Financial report for the year ended 31 December 2023

Financial Statements Guardian Group Nederland N.V.

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Executive Board's report

Governance

Supervisory Board
Mrs. T.E. Monzón, chair
Mr. W. Wagenaar
Mr. D. Fränkel

Audit, Compliance and Risk Committee
Mr. W. Wagenaar, chair
Mrs. T.E. Monzón
Mr. D. Fränkel

Executive Board
Mr. R.A. van den Broek, CEO
Mr. M.P. Akkerman, CFRO (January 1, 2023 - December 31, 2023)
Mr. P.W. Baardse, CFRO (appointed March 30, 2024)

Independent Auditor
PricewaterhouseCoopers Accountants N.V.

Independent Actuary
Triple A Risk Finance

Executive Board's Report

1. General Information

1.1 Guardian Group in the Netherlands

Guardian Group Nederland N.V. (GGNL) was established on July 26, 2021 as a subsidiary of Fatum General Insurance N.V..

Fatum General Insurance N.V. is a Curaçao based insurer that is supervised by the Central Bank of Curaçao and Sint Maarten (CBCS). Fatum General Insurance N.V. is a wholly owned subsidiary of Fatum Holding N.V.. This holding company and its insurance subsidiaries form part of Guardian Holdings Limited on Trinidad and Tobago.

Fatum General Insurance N.V. has been active as an insurer in the Netherlands since October 2008 on the basis of a cross-border services license pursuant to Section 2:45 of the Financial Supervision Act (Wft). Since November 2018, Fatum General Insurance N.V. (hereinafter: FGI) has also been active in the Netherlands under the trade name Guardian Group Nederland.

After the start-up phase in 2009, FGI has acquired a position in the Dutch market as a non-life insurer. On March 2, 2021, the 'Eerste Kamer der Staten Generaal van Nederland' adopted bill 35.599 'Introduction of a ban on the provision of services by third-country insurers. The publication of this bill took place on March 16, 2021 in the 'Staatscourant'. With this adjustment, the possibility of cross-border services in accordance with Article 2:45 of the Wft came to an end.

In order to continue to serve FGI policyholders in the Netherlands, FGI established a new entity on July 26, 2021: Guardian Group Nederland N.V.. With this new entity, the process for applying for a license to operate as a non-life insurer was formally initiated on September 17, 2022 at De Nederlandsche Bank (DNB) (as referred to in Article 2:27, first paragraph, Financial Act).

The premium volume has since increased to over € 66 million exclusively through the distribution channel of the authorized agents (AA). More than 30 regionally selected AAs have now been appointed and in 2023 a gross combined ratio of 70% was achieved.

1.2 Guardian Group Nederland N.V.

For Guardian Group Nederland N.V., the time during the period 2021 and 2022 was almost entirely devoted to applying for a DNB license to conduct business as a non-life insurer. During this period, the company had no employees and hardly any costs were incurred. The activities for the benefit of the Dutch FGI portfolio were still carried out by and for the account and risk of FGI.

1.2.1 Decision-making process Fatum General Insurance N.V.

Below the decision-making process within FGI.

- Supervisory Board of Directors / Executive Board of Directors of FGI have approved FGI to continue its services as a non-life insurer in the Netherlands and to start the license application process at DNB.

- Supervisory Board of Directors / Executive Board of Directors of FGI have approved to establish a new entity in the Netherlands.

- Establishment of Guardian Group Nederland N.V. on July 26, 2021 followed by a capital contribution from FGI for a total amount of € 10,000,000 in line with the expected Solvency II capital requirements and in line with GGNL's capital policy.

- The Executive Board of Directors of FGI appointed Mr. René Alexander van den Broek as Chief Executive Officer of Guardian Group Nederland N.V. on July 26, 2021 and appointed Mr. Menze Pieter Akkerman as Chief Financial and Risk Officer of Guardian Group Nederland N.V. on September 8, 2021. Mr. Akkerman left the company December 31, 2023. In accordance with the governance structure Mrs. Tamara Monzón and Mr. Wieger Wagenaar were appointed as independent supervisory board members and Mr. Diego Fränkel was appointed as dependent supervisory board member of GGNL.

1.2.2 License application DNB

On September 17, 2021, the process of the license application of Guardian Group Nederland N.V. was formally started at DNB.

After assessment of the required capitalization and the policy documents by DNB, DNB confirmed on September 24, 2021 that GGNL's license application is complete. As a result, FGI was able to make use of the transition regime. This enabled FGI to continue to carry out its non-life insurance activities during the assessment of GGNL's license application by DNB.

DNB granted a license to GGNL on October 26, 2022 and explained this as follows:
"The permit application is related to GGNL's intention to independently operate the Dutch insurance portfolio, currently serviced cross-border from Curaçao by its parent company, Fatum General Insurance N.V.. In this regard, GGNL is applying for a permit for the following branches: branch 1 (Accident Insurance), branch 3 (Motor vehicle insurance), branch 7 (Goods-in-transit insurance), branch 8 (Fire and natural forces insurance), branch 9 (Other property damage insurance), branch 10A (Motor vehicle liability insurance), branch 13 (General liability insurance), branch 16 (Pecuniary loss insurance), and branch 18 (Assistance). DNB grants GGNL the requested permit to conduct the business of a non-life insurer in the aforementioned branches."

It has been agreed with DNB and CBCS that the Dutch non-life insurance activities of FGI will continue to be managed within FGI until December 31, 2022 and that the Dutch non-life insurance activities will be transferred to GGNL per January 1, 2023. For this, the transfer conditions have been agreed with both CBCS and DNB.
DNB indicated that Art. 3:129 Wft applies and that no consent from DNB is required with regard to the transfer of the portfolio from FGI to GGNL. DNB assumes that CBCS must grant consent on the basis of Art. 48 et seq. National Ordinance Supervision Insurance Industry ('LTV'). DNB does state that the

policy holders in the Netherlands must be notified of the portfolio transfer by FGI. This can be done through publication in the 'Staatscourant' and three Dutch daily and/or weekly newspapers.

On September 30, 2022, FGI requested approval from CBCS to transfer the Dutch portfolio to GGNL. This approval was issued by CBCS in 2022.

1.3 Portfolio transfer

As of January 1, 2023, GGNL has taken over a portfolio of active policies of Dutch residents from FGI. These policies are part of the start of the GGNL portfolio as a licensed insurer in the Netherlands.

The relevant portfolio of active policies is expected to be profitable and has been valued by Triple A – Risk Finance (hereinafter: Triple A) in order to determine an appropriate purchase price. This valuation is based on Solvency II legislation and regulations as applicable in the Netherlands.

In accordance with art. 2:94c lid 4 BW jo. 2:94b lid 3 BW jo. 2:94a lid 3 under b. BW the Executive Board of GGNL has arranged the valuation:
'by an independent person who, according to his training and activity, is an expert in carrying out valuations, (whereby) the expert valuation is carried out using valuation methods that are considered acceptable in society and the value of what is contributed is determined on a day that is not earlier than six months before the day of the contribution'.

The valuation report of the portfolio by Triple A is dated September 29, 2022. The total portfolio has a premium volume of € 61.2 million as of January 1, 2023. The acquisition price has been set at € 4.7 million.

After approval by CBCS, the transfer of the portfolio was published on December 16, 2022 in the national newspaper ('Landscourant') in Curaçao. After approval from DNB the transfer of the portfolio in the Netherlands was published in the 'Staatscourant' on January 6, 2023 and in 3 national newspapers on January 7, 2023.

GGNL is a Dutch non-life insurer that operates with a 'lean & efficient' business model, focusing solely on the distribution channel of authorized agents. The authorized agent market is a resilient growth market that continues to evolve and professionalize. Outsourcing of certain primary processes forms a crucial pillar in the chosen strategy. The outsourcing model seamlessly aligns with the business model of authorized agents. Here the strengths of GGNL and the selected delegated agents complement each other without overlapping tasks. Through the establishment of this entity we confirm our commitment to the Dutch market. The organization with its streamlined communication and focused attention on authorized agents, fosters a close partnership and pooling of (market) knowledge. This reinforced interaction results in the outsourcing of operations being managed at a higher level of quality and/or executed more (cost) efficiently. Financial and actuarial expertise, as well as capital, are provided by GGNL. A customer-centric and efficient back office is set up by the authorized agent. Product development and niche marketing are jointly undertaken by both parties, enabling the creation of distinctive products focused on convenience for the (commercial) end customer. This market approach will contribute to our growth objective, which is accompanied by the precondition of improving profitability and enabling us to represent the interests of our stakeholders. The product offering of GGNL targets both the private and commercial segments with non-life products and is obtained with a Solvency II license in 2022 from DNB.

While GGNL offers various products, the primary focus is on the property and liability commercial lines of business. In 2022, the premium volume for the entire portfolio was over € 62 million, which developed to a level of € 66.9 million in 2023. The year 2023 marks the first full year in which GGNL reports under the license obtained from DNB.

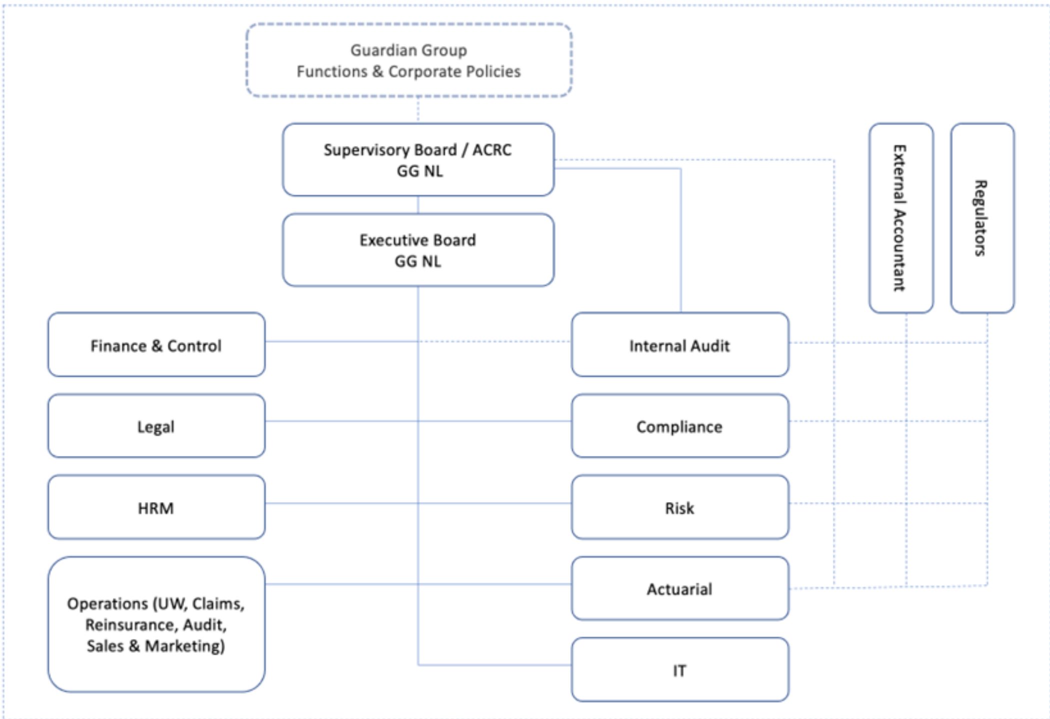
1.4 Personnel

In order to operationalise GGNL a team of employees was built up to carry out the insurer's activities as of January 1, 2023. During the year positions for a.o. underwriting, claims handling, finance, IT, audit, reinsurance, office management (1st line) and the key functions Compliance Officer, Risk Manager, actuarial function (2nd line) and the key function internal audit (3rd line) were fulfilled.

