trends, challenges remained, including pressure from fund investors to deploy committed capital and fully realise investments.

Treasury yields were volatile in 2024. Floating and short-term interest rates fell along with Fed cuts, medium term treasury yields (2-years) were flat over the year, while longer-dated treasury yields (5-10 years) paradoxically increased above levels seen at the beginning of the year after the Fed pivoted and started the cutting cycle in mid- September. Credit markets showed a clear trend towards lower credit spreads in 2024, driven by strong demand for bonds and positive macroeconomic conditions. The initial high all-in yields, combined with a contraction in credit spreads throughout the year, translated into healthy returns within Norwegian Hull Club’s fixed income portfolios. The riskier tiers of the bond market outperformed for much of 2024 as default rates remained benign and investors reached further down the credit quality spectrum.

The Norwegian commercial real estate market stabilised in 2024. From the market peak in mid-2022, commercial property values were

down close to 20 % in nominal terms (30 % in real terms) at the bottom. Volumes in the transaction market picked up in 2024 with an increase of 30 % relative to 2023 volumes, indicating broader optimism among market participants. Banks began to somewhat reduce equity requirements and credit margins are coming down. Higher long-term interest rates are now reflected in current property valuations, and the asset class now offers higher yields.

**Risk management**  
**Risk Management framework**

The foundation of good internal governance is a robust risk management framework, complemented by the delegation of authority to ensure the effective management and reporting of risks within the organisation. The Board of Directors defines The Club’s strategy and risk profile, including capital targets, risk tolerance and risk appetite. The primary responsibility for managing risks within applicable limits rests with the Chief Executive Officer and the respective operating units. Norwegian Hull Club has implemented Key Functions in line with Solvency II requirements, comprising independent risk management, compliance, actuarial, and internal audit functions.

**Other activities**

Norwegian Hull Club has three wholly owned subsidiaries.



MARINE BENEFITS

**Marine Benefits AS**

Marine Benefits AS (henceforth “Marine Benefits”) provides employment-related benefit solutions, health insurance and Crew Contractual Liability insurance for the global shipping community. Marine Benefits also provides third-party services for ship owners and managers on crew claims handling. As of the end of 2024, over 170,000 seafarers and their family members had medical plan insurance from Marine Benefits, up from approx. 150,000 in 2023.



**Instech Solutions AS**

Instech Solutions AS (henceforth “Instech Solutions”) develops software solutions for marine insurance professionals. The company operates in two primary areas: 1) maintaining the core insurance system INS+, which is used by The Club and thirteen other customers and 2) developing products that support Norwegian Hull Club’s digital strategy. Instech Solutions’ products are specifically designed to facilitate seamless collaboration with parties involved in placing insurance and handling claims. Instech Solutions is also developing Etuity Core, an advanced SaaS solution intended to gradually replace INS+. Etuity Core aspires to become the preferred software for managing the life cycle of marine, offshore, and renewable energy insurance for brokers, agents and risk carriers. It will feature streamlined workflows with minimal manual data input, data exchange capabilities, and enhanced data insights. The new Solution will encompass all insurance activities, including pre-bind, post-bind, claims handling, accounting, and re-insurance.



**NIORD AS**

NIORD AS (henceforth “NIORD”) was launched on November 2, 2023. The company is registered as a managing general agent (MGA) in Norway, providing insurance to the offshore renewables segment. This segment is a significant contributor to the global energy transition, with substantial growth anticipated in the coming years. Drawing on The Club’s extensive history and experience within the offshore oil and gas industries, NIORD acts as a strategic partner in the development of the offshore renewables segment through its service concept which includes claims handling, emergency support response, preventive and mitigating training for clients’ onshore personnel, as well as operational, technical, and legal advice related to insurance. Through a newly established cooperation with NorthStandard late 2024, there will be increased focus on third party liability insurance going forward.

NIORD’s insurance capacity comes from both Norwegian Hull Club and other providers. Both construction and operational risks are underwritten by NIORD. During the last year, NIORD has increased its windfarm portfolio to 159 installations (up from 148 in 2023).





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Norwegian Hull Club is exposed to the following main risks:

**Strategic risk**

Strategic risk relates to both external and internal factors such as geopolitical changes, market and product developments, changes in required skills and competence of the workforce, as well as risk to reputation. Developments in the marine and energy insurance markets in general, as well as The Club's competitive position, are monitored both in daily operations and through participation in industry forums. Requirements for new skills within the workforce are met through training, talent development or recruitment of new employees.

**Insurance risk**

Insurance risk relates to the likelihood that the premiums charged are insufficient to cover claims incurred, and that provisions for claims already incurred are not enough to cover the ultimate costs. Clear limits are established regarding the level of insurance risk that can be undertaken. The actuarial function continuously monitors the adequacy of both pricing and provisions. The Board of Directors decides upon the reinsurance programme and structure each year. The primary objective is to protect capital and limit fluctuations in results. The benefits of purchasing reinsurance protection are weighed against the costs.

**Financial risk**

Financial risk encompasses market, credit, liquidity and currency risks. Market risk includes risks related to investments, such as interest rate risk, equity risk, property risk and spread risk. Norwegian Hull Club seeks to expose the investment portfolio to systematic market risk and has implemented a highly diverse asset portfolio to mitigate unsystematic risks. All asset class investments are diversified by utilising different asset managers with diverse underlying portfolios/funds. Spread risk is the risk that market pricing of credit risk increases. To reduce spread risk, the bond portfolio must maintain adopted rating requirements. Credit risk refers to potential losses due to

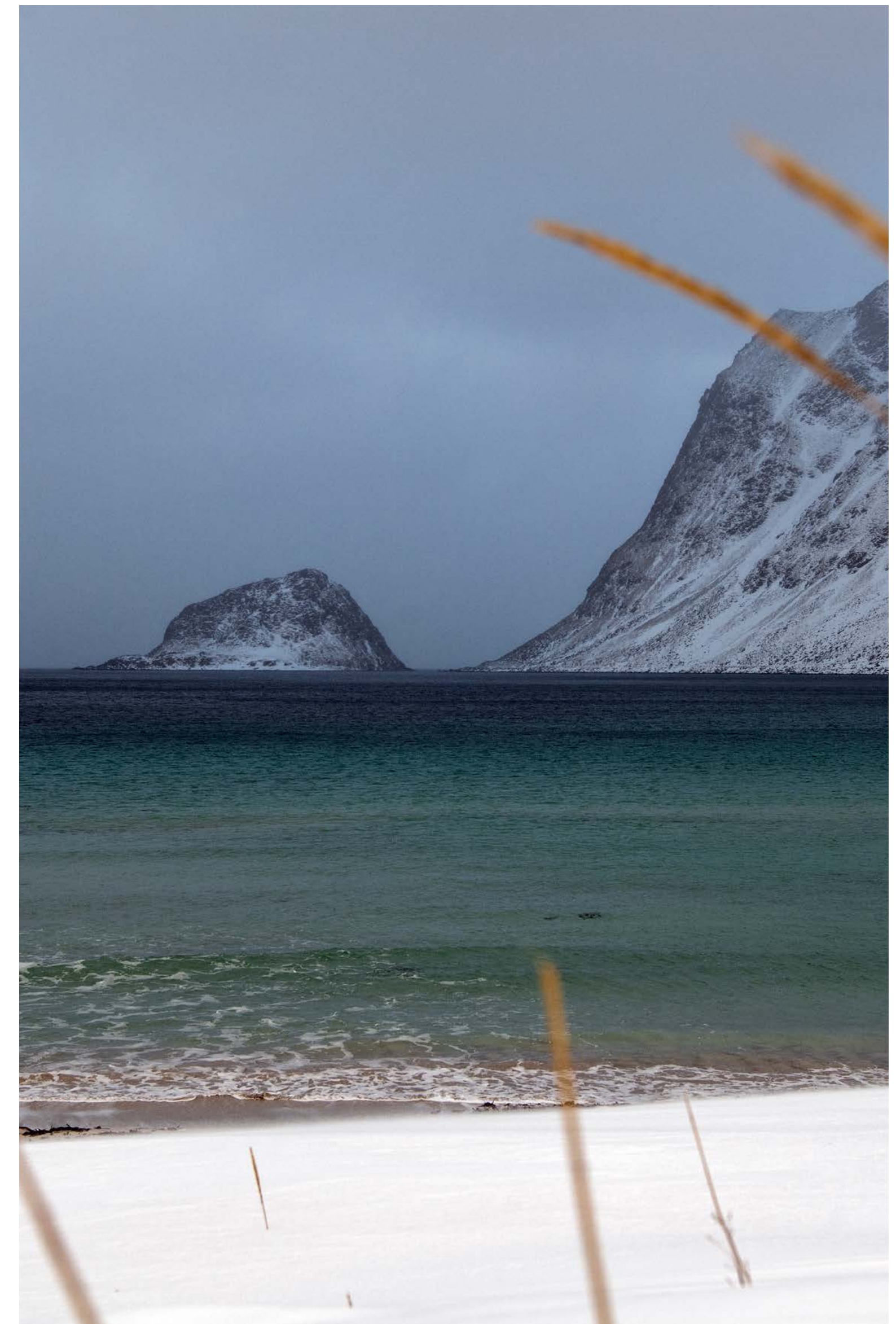
unexpected default or deterioration in the credit standing of the counterparties and debtors, including collateral, bank deposits and other security held for the account of Norwegian Hull Club, and the risks associated therewith. To mitigate credit risk, The Club has enforced stringent requirements regarding the minimum credit ratings for reinsurance providers.

Liquidity risk is considered low due to significant investments in US government and investment-grade bonds. The objective is to maintain sufficient liquid assets to sustain a balanced investment portfolio, even following a severe, negative event where asset prices fall significantly and/or assets need to be sold. Currency risk is complex, with multiple factors impacting results and capital positions. It is managed to limit the impact of any significant fluctuations in currency exchange rates on results and capital positions.

The Board of Directors has adopted a strategic asset allocation appetite in addition to risk tolerance limits. The financial risk level is measured, monitored and managed continuously both on individual and aggregated basis. Stress tests are carried out to ensure that The Club can withstand severe negative scenarios. Market risk has not changed significantly in relation to Norwegian Hull Club's equity.

**Operational risk**

Operational risk is the risk of losses resulting from inadequate or failed internal processes, procedures and/or systems, mistakes made by employees, or external events. The Club's operational risk policy describes how the company systematically identifies, assesses, mitigates and reports operational risks. The document also outlines the ownership of the various operational risks and provides an overview of the control environment. Operational risks are systematically assessed quarterly and reported to management and Board of Directors.







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The operational risk policy, together with a set of other relevant policies and procedures, are retained in a quality management system accessible to all employees.

Climate risk

Norwegian Hull Club’s operations do not generate significant direct environmental impact. However, The Club focuses on the possible consequences of environmental risks (physical, liability and transition risks) pertaining to the assets within its insurance portfolio. Measures implemented to control and/or mitigate such consequences include, but are not limited to, environmental scanning and workshops to identify threats, monitoring of natural catastrophes and corresponding concentration risks, as well as limiting risks through restricted wordings and exclusions in insurance policies, awareness warnings and daily portfolio screenings.

Indirectly, The Club may experience longer-term consequences through changes to the insurance portfolio composition, as activity in the traditional offshore energy sector is reduced in line with sustainability objectives.

Internal control

Norwegian Hull Club’s internal control is based on a three lines-of-defence system, comprising primary risk owners (first line), independent risk management and control functions (second line), and independent internal as well as external audit (third line).

The system of internal control is a continuous process throughout the organisation, based on a set of established policies, procedures, controls and activities that are constantly assessed and, where possible, improved upon. The Audit and Risk Committees oversee the internal control framework, while risk management and compliance functions in the organisation coordinate the processes, reporting to management and the Board of Directors.

Directors' and Officers' liability insurance Norwegian Hull Club purchases insurance for personal liabilities that members of the Board of

Directors and members of senior management may incur in their respective capacities. The insurance covers potential personal liabilities to compensate for monetary losses that members of the Board of Directors and senior management may cause third parties through negligence in their positions. Monetary losses are defined as financial losses that are not a consequence of, or related to, damage to persons or physical objects. The insurance is placed with an international insurance company with a strong rating.