Effective personnel management is a critical factor for employee satisfaction. In 2023 training and development of the employees was set up and personnel meetings were held. Effective January 1, 2023 a pension scheme has been arranged. Other topics touched included sustainable employability and absenteeism. Absenteeism for the year 2023 was in line with market average. As of December 31, 2023, GGNL had 8 employees, filling 6,88 FTE positions.

Diversity on board level
During the year of 2023 the composition of the supervisory board has been balanced, as it consisted of two men and one woman. The executive board was unbalanced, as it consisted of two men. The target of Guardian is to have a balanced composition of both boards, however in future selection procedures the most suitable person for the position will be elected.

Organisational / Governance structure Guardian Group Nederland



1.5 Remuneration policy, principle
GGNL implements a careful, controlled, and sustainable remuneration policy aligned with its strategy, risk appetite, objectives, and values, while considering the long-term interests of the insurer, the relevant international context, and societal acceptance. The policy is detailed in the Remuneration Policy and aims to prevent the compensation of those shaping or influencing the company's policy, its employees, and other individuals involved in providing financial services or other activities under its responsibility from leading to careless treatment of members, insured persons, consumers, clients, or participants. GGNL's remuneration policy is also aimed at attracting, motivating, and retaining qualified and skilled employees, executive board members, and supervisory board members with a market-competitive compensation package. The members of the Board of Directors also receive a variable component of maximum 20% (compliant with the "Wet Financiële Toezicht").

1.6 Investments and expenses

No significant investments were made in 2023. However, some investments were done with respect to operating expenses to comply with ICT-related regulatory requirements and Solvency II regulations.

1.7 Financial performance

Despite slightly higher than budgeted expenses (5%) in the first full year of operation after the license by DNB was granted GGNL closed its year with a positive result of € 3.1 million after taxes. The proposal from the Executive Board is to allocate this amount to the retained earnings. In the 2023 financial statements, this item is recorded as undistributed profit.

The gross written premium of € 66.9 million was above budget. In comparison with our peers the total book of business performed very well with an overall gross combined ratio of 70% in 2023. Also all the individual lines of business (Property, Casualty, Motor, Accident, Marine) performed below the targeted combined ratio of 85%. This was mainly due to the lower than expected loss ratios as the overall commission ratio was in line with budget and previous year.

1.8 Investments

At the end of the 2023 fiscal year, the balance for other financial investments and cash amounted to € 28.7 million. A total amount of € 15.1 million is invested in bonds, of which € 10.5 million in government bonds and € 4.6 million in corporate bonds. The remaining € 13.6 million is held in deposits and cash. The underlying parties have a minimum BBB rating. Investment income amounted to € 0.4 million. GGNL's investment policy is designed to minimize risk, ensuring the ability to meet obligations to policyholders at all times.

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1.9 Expectations for the year 2024

It is expected that the book of business will further expand in 2024 as a result of autonomous growth within existing portfolios with existing authorized agents. This will be generated through the development of new products, increased shares in existing pools, (lead) participation in new pools, the transfer of the provincial portfolio into the GGNL proxy and the set up of an environment where the AA is enabled to compare, quote, request or change GGNL products directly in their back office. Of course also new Authorized Agents will be added in the course of 2024 and beyond. Partially with AA in the Dutch market and partially through AA within other EU countries.

Financially, the outlook is positive. GGNL maintains a solid financial position, which is expected to be sustained in the coming years, even with anticipated increases in costs due to the implementation of new laws and regulations that may negatively impact results. These cost increases are expected to be offset by the benefits of further optimization of workflow processes and continued portfolio growth. Notwithstanding the growth of the book of business we expect to stabilize the favourable loss ratio trend observed in recent years.

1.10 Other reserves and solvency position as of December 31, 2023

Thanks in part to the positive result for the 2023 fiscal year, GGNL's solid financial position remains unchanged. GGNL's equity on a statutory basis amounts to € 17.7 million. The solvency available on Solvency II principles for GGNL is € 17.2 million. GGNL's Solvency II solvency requirement is € 8.6 million. Therefore, GGNL's Solvency II solvency ratio stands at 201%. The target solvency under GGNL's capital policy is 200%.

1.11 Subsequent events after the balance sheet date

Per December 31, 2023 the CFRO, Mr. Menze Pieter Akkerman, departed the company. The regulator was informed in a timely manner and exemption was granted by DNB. As of January 1, 2024, Mr. P. Baardse acted as manager until his official appointment as CFRO was approved by the DNB as of March 30, 2024. He will fulfill the position until a new definitive CFRO will be appointed, this is expected to take place around mid-2024.

1.12 Capital Policy

The capital held by GGNL encompasses share capital, reserves, and retained earnings. In managing this capital, GGNL has the following objectives:

- Compliance with the capital requirements under Solvency II as implemented in the Dutch Financial Supervision Act (Wft)
- Adherence to the capital management requirements of De Nederlandsche Bank
- Ensuring business continuity to deliver value to our stakeholders
- Providing sufficient profitability to our shareholders by appropriately valuing insurance and investments relative to risk

GGNL determines its target solvency levels based on the capital requirements of Solvency II, specifically:

- Solvency Capital Requirement (SCR)
- Absolute Minimum Capital Requirement (MCR)

The calculation of both SCR and MCR results in specific amounts, with the higher amount serving as GGNL's required capital under Solvency II (based on the current portfolio of Fatum General Insurance N.V., the SCR).

The solvency capital requirements are calculated based on the primary risks faced by the company, utilizing the Solvency II standard formula. The capital policy aims to ensure that GGNL consistently maintains sufficient solvency to absorb the risks it faces.

In establishing its internal minimum solvency threshold and its target solvency threshold, GGNL balances between risk mitigation on one hand and shareholder value enhancement on the other.

Based on this assessment, GGNL applies an internal minimum requirement (the 'internal norm') concerning the required capital. This internal norm is set at 150% of the statutory required capital (namely, the higher amount of the Absolute Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR)).

In formula: GGNL's Internal Norm = 150% x maximum (MCR, SCR)

By adhering to the internal norm, GGNL maintains a substantial buffer compared to the statutory required capital. However, GGNL aims for an even stronger capital position in the form of the 'internal target capital'. The internal target capital is set at 200% of the statutory required capital (namely, the higher amount of the Absolute Minimum Capital Requirement (MCR) and the Solvency Capital Requirement (SCR)).

In formula: GGNL's Internal Target Capital = 200% x maximum (MCR, SCR)

1.13 Solvency II Ratio

The solvency ratio level per ultimo 2023 is 201%, which is well above the statutory required capital (100%) and internal Norm (150%) thresholds. In line with the Capital policy it is also above the Internal Target threshold. It should be noted that the available and eligible equity tunder Solvency II consists overwhelmingly of Tier 1 capital (paid-up capital and share premium). Additionally, due to revaluations under Solvency II (particularly the valuation of goodwill at zero), there is a deferred tax asset which qualifies as Tier 3 capital.

GGNL's capital management focuses solely on Tier 1 capital, excluding the presence of deferred tax effects, and does not utilize other capital instruments.

1.14 Reinsurance Program

GGNL mitigates significant fluctuations in claims costs and volatile results through reinsurance. The reinsurance programme is structured to provide protection against both attritional losses and catastrophic losses. The contract is secured through a Dutch broker with a global network. Despite positive loss ratio trends in recent years, the relative reinsurance premiums have increased due to the hardening reinsurance market. GGNL, as a primary insurer, reinsures through a panel of continental reinsurers making use of a combination of Quota Share (QS) and Excess of Loss (XL) reinsurance. Per May 1, 2023 the reinsurance programme was renewed and in order to retain more of our very profitable book of business and in line with Group appetite GGNL has doubled the retention of the Quota share treaty.

1.15 Governance system

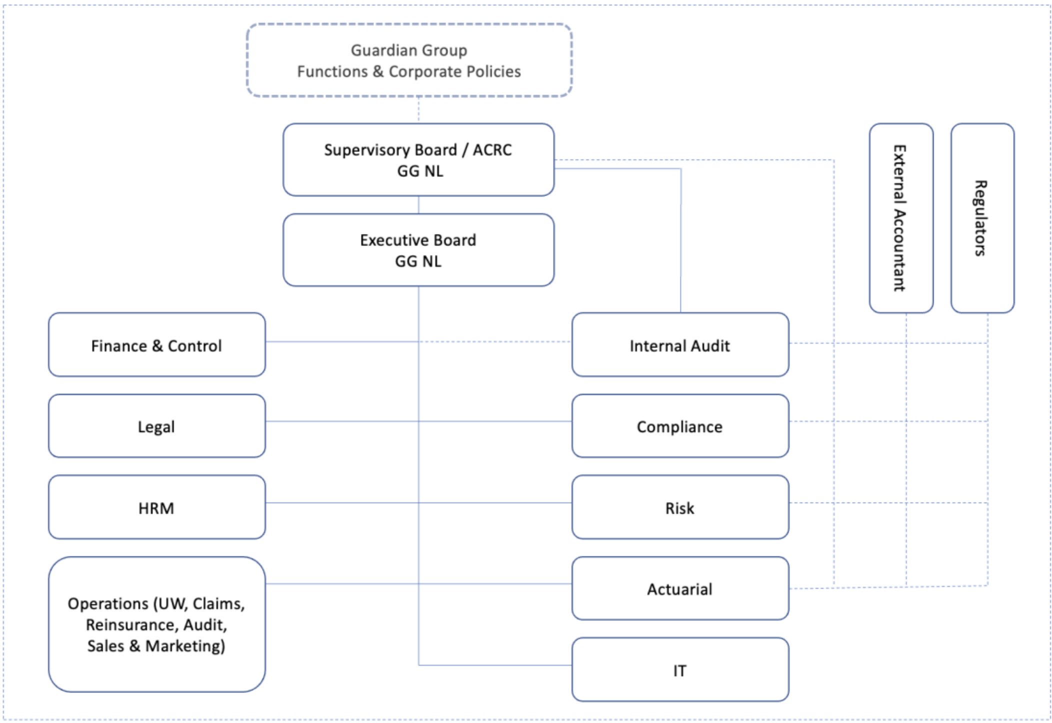
Regarding the governance system of GGNL, the following framework is established concerning general governance arrangements, suitability requirements, the risk management system, and the internal control system.