Corporate governance

Norwegian Hull Club is subject to supervision by the Financial Supervisory Authority of Norway and the Prudential Regulatory Authority in the UK. In addition, The Club’s governing bodies have adopted separate internal regulations to address corporate governance issues.

Accounts

Financial statements

With effect from 2024, The Club presents consolidated financial statements that include the three 100 % owned subsidiaries. The figures for 2023 have been amended accordingly and are referenced in brackets below.

In accordance with section 3-3 of the Norwegian Accounting Act, it is confirmed that the financial statements are prepared under the assumption that the enterprise is a going concern and that the conditions for this assumption are present.

Results

The 2024 operating profit was USD 59.8 million (USD 34.3 million). The technical result from insurance was USD 58.2 million (USD 14.8 million), while investment income and other financial items contributed with USD 32.1 million (USD 33.5 million). Gross loss ratio is 60 %, loss ratio for own account is 67 % and combined ratio is 79 %.

Discount on mutual premium

The Board of Directors has proposed a 10 % return premium on mutual premium earned in the calendar year 2024. The return premium amounts to USD 18.0 million. Before return

premium, gross loss ratio was 57 % and loss ratio for own account was 60 %. Before return premium, the technical result from insurance was USD 73.3 million and the combined ratio was 75 %.

Premium income and claims

Gross premium earned (before return of mutual premium) was USD 350.7 million. The comparable figure for 2023 was USD 336.6 million. Premium earned for own account was USD 290.2 million (USD 272.2 million). The growth is due to slight increase in business volume.

Gross claims incurred in 2024 were USD 200.9 million (USD 259 million), while claims for own account for 2024 amounted to USD 184.6 million (USD 214.5 million).

Financial items

Financial income in 2024 was USD 36.9 million (USD 39.7 million). Of this, USD 36.2 million (USD 28.9 million) was related to the investment portfolio, with the balance comprising foreign exchange items and other financial income. Financial expenses in 2024 were USD 4.9 million (USD 6.2 million).

Operating expenses

Personnel, marketing and other operating expenses amounted to USD 42.9 million in 2024, USD 2.4 million higher than in 2023.

Other income and expenses

Other income and expenses relate to the subsidiaries.

Appropriation of result

After tax, the total comprehensive income for 2024 was USD 60 525 199. After currency and group adjustments the Board of Directors proposes USD 60 525 199 to be transferred to Other Equity.

Balance sheet

As per December 31, 2024, The Norwegian Hull Club Group’s equity was USD 476.3 million (USD 417 million).

Cash flow

Cash flow generated by operating activities was USD 26.1 million in 2024. USD 109.2 million was cash flow from operations before financial assets, while net cash flow from financial assets was minus USD 60.9 million. Cash flow generated by investments in fixed assets, subsidiaries and employee loans was minus USD 8 million in 2024. The change in the cash balance during the year was positive USD 17.3 million.

Rating

In July 2024, Standard & Poor’s Global Ratings (S&P) reaffirmed its ‘A with stable outlook’ long-term counter-party credit and insurer financial strength rating of Norwegian Hull Club. S&P highlights The Club’s extremely strong capital adequacy, strong underwriting results and strong underwriting controls as key strengths.

Organisation and environment

At the end of 2024, Norwegian Hull Club employed 147 individuals, including temporary employees. Eleven people departed from The Club during the year, resulting in a turnover rate of 8%, which was lower than the previous year. Sick leave, including long-term absence, equated to 4.03 % of total working hours.

Including the subsidiaries, Marine Benefits, Instech Solutions and NIORD, the total number of employees was 300.

Norwegian Hull Club values diversity within the organisation and actively seeks to enhance it. Amongst The Club’s staff, 16 nationalities were represented, with the gender ratio at the end of 2024 being 41.5 % female to 58.5 % male. The Club is committed to being a workplace free from discrimination, in compliance with the Discrimination and Accessibility Act.

There were no accidents involving either The Club’s employees or property during the year. Significant effort and resources have been dedicated to supporting and ensuring a positive physical and psychosocial environment within the organisation.





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The average yearly score in work environment surveys was 8.2 (out of 10), the average net promoter score was notably high at 35, and 92% of employees participated in the surveys.

Members

53 % of premium earned in 2024 was from mutual members. Members vote at the annual general meeting based on their share of mutual premium earned. The largest member had an 11.9 % share of mutual premium and the ten largest members a 31.6 % share in 2024.

Events after 2024 year end

On 26th February 2025, the European Commission published its Omnibus I with proposals to simplify the EU rules of ESG reporting directives (CSRD, CSDDD, EU Taxonomy). If the omnibus is approved by the European Parliament, the Council of the European Union, and the Norwegian Government, Norwegian Hull Club will likely not be subject to mandatory reporting in accordance with the directives. The Club will thus re-evaluate its plan for future sustainability reporting before concluding on its approach.

Prospects

Norwegian Hull Club strives to maintain its position as claims leader in a competitive market, embedding sustainability into its strategy and core operations. The Club's mission - "to secure lives, health, environment, and property to help protect both people and the planet" - drives the company's service concept, which includes bespoke loss prevention activities, responsive emergency services, and efficient claims handling.

The Club actively supports its members' and clients' transitions towards zero emissions by customizing products to facilitate new low-emission solutions and technologies.

The increasing use of technology and improved data accessibility continue to shape the structure and execution of marine and energy insurance. Norwegian Hull Club dedicates focus and resources to adapt to this development.

Norwegian Hull Club will continue to concentrate on protecting its strong capital position and expanding business volume in a profitable and sustainable manner. Key operational focus areas include profitability, further diversification, streamlined operations, swift and professional claims handling. Premium volume is not expected to increase in 2025, and insurance profitability is expected to decrease. In its inaugural year, NIORD has already achieved profitability and growth in the renewable energy portfolio.

Increased geopolitical tensions are anticipated to impact The Club and its clients, affecting crew retention, exposure, claims, and sanctions.

Norwegian Hull Club remains well-capitalized with a robust and diversified portfolio of products and services. The immediate challenge lies in balancing the maintenance and development of the existing business through disciplined underwriting while protecting capital to support further growth and offer long-term protection and services to members and clients. With its human, structural, and financial capital in place, the Board of Directors believes Norwegian Hull Club is poised for long-term profitable and sustainable growth.



*Rebekka Glasser Herlofsen*

Rebekka Glasser Herlofsen  
Chair of the Board

*Magne Øvreås*

Magne Øvreås  
Deputy Chair

*Øystein Beisland*

Øystein Beisland

*Katrine Trovik*

Katrine Trovik

*Gøran Andreassen*

Gøran Andreassen

*Marianne Møgster*

Marianne Møgster

*Anders Furnes*

Anders Furnes

*Marlena Truszczynska*

Marlena Truszczynska

*Hans Christian Seim*

Hans Christian Seim  
CEO





## Auditor's Report



Statement of comprehensive income		NHC	Group			
		Notes	2024	2023	2024	2023
	Gross earned premiums	6,7	323 055 962	316 182 627	332 636 219	322 550 369
	Reinsurance premiums	8	-57 546 058	-62 222 169	-57 546 058	-62 222 169
A	Premiums for own account		265 509 904	253 960 458	275 090 161	260 328 200
B	Other insurance related income		8 684 724	8 535 978	10 595 548	9 451 386
	Gross accrued claims	9	200 912 758	259 045 975	200 912 758	259 045 975
	Reinsurers share of gross claims	8,9	-16 294 843	-44 557 797	-16 294 843	-44 557 797
C	Claims for own account		184 617 915	214 488 178	184 617 915	214 488 179
	Marketing expenses		19 265 995	16 204 285	19 265 995	16 204 285
D	Total insurance related expenses for own account	22	19 265 995	16 204 285	19 265 995	16 204 285
E	Other insurance related expenses	22	17 772 479	18 888 995	23 643 381	24 273 893
F	Operating result technical accounts (A+B-C-D-E)		52 538 240	12 914 978	58 158 418	14 813 230
	Financial income		26 066 641	19 412 052	25 942 912	19 206 964
	Realised gains and losses		7 107 282	-8 838 814	7 102 570	-8 838 814
	Adjustment investment portfolio		3 898 652	29 330 677	3 900 695	29 330 677
G	Total financial income		37 072 575	39 903 914	36 946 177	39 698 827
H	Administration expenses financial assets		4 870 756	6 184 157	4 870 756	6 184 157
I	Other income	21	-	-	1 639 094	1 635 206
J	Other expenses	22	-	-	3 842 830	15 29 637
K	Result from ordinary operations (F+G-H+I-J)		84 740 059	46 634 736	88 030 103	48 433 468
L	Tax expenses (income)	10	26 641 585	13 219 626	27 504 905	13 450 812
M	Result before other result components (L-M)		58 098 473	33 415 110	60 525 199	34 982 655
N	Other Comprehensive income		-746 459	-725 720	-746 459	-725 720
O	Total comprehensive income for the year		57 352 014	32 689 390	59 778 739	34 256 935





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# Balance Sheet

Assets	NOTES	NHC		Group	
		2024	2023	2024	2023
Shares in subsidiaries	14	9 800 219	5 965 929		
Other shares	14	5 745 667	6 185 705	5 745 667	6 185 705
Mortgage loans		8 410 033	8 594 199	8 410 033	8 594 199
Stocks and shares	16	116 573 570	96 868 214	116 573 570	96 868 214
Bonds and foreign exchange contracts	17	587 250 488	526 421 814	587 250 487	526 421 814
Financial derivatives	18	1 009 586	1 720	1 009 586	1 720
Bank deposits investment portfolio		2 274 775	2 688 504	2 274 775	2 688 504
Total financial assets		731 064 337	646 726 084	721 264 118	640 760 156
Reinsured proportion of gross premium provisions	19	35 850 870	34 220 794	35 850 870	34 220 794
Reinsured proportion of gross claims provision	19	58 402 745	52 276 279	58 402 745	52 276 279
Total reinsured proportion of insurance provisions		94 253 615	86 497 072	94 253 615	86 497 073
Insurance related receivables		180 182 109	159 609 172	181 973 239	159 609 172
Reinsurance receivables		5 751 343	20 480 521	5 751 343	20 480 521
Disbursements		25 073 025	22 298 811	25 073 025	22 298 811
Other receivables		13 948 030	17 274 604	11 830 380	14 092 858
Total receivables		224 954 506	219 663 107	224 627 986	216 481 362
Intangible assets				9 296 512	7 067 857
Properties	11	2 089 030	2 089 030	2 089 030	2 089 030
Equipment and fixtures	11,12	10 163 610	10 640 176	14 576 425	11 899 901
Cash and bank deposits		100 935 855	87 712 364	116 324 876	98 596 155
Total other assets		113 188 495	100 441 571	142 286 843	119 652 944
Accrued interest		1 415 108	768 257	1 415 108	768 257
TOTAL ASSETS		1 164 876 061	1 054 096 092	1 183 847 670	1 064 159 791





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Equity & Liabilities	NOTES	NHC		Group	
		2024	2023	2024	2023
Equity		8 042 072	8 042 072	8 042 072	8 042 072
Guarantee provision		3 555	3 555	3 555	3 555
Other equity		465 139 280	407 787 266	468 231 312	408 943 843
Total equity	11,15	473 184 907	415 832 893	476 276 938	416 989 469
Unearned gross premium provision	19	188 792 581	176 347 233	189 718 803	176 347 234
Gross claims provision	19	370 116 267	342 025 609	370 116 267	342 025 609
Total gross insurance provisions		558 908 848	518 372 842	559 835 070	518 372 843
Pension liability	10	2 804 423	3 102 045	2 804 423	3 102 045
Withheld payroll tax, social security etc.	10	5 180 601	5 087 225	5 940 567	5 514 606
Deferred tax	13	29 389 775	27 383 175	29 614 754	27 025 948
Taxes payable	13	23 876 355	23 203 243	24 715 631	23 652 659
Total tax etc. payable		61 251 154	58 775 687	63 075 375	59 295 258
Payables direct insurance accounts		15 270 680	12 024 960	15 270 680	12 024 960
Payables reinsurance		28 200 905	22 083 032	28 200 905	22 083 032
Financial derivatives		247 816	1 781 679	247 816	1 781 679
Payables other accounts		27 811 751	25 225 000	40 940 885	33 612 550
Total payables		71 531 153	61 114 670	84 660 286	69 502 221
TOTAL EQUITY AND LIABILITIES		1 164 876 061	1 054 096 092	1 183 847 670	1 064 159 791

# Development in Equity

## Changes in equity

NHC	Owners' funds	Other equity	Guarantee provision	Total equity
Equity at 31.12.2023	8 042 072	407 787 266	3 555	415 832 893
Profit for the year		58 098 501		58 098 473
Other Comprehensive income		-746 459		-746 459
Equity at 31.12.2024	8 042 072	465 139 081	3 555	468 234 866

## Changes in equity

Group	Owners' funds	Other equity	Total equity
Equity at 31.12.2023	8 042 072	408 947 397	416 989 469
Profit for the year		60 525 199	60 525 199
Currency effects		-491 271	-491 271
Other Comprehensive income		-746 459	- 746 459
Equity at 31.12.2024	8 042 072	473 184 935	476 276 938





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# Statement of Cash Flow

Statement of Cash Flow	NHC		Group	
	2024	2023	2024	2023
Profit of the year before tax	84 740 059	46 634 736	88 030 104	48 433 468
Change in net technical reserves	32 779 463	31 213 648	33 705 685	31 213 648
Unrealised value change other shares	440 037	924 893	440 037	924 893
Net profit on sale of fixed shares	-			
Change in disbursements	-2 774 214	19 123 263	-2 774 214	19 123 263
Net profit on sale of fixed assets	-			
Change in net pension liabilities	-297 622	-21 640	-294 622	21 640
Change in net receivables	8 879 686	-8 717 975	8 836 150	-7 856 132
Depreciations and impairment of assets	768 610	2 771 588	4 225 404	6 115 744
Taxes paid	-22 782 865	-21 811 779	-22 981 623	-21 913 585
Net cash flow from operations before financial assets	101 753 154	70 116 733	109 183 921	76 062 938
Change in net bonds	-60 828 673	-96 521 273	-60 828 673	-96 521 273
Change in net stocks and shares	-19 705 356	890 922	-19 705 356	890 922
Change in net financial derivatives	-2 541 729	-413 059	-2 541 729	-413 059
Net cash flow from financial assets	-83 075 758	-96 043 411	-83 075 758	-96 043 411
A Net cash flow from operational activities	18 677 396	-25 926 678	26 108 163	-19 980 473
Cash generated / used by investing activities				
Net receipts/payments related to purchase/capitalization of subsidiaries and associated	-3 834 290	-2 356 885		
Net receipts/payments related to sale/purchase of fixed assets	-885 553	-209 845	-8 244 799	-3 842 179
Change in mortgage loans	184 166	-2 852 803	184 166	-2 852 803
B Net cash inflow / outflow from investment activities	-4 535 677	-5 419 533	-8 060 633	-6 694 982
C Net financing activities - dividend paid to members	-	-	-	-
D Effect of changes in exchange rates on cash and cash equivalents	-1 331 985	-901 912	-732 538	-1 679 234
A+B+C+D Net change in cash and cash equivalents	12 809 734	-32 248 123	17 314 992	-28 354 689
Cash and cash equivalents 01.01	90 400 869	122 648 991	101 284 659	129 639 348
Cash and cash equivalents 31.12.	103 210 630	90 400 869	118 559 651	101 284 659





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# Notes to the Accounts

## Note 1 – Accounting Principles

Norwegian Hull Club Group

### Basic principles

The financial statements of the Norwegian Hull Club Group (hereafter: The Group) has been prepared in accordance with the Norwegian Accounting Act and regulations for annual accounts for non-life insurance companies § 1-3 3rd Paragraph, approved by the Norwegian Ministry of Finance.

Principally this means that accounting recognition, measurements and disclosures to the financial statements comply with Norwegian generally accepted accounting standards, together with a limited use of certain International Financial Reporting Standards (IFRS ®) in accordance with the Finance Ministry's regulations on simplified application of the International Financial Reporting Standards.

The financial statements of The Group as of 31 December 2024 consist of the Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flow and Notes to the Accounts.

The financial statements have been prepared in accordance with the basic principles of historical cost accounting, comparability, continued operations and congruence, when the annual accounts regulation does not require the use of IFRS. Transactions are recorded at their value at the time of the transaction. Income is recognised at the time it is earned. Costs are expensed in the same period as the income to which they relate is recognised. Costs that cannot be directly related to income are expensed as incurred.

Assets related to current business activities and accounts receivable due within one year of the closing are classified as current assets. The same applies to short-term debt and accounts payable. Current assets/short-term debts are recorded at the lowest/highest of acquisition cost and fair value, when the annual accounts regulation does not require the use of IFRS. Assets and liabilities which are measured at fair value according to IFRS, are measured in according to IFRS 13. Monetary items other than functional currency are recorded at fair value. Other assets are classified as fixed assets. Fixed assets are recorded at original cost, with deductions for depreciation. In the event of a decline in value, which is not temporary, a fixed asset will be subject to a write-down.

According to Norwegian generally accepted accounting principles, there are some exemptions to common assessment and valuation principles. Comments to these exemptions follow below.

### Basis of consolidation

The Group consists of Norwegian Hull Club, Instech Solutions AS, NIORD AS, Marine Benefits AS and Marine Benefits Inc. Marine Benefits Inc is a fully owned subsidiary by Marine benefits AS, while the other three companies are fully owned by Norwegian Hull Club.

### Accounting principles for material items

#### Premium recognition / premium reserve

Premium and commission are recognised over the insurance policy period. Insurance premiums are due for payment in advance and provisions are made for the unearned portion of the premiums related to a period after the end of the fiscal year (premium reserve).

Premium is reported net of broker commission and discounts. Provisions (premium reserves) are made to cover the unearned share of the written premium. The unearned premium is calculated per risk assuming linear earnings over the time of the policy. As some information related to the written premium is reported retroactively (adjustments for lay-up, war calls, value changes, performance bonuses etc.) the earned and unearned premium is adjusted to cover the expected future development based on previous aggregated experience. As of 31.12.2024, this leads to a small increase in both earned premium and unearned premium. If the premium is considered insufficient to cover future claims, additional reserves for unexpired risk are made. This has not been considered necessary as of 31.12.2024. The insurance contracts that The Club issues are entered into the accounts in line with Norwegian accounting regulation ("Regulations for annual accounts for insurance companies approved by the Norwegian Ministry of Finance").

### Line of business

Norwegian Hull Club operates in the ocean-marine line of business, including underwriting of medical insurance for seafarers. NIORD and Marine Benefits are insurance agents, Instech Solutions is a marine insurance technology development company. Marine Benefits Inc provides claims and operational services for Marine Benefits AS and operational services for Norwegian Hull Club.

### Premium from multi-year policies

The group has written multi-year policies. The premium for the insurance years 2025 and later is not recorded in the accounts.

### Claims incurred but not reported

The reserve for claims incurred but not reported is calculated according to the "Benktander Method" based on reported claims.

### Cost recognition and matching / claims reserve

Claims are expensed as incurred. Other costs are expensed in the same period as the income to which they relate is recognised. Claims reserves are intended to cover anticipated future claims payments for losses incurred but not yet settled at the end of the fiscal year. These reserves comprise provisions for losses reported to The Club but not yet settled, as well as provisions for losses incurred but not yet reported at the end of the fiscal year. Provisions for known losses are assessed individually by the claims departments, while provisions for unknown losses are based on The Club's empirical data and future expectations as well as actuarial methods. Reinsurance contracts do not free the ceding Norwegian Club Hull from its obligations to the insured.

### Reserve for unallocated loss adjustment expenses (ULAE) and indirect claims expenses related to paid claims

In line with regulations ("Regulations for annual accounts for insurance companies approved by the Norwegian Ministry of Finance") The Club has a provision to cover unallocated loss adjustment expenses (ULAE) based on the claim department's share of operating expenses. Similarly, The Club has transferred a share of actual operating expenses to paid claims.

### Accounts receivables

Receivables are accounted for at face value, with deductions for expected loss.





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Employee loans

Employee loans are accounted for at face value with deductions for expected loss. At year-end, no deductions were made.

Fixed assets and depreciation

Fixed assets are recorded in the accounts at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisitions of the items. Depreciation is calculated using the straight-line method. Upgrading of rented office premises is depreciated over the rent period. If the fair value of a fixed asset is lower than book value, and the decline is not temporary, the fixed asset will be written down to fair value. Depreciation is classified as other insurance-related expenses.

Marketing expenses

Marketing expenses do not include any sales commissions.

Foreign exchange

USD is The Group’s presentation currency, while also being the functional currency for Norwegian Hull Club, NIORD and Marine Benefits AS. NOK is the functional currency for Instech Solutions and PHP is the functional currency for Marine Benefits Inc. The major part of Norwegian Hull Club’s premium income and claim cost is in USD. The currency is also significant in respect of provisions in the marine-ocean line of business. Profit and loss transactions in foreign currencies are translated into USD using the average yearly rate of exchange. The accounts for Instech Solutions AS and Marine Benefits Inc are translated into USD using an average yearly rate of exchange for Profit and loss, and the yearend rate for balance items.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income as financial income or costs.

Receivables and liabilities (including technical insurance obligations) in foreign currencies are translated into USD at the year-end exchange rates. Foreign exchange gains and losses that relate to payables, receivables and cash and cash equivalents are presented in the Statement of Comprehensive Income under financial income or costs as currency gain/loss. All other foreign exchange gains and losses are posted in the statement of comprehensive income under items they relate to. Securities and financial instruments in other currencies are valued in USD at the year-end exchange rates. The Norwegian krone is used in the official Norwegian regulatory reporting. The Philippine peso is used for the official Philippine regulatory reporting. The table below shows the currency rates used for the regulatory and Group reporting.

	Balance day rate		Average rate	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
NOK/USD	11.353	10.172	10.743	10.565
PHP/USD	58.014	55.567	58.448	55.588

Cash and cash equivalents

Cash and bank deposits are included in cash and cash equivalents in the Statement of Cash Flow. The working capital credit facility amounts to USD 1.0 million and was not used at year-end. Restricted deposits amounted to USD 7.6 million at the end of the year. The Group has cash pooling arrangements. Liquidity is made available through cash pooling for the subsidiaries of Norwegian Hull Club to meet their obligations.

Exemptions to the Basic Assessment and Valuation Principles

Financial current assets

The group uses the opportunity that is given to insurance companies in “Regulations for annual accounts for insurance companies approved by the Norwegian Ministry of Finance” to present all financial assets at fair value through profit or loss in accordance with IFRS 9 and IFRS 13. Financial instruments are valued at fair market value. Such financial instruments are equities

(both listed and unlisted), bonds and other interest generating investments, real estate funds and money market funds. Foreign exchange contracts are valued at fair market value as well.

Regular purchases and sales of financial assets are recognised on the trade date. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction cost are expensed in the income statement. Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and The Group has transferred substantially all risks and rewards of ownership. Realised gains / losses on financial instruments are presented on a separate line in the statement of comprehensive income. Interest and dividends income are included in financial income for financial assets at fair value through profit and loss.

Shares in subsidiaries and associated companies

Shares in subsidiaries are valued using the cost method in the Norwegian Hull Club accounts. In the consolidated accounts shares in subsidiaries are eliminated.

An associated company is an entity over which the group has significant influence but not control or joint control. This is generally the case where The Club holds between 20% and 50% of the voting rights. Norwegian Hull Club has one investment in an associated company that is accounted for using the equity method. The investments were initially recognised at cost and adjusted thereafter to recognise The Club’s share of the post-acquisition profits or losses of the investee in profit or loss. The associated company is Olav Kyrresgt 11 AS, and The Club’s share is 33.3%.