Corporate governance arrangements
GGNL comprises of the following bodies:
A. Executive Board
B. Supervisory Board

The Executive Board is responsible for strategy and the operational management of the company and reports to the Supervisory Board. The Supervisory Board oversees the policies of the Executive Board and the general affairs within GGNL, challenges the Executive Board in respect of strategy and operations, whilst providing guidance. An Audit, Compliance & Risk Committee (ACRC) has been appointed, consisting of several members of the Supervisory Board. The ACRC primarily focuses on internal risk management, compliance and control.

The structure below illustrates the organisational structure of GGNL.

Organisational / Governance structure Guardian Group Nederland



1.15.1 The Three Lines model

The tasks, responsibilities, and authorities are described in governance charters, providing structure within the organisation and managing risks associated with achieving strategic objectives.
To implement governance in the organisation, a standard model, known as the Three Lines model, is utilized. This model contributes to strengthening the risk culture, taking responsibility for managing risks, and internal control within GGNL. It is a control system that enables GGNL to (i) ensure overall risk management, (ii) support the achievement of strategic objectives, and (iii) manage and improve internal processes. Standards for internal control are based on applicable laws and regulations, including the Financial Supervision Act (Wft), which requires GGNL to have a sound and controlled business operation. Internal control focuses on managing operational processes and the adequate implementation of risk mitigation measures.

- The first line consists of the executive Board and line management.
- The second line comprises three of the four key functions: compliance, risk management, and the actuarial function.
- The third line is represented by the internal audit function, ensuring that the first and second lines operate in accordance with agreements and regulatory requirements.

The GGNL Executive Board monitors whether the execution aligns with agreed objectives, risk appetite, and performance. The second line supports, advises, coordinates, and monitors whether line management fulfils its responsibilities adequately. The third line verifies the interaction between the first and second lines.

Independence and objectivity are important for the effectiveness of these key functions. The key functions for compliance, risk management and actuarial are hierarchically and functionally positioned under the Executive Board. The key function internal audit operates in collaboration with the internal audit group (GIA). The key function internal audit has a functional line with the ACRC of GGNL. From the Executive Board, the CEO is the portfolio holder and therefore the point of contact for the key function internal audit.

The key functions are separated from each other and from other functions within the organisation. The GGNL organisational structure is designed with attention to proportionality of GGNL. The separation of functions is maintained to a certain extent up to the level of the Executive Board. Since GGNL has an Executive Board with two directors, complete separation cannot be achieved at that level. The CEO is portfolio holder of the key function internal audit, whilst the risk management function, compliance function and actuarial function is positioned under the CFRO. The Board collectively bears responsibility for the organisation, including the functioning of the various control functions. The Supervisory Board, among other tasks, ensures the proper functioning of the control functions through its oversight of the company.

Independence of the key functions is ensured through regular meetings and direct, unrestricted access to the Executive Board and the Supervisory Board. Risk based decision making is also applied in significant decision making processes.

Taking the relatively small organisation of GGNL into account the internal audit function and the actuarial function in GGNL are outsourced to external parties.

1.15.2 Risk management function

The Risk Manager fulfils the risk management function. This includes the following tasks and responsibilities:

- Monitoring compliance with risk management procedures
- Preparing meetings of the Risk Committee
- Monitoring data integrity
- Reporting to ACRC

The risk management framework of GGNL includes:

- A risk management strategy aligned with the overall business strategy of GGNL
- Decision-making procedures for risk-taking
- Description and classification of material risks to which GGNL is exposed, and risk tolerance limits per risk category
- Reporting procedures ensuring active monitoring and analysis of information on material risks to which GGNL is exposed and the effectiveness of the risk management system

  Reporting is done in such a way that the key stakeholders are provided with the necessary information. These risk reports are part of the risk management process and include reports for regulators, shareholders and internal management. These reports are an important instrument for internal management and form part of GGNL's risk management framework.

The risk management framework of GGNL provides risk assessments and control measures among others for the following areas:

- Assumption of insurance liabilities and reserve formation
- Management of investment risk
- Management of liquidity risk
- Management of counterparty risk
- Management of operational risk
- Management of outsourcing risk
- Management of compliance risk
- Management of IT risk
- Reinsurance and other risk mitigation techniques
- Development of new products and assessment of PARP + POG process

The risk management function also does the annual preparation and execution of the ORSA (Own Risk and Solvency Assessment). This is done under the ultimate responsibility of the CFRO, who will seek assistance from external advisors and experts if necessary.

1.15.3 Risk Profile

GGNL annually revises its risk strategy and risk profile. The following risks are distinguished therein.

- Insurance technical risk
- Counterparty risk, including AA, bank, and reinsurance
- Investment risk
- Outsourcing risk, including AA and IT
- Environmental risk, including market and climate
- Operational risk, including compliance, IT, process, business, information provision, product development, HR, and fraud

The main risks from the above overview are subjected to scenario analyses in the ORSA.

Insurance technical risk
A possible increase in loss ratios jeopardizes the technical result of GGNL. Given the nature of GGNL's insurance products, continuous risk management and analysis are essential. Premium and claims overviews are continuously subjected to analysis by type and risk category. The overviews are periodically reviewed by the management. If the results warrant it, swift intervention is possible. Furthermore, this risk under Solvency II consists of premium and provisions risk and catastrophe risk.

Premium risk
Pertains to the upcoming period and involves the risk that premiums (including premium provisions) may prove inadequate to cover the claims and expenses.

Provision risk
Concerns the risk that the technical provisions are insufficient to cover the expenses and settlement of existing obligations.

Catastrophe risk
Is composed of modules such as natural disaster risk (hail and windstorm) and man-made catastrophe risk. For the catastrophe risk, branch-specific scenarios are calculated, the outcomes of which are aggregated step by step.

Counterparty risk
Holding funds as cash and deposits results in credit risk on the associated (banking) counterparties. Additionally, counterparty risk arises from receivables from the Authorized Agent and A+ reinsurer. The counterparty risk of banking counterparties and reinsurers exists, and their (credit) status as well as exposures should therefore be regularly assessed.

*Investment ri*sk
Refers to the risk of value fluctuations in equity or bond investments. GGNL has opted for a prudent investment policy, emphasizing diversification and limiting potential risks rather than pursuing high returns. Reserves are currently mainly held in deposits and/or cash equivalents. To diversify risks, funds are deposited with Dutch banking institutions, with the solvency of the respective banking institution being closely monitored. GGNL also invests in government and corporate bonds and a small portion in equities to achieve some overall return. Since bonds and securities entail more risks, careful consideration is given to the risk associated with these investments. Investment risks are managed through the investment policy.
Investments are assessed for the following risks:

- Price volatility: the risk of price declines.
- Market liquidity: the risk of liquidity of investments.

Liquidity risk
The risk of liquidity due to unexpected or unexpectedly large payment obligations.

Outsourcing Risk
Refers to the risk that the continuity, integrity, and/or quality of activities outsourced to third parties may be compromised. This risk is managed through the outsourcing policy.

Environmental risk
Encompasses climate and market risks, which can be divided into physical risks and transition risks.

Transition risks
Result from factors such as new government policies, new laws and regulations, technological developments, or changes in consumer preferences. This can affect companies in various ways, such as reducing profitability for CO_2-intensive sectors due to transition, leading to negative impacts on the valuation of their stocks and corporate bonds and the creditworthiness of their loans. Transition risks may also arise concerning government bonds of countries or regions highly dependent on revenues from fossil fuels. For GGNL, a limited portion of investments is made in equities. As GGNL's investment policy is prudently designed and focuses more on risk management than on high returns, the risk in this area is limited. The energy transition may also have a potential negative effect on economic growth, for example, if an abrupt transition leads to higher energy prices and thus lower consumer spending. This can lead to premium defaults and a shrinking commercial and private market.

Physical risks
These focus more on the insurer's obligations. GGNL provides coverage for natural catastrophes such as windstorm and hail damage. This makes the insurer sensitive to climate change if it leads to more extreme weather and severe catastrophes. The windstorm and hail risk are covered by purchasing excess-of-loss reinsurance. To mitigate the risk, GGNL has purchased a very high level of coverage. Finally, climate change may also lead to more frequent pandemics. For some types of insurance, this may have negative consequences. For example, a pandemic can lead to unnatural attritional losses and higher combined ratios.

Operational risk
Refers to the risk arising from the failure of internal processes and systems, availability of competent personnel, disasters, and changes in laws and regulations. GGNL has identified 8 operational risk categories:

- Legal and compliance risk
  The risk of losses occurring due to non-compliance with legal obligations, inadequate legal documentation, and the risk of damage to the reputation, integrity, and financial condition of the organization due to non-compliance with laws, regulations, and internal business rules and policies, as well as late identification of significant developments in laws and regulations, potentially resulting in an inability to influence the ultimate outcome.

- Processing Risk
  The risk of inadequate processes and controls.

- Business Risk
  Disasters (fire).

- Insufficient Information Provision
  The risk of information being untimely, incomplete, or unreliable.

- Product Development
  The risk of products not meeting the requirements of laws and regulations, the AFM, or being unprofitable.

- HR Risk
  Illness or dependency risk can cause discontinuity in operations or loss of quality of work especially in a small organisation like GGNL
- Fraud
  Risk of financial and operational consequences of fraudulent acts by staff and clients.

- Systems Risk
  IT failure and risk of unauthorized access to data.

1.15.4 Actuarial function

GGNL has an actuarial function which includes the following tasks and responsibilities:

- Coordinating the calculation of technical provisions
- Ensuring that the methodologies, underlying models, and assumptions used in the calculation of technical provisions are correct
- Assessing whether sufficient data is used in the calculation of technical provisions
- Assessing whether the data used in the calculation of technical provisions is of sufficient quality
- Informing the Executive Board about the reliability and adequacy of the calculation of technical provisions
- Advising on the overall policy for entering into insurance obligations
- Advising on the adequacy of reinsurance arrangements
- Contributing to the risk management of GGNL and specifically to the ORSA
- Premium Setting

This key function is outsourced to Triple A - Risk Finance through an outsourcing agreement. This is appropriate and prudent given the limited size of the GGNL organisation combined with the required level of expertise.