Pension cost, funding and obligations

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. These are non-funded pension obligations for a limited number of pensioners. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Deferred tax and tax expense

Deferred tax is calculated based on temporary differences between book values and tax basis for assets and liabilities at year-end. For the purpose of calculating deferred tax, nominal tax rates are used. Taxable and deductible temporary differences are offset to the extent that they reverse within the same time frame. However, deferred tax liabilities on net pension assets are treated separately. Temporary differences that will constitute a future tax deduction give rise to a deferred tax asset. Change in deferred tax liability and deferred tax asset, together with taxes payable for the fiscal year adjusted for errors in previous year’s tax calculations, constitute tax expenses for the year.

Right-of-use assets and lease liabilities

Norwegian Hull Club implemented IFRS 16 at 1. January 2022 IFRS 16 requires all contracts that qualify under its definition as a lease to be reported on a lessee`s statement of financial position as right-of-use assets and lease liabilities.

The group recognises all identifiable lease agreements as a lease liability and a corresponding right-of-use asset, with the following exemptions:

- short-term leases (defined as 12 months or less)
- low value assets





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The Group recognise the above payments as other operating expenses in the statement of profit or loss when they incur.

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term. The lease term represents the noncancellable period of the lease. The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability, reducing the carrying amount to reflect the lease payments made and subsequent measurement of the carrying amount to reflect any reassessment of lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate. Lease liabilities include the net present value of the following lease payments: fixed payments, variable lease payment that are based on an index or a rate, amounts expected to be payable by the group under residual value guarantees and the exercise price of a purchase option if the group is reasonably certain to exercise that option. The option will be taken into account in the cash flow, when it is likely that the option will be used.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The discount rate is determined at the time of entering into the agreement and is only updated in the event of significant changes in cash flow or lease conditions. Upon initial application of the standard, the modified retrospective method was applied, where the rate at the time of implementation of the standard is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Finance cost is presented in operating activities in the cash flow.

The right-of-use asset is initially measured at cost, comprising the amount of the initial measurement of the lease liability, plus any down payment. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. Depreciations are according to IAS 16 Property, Plant and Equipment, except that the right-of-use asset is depreciated over the earlier of the lease term and the remaining useful life of the right-of-use asset. The right-of-use asset is included in the accounting line Equipment and fixtures.

Norwegian Hull Club has a sublease agreement with another legal entity within the group. It is assessed whether the sublease is operational or financial. The agreement is considered operational as the lease agreement do not substantially transfer all risks and rewards associated with the asset. For this contract, the right-of-use asset is retained on the balance sheet in Norwegian Hull Club and the lease income is recognized continuously over the lease period.

Financial instruments

IFRS 9 establishes principles for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. The Group implemented the standard with effect on 1st of January 2023. IFRS 9 has the following principles for classification and measurement:

- Amortized cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

The measurement category is decided upon initial recognition of the asset. Financial assets that are not derivatives or equity instruments, must be subjected to two tests to decide their classification and measurement pursuant to IFRS 9. The first test, which is done at instrument level, is a valuation of the instrument's contractual terms. This is often referred to as the SPPI

test (SPPI = solely payment of principal and interest). Only instruments with contractual cash flows that solely comprise the payment of normal interest and principal on given dates qualify for measurement at amortised cost. All other financial instruments must be measured at fair value. Normal interest includes compensation for the time value of money (risk-free interest), credit risk, other 'basic' lending risks (e.g. liquidity risk) and costs (e.g. administrative costs) and profit margin. Instruments that in principle qualify for measurement at amortised cost must then undergo a business model test.

This is done at portfolio level:

- Debt instruments shall be measured at amortised cost if the instruments are held in a business model, in which the purpose of holding the instrument is to receive contractual cash flows.
- Instruments with cash flows that only consist of the payment of interest and principal that are held both for the purpose of receiving contractual cash flows and for sale shall be measured at fair value through other comprehensive income (FVOCI) along with interest income and any write-downs recognised through profit or loss. This means that the instrument is recognised in the balance sheet at fair value, and that interest on and write-downs for credit losses are recognised through profit or loss, in the same way as if the instrument had been measured at amortised cost, while other changes in value are recognised through other comprehensive income.
- Other debt instruments shall be measured at fair value through profit or loss. They will typically be instruments held in trading portfolios, portfolios that are managed, measured and reported to the management at fair value, and portfolios whose scope of sale is too large for them to fall under the other two business models.
- Instruments that, following these tests, are to be measured at amortised cost or fair value through OCI can nonetheless be designated as measured at fair value through

profit or loss if this eliminates or significantly reduces an accounting mismatch.

Derivatives

All derivatives shall in principle be measured at fair value through profit or loss (FVPL).

**Financial instruments recognised at amortised cost.** The Group does not have financial instruments in this category.

**Fair value through other comprehensive income (FVOCI).** The Group does not have financial instruments in this category.

Financial instruments at fair value through profit or loss

Equity funds, private investments, real estate funds and bonds are recognised at fair value through profit or loss. The portfolio is managed, measured, and reported to the management on the basis of their fair value. Derivatives are recognised in the balance sheet at fair value when the derivative contract is entered into, and thereafter at the current fair value.

The Group divides the investment portfolio into two separate sub-portfolios.

- Matching Portfolio
- Company Portfolio

The matching portfolio is intended to correspond to the cash flow from the underwriting business. The objective for the portfolio, besides earning interest income, is to match with premium and claims provisions in terms of interest rate risk. The portfolio will be optimized to match with interest rate risk on the liability side. The portfolio will be invested in U.S. Treasury securities, cash and cash equivalents.

The company portfolio consists of various assets, which are based on fair value and on the Club`s risk appetite. All risk assets (equities, credit and real estate) are managed in the company portfolio. The company portfolio is actively managed to achieve risk adjusted outperformance relative to the benchmark.





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The financial assets in this portfolio do not satisfy the condition to collect cash flows and will therefore be classified as fair value through profit or loss.

Note 15 Financial Assets classifies each financial assets within the different categories. Different valuation techniques and methods are used to estimate fair value depending on the type of instruments and to what extent they are traded in active markets. Please see note 15 for more information regarding valuation.

New standards not yet adopted

IFRS 17 Insurance contracts were published on May 18, 2017 with effect from January 1, 2021. IASB has decided to postpone the effective date of IFRS 17, to the reporting period that begins on 1 January 2024. The Group has decided not to implement IFRS 17 in line with the option in Regulations on annual accounts for non-life insurance companies §3-1.

Note 2 – Risk

Norwegian Hull Club Group

Underwriting risk

The risk that The Group’s premium income will be insufficient to cover the estimated size and frequency of claims. The risk is managed through the use of actuarial models for pricing, risk assessment and adoption of a sound underwriting strategy.

Reserve risk

Reserve risk is the risk that The Group’s technical provisions are insufficient to cover the underlying liabilities. Actuarial models are used to calculate sufficient provisions.

Reinsurance risk

The risk associated with the choice of reinsurance structure and its adequacy as well as the reinsurers’ ability to carry the losses. Experienced employees establish a reinsurance structure ahead of the insurance year, which is regarded as optimal for The Group on the basis of sensitivity analyses of various claims scenarios, the desired exposure of The Group’s

solvency capital in the event of a major claim and opportunities for transferring risk on the basis of the historical claim picture. The capital adequacy of reinsurers and their ability to meet their obligations are also carefully assessed.

Operational risk

The risk that The Group’s operational guidelines are inappropriate or its employees deviate from the guidelines. A set of guidelines has been established to manage the operational risk. The Group defines critical risks and establishes procedures to eliminate or reduce the risk. Estimated loss from operational failure has been calculated. The Club’s capital is sufficient to cover such a provision. The operational procedures are subject to continuous monitoring and are reviewed annually by the internal auditor in connection with the assessment of The Group’s internal control.

Financial risk

The investment portfolio is exposed to three main categories of risks, namely credit risk, market risk and liquidity risk. The Group seeks to develop an investment strategy that minimizes the potential consequences of the above listed risks for any defined risk level. Routines have been established to make sure that The Club is in compliance with all relevant regulations in terms of capital management, capital adequacy and so forth at any given time. The Norwegian Hull Club Group reviews the investment risk continuously. Furthermore, it has developed stress tests in order to calculate the sensitivity and potential write-down of the investment portfolio and will make sure that the results of these tests are within the risk tolerance limits and parameters adopted by the Board.

Credit risk

Credit risk is the risk that The Group’s clients or counterparties to financial instruments will cause The Group financial loss by failing to honour their obligations. Theoretically, The Group’s maximum credit exposure in terms of financial assets is the aggregated book value of debt investments. In order to reduce the credit

risk, banks shall have a minimum rating of “A” (Standard & Poor’s), and the bond portfolios shall be sufficiently diversified and have an adequate rating level from a holistic point of view. The investment grade bond portfolio has on average an “A” rating (Standard & Poor’s). The main bank had an “AA-” rating as of 31 December 2024.

The ocean-marine line of business is characterized as a mature market. A large share of the premium income is handled through brokers, and the business is characterized by a delay in terms of payment. The Group has premium income from clients with a reliable history in terms of payment and the bad debts figures are very low. However, USD 1.16 million is set as provision for bad debt at 31 December 2024 (2023: USD 1.3 million). The medical

Overview of insurance-related receivables

	NHC				Group			
	2024		2023		2024		2023	
Not due	151 815 237	84%	132 301 041	82,9%	153 819 526	83%	132 301 041	82,9%
Due Current year	30 046 005	17%	23 388 693	14,7%	32 372 576	18%	23 388 693	14,7%
Due 1 year prior	951 821	-1%	2 625 805	1,6%	951 821	-1%	2 625 805	1,6%
Due 2 years prior	727 313	0%	1 293 633	0,8%	727 313	0%	1 293 633	0,8%
In Total	180 182 109	100%	184 512 969	100%	159 609 172	100%	159 609 172	100%

insurance for seafarer business has limited credit risk and is considered as not significant. The reinsurance structure is established ahead of the insurance year. The Group is liable towards the insured if a reinsurer does not honour its obligations. The creditworthiness of the reinsurers is therefore a part of the decision basis in the process of placing reinsurance. In order to reduce the credit risk, reinsurers participating on the core reinsurance programme shall have a minimum rating of “A” (Standard & Poor’s/ AM Best).

Market risk

The investment portfolio is divided into two separate sub-portfolios. The Company portfolio is a vehicle to invest NHC’s own funds. All risk assets (equities, credit and real estate) are managed in this portfolio. The Matching portfolio is a vehicle to invest insurance “float”, (i.e., funds held by NHC that has not yet been earned or paid to clients as claims). The objective for the portfolio, besides earning interest income, is to manage interest rate risk and match insurance liabilities in terms of interest rate duration. The portfolio is invested in U.S. Treasury securities, cash and cash equivalents

At the end of 2024, the listed equity portfolio was USD 50 million, approximately 9.5% of the company portfolio. The portfolio is well diversified across countries and regions globally. The private markets portfolio was USD 33 million, approximately 7.1 % of the company portfolio. The portfolio comprises private equity, private debt and infrastructure investments, and is well diversified across countries and regions globally. The commercial real estate portfolio was USD 38 million, approximately 8.1 % of the company portfolio. The portfolio consists of Norwegian, unlevered commercial real estate investments, and is well diversified across different segments of the market.

Interest rate risk

Exposure to interest rate risk on the asset side serves two objectives. 1) match the interest rate duration of the insurance liabilities 2) provide diversification against risk assets As of 31.12 the matching portfolio was USD 318 million which of 228 million in U.S. Treasury securities and 90 million in overnight bank deposits. The average interest rate duration in the U.S. Treasury portfolio was 1.1 year at year end.





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As of 31.12 the company portfolio was USD 474 million. In the Company portfolio interest rates risk arise through bond holdings and is a result of portfolio construction and benchmarks within different asset classes. The investment-grade bond portfolio shall have an average interest rate duration between +/- 1 year relative to benchmark. The applied benchmark includes securities with a remaining term to final maturity between 1-3 years. At the end of 2024, the actual duration of the investment-grade bond portfolio was 1.8 years, equal benchmark. The investment-grade bond portfolio was USD 319 million. The Clubs's high-yield bond portfolio was USD 22 million, with an interest rate duration of 3.3 years. Meanwhile, the emerging market hard-currency sovereign bond portfolio, USD 17 million, has a duration of 6.5 years.

Currency risk

Being a marine insurance company operating in the global shipping business USD is the natural base currency. However, parts of The Club's business are exposed to other currencies including, but not limited to, EUR, JPY, GBP and NOK. A portion of The Club's insurance liabilities and premium income are in currencies other than the base currency, while most of the operating costs are in NOK. The Club seeks to match assets and liabilities in terms of currency. The investment portfolio is to a large extent USD based, but is also exposed to other currencies reflecting both specific investment considerations and the currency composition of the liability side. The remaining structural currency mismatch between assets and liabilities is hedged using foreign exchange contracts. As the actual underlying currency risks in global equity investments and insurance liabilities are highly complex matters, the hedging approach calls for simplification in monitoring and management. The currency balance is monitored and matched on a monthly basis, with interim adjustments if there are significant currency events arising from the business. The currency risk in the operating margin, arising from operating costs in NOK, is perpetual in nature and difficult to hedge from a market and cost perspective.

Liquidity risk

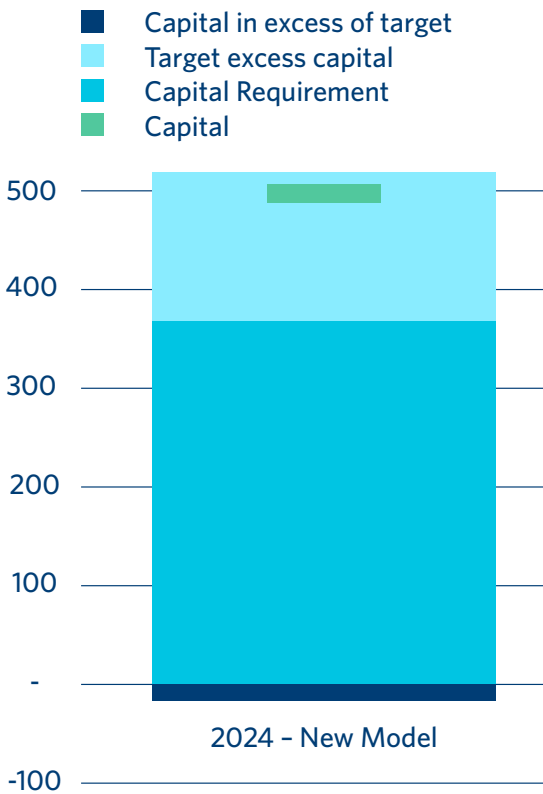
Liquidity risk is the risk that The Group will not be able to meet obligations when due. The liquidity risk in the investment portfolio is low. The Group shall, over time, have a operational liquidity (as a deposit in bank accounts) in different operating currencies equal to at least USD 15 million. To mitigate liquidity risk NHC shall have minimum 70 % of the aggregated market value of the investment portfolio invested in liquid securities or funds. Liquid investments are defined as investments that can be realized within five business days under normal market conditions.

Risk measures and stress testing

In addition to monitoring its capital position versus Solvency II regulations (see notes 3 and 4), The Group monitors its risk taking on a quarterly basis based on risk model developed by Standard and Poor's. The model covers market risk (i.e. investment risk and risk arising from asset/liability mismatch in terms of currency and/or interest rates), counterparty credit risk, underwriting risk and operational risk. The Group has established internal targets in terms of capital in excess of the model requirements. As of 31.12.2024, The Group's capital exceeds the S&P AAA-rating requirement by USD 121 million. The Club's minimum capital requirement is determined as described above and the excess amounts are shown in the figure to the right.

Formal capital and capital requirements under Solvency II regulations are set out in notes 3 and 4.

Capital and Capital Requirement



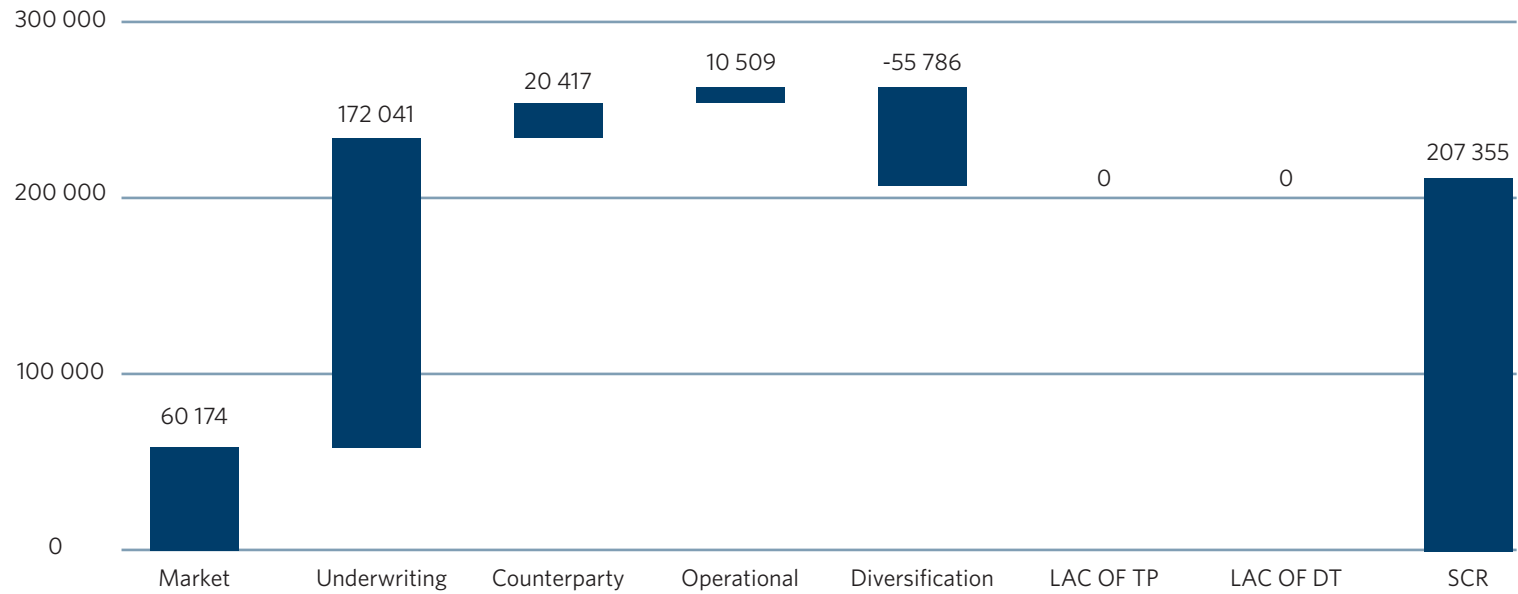
Note 3 – Solvency II Capital Requirements & Position

Norwegian Hull Club

Norwegian Hull Club is a mutual insurance undertaking writing global marine and medical expense insurance. The gross premium earned in 2024 was USD 323 million, up 2 % from 2023. The operating result was USD 85 million. The below table summarises the solvency conditions in terms of Solvency Capital Requirement (SCR), Minimum Capital Requirement (MCR) and Own Funds in USD 1000.

	2024		2023	
	SCR	MCR	SCR	MCR
Eligible Own funds	601	497	536	436
Capital Requirement	207	66	201	62
Difference	394	432	335	374
Ratio	290%	758%	267%	703%

The chart below shows how Solvency Capital Requirement (SCR) is built up:







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Note 4 - Solvency II Balance Sheet

Norwegian Hull Club

Due to different valuation principles, there will be deviations between the Solvency II balance and Statutory accounts. A summary of the differences is shown below:

	Solvency II	Statutory Accounts	Comment
Unearned Gross Premium	188 793	188 793	
Expected Profit in unearned premium	- 27 796		Negative = profit
Expected Profit in written 2024 business	-2 864		Negative = profit
Expected Profit in long term policies	-4 092		Negative = profit
Non due premium receivables	-147 076		Reclassification
Discounting	-10 064		
Gross Premium Provision	-3 101		

	Solvency II	Statutory Accounts	Comment
Unearned Gross Premium	35 851	35 851	
Expected Profit in unearned premium	-3 262		Negative = ceded profit
Expected Profit in written 2024 business	-463		Negative = ceded profit
Expected Profit in long term policies	-682		Negative = ceded profit
Discounting	-2 079		
Payables reinsurance	-28 201		Reclassification
Reinsured proportion of gross premium provisions	1 165		

Note 5 – Guarantees Not Presented in Balance Sheet

Norwegian Hull Club

As claims leader, Norwegian Hull Club may issue guarantees to third parties on behalf of clients to cover liabilities incurred in connection with collisions, salvage scenarios or other types of third-party claims. Such guarantees will be issued on 100 % basis, thereby including the liabilities of co-insurers that will counter-guarantee Norwegian Hull Club’s liability for their respective shares.

Value of guarantee	Maximum value	Estimated net liabilities
Guarantees provided by the undertaking, including letters of credit	114 775 668	36 351 944

Note 6 – Geographical Distribution of Gross Premium Earned

Norwegian Hull Club Group

	NHC		Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Norway	56 175 262	69 033 673	60 675 837	72 790 641
Countries covered by the EEA agreement	138 359 291	124 908 473	141 882 714	126 627 763
Other countries	128 521 409	122 240 481	130 077 668	123 131 965
Total	323 055 962	316 182 627	332 636 219	322 550 369

Note 7 – Earned Premium and Claims Per Line of Business

Norwegian Hull Club Group

	NHC			Group		
	Marine	Medical	Total	Marine	Medical	Total
Gross earned premium	295 079 304	27 976 658	323 055 962	296 856 111	35 780 108	332 636 219
Reinsurance premiums	57 546 058	0	57 546 058	57 546 058	-	57 546 058
Earned premium for own account	237 533 246	27 976 658	265 509 904	239 310 053	35 780 108	275 090 161
Gross claims	192 953 468	25 293 073	218 246 541	192 953 468	25 293 073	218 246 541
Run off gain (+) / loss (-) gross	15 762 621	1 571 162	17 333 783	15 762 621	1 571 162	17 333 783
Gross accrued claims	177 190 847	23 721 911	200 912 758	177 190 847	23 721 911	200 912 758
Reinsurers share of gross claims	16 313 652	-18 809	16 294 843	16 313 652	18 809	16 294 843
Claims for own accoun	160 877 195	24 740 720	184 617 915	160 877 195	23 740 720	184 617 915

Note 8 Reinsurers’ Result

Norwegian Hull Club Group

	31.12.2024	31.12.2023
Reinsurers’ share of gross premiums	57 546 058	62 222 169
Reinsurers’ share of gross claims	16 294 843	44 557 797
Reinsurers’ result	41 251 215	17 664 372





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Note 9 Claims Expenses

Norwegian Hull Club Group

	31.12.2024	31.12.2023
Gross accrued claims	200 912 758	259 045 975
Reinsurers share of gross claims	16 294 843	44 557 797
Claims for own account	184 617 915	214 488 178

Run off gain (+) / loss (-) gross	17 333 783	-35 565 147
Run off gain (+) / loss(-) for own account	11 144 485	-14 797 201

Accrued Claims equals paid claim and changes in reserves.