1.15.5 Compliance function

The role of the compliance function includes assessing whether the policies and procedures of GGNL, as well as the control measures implemented, are being adequately adhered to and compliance with applicable laws and regulations is achieved. The compliance function is tasked with verifying whether policies and procedures are being applied in practice and are effective.
Additionally, the compliance function is responsible for providing advice, both solicited and unsolicited, if compliance is inadequate or if the measures taken are ineffective and need to be updated. The primary responsibility for the compliance function rests with the CFRO. In order to ensure an adequate implementation of the compliance function, GGNL has established a Compliance Charter for GGNL. The Compliance Charter outlines the responsibilities, authorities, and reporting duties of the compliance function. This Compliance Charter is approved by the Executive Board.
The compliance function is carried out by a Compliance Officer who performs the duties based on an annual Compliance Plan to be developed by the Compliance Officer. The Compliance Plan outlines the planned activities as specifically as possible and is approved by the Board. The compliance function is internally assigned within GGNL.

1.15.6 Other risks

Fraud

We have included fraud and corruption in our SIRA (Systematic Integrity Risk Assessment). Fraud and integrity risks are also included in our risk management tool. The SIRA and the Risk Tool are periodically recalibrated. Authorized Agents have the necessary controls to prevent insurance fraud and are in contact with GGNL's fraud expert for this purpose in respect of claims handling. GGNL also uses Group fraud policy that applies to all of GGNL's activities.

Climate

Disclosures regarding the impact of climate change, ESG and CSRD on the activities of the GGNL do not have a material impact in the current year. GGNL analysed a climate risk within its Own Risk and Self Assessment(ORSA), which showed that GGNL is well protected by reinsurance contracts to mitigate this risk. We will assess the regulation in relation to these topics moving forward and address the requirements in upcoming years when necessary.

GGNL'S vision regarding our role in sustainability is aim for a well-functioning society, which can only exist with a healthy equilibrium between people and nature. For these reasons we target to make a positive contribution to the restoration and preservation of nature. In line with these objectives we have mandated our asset manager to invest our portfolio whilst taking into account
to prevent damage as a result of our investments (CO2, human rights) and to do investments that contribute to an environmental or social objective.
The GGNL sustainable investment strategy promotes ecological and social characteristics, but does not have a pure sustainable investment objective. The strategy follows a sustainable investment policy and has a minimum share of 'sustainable investments' of 20%. Within the sustainable investment strategy, ESG criteria play a major role in the selection of investments, but financial goals are also important. Investments are made directly in shares and bonds of companies and governments as well as in actively and passively managed investment funds.

Rotterdam, 22 April 2024

Mr. R.A. van den Broek, CEO

Mr. P.W. Baardse, CFRO

Report of the Supervisory Board

Herewith, the Supervisory Board presents the annual report for 2023 of Guardian Group Nederland N.V..

Throughout the reporting year, the Supervisory Board convened five times. During these meetings the customary topics were addressed, such as financial results and provisions, claims development, reinsurance agreements, ORSA, capital policy, and other policy documents. Furthermore, strategy, business development and ESG were important topics discussed with management.

The Audit & Risk Committee held five meetings in 2023. The external auditor attended these meetings, along with the Internal Auditor, primarily focusing on the 2023 financial statements, annual report, and external audit plan for 2023. Additionally, the Audit & Risk Committee discussed topics including ORSA, actuarial function, and internal audit. Major claims from individual cases were scheduled for discussion at the meetings, with intensive deliberations conducted on these matters.

The Audit & Risk Committee reviewed the 2023 financial statements, findings of PricewaterhouseCoopers Accountants N.V., and the independent auditor's report with the management and the external auditor. Subsequently, in the presence of the external auditor, the Supervisory Board discussed the 2023 annual report with the management. The discussions held therein have convinced the Supervisory Board that this report complies with all regulations. The report provides a comprehensive and accurate overview of the performance, risks, and events under the oversight of the Supervisory Board. It forms a solid basis for the accountability of the Supervisory Board for its oversight.

The Supervisory Board approves the financial statements. The Supervisory Board recommends that the Shareholders discharge the management for the policies implemented, discharge the Supervisory Board for its oversight, and approve the 2023 financial statements.

Rotterdam, 22 April 2024

Mrs. T.E. Monzón
Chair

Mr. D. Fränkel

Mr. W. Wagenaar

Balance sheet as at 31 December 2023

(Before appropriation of result)

Assets

(in euros)

		31-12-2023		31-12-2022	
Intangible assets	1				
purchased insurance portfolio		4.260.600		0	
			4.260.600		0
Investments	2				
Other financial investments					
> bonds		15.110.496		0	
			15.110.496		0
Receivables	3				
Receivables from direct insurance					
> intermediaries		3.141.660		0	
			3.141.660		0
Other assets	4				
Tangible fixed assets		1.095		0	
Cash and cash equivalents		13.590.207		14.681.370	
			13.591.302		14.681.370
Accrued assets	5				
Accrued interest		193.579		0	
Deferred acquisition costs		2.259.660		0	
			2.453.239		0
Total assets			**38.557.297**		**14.681.370**

Shareholder's equity and liabilities

(in euros)

			31-12-2023		31-12-2022
Shareholder's equity	**6**				
Share capital paid called up		100.000		100.000	
Share premium		17.634.000		14.634.000	
Other reserves		(81.785)		0	
Undistributed profit/(loss)		3.165.527		(82.880)	
			20.817.742		14.651.120
Technical provisions	**7**				
For unearned premiums					
Gross		7.681.715		0	
Reinsurance		6.377.396		0	
			1.304.319		0
For claims					
Gross		32.610.105		0	
Reinsurance		27.047.834		0	
			5.562.271		0
			6.866.590		0
Liabilities	**8**				
Payables from direct insurance		428.203		0	
Reinsurance payables		7.500.218		0	
Other liabilities		203.368		30.250	
			8.131.789		30.250
Accrued liabilities	**9**		2.741.176		0
Total shareholder's equity and liabilities			**38.557.297**		**14.681.370**

Profit and loss account for the year ended 31 December 2023

Technical account

(in euros)

	Note	01-01-2023 to 31-12-2023		26-07-2021 to 31-12-2022	
Earned premiums for own account	**10**				
Gross written premiums		66.902.720		0	
Reinsurance premiums		52.632.949		0	
			14.269.771		0
Change in technical provision for unearned premium					
Gross		(204.701)		0	
Reinsurance		(1.139.737)		0	
			935.036		0
			15.204.807		0
Allocated investment income	**12**		91.954		0
Claims for own account	**10**				
Gross claims paid		25.412.563		0	
Reinsurance claims		22.372.911		0	
			3.039.652		0
Change in technical provision for claims					
Gross		2.534.151		0	
Reinsurance		1.134.705		0	
			1.399.446		0
			4.439.098		0
Operational expenses	**11**				
Acquisition costs		19.876.843		0	
Change in deffered acquisition costs		(133.292)		0	
Management and personnel expenses		2.458.607		30.525	
Amortisation of intangible assets		473.400		0	
Provision and profit-sharing received from reinsurers		(15.758.176)		0	
			6.917.382		30.525
Result on technical account			**3.940.281**		**(30.525)**

Non-technical account

(in euros)

	Note	01-01-2023 to 31-12-2023		26-07-2021 to 31-12-2022	
Result on technical account			3.940.281		(30.525)
Investment income	**12**				
> other investments		382.160		0	
> realized investment income		156		0	
			382.316		0
Investment expenses	**13**				
> management charges		11.581		0	
> paid interest		0		52.355	
			11.581		52.355
Investment income allocated to the technical account			91.954		0
Income / (loss) before tax			4.219.062		(82.880)
Taxes	**14**		1.053.535		0
Net profit / (loss)			**3.165.527**		**(82.880)**

Overview of total result is not included, because total result of 2023 and 2022 are equal to the net profit / (loss).

Cash Flow statement the year ended 31 December 2023

Indirect method

(in euros)

		01-01-2023 to 31-12-2023		26-07-2021 to 31-12-2022	
Cash flows generated from (used in) operating activities					
Net profit / (loss)			3.165.527		(82.880)
Amortisation of intangible assets	**1**	473.400		0	
Amortisation bonds	**2**	(137.381)		0	
			336.019		0
			3.501.546		(82.880)
Change in technical provisions	**7**	6.866.590		0	
Change in deferred acquisition costs	**5**	(2.259.660)		0	
			4.606.930		0
Change in receivables	**3**	(3.141.660)		0	
Change in liabilities	**8**	8.101.539		30.250	
Change in accrued interest	**5**	(193.579)		0	
Change in accrued liabilities	**9**	2.741.176		0	
			7.507.476		30.250
Total cash flows generated from (used in) operating activities			15.615.952		(52.630)
Cash flows generated from (used in) investment activities					
Investments and purchases					
Other financial investments	**2**	(15.452.775)		0	
Intangible assets	**1**	(4.734.000)		0	
			(20.186.775)		0
Disposals, repayments, and sales					
Other financial investments	**2**	479.660		0	
			479.660		0
Total cash flows generated from (used in) investment activities			(19.707.115)		0
Cash flows generated from (used in) financing activities					
Capital contribution founding N.V.		0		100.000	
Contribution of share premium	**6**	3.000.000		14.634.000	
			3.000.000		14.734.000
Total cash flows generated from (used in) financing activities			3.000.000		14.734.000
Net cash flow			**(1.091.163)**		**14.681.370**
Movement in cash and cash equivalents					
Cash and cash equivalents at the end of the period		13.590.207		14.681.370	
Cash and cash equivalents at the beginning of the period		14.681.370		0	
Increase (decrease) cash and cash equivalents			**(1.091.163)**		**14.681.370**

Notes to the financial statements

1. Entity information

Registered address and registration number trade register
The registered and actual address of Guardian Group Nederland N.V. (hereafter ‘the company’) is Fascinatio Boulevard 216, 3065 WB in Rotterdam, The Netherlands. The company is registered at the Chamber of Commerce under RSIN number 862898924 and KVK number 83508880.

2. General notes

The most important activities of the entity
The activities of the company and its group companies consist mainly of Insurance Business.

On July 26, 2021, Guardian Group Nederland N.V. was established as a subsidiary of Fatum General Insurance N.V.. During the prior reporting period, Guardian Group Nederland N.V. operated solely as a financial holding with the necessary equity to apply for a license from De Nederlandsche Bank in order to start January 1, 2023 offering non-life insurance products. The company may offer these products starting from January 1, 2023 in compliance with financial supervision rules, provide support, and carry out relationship management regarding the active intermediaries and/or AAs and/or other organizations that are utilized to offer non-life insurance products.

During the prior reporting period July 26, 2021- December 31, 2022, the available equity and the ING bank account in which this equity was deposited were not freely available to the company, as they were required for the license application. Therefore, apart from bank and interest expenses, as well as audit fees (to be paid), the company did not incur any expenses in prior period. The activities during the prior reporting period resulted in obtaining a license by the company from De Nederlandsche Bank on October 26 ,2022.