Note 10 – Number of Employees / Benefits / Employee loans / Audit / Pensions

Norwegian Hull Club Group

Number of Employees	NHC	Group
31.12.2024	147	300
31.12.2023	142	260

Remuneration to executives, Board of Directors, Committee members and auditor per 31.12.2024

	Salary	Other benefits	Loan	Bonus	Pension cost
Hans Christian Seim, CEO	465 404	13 962	158 292	199 526	72 195
Per Gustav Blom, CFO	207 451	13 962	-	81 697	41 330
Rune Henriksen, CCO*	204 778	-	382 705	49 730	20 795
Atle Fjellstad, CUO	280 732	13 962	-	121 094	43 639
Hilde Førland, CHRO	177 149	13 962	-	64 675	30 795
Maiju Stockel Kvamme, COO	153 583	13 962	-	47 968	24 658
Hildegunn Nilssen, CCSO	145 206	13 962	-	24 106	21 168
Åge Solberg, CCO**	192 887	13 962	-	83 386	35 079

\* CCO from 01.10.24

\*\* CCO until 30.09.24

The pension and profit sharing figures in the table above represent the actual payments in 2024

Board of directors with sub Committees	Company	
Rebekka Glasser Herlofsen(Chair)**	NHC	54 453
Magne Øvreås**	NHC	32 578
Øystein Beisland	NHC	20 943
Siri Pettersen Stranden*/****	NHC	27 226
Marianne Møgster*/***	NHC	46 075
Gøran Andreassen	NHC	20 943
Katrine Trovik*/***	NHC	50 264

Anders Furnes (employee repr.)/***	NHC	46 075
Marlena Truszczynska	NHC	20 943
Vegar Styve	Instech Solutions AS	17 453
Torvald Kvamme	Instech Solutions AS	17 453
Anne-Christine Rossow Fiksdal	Marine Benefits AS	15 358
Torunn Stangeland	Marine Benefits AS	7 679

\* member of Audit Committee

\*\* member of Remuneration Committee

\*\*\* member of Risk Committee

\*\*\*\* member of Board till 21.05.2024

Committee Norwegian Hull Club	
Morten Ulstein (Chair)	Per meeting 4 654
Other members	Per meeting 2 792
Total Remuneration to Committee	104 251

Election Committee Norwegian Hull Club	
Mortein Ulstein (Chair)	11 170
Synnøve Seglem	5 585
Eli Vassenden	8 377
Nils P.Dyvik *	5 585
Njål Sævik	8 377
Sebjørn Dahl**	2 792
Total remuneration to Election Committee	41 887

\* Member of Committee until end of May

\*\*Member of Committee from June

There are no loans to members of the Board of Directors, Election Committee or Committee

All employees	NHC		Group	
	2024	2023	2024	2023
Salary	14 827 304	14 305 232	20 934 904	16 754 186
Payroll tax	4 599 602	3 615 876	5 872 758	4 302 569
Bonus	5 497 188	5 074 111	7 133 869	5 671 179
Other benefits	368 847	384 098	438 845	430 853
Pension cost	2 096 608	1 978 012	2 826 738	2 413 044
Other personnel cost	2 137 948	3 006 759	2 825 414	3 485 016
Personel cost- capitalised			- 2 782 808	-1 446 747
Total	29 527 497	28 364 087	37 249 720	33 056 847

The Group has extended ordinary loans to employees totalling USD 6,76 million. Interest rates equal the lowest rate allowable if the loans are not to be taxed as employee benefit. All real-estate loans are secured by real-estate collateral. The real-estate loans have repayment period of 20 years. The Group does not expect any loss from employee loans. Therefore, no provisions have been made. The loans are secured within 80% of the market value of the real estate.





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Variable remuneration

The Group has established the principles for remuneration of senior executives, employees with duties essential to the firm's risk exposure, as well as employees with supervisory responsibilities. The scheme aims to promote good management and control of The Group's risk and shall not encourage excessive risk taking. A remuneration committee is appointed, and it will annually assess the need for adjustment in the compensation scheme based on the changes of The Group's risk exposure.

In addition to salary, all employees could be assigned a variable remuneration. The total share of profit available for variable remuneration is decided by each company's Board of Directors. The individual's share of profit available for distribution is determined, among other things, on the basis of salary and individual performance criteria. Any extraordinary effort, large client / personnel responsibility, contributions to skills upgrading in The Group and any breach of internal guidelines or other relevant legislation are given weight. In addition, certain financial criteria could also be emphasised, including the achievement of objectives within the employee's department.

Audit

	2024	NHC 2023	2024	Group 2023
Audit Fee	95 329	76 846	140 186	119 687
Tax advice Fee	-	-	7 684	7 386
Attestation provided by auditor	6 225	7 202	14 358	10 956
In total	101 554	84 047	162 228	138 029

Pension cost, funding and obligations

The Group dissolved the defined benefit plan 31.12.2015, and the unfunded pension obligations were invested in Storebrand on behalf of the employees. The Group has established a defined contribution hybrid pension scheme for all employees from 01.01.2016. In addition, The Group has an individual top pension scheme for salaries above 12G. The cost for The Group in respect of the hybrid scheme for 2023 was USD 1.4 million. The total investment in Storebrand amounted to USD 5.0 million as per 31.12.2024, which is recognised in the balance sheet as an asset (other receivables) and a liability. The cost for AFP (early retirement pensions) for 2024 was USD 0.3 million for the group. For NHC the cost was USD 0.22 million.

Additionally, The Group has pension obligations for some pensioners. These are non-funded obligations. All pension schemes are valued in accordance with the IFRS (IAS 19). Changes in the pension obligations as a result of changes in the actuarial assumptions and variations between actual and anticipated return on pension funds, are recognised in the balance sheet immediately, through Other Comprehensive Income (OCI).

Notes for IAS19R disclosures per 31.12.2024

(NON-FUNDED OBLIGATIONS)		
1	NET PENSION COST	20242023
	Current service cost	37 28923 479
+	Recognised past service cost	-
=	Service cost	37 28923 479
+	Net interest expense / (income)	88 67869 544
+	Administrative expenses related to management of plan assets	-
+	Payroll tax (PT)	17 76213 116
+	Financial tax	6 2984 651
=	Cost in financial statement	150 028110 790

2	CHANGE IN DEFINED BENEFIT OBLIGATION (DBO)	20242023
	DBO at the beginning of year	2 446 2641 818 251
	Currency effect DBO	- -586 644
+	Service cost	35 28524 385
+	Interest cost on DBO	83 91472 225
+	Past service cost	-
+	Remeasurements	116 301353 504
+	Acquisition / (disposals)	-
-	Benefits paid	327 085295 702
=	DBO at end of year	2 354 6792 559 307
	TBO at end of year	2 354 6792 711 645

3	OBLIGATION IN FINANCIAL STATEMENT	20242023
	Net defined benefit obligation (asset)	2 354 6792 559 307
+	Payroll tax	332 010360 862
+	Financial tax	117 734127 965
+	Unrecognised past service cost	-
+	Remeasurements at end of year	-
=	Obligation in financial statement	2 804 4233 048 135

4	RECONCILIATION	20242023
	Balance sheet provision (prepayment) at beginning of year	3 048 1342 955 788
-	Currency effect balance sheet provision	134 63497 437
+	Cost in financial statement	141 966118 741
-	Contributions/benefits paid during year (including PT)	373 205348 181
-	Financial tax on contribution	16 35415 258
+	Remeasurements recognised in OCI	-434 482
-	Impact of (acquisition)/disposals	-
+	Other movements in the balance sheet	-
=	Balance sheet provision (prepayment) at end of year	2 804 4223 048 134





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5	ASSUMPTIONS	01.01.2024	01.01.2023
	Number of employees	1	1
	Number of pensioners	7	6
	Total salary	-	1 143 098
	Average salary	-	1 143 098
	Average age	0	0
	Average remaining service period	0	0
	Contractual Pension Scheme (AFP) probability	0%	0%
	Resignation rate (over/under 40 years)	0-8%	0-8%
	Tariff	K2013/KU	K2013/KU
	Estimated return on plan assets	3,2%	1,5%
	Discount rate	3,2%	1,5%
	Salary increase	3,75%	2,5%
	Increase of pension from the Norwegian National Insurance	3,5%	2,25%
	Pension increase	Varierende	Varierende
	Payroll tax	14,1	14,1%
	Financial tax	5%	5%

6	REMEASUREMENTS	2024	2023
	Remeasurements at beginning of year	-	-
+	Actuarial loss / (gain) on DBO from demographic assumptions	-	
+	Actuarial loss / (gain) on DBO from financial assumptions	-1 914	-97 952
+	Actuarial loss / (gain) on DBO from experience adjustments	140 429	518 975
-	Gain / (loss) on plan assets during year from financial assumptions		
-	Gain / (loss) on plan assets during year from experience adjustments		
+	Administrative expenses related to plan assets		
-	Remeasurements recognised in OCI	138 515	421 023
=	Remeasurements at end of year		

Note 11 – Fixed Assets

Norwegian Hull Club Group

Depreciation is calculated using straight-line method. Equipment and fixtures are depreciated over a period of 3-7 years. Upgrading of rented office premises, which are part of the equipment and fixtures group are depreciated over the rent period (10 years). The Club has an option to extend the rent period beyond the fixed term. Properties are not depreciated. Depreciation is classified as other insurance related expenses.

NHC				
31.12.2024	Equipment and fixtures	Properties	Right of Use Property	Total
Acquisition cost 1.1.2024	11 883 666	2 089 030	12 488 766	26 461 462
Additions	885 553		699 525	885 553
Disposals	-			
Acquisition cost 31.12.2024	12 769 219	2 089 030	13 188 291	28 046 540
Accumulated depreciation 1.1.24	8 900 872		4 831 383	8 900 872
Ordinary depreciation	770 310		1 291 334	770 310
Disposals depreciation	-			
Accumulated depreciation 31.12.2024	9 671 182		6 122 717	15 793 899
Book value 31.12.2024	3 098 037	2 089 030	7 065 574	12 252 641

31.12.2023				
Acquisition cost 1.1.2023	11 671 814	2 089 030	13 122 600	13 760 844
Additions	211 851			211 851
Disposals	-		633 834	
Acquisition cost 31.12.2023	11 883 666	2 089 030	12 488 766	26 461 462
Accumulated depriciation 1.1.2023	7 942 173		3 650 908	7 942 173
Ordinary depreciation	958 699		1 180 476	958 699
Disposals depreciation	-			
Accumulated depreciations 31.12.2023	8 900 872		4 831 383	13 732 255
Book value 31.12.2023	2 982 793	2 089 030	7 657 383	12 729 206

Group					
31.12.2024	Equipment and fixtures	Properties	Right of Use Property	Intangible assets	Total
Acquisition cost 1.1.2024	12 502 456	2 089 030	14 042 564	15 576 739	44 210 789
Currency effect acquistition costs	-31 347			-1 367 400	-1 398 747
Additions	2 129 237		3 821 823	6 115 562	12 066 622
Disposals	19 512		676 780	-	696 292
Acquisition cost 31.12.2024	14 580 834	2 089 030	17 187 607	20 324 901	54 182 372
Accumulated depreciation 1.1.24	9 276 802		5 269 263	8 508 882	23 054 947
Currency effect depreciations	-42 866			-634 930	-677 796
Ordinary depreciation	1 000 747		1 710 176	3 154 438	5 865 361
Disposals depreciation	-22 108			-	-22 108
Accumulated depreciation 31.12.2024	10 212 575		6 979 439	11 028 390	28 220 404
Book value 31.12.2024	4 368 259	2 089 030	10 208 169	9 296 511	25 961 968

31.12.2023					
Acquisition cost 1.1.2023	12 208 805	2 089 030	14 305 823	12 028 211	40 631 869
Additions	296 651		370 575	3 548 528	4 212 753
Disposals	-		633 834	-	-
Acquisition cost 31.12.2023	12 502 456	2 089 030	14 042 564	15 576 739	44 210 789
Accumulated depriciation 1.1.2023	8 233 461		4 009 547	5 239 206	17 481 214
Ordinary depreciation	1 043 342		1 358 770	3 269 675	5 671 787
Disposals depreciation	-		-	-	-
Accumulated depreciations 31.12.2023	9 276 803		5 368 317	8 508 882	23 154 002
Book value 31.12.2023	3 225 653	2 089 030	8 674 248	7 067 857	21 056 787





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Note 12 - Leasing

Norwegian Hull Club Group

The Group’s lease agreements apply to the head office in Bergen, as well as the offices in London and Oslo. The lease agreement associated with the head office has a duration of 6 years and expires on 31.12.2030. The lease agreement in London has a duration of 1 years and expire on 31.12.2025, while the lease agreement in Oslo has a duration of 1,25 years, and expire on 31.03.2026.