3. Disclosure of group structure
The company is part of a group, with Guardian Holdings Limited in Trinidad and Tobago as ultimate parent of the group. The company's results are consolidated in the financial statements of Guardian Holdings Limited in Trinidad and Tobago. The consolidated financial statements can be obtained from the website www.myguardiangroup.com.

Guardian Group Nederland N.V. is a subsidiary of Fatum General Insurance N.V., which in its turn is a subsidiary of Fatum Holding N.V.. Guardian International Incorporated (Saint Lucia) is the parent organization of Fatum Holding N.V., with Guardian Holdings Limited in Trinidad and Tobago as the owner of Guardian International Incorporated.

Guardian Holdings Limited is 61.77% owned by NCB Global Holdings Limited (NCBFH). Further information can be found on page 41 of the 2021 annual report of Guardian Holdings Limited which has been published on the website www.myguardiangroup.com.

The holding company NCB Financial Group Limited (NCBFG) is the (100%) holding of NCBFH and is 52.63% owned by Michael Lee Chin's AIC Barbados Limited. There are no other shareholders with an interest larger than 5%. Further information can be found on pages 338-339 of the 2021 annual report

of NCB Financial Group Limited, published on the website*. www.myncb.com.*
Mr. M. Lee-Chin (legal representative and 99.9% shareholder) of Portland Holdings Inc. which is the 100% parent organization of AIC Barbados Limited) was born on January 3, 1951 in Jamaica. He resides in Canada and holds citizenship in both Jamaica and Canada. For further information, please refer to pages 338-339 of the 2021 annual report of NCB Financial Group Limited, published on the website www.myncb.com.

4. Use of estimates and assumptions

In preparing the financial statements, GGNL makes judgments and estimates and forms assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities Income and expenses. Actual outcomes may differ from the estimates. Estimates and underlying assumptions are continuously evaluated. Revisions to estimate are recognized in the period in which the estimate is revised and in any future periods affected. The most significant estimates relate to:

Valuation of liabilities related to insurance contracts; Estimates in the recognition of other provisions; fair value of less liquid and non-listed Investments; key estimates and assumptions are disclosed in the accounting policies section under the respective item.

Judgment:
- Determining whether the going concern assumption is still valid;
- Determining whether a lease classifies as a finance lease or an operating lease;
- Determining whether amounts are received for its own account or for third parties.

Estimates:
- Determining the best estimate of provisions for claims, disputes, and legal proceedings;
- Determining the extent of an impairment loss;
- Determining the likelihood of approval by tax authorities of an uncertain tax position, as well as its extent, based on the applicable tax legislation.

5. General accounting principles

The accounting standards used to prepare the financial statements.
The financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards RJ605, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally measured at historical cost, production cost or at fair value at the time of acquisition. If no specific measurement principle has been stated, measurement is at historical cost.

Going Concern Principle
The financial statements are prepared on the assumption that the continuity of Guardian Group N.V. and business will be maintained in the foreseeable future.

Comparison with previous year
The applied valuation and determination of results principles have remained unchanged compared to the previous year.

Foreign currency
Assets denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Exchange differences are recognized in the income statement. Other exchange differences are recognized in the income statement by processing transactions at the exchange rate on the transaction date.

Offsetting of assets and liabilities
Financial assets and liabilities are offset in the balance sheet if GGNL has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

6. Accounting principles

Recognition of Elements
An asset is recognized in the balance sheet when it is probable that future economic benefits will flow to the entity and the value thereof can be reliably measured. A liability is recognized in the balance sheet when it is probable that settlement thereof will result in an outflow of resources embodying economic benefits and the amount thereof can be reliably measured.

An asset or liability recognized in the balance sheet remains on the balance sheet as long as a transaction relating to the respective balance sheet item does not lead to a significant change in the economic reality. An asset or liability should no longer be recognized in the balance sheet if the transaction results in all or substantially all rights to economic benefits and all or substantially all risks related to the asset or liability being transferred to a third party.

A financial instrument is recognized in the balance sheet when contractual rights regarding that instrument arise. Initial recognition is at fair value (usually cost plus any transaction costs). A financial instrument is no longer recognized in the balance sheet once contractual rights have been transferred to a third party. Standard market conventions are followed to determine the effective date (transaction date/delivery date).

Revenue is recognized in the income statement when an increase in economic potential, associated with an increase in an asset or a decrease in a liability, has occurred, the magnitude of which can be reliably measured. Expenses are recognized in the income statement when a decrease in economic potential, associated with a decrease in an asset or an increase in a liability, has occurred, the magnitude of which can be reliably measured. Revenue and expenses are attributed to the period to which they relate.

Property, Plant, and Equipment

Property, plant, and equipment include the acquisitions of information processing equipment, office machinery, inventory and interior fittings, and telecommunication equipment. These assets are valued at cost less depreciation. Depreciation is calculated on a straight-line basis over five years. No consideration is given to residual value

Intangible assets
Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of that asset can be measured reliably. Intangible fixed assets are valued at acquisition cost, less accumulated amortisation and, if applicable, impairment. The annual amortisation amounts to a fixed percentage of the purchase value, as further specified in the notes to the balance sheet. The economic life and the amortisation method are reassessed at the end of each financial year. Goodwill is the positive difference between the acquisition price of participating interests and the net asset value at the time of acquisition less amortisation. The capitalised goodwill is amortized on a straight-line basis over the estimate useful life of the asset.

In January 2023 the insurance portfolio consisting of Dutch policy holders of Fatum General Insurance N.V. was acquired.

Valuation Insurance Portfolio
The valuation results are based on the present value of expected future free cash flows and adhere to the following principles:

- Expected loss and expense ratios of the portfolio are based on realized results and a detailed budget of future outcomes.
- Expected reinsurance premium and commission returns are derived from historical data and recent reconciliations and negotiations with reinsurers regarding the program.
- Statutory required capital is determined based on Solvency II laws and regulations.
- Costs associated with maintaining capital ('cost of capital') are determined in accordance with Solvency II laws and regulations.
- Annual policy lapses are estimated based on historical data.
- The expected future results are discounted at a cost of capital of 6%, based on Solvency II principles. In addition to assuming the ongoing policies, the technical provision for existing and future outstanding claims is also assessed. In accordance with Solvency II principles, a 'best estimate' claims provision and an associated risk margin have been derived.

Investments - Bonds
The bonds are valued at amortized cost including any accrued interest. Difference between purchase value and redemption value over the term are recognized in the income statement. Initially, bonds are valued at the redemption value. Additionally, a balance is recognized for the difference between the purchase and redemption values as well as for the accrued interest receivable. Interest income from coupon interest is recognized in the income statement. The difference between purchase and redemption values is linearly amortized over the term in the income statement.

Receivables
Receivables are initially measured at the fair value of the consideration to be received. Receivables are subsequently measured at amortized cost, where necessary net of a provision for potential uncollectability. The estimation for uncollectability is determined based on the assessed creditworthiness of each individual receivable.

Cash and cash equivalents
Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is measured at nominal value.

Equity
Share capital is stated at par value. The share premium reserve, where applicable, relates to capital contributions which have occurred since incorporation without issuing new shares. In the event of impairments, the unrealized loss is recognized through the income statement.
Dividends and other distributions to holders of equity instruments are recognized directly in equity. A liability for non-cumulative dividends payable is not recognized until the dividends have been declared and approved.

Technical provisions

Non-Life insurance contracts
Non-life insurance contracts are insurance contracts where the insured event is not life-contingent. For non-life products the insurance liability generally includes reserves for unearned premiums, unexpired risk, inadequate premium levels and outstanding claims and benefits. No catastrophe or equalization reserves are included in the measurement of the liability.
The reserve for unearned premiums includes premiums received for risks that have not yet expired. Generally, the reserve is released over the coverage period of the premium and is recognized as premium income on a linear basis.
Deferred acquisition expenses with respect to the non-life insurance contracts represents directly attributable costs that are related to the selling, underwriting and initiating of these insurance contracts. Acquisition costs are deferred to the extent that they are recoverable and are subsequently amortized based on the remaining duration of related non-life contracts with an average remaining amortization period of less than one year. The deferred acquisition expenses are included in the non-life insurance liabilities, under ‘Unearned premiums and unexpired risks’.
The liability for outstanding claims and benefits is established for claims that have not been settled and any related cash flows, such as claims handling costs. It includes claims that have been incurred but have not been reported. The liability is calculated at the reporting date using statistical methods based on empirical data and current assumptions that may include a margin for adverse deviation.

Unearned premiums
The technical provision for premiums represents the portion of booked premiums related to unexpired risk periods (valued at nominal value). Additionally, this item includes a provision for inadequate premiums (valued at present value). Inadequate premium occurs when, for ongoing insurance contracts per product group, the expected sum of claims, operating expenses, and acquisition costs exceeds the yet-to-be-earned premium, taking into account reinsurance results. Changes in this provision are recognized in the income statement.

Claims payable
The provision for claims payable is intended for reported but not settled claims as of the balance sheet date of the current and previous years. It also considers claims already incurred but not reported and recoverable claim amounts. This provision is partly determined by average amounts per claim and partly on a case-by-case basis. Claim provisions are established based on known facts at the time of determination. They are continually adjusted as part of an ongoing process, based on actual claims experience, settled claims, and newly reported claims. The provision is largely recorded at nominal value. Only the portion for loss of earning capacity is discounted in the case of major bodily injury claims. No catastrophe provisions are included. The risk of catastrophe claims (storm and hail) is partially covered through reinsurance. The general reserve is available to cover any potential shortfalls.
The provision for claims payable includes a provision for internal claims handling costs for current claims. The provision for claims handling costs is the same as at the end of 2023, at 6% of the claims provision.

Reinsurer's share of technical provisions
The reinsurer's share in these provisions is determined on a case-by-case basis. The reinsurance portion is deducted as a separate item from the respective gross provision.

Provisions General
Provisions are measured at the best estimate of the amounts required to settle the obligations at the balance sheet date.

Taxes
Deferred tax assets and liabilities are recognized for temporary differences between the value of assets and liabilities according to tax regulations on one hand, and the valuation principles followed in these financial statements on the other hand. The calculation of deferred tax assets and liabilities is based on the tax rates applicable at the end of the reporting period or the rates expected to apply in future years, to the extent already established by law. Tax latencies are valued at nominal value.

Other provisions
Other provisions, including a provision for anniversary payments, are recognized at nominal value.

Liabilities
Liabilities are measured at nominal value.

Corporate income tax
The corporate income tax due or recoverable for the fiscal year is based on the taxable profit for the year, after any adjustments for prior years. Deferred tax assets and liabilities are recognized for temporary differences between the valuation of assets and liabilities according to tax regulations on

one hand, and the valuation principles followed in these financial statements on the other hand. The calculation of deferred tax assets and liabilities is based on the tax rates applicable at the end of the reporting period or the rates expected to apply in future years, to the extent already established by law. Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the temporary differences can be offset. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax items relate to the same tax authority.