	Right of use Property		Lease Liability	
	NHC	Group	NHC	Group
Right of use Property as at 01.01.2024	12 488 766	14 042 564	Lease liability recognised at 01.01.2024	12 797 573
Additions	699 525	3 821 823	Change in lease liability	841 901
Disposals	-	676 780	-	-
As at 31.12.2024	13 188 291	17 187 607	As at 31.12.2024	13 639 474
Accumulated depreciation 1.1.2024	4 831 383	5 269 263	Accumulated discounted 01.01.2024	4 553 991
Ordinary depreciation	1 291 334	1 710 176	Annual discounted value	1 284 881
Disposals depreciation	-	-	-	-
Accumulated depreciation 31.12.2024	6 122 717	6 979 439	Accumulated discounted value 31.12.2024	5 838 802
Value 31.12.2024	7 065 574	10 208 168	Lease liability 31.12.2024	7 800 672

Interest rate used were Nibor per 2nd of January 2023 + 2% being 5.28%, Libor per 2nd of January + 2% being 5.28 % and Nibor pr 2nd of April 2024 + 2% being 6,62%. As of 31.12.2024, no decision has been made regarding the use of option related to the lease contract.

Lease Liabilities	NHC		Group	
	2024	2023	2024	2023
Current	1 773 856	1 100 357	2 134 757	1 241 691
Non-current(Remaining)	6 026 817	5 199 265	9 037 040	8 066 803
Total	7 800 673	6 299 621	11 171 797	9 308 494

Amounts recognised in the statement of profit and loss.  
The statement of profit or loss shows the following amounts relating to leases:

	NHC		Group	
	2024	2023	2024	2023
Interest expence	423 338	973 211	645 819	991 891
Principal payment	1 282 412	1 410 823	1 602 246	1 502 698





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Note 13

Norwegian Hull Club Group

	NHC		Group	
	2024	2023	2024	2023
Tax expense for the year				
Taxes payable	24 573 151	23 203 243	24 829 823	23 684 494
Correction previous years provision	61 835	17 561	86 276	17 475
Change in deferred tax	2 006 599	-10 011 177	2 588 806	-10 251 156
Total tax expense for the year	26 641 585	13 219 626	2 7 504 905	13 450 812
Specification of tax expense for the year				
Earnings before tax	84 740 086	46 634 736	88 030 104	48 433 468
Conversion effect	45 295 383	13 015 213	45 343 300	13 099 569
Earnings before tax	130 035 469	59 649 948	133 445 074	61 539 231
Permanent differences(due to none tax-deductible expenses)	3 014 784	2 628 402	3 298 425	2 784 308
Permanent differences(tax-except investment)	-15 337 475	-4 496 944	-15 335 236	-2 822 575
Change in temporary differences	-19 420 175	35 031 564	-20 551 190	33 986 597
Used loss carried forward			-1 639 998	-
Basis taxes payable in statement of comprehensive income	98 292 603	92 812 971	99 145 416	95 481 367
Group Contribution with tax effect	-	-	-	-
Group Contribution without tax effect	-	-	-	-
Taxable income	98 292 603	92 812 971	99 145 416	93 806 998
Taxes payable 25%/22%	24 573 151	23 203 243	24 829 823	23 684 494
Taxes payable - balance sheet				
Tax payable in tax expense	24 573 151	23 203 243	24 829 823	23 684 494
Corrections previous years			24 441	-
Prepaid tax	-119 994		-138 631	-
Effect of Group Contribution	-576 802		-	-
Tax payable - balance sheet	23 876 355	23 203 243	24 715 631	23 652 659

	NHC		Group	
	2024	2023	2024	2023
Specification of the basis for deferred tax				
Fixed Assets	1 621 593	1 388 964	2 900 691	2 122 091
Intangible Assets	-	-	123 754	16 522
Receivables	-1 159 000	-1 273 000	-1 159 000	-1 273 000
Pension liabilities	-2 804 423	-3 102 045	-2 927 323	-3 336 673
Profit sharing provision	-	-	-	- 214 273
Bonds and financial derivatives	46 053 144	3 677 889	46 053 144	3 677 889
Risk provision	73 053 144	108 762 274	73 086 478	108 762 274
Stocks and shares	1 506 311	872 299	1 506 311	872 299
Depreciations office rentals	-	-193 661	-	-193 661
Leasing	-735 099	-586 200	- 963 629	- 1 054 128
P/L Accounts	-9 907	-13 821	-140 261	-50 699
Net temporary differences	117 559 097	109 532 701	118 840 164	109 328 642
Loss carried forward	-	-	-	-1 832 887
Other differences excluded from calculation of deferred tax	-	-	139 459	-
Basis for deferred tax asset in the balance	117 559 097	109 532 701	118 619 623	107 962 705
Deferred tax 25%/22%	29 389 774	27 383 175	29 614 754	27 025 948
Specification of tax expense for the year				
22%/25% tax on net income*	32 508 867	14 912 487	33 278 088	15 363 213
Correction previous years provision	61 835	-67 709	86 276	-67 709
Currency effect deferred tax	-4 983 254	-1 158 017	-4 980 745	-1 137 098
Effect of correction in deferred tax	2 134 810	-	2 070 940	-278 060
Effect of Group Contribution	-	-	-	-
Effect of used loss carried forward	-	-	-	-
Tax effect from permanent differences	-2 080 673	-467 135	- 3 037 629	-429 534
Estimated tax expense	26 641 585	13 219 626	27 504 905	13 450 812





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Note 14 – Associated Companies

Norwegian Hull Club

In Norwegian Hull Club the cost method is used for the following companies

Company	Instech	Marine		Marine
	Solutions AS	Benefits AS	Niord AS	Benefits Inc*
Business office	Bergen	Bergen	Bergen	Manilla
Ownership share / Voting share	100%	100%	100%	100%
Result in subsidiaries and associated companies	196 989	2 935 578	81 235	165 015
Book value in Norwegian Hull Club	7 142 338	2 060 659	597 221	0
Equity in subsidiaries	6 611 089	5 818 817	499 251	509 837
* Marine Benefits Inc is fully owned by Marine Benefits AS				

Subsidiaries’ financial information has been included based on some audited and some unaudited financial statements as of 31 December 2024. The figures presented in the table above are all results before tax.  
IT services purchased from Instech AS amounts to USD 5.6 million for 2024. Third party assistance regarding claim handling is bought from Marine Benefits AS. This amounts to USD 4.2 million for 2024. In addition, Norwegian Hull Club purchased documentation services from Marine Benefits AS for USD 0.2 million.

Norwegian Hull Club provides NIORD AS and Marine Benefits AS, both insurance agents, with loss funds for prepayments of claims. At 31.12.24 this amounted to USD 3.45 million for Marine Benefits AS and USD 0.7 million for NIORD AS.

Associated company is accounted for using the equity method

Associated company	2024	2023
Opening Balance 1st January	6 185 705	7 110 598
Share of this year`s profits	167 907	-620 196
Exchange differences on translation reported as other comprehensive income	-607 944	-304 697
Closing Balance as of 31st December	5 745 668	6 185 705

The associated company is Olav Kyrresgate 11 AS, and The Group’s share is 33.3%  
Net receivables / liabilities to group and associated companies:  
Balance due from Olav Kyrresgate 11 As is USD 1.1 million as of 31.12.2024 (USD 1.2 million as of 31.12.2023)

Note 15 – Financial Assets

Norwegian Hull Club

The table below sets out an overview of the carrying and fair values of The Group’s financial instruments and the accounting treatment of these instruments as defined in IFRS 9:  
For more detailed information on carrying and fair values for financial instruments, please see notes 16 and 17.

	Recognised at fair value		Financial instr. subject to hedge accounting	Recognised at amortised cost	Total	
31.Des	2024	2023	2024/2023	2024/2023	2024	2023
<b>Assets</b>						
Equities	116 573 570	96 868 214	-	-	44 915 047	37 371 344
Bonds	587 250 487	526 421 814	-	-	658 909 010	585 918 684
Financial derivatives	1 009 586	1 720	-	-	1 009 586	1 720
<b>Total</b>	<b>704 833 643</b>	<b>623 291 748</b>	<b>-</b>	<b>-</b>	<b>704 833 643</b>	<b>623 291 748</b>
<b>Liabilities</b>						
Financial derivatives	247 816	1 781 679	-	-	247 816	1 781 679
<b>Total</b>	<b>247 816</b>	<b>1 781 679</b>	<b>0</b>	<b>0</b>	<b>247 816</b>	<b>1 781 679</b>

Norwegian Hull Club has no financial instruments classified at fair value through other comprehensive income.

Fair value hierarchy

Government bonds, corporate bonds and other financial instruments that are traded in active markets where the fair value is determined on the basis of quoted market prices at the balance sheet date, are classified on level 1 in the pricing hierarchy. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

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

Equity funds, government bond funds, corporate bond funds and high-yield bond funds. Values are determined on the basis of the quoted market prices of the assets the funds have invested in. Currency futures, interest rate futures, stock and equity options, credit default swaps and currency swaps. Values are determined on the basis of the price development on an underlying asset or instrument. The aforementioned categories of derivatives are being priced by using standard and well-recognised methods of pricing, such as option pricing models etc.





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If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3 Investments. The following have been classified on Level 3 in the pricing hierarchy:

Unlisted Private Equity investments. All of these are either investment in funds or in fund of funds. Values are determined on the basis of quarterly NAV (Net Asset Value) reports from the fund managers. These reports are prepared based on the IPEV (International Private Equity and venture capital Valuation) guidelines set forth by the Equity Venture Capital Association, or corresponding guidelines in the respective jurisdictions of the underlying funds. NAVs are calculated by the fund managers by making use of those methods of pricing in the IPEV and similar guidelines that are most suited to estimate actual value for each type of asset subject to all relevant factors. Due to late reporting, NAVs as per the last quarterly reports are used in the accounts. The NAV from the most recent quarterly report is adjusted for capital distributions and/or capital calls in the period until 31.12.23 and might be adjusted if incidents of material character have occurred during the period since last reporting date. An example in this respect could be a substantial change in the market value of a listed company a Private Equity fund has invested in.

Real Estate funds. As for Private Equity, values are determined on the basis of quarterly NAV reports from the fund managers. Minimum yearly, the values of all properties in the funds are assessed by a publicly authorised real estate agent or valuator. The assessed values of the properties adjusted for other assets and liabilities, and if relevant expected cash flow (for example differentials due to future requirements and /or regulation that will impact the future cash flow of the properties) make up the basis for the NAVs.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

	Level 1	Level 2	Level 3
	Quoted active marked prices	Valuation techniques based on observable marked data.	Valuation techniques based on not-observable marked data.
Financial assets at fair value through profit or loss	-	-	-
Equity funds	-	44 915 047	-
Private equity funds	-	-	33 438 179
Real estate funds	-	-	38 220 344
Bonds	548 115 666	39 134 821	-
Loans	-	-	-
Financial derivatives	-	1 009 586	-
In total	548 115 666	85 059 455	71 658 523
Financial debt:	-	-	-
Financial derivatives	-	-761 771	-
In total	-	-761 771	-

The market value of the Private Market Investment portfolio has changed from USD 27.6 million per 31.12.23 to USD 33.4 million per 31.12.24. Drawdowns and new investments in the period were USD 4.5 million, while dividends and repaid investments amounted to USD 0.5 million. The market value of the real estate funds has changed from USD 32 million per 31.12.23 to USD 38 million per 31.12.23. Drawdowns and new investments in the period were USD 9 million, while dividends and repaid investments amounted to USD 1.4 million.