Deferred acquisition costs
Deferred acquisition costs represents the portion of booked acquisition costs related to unexpired risk periods (valued at nominal value). Deferred acquisition costs for non-life insurance are recognized as costs over the duration of the contract in proportion to the elapsed insurance period.

Accounting principles for determining the result

General
The result is determined as the difference between the premiums charged and other income, and the claims paid, benefits, and other expenses for the year, taking into account ongoing reinsurance agreements. Revenues and expenses are allocated to the fiscal year to which they relate. Losses are recognized as soon as they are foreseeable.

Technical Account for Non-Life Insurance
In the technical account for non-life insurance, the income and expenses arising from non-life insurance activities during the fiscal year are recorded.

Gross Premiums
Gross premiums are determined as the amounts billed to policyholders based on applicable rates, net of any discounts granted.
Changes in Technical Provisions for Unearned Premiums and Outstanding Claims
Premiums for non-life insurance are recognized as revenue over the duration of the contract in proportion to the elapsed insurance period. Changes in the technical provision for unearned premiums and outstanding claims are also accounted for as part of premium income.

Outward Reinsurance Premiums
The reinsurance premiums paid to reinsurers are recognized as expenses over the duration of the contracts (fiscal year) in proportion.

Changes in Technical Provisions for Unearned Premiums and Outstanding Claims
Premiums for non-life insurance are recognized as revenue over the duration of the contract in proportion to the elapsed insurance period, taking into account the claims year ratio. Changes in the technical provisions for unearned premiums and outstanding claims are also accounted for as part of premium income.

Claims on Own Account
Claims on own account pertain to the claims reported and paid out during the fiscal year. For changes in the technical provision, please refer to the principles for valuation of balance sheet items and profit determination.

Allocated investment income
Revenue from investments includes:

- Interest on investments in fixed-income securities
- Dividends from investments in equities
- Amortization of premiums/discounts on fixed-income investments
- Realized gains from the sale of investments

Gains on equities and fixed-income securities are recognized directly in the income statement.
The investment income is allocated to technical provisions and to equity. The portion allocated to equity is attributed to the non-technical account. The allocation of investment income to the non-technical account is made through direct allocation from the equity account.
Investment results are allocated to the technical and non-technical accounts based on the size of the technical provisions and equity, and the nature of the investment.

Operating expenses
Operating expenses comprise personnel costs, third-party services, automation, marketing, premises, acquisition, and similar expenses. The costs are allocated to the year to which they relate. Using the Activity Based Costing methodology, operating expenses are allocated to the technical account. The allocation keys for distribution of operating expenses have been updated during the fiscal year and align with the associated activities. Costs related to claims handling and payouts are presented under claims on own account. Operating expenses are not included in the technical account but are reported under 'other expenses' in the income statement.

Investment expenses
Investment expenses include costs related to investment advice, investment administration, as well as realized losses from investment transactions. Investment expenses are allocated to the fiscal year to which they relate.

Income tax expense
Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for setoff from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Cash flow statement
The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand. Interest paid and received, dividends received and income taxes are included in cash from operating activities.
Receipts from capital contribution and additional paid-in capital are included in cash generated from financing activities.

Notes to the balance sheet

1. Intangible assets

(in euros)

		2023
Purchased insurance portfolio		
Purchase 1 January 2023	4.734.000	
Cumulative depreciation	(473.400)	
Book value 31 December 2023		4.260.600
Changes in bookyear:		
Purchases	4.734.000	
Amortisation	(473.400)	
Total changes		4.260.600
Amortisation rate	10% per annum	

In January 2023 the insurance portfolio consisting of Dutch policy holders of Fatum General Insurance N.V. was acquired. The valuation was determined at € 4.734.000. Following this transaction GGNL acquired an insurance portfolio and a similar amount of intangible assets. The effective date of the portfolio transfer is January 1, 2023. GGNL performed a Purchase Price Allocation analysis and determined that the whole consideration of € 4,7 million should be allocated to the acquired insurance portfolio.

The acquired insurance portfolio has been integrated into GGNL's financial records as per 1 January 2023, with consideration given to the treatment of premium and claims provisions, deferred acquisition costs and accrued reinsurance commissions and has been accounted for as follows:

(in euros)

	Debit	Credit
Cash	4.928.332	
Deferred acquisition costs	2.126.368	
Technical provisions for unearned premiums		2.239.355
Technical provisions for claims		4.162.824
Accrued reinsurance commissions		652.521
	7.054.700	7.054.700

2. Investments

(in euros)

		2023
Bonds		
Balance 1 January 2023	0	
Purchases	15.452.775	
Disposals	(479.660)	
Amortisation	137.381	
Book value 31 December 2023		15.110.496

On June 30, 2023 GGNL has purchased an investment portfolio of € 15,0 million, consisting of EU government bonds and EU and Non-EU corporate bonds. In August and November additional bonds with a value of € 0,5 million were purchased. The total investment portfolio is managed by ING Bank.

(in euros)

			31-12-2023
	Government Bonds	Corporate Bonds	Total
Nominal value	10.960.000	4.950.000	15.910.000
Acquisition value	10.417.261	4.555.854	14.973.115
Book value	10.498.652	4.611.844	15.110.496
Market value	10.766.898	4.746.895	15.513.793

All government bonds and corporate bonds are listed on the stock exchange, so the market value reflects the stock market value as of 31st December 2023.

(in euros)

			31-12-2023
	Government Bonds	Corporate Bonds	Total
External rating			
AAA	2.589.828	0	2.589.828
AA	6.350.637	182.050	6.532.687
A	0	1.475.867	1.475.867
BBB	1.558.187	2.953.927	4.512.114
Total	**10.498.652**	**4.611.844**	**15.110.496**

(in euros)

	31-12-2023		
	Government Bonds	Corporate Bonds	Total
Bond issuer			
EU	10.498.652	2.011.554	12.510.206
Non-EU	0	2.600.290	2.600.290
Total	**10.498.652**	**4.611.844**	**15.110.496**

3. Receivables

(in euros)

		31-12-2023
Intermediaries		
Receivables from AAs	3.141.660	
		3.141.660

All receivables are due within one year as is defined in the contract with the agents. There are no provisions for bad debts deducted from the carrying amount of the receivable.

4. Other Assets

(in euros)

		31-12-2023
Tangible fixed assets		
IT equipment	1.095	
		1.095

(in euros)

		31-12-2023		31-12-2022
Cash and cash equivalents				
ING Bank current account	6.590.207		14.681.370	
ING Bank fixed-term deposits	7.000.000		0	
		13.590.207		14.681.370

Cash and cash equivalents of which the legal entity does not have legal ownership

Cash at banks and in hand include deposits of € 7,0 million, with a maximum term of maturity of 6 months and maturity dates in January 2024. Because of the short term, deposits are classified as cash and cash equivalents. The interest rate is 2,75% for a € 3,0 million deposit and 2,85% for a € 4,0 million deposit. Cash at banks and in hand amounting to up to € 6,6 million are at the free disposal of the company. An interest rate of 1,85% is applicable.

All cash in 2022 was restricted for the purpose of the license application only until 26th of October 2022. In 2023 all cash is not restricted.

5. Accrued Assets

(in euros)

	31-12-2023	
Accrued interest		
Interest savings account	9.636	
Interest fixed-term deposits	59.330	
Interest bonds	124.613	
		193.579

(in euros)

	31-12-2023	
Deferred acquisition costs		
Deferred commissions AAs	2.259.660	
		2.259.660

(in euros)

	2023	
Deferred acquisition costs		
Balance as at beginning of period	0	
Purchased insurance portfolio	2.126.368	
Additions	19.876.843	
Depreciation	(19.743.551)	
Balance as at 31st December		2.259.660

Deferred acquisition costs for non-life insurance are commissions paid to the AAs and are deferred on a straight-line basis over the duration of the contract in proportion to the elapsed insurance period.

6. Shareholder's equity

(in euros)

	2023		2022	
Share capital paid called up				
Balance as at beginning of period	100.000		0	
Paid share capital during the period	0		100.000	
Balance as at 31st December		100.000		100.000

The authorised share capital of the Guardian Group Nederland N.V. amounts to € 100.000, divided into 100.000 ordinary shares of € 1. Of these, 100.000 ordinary shares of Guardian Group Nederland N.V. have been issued. In December 2023 one new ordinary share was Issued for the fiscal consolidation of the permanent establishment for tax purposes.

(in euros)

	2023		2022	
Share premium				
Balance as at beginning of period	14.634.000		0	
Capital contribution	3.000.000		14.634.000	
Balance as at 31st December		17.634.000		14.634.000

(in euros)

	2023		2022	
Other reserves				
Balance as at beginning of period	0		0	
Contribution of tangible fixed assets	1.095		0	
Appropriation of result	(82.880)		0	
Balance as at 31st December		(81.785)		0

(in euros)

	2023		2022	
Undistributed profit/(loss)				
Balance as at beginning of period	(82.880)		0	
Appropriation of result	82.880		0	
Result for the year	3.165.527		(82.880)	
Balance as at 31st December		3.165.527		(82.880)

(in euros)

	31-12-2023
Solvency II	
Shareholder's equity as per Balance Sheet	20.817.742
Available own funds to meet the SCR	17.283.913
Eligible own funds to meet the SCR	17.283.913
Solvency Capital Requirement	8.590.475
SCR ratio	201%
Internal minimum in % of SCR	150%
Internal minimum in SCR	12.885.713

7. Technical provisions

(in euros)

		2023
For unearned premiums own account		
Balance as at 1 January 2023	0	
Purchased insurance portfolio	2.239.355	
Additions during the period	14.269.770	
Release to result	(15.204.806)	
Balance as at 31st December		1.304.319

(in euros)

The composition is as follows			31-12-2023
	Gross	Reinsurance	Own account
For unearned premiums			
Motor vehicle liability insurance	692.204	594.832	97.372
Other motor Insurance	850.719	725.389	125.330
Marine and transport insurance	44.829	36.152	8.677
Fire and other damage to property insurance	5.337.450	4.410.681	926.769
General liability insurance	756.513	610.342	146.171
	7.681.715	6.377.396	1.304.319

As of January 1, 2023, GGNL has taken over a portfolio of active policies of Dutch residents from FGI. These policies are part of the start of the Guardian Group Nederland N.V. portfolio as a licensed insurer in the Netherlands.