Note 16 – Stocks and shares

Norwegian Hull Club

	Currency	ISIN	Acquisitioncost	Bookvalue	Marketvalue
Equity fund					
Nordea Stabile Aksjer Global Fund A Growth	NOK	FI4000565841	6 670 111	14 217 376	14 217 376
ORBIS SICAV-GLO EQ EUR INV SH	EUR	LU0334985271	3 257 681	6 741 895	6 741 895
CANTILLON FU	USD	IE00B3KF5S87	2 474 425	6 641 773	6 641 773
Egerton Capital Equity Fund Class I USD	USD	IE00B84H3N65	6 998 745	8 163 830	8 163 830
SANDS CAPITAL EM GRO A USD ACC	USD	IE00BDFMDW42	264 598	396 709	396 709
LONGVIEW PARTNERS INVESTMENTS - GLOBAL EQUITY FUND	USD	LU0507273943	3 014 440	5 966 992	5 966 992
iShares MSCI ACWI UCITS ETF	USD	IE00B6R52259	2 741 747	2 786 472	2 786 472
Equity fund in total			25 421 747	44 915 047	44 915 047

Private investments					
Arcmont Senior Loan Fund II	EUR		2 849 892	3 139 987	3 139 987
Arcmont Direct Lending Fund II	EUR		-70 471	284 844	284 844
Barings Global Private Loan	EUR		1 246 866	1 092 272	1 092 272
Cubera International Private Equity 20	EUR		1 009 572	1 219 556	1 219 556
Cubera International Private Equity 21	EUR		876 471	1 006 737	1 006 737
Cubera International Private Equity 22	EUR		486 805	471 715	471 715
Cubera International Private Equity 23	EUR		274 075	242 213	242 213
Cubera International Private Equity 24	EUR		278 100	310 063	310 063
THE PARTNERS FD SICAV I-N USD	EUR		3 000 000	3 319 262	3 319 262
Nordea SIF Global Private Equity Fund	EUR		1 882 642	3 070 664	3 070 664
Nordea Private Equity III	EUR		1 114 211	235 229	235 229
Partners Group Private Loans S.A., SICAV-SIF Sub-Fund I	USD		5 500 000	5 531 894	5 531 894
PG Direct Mezzanine	USD		921 270	882 891	882 891
PARTNERS GROUP DIRECT INFRASTRUCTURE 2011 S.C.A.	EUR		876 359	836 150	836 150
Partners Group Life 2018 S.C.A., SICAV-RAIF	EUR		4 478 485	5 211 653	5 211 653
PARTNERS GROUP SECONDARY 2008, L.P.	EUR		644 596	76 637	76 637
Storebrand International Private Equity 19 Limited	NOK		953 205	1 227 613	1 227 613
Viking Global Opportunity Fund	USD		4 000 000	5 278 800	5 278 800
Private investments in total			30 322 078	33 438 179	33 438 179

Real estate fund		Org.number			
API Eiendomsfond Norge AS	NOK	997 592 816	252 065	157 366	157 366
API Eiendomsfond Norge IS	NOK		24 752 507	15 578 875	15 578 875
Pareto Eiendomsfelleskap AS	NOK	992 043 415	141 440	110 421	110 421
Pareto Eiendomsfelleskap IS	NOK		12 862 769	10 931 667	10 931 667
Union Core REF AS	NOK	916 162 332	35 977	29 885	29 885
Union Core REF IS	NOK		3 530 718	2 807 820	2 807 820
Storebrand Eiendomsfond Norge KS	NOK		9 007 777	8 604 309	8 604 309
Real estate in total			50 583 254	38 220 344	38 220 344
Stocks and shares in total			106 327 078	116 573 570	116 573 570





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Remaining commitments (in local currency)

Arcmont Direct Lending Fund II SLP	EUR	1 655 167
Arcmont Senior Loan Fund II	EUR	1 046 580
Barings Global Private Loan Fund II	EUR	330 000
Partners Group Private Loans S.A.	USD	3 500 000
Cubera International Private Equity 20	EUR	80 000
Cubera International Private Equity 21	EUR	200 000
Cubera International Private Equity 22	EUR	550 000
Cubera International Private Equity 23	EUR	750 000
Cubera International Private Equity 24	EUR	750 000
Nordea Private Equity III	EUR	283 216
Nordea SIF Global Private Equity Fund	EUR	-
Partner Group Infrastructur	EUR	360 501
Partner Group Mezzanine	USD	177 331
Partners Group Life 2018	EUR	939 979
Partners Group Secondary 2008	EUR	1 157 463
Storebrand International Private Equity 19	NOK	1 500 000
The Partners Fund SICAV	USD	3 000 000
Viking Global Opportunity Fund	USD	-

Note 17 – Bonds

Norwegian Hull Club

	Currency	Nominal	Aquisition cost	Market value/Book value incl. acc. int.	Market value/Book value incl. acc. int.
Bonds discretionary mandates					
Government bonds	USD	322 044 908	311 197 873	317 528 135	317 528 135
Corporate bonds	USD	231 423 836	226 542 820	230 587 531	230 587 531
Bonds discretionary mandates in total		553 468 745	537 740 693	548 115 666	548 115 666
Investment grade bond funds					
Nordea SICAV 1 US Corporate Bond Fund	USD		716 626	866 008	866 008
Investment grade bond fund in total			716 626	866 008	866 008
High yield bond funds					
Barings Cap GlobalHY BondFund Tranche A	USD		7 709 830	8 658 524	8 658 524
BlackRock BGF USD High Yield Bond Fund	USD		7 000 000	7 430 999	7 430 999
JPMorgan Global High Yield Bond Fund	USD		5 000 000	5 490 243	5 490 243
High yield bond funds in total			19 709 830	21 579 766	21 579 766
Government Bond funds					
BlueBay EM Bond Fund	USD		7 456 559	8 669 488	8 669 488
BlackRock EM Bond Fund	USD		8 000 000	8 019 560	8 019 560
Governement bonds funds in total			15 456 559	16 689 047	16 689 047
Bonds in total					
			573 623 707	587 250 487	587 250 487

Below overview over currency swap contracts:

	Amount Sold ( In millions)			
	EUR	GBP	NOK	USD
16.01.2025	-	-	46,1	4,1
03.02.2025	1,4	0,9	62,7	7,1
14.02.2025	-	-	-	8,7
28.02.2025	-	2,3	59,4	5,2
11.03.2025	-	-	20	1,8
27.03.2025	-	3	-	3





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Note 18 – Derivatives Netting

Norwegian Hull Club

Financial derivatives in the accounts are agreements entered into with financial institutions to stipulate interest terms and exchange rates for specific periods. The derivatives are recognised at fair value (see note 1).

	Nom. Value		Positive market value		Negative market value	
31.12.24	2024	2023	2024	2023	2024	2023
Interest rate and currency derivatives	761 771	-1 779 969	1 009 586	1 720	-247 816	-1 781 679
Total interest rate instruments	0	0	0		0	0
Total derivatives	0	0	0		0	0

Note 19 – Technical Reserves for Own Account

Norwegian Hull Club Group

	31.12.24	31.12.23
Unearned gross premium provision	188 792 581	176 347 233
Reinsured proportion of gross premium provision	-35 850 870	-34 220 794
Unearned premium provision for own account	152 941 711	142 126 440
Gross claims provision	370 116 267	342 025 609
Reinsured proportion of gross claims provision	-58 402 745	-52 276 279
Claims provision for own account	311 713 522	289 749 330
Total risk provisions	464 655 233	431 875 770

Note 20 – Insurance Provisions Per Line of Business

Norwegian Hull Club Group

	NHC			Group		
	Marine	Medical	Total	Marine	Medical	Total
Unearned gross premium provision	180 273 840	8 518 741	188 792 581	181 013 891	8 549 695	189 563 586
Gross claims provision	359 424 070	10 692 197	370 116 267	359 424 070	10 692 197	370 116 267

Note 21 – Other Income

Norwegian Hull Club Group

The Groups income is mainly premium income from Insurance contracts. Income in subsidiaries NIORD AS and Marine Benefits AS related to the capacity in Norwegian Hull Club is recognised as premium income. Income from other capacities is recognized as other insurance related income. Income in subsidiary Instech Solutions AS is recognized as other income.

Note 22 – Expenses

Norwegian Hull Club Group

	NHC		Group	
Expenses	2024	2023	2024	2023
Marketing expenses	19 265 995	16 204 285	16 204 285	16 204 285
Other insurance related expenses	17 772 451	18 888 995	26 705 091	24 273 893
Other expenses	-	-	3 842 830	1 529 637
Total expenses	37 038 446	35 093 280	46 752 206	42 007 815

Specification				
Salaries and personnel expenses	29 527 497	28 364 088	37 249 720	33 056 847
Consulting and fees	2 374 738	2 221 792	3 718 373	3 919 401
IT expenses	9 148 898	8 310 668	5 111 017	4 581 862
Travel and market-oriented expenses	2 106 651	2 091 471	2 967 890	2 427 228
Depreciation	1 802 888	1 336 358	5 259 682	4 680 514
Other operating expenses	1 069 278	833 953	1 437 028	1 407 013
Claim allocated expenses	-8 293 397	-7 366 451	-8 293 397	7 366 451
Financial administration allocated expenses	-698 107	-698 599	-698 107	698 599
Total	37 038 446	35 093 280	46 752 206	42 007 815

Specification of salaries and personnel expenses				
Salary	14 827 304	14 305 232	18 152 097	16 754 186
Personel insurances	368 847	384 098	438 845	430 853
Profit sharing	5 497 188	5 074 111	7 133 86	5 671 179
Payroll tax	4599 602	3 615 876	5 872 758	5 286 698
Pension	2 096 608	1 978 012	2 826 738	2 413 044
Other personel expenses	2 137 948	3 006 759	2 825 414	2 500 887
Total	29 527 497	28 364 088	37 249 720	33 056 847

Note 23 - Events After 2024 Year End

Norwegian Hull Club Group

There are no noteworthy events to report after the year end 2024





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To the General Meeting of Norwegian Hull Club – Gjensidig Assuranceforening

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norwegian Hull Club – Gjensidig Assuranceforening, which comprise:

- The financial statements of the parent company Norwegian Hull Club – Gjensidig Assuranceforening (the Company), which comprise the balance sheet as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.
- The consolidated financial statements of Norwegian Hull Club – Gjensidig Assuranceforening and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Norwegian Hull Club – Gjensidig Assuranceforening for 5 years from the election by the general meeting of the shareholders on 14 May 2020 for the accounting year 2020.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of claims provision

Key issues in the Audit	How the matter was addressed in the audit
Measurement of claims provisions is based on various calculation methods and a number of assumptions and estimates related to future developments that are associated with uncertainty.	Norwegian Hull Club - Gjensidig Assuransforening has established an actuarial function. The actuarial function performs various controls of the calculated claims provisions. We obtained the actuarial function's annual report and assessed the results of the controls and the actuarial function's assessments as they appear in the annual report.
Note 1 discusses the accounting principles used, note 2 discusses insurance risk and note 19 and 20 specifies the insurance provisions.	We challenged the measurement of claims provisions by re-estimating claims provisions for two business sectors based on data received from the company. We compared our estimates with the company's estimates.
Management's exercise of judgment related to the calculation models, assumptions and estimates are decisive for measuring the claims provisions and they are therefore a key audit matter.	We assessed whether note information on claims provisions is adequate.
	We have used our own actuary in the audit of the claims provisions.

The insurance system and controls relevant to financial reporting

Key issues in the Audit	How the matter was addressed in the audit
Norwegian Hull Club - Gjensidig Assuransforening's insurance system is key to the accounting and reporting of completed transactions, to provide a basis for important estimates and calculations, and to provide relevant disclosures. Parts of operation and maintenance of the IT infrastructure are outsourced to service providers.	Norwegian Hull Club - Gjensidig Assuransforening has established an overall management model and control activities related to insurance system. We have gained an understanding of the overall management model and control activities for the insurance system that is relevant for financial reporting.
Good management and control of insurance system is essential to ensure accurate, complete and reliable financial reporting and is therefore a key audit matter.	We have assessed and tested the design and implementation of selected control activities associated with the insurance system relevant to the financial reporting related to IT-operations, change management, information security and application controls. For a sample of these control activities, we tested whether they have been effective during the period.
	We have assessed the Service Auditor's Assurance Report (ISAE 3402) from service providers with regard to whether the service auditor's report provides sufficient appropriate audit evidence about the effectiveness of the controls in areas that may have an impact on financial reporting.





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We used our own IT-specialists in the work of understanding the overall management model for insurance system and in the assessment and testing of control activities.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors’ report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors’ report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors’ report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors’ report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors’ report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors’ report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors’ report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors’ report applies correspondingly to the statement on Corporate Governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material



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misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and the Group’s internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management’s use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s and the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Bergen, 11 March 2025  
Deloitte AS

Jon-Osvald Harila  
State Authorised Public Accountant  
(electronically signed)





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