(in euros)

			2023
	Gross	Reinsurance	Own account
For claims			
Balance as at 1 January 2023	0	0	0
Purchased insurance portfolio	30.075.954	25.913.130	4.162.824
Additions to provision	16.125.017	13.402.763	2.722.254
Paid from provision	(12.470.158)	(11.280.704)	(1.189.454)
Release to result	(1.120.708)	(987.355)	(133.353)
Balance as at 31st December	32.610.105	27.047.834	5.562.271

(in euros)

The composition is as follows			31-12-2023
	Gross	Reinsurance	Own account
For claims			
Motor vehicle liability insurance	6.757.673	5.781.217	976.456
Other motor Insurance	2.589.773	2.262.323	327.450
Marine and transport insurance	56.036	45.868	10.168
Fire and other damage to property insurance	16.158.902	13.329.651	2.829.251
General liability insurance	7.047.721	5.628.776	1.418.945
	32.610.105	27.047.834	5.562.271

Development of net claims experience 2023

(in euros)

	Technical provision for claims as at beginning of period *	Payments	Technical provision form claims as at 31st December	Balance of release / (addition)
Claims year				
2019 and older	839.521	103.488	775.863	(39.830)
2020	155.343	121.586	(43.108)	76.865
2021	490.354	192.493	297.772	89
2022	1.204.267	771.887	336.151	96.229
Total up to and including 2022	2.689.485	1.189.454	1.366.678	133.353
2023	-	1.850.198	2.624.703	-
Claims handling expenses	1.473.339		1.570.890	-
Total	**4.162.824**	**3.039.652**	**5.562.271**	**133.353**

* Technical provision as at the beginning of period includes purchased insurance portfolio as at 1 January 2023

8. Liabilities

(in euros)

		31-12-2023		31-12-2022
Payables from direct insurance				
Payables due to AAs	428.203		0	
		428.203		0

(in euros)

	31-12-2023		31-12-2022	
Other liabilities				
Payroll tax and social security contributions	35.608		0	
Holiday allowance	16.608		0	
Creditors	40.076		0	
Other payables	19.770		30.250	
Corporate income taxes	91.307		0	
		203.368		30.250

All liabilities are due within one year.

9. Accrued liabilities

(in euros)

	31-12-2023	
Accrued liabilities		
Accrued reinsurance commissions	2.149.389	
Accrued expenses	591.788	
		2.741.176

Reinsurer's share of technical provisions

The technical provision for accrued reinsurance commissions and accrued expenses represents the portion of booked reinsurance commissions and expenses related to unexpired risk periods (valued at nominal value).

Liabilities not Included In the balance sheet

(in euros)

	Cars	IT Services	Office Rental
Within one year	13.000	49.000	65.000
Between two and five years	27.083	132.000	92.083

There are no obligations longer then five years

Subsequent events

Per December 31, 2023 the CFRO, Mr. Menze Pieter Akkerman, departed the company. The regulator was informed in a timely manner and exemption was granted by DNB. As of January 1, 2024, Mr. P. Baardse acted as manager until his official appointment as CFRO was approved by the DNB as of March 30, 2024. He will fulfill the position until a new definitive CFRO will be appointed, this is expected to take place around mid-2024.

Notes to the profit and loss account

10. Specification branche results

(in euros)	Motor vehicle liability insurance		Other motor Insurance		Marine and transport insurance	
	2023	2022	2023	2022	2023	2022
Earned premiums for own account						
Gross written premiums	5.220.681	0	6.198.788	0	463.365	0
Reinsurance premiums	4.272.793	0	5.058.211	0	352.360	0
	947.888	0	1.140.576	0	111.005	0
Change in technical provision for unearned premium						
Gross	153.407	0	143.421	0	(3.264)	0
Reinsurance	134.851	0	153.347	0	(9.949)	0
	18.557	0	(9.926)	0	6.685	0
	966.445	**0**	**1.130.650**	**0**	**117.691**	**0**
Allocated investment income	7.409	0	8.744	0	634	0
Claims for own account						
Gross claims paid	2.739.747	0	3.719.702	0	109.871	0
Reinsurance claims	2.462.852	0	3.413.169	0	94.011	0
	276.895	0	306.533	0	15.860	0
Change in technical provision for claims						
Gross	87.227	0	218.972	0	(25.171)	0
Reinsurance	(111.233)	0	83.553	0	(24.187)	0
	198.460	0	135.419	0	(984)	0
	475.355	**0**	**441.952**	**0**	**14.876**	**0**
Operational expenses	242.658	0	269.429	0	54.437	0
Result on technical account	**255.840**	**0**	**428.013**	**0**	**49.012**	**0**

	Fire and other damage to property insurance		General liability insurance		Total	
	2023	2022	2023	2022	2023	2022
Earned premiums for own account						
Gross written premiums	46.377.533	0	8.642.353	0	66.902.720	0
Reinsurance premiums	36.414.063	0	6.535.521	0	52.632.948	0
	9.963.470	0	2.106.832	0	14.269.771	0
Change in technical provision for unearned premium						
Gross	(471.747)	0	(26.519)	0	(204.701)	0
Reinsurance	(1.236.789)	0	(181.197)	0	(1.139.737)	0
	765.042	0	154.678	0	935.036	0
	10.728.512	**0**	**2.261.510**	**0**	**15.204.808**	**0**
Allocated investment income	63.289	0	11.878	0	91.954	0
Claims for own account						
Gross claims paid	16.395.065	0	2.448.177	0	25.412.563	0
Reinsurance claims	14.277.293	0	2.125.585	0	22.372.911	0
	2.117.772	0	322.593	0	3.039.652	0
Change in technical provision for claims						
Gross	989.966	0	1.263.156	0	2.534.151	0
Reinsurance	244.072	0	942.500	0	1.134.705	0
	745.894	0	320.656	0	1.399.446	0
	2.863.666	**0**	**643.249**	**0**	**4.439.099**	**0**
Operational expenses	5.050.412	0	1.300.446	0	6.917.382	30.525
Result on technical account	**2.877.722**	**0**	**329.693**	**0**	**3.940.281**	**(30.525)**

All Premiums from insurance contracts are realized in the Netherlands.

Run-off results

Run-off results refer to the claims paid in the financial year for previous years and the changes in provisions for these previous years net of reinsurance.

(in euros)	2022	2021	2020	2019 and older	Total
Run-off results					
Motor vehicle liability insurance	(61.074)	(9.171)	4.571	(26.964)	**(92.638)**
Other motor Insurance	17.245	2.303	(81)	(2.306)	**17.161**
Marine and transport insurance	602	314	0	399	**1.315**
Fire and other damage to property insurance	163.032	14.894	86.976	26.193	**291.094**
General liability insurance	(23.577)	(8.250)	(14.600)	(37.152)	**(83.579)**
	96.229	**89**	**76.866**	**(39.830)**	**133.353**

11. Operational expenses

Acquisition costs

This concerns the paid commissions and authorization fees paid to the AAs.

(in euros)		2023		2022
Management and personnel expenses				
Personnel costs	1.146.923		0	
Other operational expenses	1.311.684		30.525	
		2.458.607		30.525

(in euros)		2023		2022
Personnel costs				
Salaries	947.415		0	
Pension costs	46.868		0	
Social security contributions	71.236		0	
Other personnel costs	81.404		0	
		1.146.923		0

The number of employees per ultimo 2023 was 6,79 FTE (2022 nil). All personnel is working in The Netherlands.

The own contribution has been deducted from the pension premium. The pension expenses relate to the pension contract of the employees of Guardian Group Nederland N.V., which is managed by Allianz. The premium amount is determined based on the principles agreed upon in the implementation agreement between both parties. The pension contract is related to a defined contribution scheme.

(in euros)

	2023		2022	
Remuneration of supervisory board and directors				
Remuneration of supervisory board	65.000		0	
Remuneration of directors	680.000		0	
		680.000		0

Specification audit fees

(in euros)

	2023		2022	
Specification audit fees				
Audit of the financial statements and the QRTs	254.100		30.250	
Other audit services	12.100		0	
Non audit services	0		0	
		266.200		30.250

The fees listed above relate to the procedures applied to the company by accounting firms and external independent auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties Wta') as well as by Dutch and foreign based accounting firms, including their tax services and advisory groups.

The fee relates to the estimated costs of auditing the financial year.

12. Investment income

(in euros)

	2023		2022	
Other investments				
Interest bonds	121.504		0	
Interest fixed-term deposit	77.655		0	
Interest bank account	45.620		0	
Amortisation bonds	137.381		0	
		382.159		0
Realized investment income		156		0
		382.315		**0**

13. Investment expenses

(in euros)

	2023		2022	
Investment expenses				
Management charges	11.581		0	
Paid interest	0		52.355	
		11.581		52.355

14. Taxes

(in euros)

	2023		2022	
Taxes				
Corporate income tax	1.053.535		0	
		1.053.535		0

In determining the corporate tax, the current tax regime has been taken into account.

The reconcilliation between the statutory and effective tax rates is as follows:

(in euros)

	2023		2022	
Income / (loss) before tax	4.219.062		(82.880)	
Statutory tax rate (second layer)	25,8%		25,8%	
Statutory tax amount	1.053.535		0	
Adjustments	0		0	
Effective tax amount		**1.053.535**		**0**
Effective tax percentage		**25,0%**		**0,0%**

The effective tax percentage deviates from the nominal rate due to the progressive tax structure, where different rates apply to various income brackets.

Rotterdam, 22 April 2024
Guardian Group Nederland N.V.

Executive Board

Mr. R.A. van den Broek CEO	Mr. P.W. Baardse CFRO

Supervisory Board

Mrs. T.E. Monzón Chair	Mr. D. Fränkel	Mr. W. Wagenaar

Other information

Provisions of the Articles of Association relating to profit appropriation
Article 23 of the articles of association states the following regarding profit appropriation:

The distributable profit is at the unrestricted disposal of the General Meeting, which may decide dividend distribution, reservation, or other purposes within the company's objectives.

Proposal appropriation of result
The management of the company proposes to appropriate the result as follows:
The result for the period January 1, 2023 – December 31, 2023 in the amount of € 3.165.527 will be fully added to other reserves.
This proposal needs to be approved by the General Meeting and has therefore not yet been recognised in the financial statements 2023 of the company.

Independent auditor's report

Independent auditor's report

To: the general meeting and members of the supervisory board of Guardian Group Nederland N.V.

Report on the audit of the financial statements 2023

Our opinion

In our opinion, the financial statements of Guardian Group Nederland N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2023, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023 of Guardian Group Nederland N.V., Rotterdam.

The financial statements comprise:

- the balance sheet as at December 31, 2023;
- the profit and loss account for the year ended;
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB Rotterdam, P.O. Box 8800, 3009 AV Rotterdam, the Netherlands
T: +31 (0) 88 792 00 10, F: +31 (0) 88 792 95 33, www.pwc.nl

Independence

We are independent of Guardian Group Nederland N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

Guardian Group Nederland N.V. is an insurance company that provides non-life insurance services. The Company was established on 26 July 2021 as a subsidiary of Fatum General Insurance N.V. ('FGI'), a Curaçao based insurance company that is under supervision of the Central Bank of Curaçao and Sint Maarten ('CBCS'). FGI has been active for many years as an insurer in the Netherlands on the basis of a cross-border services license pursuant to Section 2:45 of the Financial Supervision Act (Wft). On 2 March 2021, the 'Eerste Kamer der Staten Generaal van Nederland' adopted a law 'Introduction of a ban on the provision of services by third-country insurers. With this adjustment, the possibility of cross-border services in accordance with Article 2:45 of the Wft came to an end. The Company applied for an insurance license in the Netherlands and the Dutch Central Bank ('DNB') granted a license to the Company on 26 October 2022. On 1 January 2023, the Company purchased a portfolio of active Dutch non-life insurance policies from FGI.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the executive board made important judgments, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In Note 'Use of estimates and assumptions', of the financial statements, the Company describes the areas of judgment in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the valuation of liabilities arising from insurance contracts, we considered this matter as a key audit matter as set out in the section 'Key audit matters' of this report. Furthermore, we identified disclosures on the capital position based on Solvency II regulations as a key audit matter.

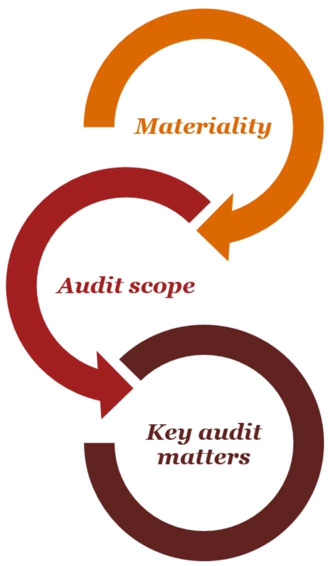
The Company assessed the possible effects of climate change on its financial position, refer to the executive board's report where the executive board disclosed the risk related to climate change.
We discussed the Company's assessment and governance thereof with the executive board and the supervisory board and evaluated the potential impact on the financial position including underlying assumptions and estimates.

The impact on the 2023 financial statements resulting from the risk of climate change on the insurance activities is considered limited, due to among others, the size and nature of the property and casualty portfolio of the Company. The investment portfolio consists of bonds issued by EU-based governments and corporates, which are traded on the stock market. The risk of climate change on this portfolio, is included in the market value of these bonds and does also not lead to a material risk from a 2023 financial statements perspective. Hence, the expected effects of climate change are not considered a key audit matter.

Other areas of focus, that were not considered as key audit matter, were a number of focus areas driven by the operations of the Company. The Company purchased the insurance portfolio from FGI as per 1 January 2023, the transfer of the portfolio and valuation thereof was an important focus area. Secondly, due to the transferred portfolio the Company is required to comply with the Wft requirements regarding Solvency II. This includes sharing regulatory reportings with the DNB for the first-time, which was also an area of focus for our audit. Lastly, the Company is using as a distribution channel authorised general agents, who provide underwriting, policy issuance and claims handling services in return for commissions. Although these services are performed by the authorised general agents, the Company remains responsible for the policy and the compliance with laws, regulations and sanctions. This was also an area of focus during our audit.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a non-life insurance company. Therefore, we also included experts in the areas of amongst other SQL-scripts and the valuation of certain types of liabilities (actuarial services for liabilities arising from insurance contracts) in our team.

The outline of our audit approach was as follows:



Materiality

- Overall materiality: €519,000.

Audit scope

- The Company is a standalone entity without any subsidiaries. The office of the Company is located in Rotterdam.
- We conducted audit work in our office and the client's location in Rotterdam.
- A site visit was conducted in Willemstad, Curacao (where the shareholder of the Company and the seller of the Dutch insurance portfolio is located).
- A file review was performed at the external auditor of some of the authorised general agents, regarding the 2023 audited statements that were available.
- We included all material financial statement line-items in the scope of our audit.

Key audit matters

- Valuation of liabilities arising from insurance contracts; and
- Disclosures on the capital position based on Solvency II regulations.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall materiality	€519,000 (2022: €145,000)
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 2.5% of equity.
Rationale for benchmark applied	We used total equity as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements, which includes regulators, policyholders, creditors and the shareholder. On this basis, we believe that total equity is the most relevant metric for the financial performance of the Company.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €51.900 (2022: €14,500) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Guardian Group Nederland N.V. and its environment and the components of the internal control system. This included the executive board's risk assessment process, the executive board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistle-blower procedures and incident registrations. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the executive board, as well as the internal audit function, compliance officer, risk officer and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risk	*Audit work and observations*
The risk of management override of control The executive board is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: • The appropriateness of journal entries and other adjustments made in the preparation of the financial statements. • Intentional misstatement of accounting estimates that involve subjective input and assumptions. • Significant transactions, if any, outside the normal course of business for the entity. We pay particular attention to tendencies due to possible interests of the executive board.	We evaluated the design and implementation of the internal control measures, i.e. authorisation of payments, that are intended to mitigate the risk of management override of control and to the extent relevant for our audit tested the effectiveness of these controls. Furthermore, we evaluated the design and implementation of the controls in the processes for generating and processing journal entries and making of estimates. We performed our audit procedures primarily substantive based. We have selected journal entries based on risk criteria and performed specific audit procedures on these, also paying attention to significant transactions outside the normal business operations. We also performed specific audit procedures related to important estimates of the executive board, including the valuation of liabilities arising from insurance contracts. We refer to the section 'Key audit matters' for the audit procedures performed related to this significant estimate. We specifically paid attention to the inherent risk of bias of the executive board in these estimates. We did not identify any significant transactions outside the normal course of business. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of violations of the internal controls.
Risk of fraud in revenue recognition regarding gross written premiums received through authorised general agents As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated the specific risk for the Company. The gross written premiums are received via authorised general agents which are authorised to accept and administrate the policies on behalf of the company.	We evaluated the design and implementation of the internal control system in the processes related to revenue reporting. We performed our audit procedures primarily substantive based. We tested, on a sample basis, the standing data, such as starting and ending date of the policy, the insured amount and the premium with the signed policies and verified that these are accurately recorded in the data warehouse of the Company. We have sent external confirmations to all authorised general agents to confirm their current account balance with the Company, which includes total premium. We received responses on all our requested confirmations and reconciled the confirmed amounts to the general ledger of the Company.

Identified fraud risk	*Audit work and observations*
We specifically see a risk in the completeness of the gross written premiums reported through the authorised general agents, as the total process from client, through authorised agent to a pool of insurance companies is a complex process with the risk of unintentional errors.	For several authorised general agents audited statements ('volmachtverklaring') were already available as of the signing date of this report. These statements contain the amount of gross written premiums that the authorised general agent has received on behalf of GGNL. These statements are audited by an external auditor and made available from the authorised general agent to GGNL. We verified that the reported gross written premiums in these statements are accurately recorded in the general ledger of the Company. In addition, we have performed a file review at the external auditor of an authorised general agent, in relation to this audited statement. Finally, we have performed back-testing on the audited statements from the authorised general agents ('volmachtverklaring') from prior year and verified the gross written premiums as stated in these gross written premiums with the prior year gross written premiums in the general ledger of the Company. In addition, we verified that the auditor's report with these statements did not contain qualifications. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the completeness of the gross written premiums received through authorised general agents.
The risk of unauthorised payments The risk of unauthorised payments exists as the Company has been active in the insurance business since 1 January 2023 and has been building up its internal organisation. As a consequence of that, segregation of duties within the payment process was not yet fully developed in 2023. There is therefore a risk that employees post, process, approve and pay invoices without the appropriate internal approvals. This results in a risk of unauthorised outgoing payments.	We performed our audit procedures primarily substantively. We analysed outgoing payments to verify outgoing payments made to the bank account of the employees who contains rights within the payment process. The payments were then investigated with underlying support of the transactions. We tested, on a sample basis, whether payments were made to the correct bank account for services rendered and/or goods delivered for at arm's length prices and the business rationale for these transactions. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to unauthorised payments.

We incorporated an element of unpredictability in our audit. We reviewed legal expenses and the correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

The executive board prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements.

Our procedures to evaluate the executive board's going concern assessment included, amongst others:

- considering whether the executive board identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks);
- considering whether the executive board's going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the executive board regarding the executive board's most important assumptions underlying its going-concern assessment;
- Evaluating the executive board's assessment of the adequacy of the solvency position, and the sufficiency of free cash flows to cover the projected dividends and other cash outflows;
- Understanding and evaluating the executive board's assessment of the Company's stress testing of liquidity and regulatory capital requirements, including severity of the stress scenarios that were applied, and;
- Performing inquiries of the executive board as to its knowledge of going-concern risks beyond the period of the executive board's assessment.

We concluded that the executive board's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters described below are mostly related to the nature of the Company and are therefore expected to occur year over year.

Due to the significant change in the nature of the Company, resulting from the purchased insurance portfolio, the key audit matters have changed compared to prior year. None of the prior year key audit matters are assessed to be significant for this year.

The following key audit matters were noted for this year:

Key audit matter	***How our audit addressed the matter***
Valuation of liabilities arising from insurance contracts *Refer to Note 7 'Technical provisions' in the Financial Statements.* The non-life insurance liabilities consist of: • unearned premiums and unexpired risks (€7.6 million); • outstanding claims gross (€32.6 million). The Company makes use of an external actuarial company to calculate the non-life insurance liabilities.	Our audit procedures included, among others, evaluation of the appropriateness of the Company's accounting policies related to the measurement of insurance liabilities, unearned premiums and unexpired risks and whether assumptions and the methods for making the accounting estimates are appropriate and have been applied consistently. This includes the determination and approval process for setting economic and actuarial assumptions by the Company, as well as controls over the executive board's actuarial analyses of the technical results, including estimated versus actual results (run off results) and experience studies and controls over data integrity.

Key audit matter	*How our audit addressed the matter*
The calculation of the liabilities arising from insurance contracts involve the use of actuarial valuation models that use significant inputs that are not market observable and significant judgement over uncertain future outcomes. This includes the timing and ultimate full settlement of policyholder liabilities and relates, among other assumptions, to the amount of the claims, assumptions on claim trends, especially for personal injury ('letselschades'), the number of incurred but not yet reported claims ('IBNR'), lapse, disability, incidence and recovery rates, discount rate and future expenses and other assumptions used, Liabilities arising from insurance contracts are therefore more likely to be subject to a material misstatement either due to error or fraud. Therefore, we consider these areas a key matter for our audit.	We involved our actuaries to assist us in performing audit procedures in this area. Our audit procedures included evaluating the Company's methodology for calculating the insurance liabilities and an evaluation of the design of internal controls in this respect. We evaluated the analyses of the movements in insurance liabilities during the year. We assessed whether the movements are in line with the changes in assumptions adopted by the Company, our understanding of developments in the business and our expectations derived from market experience. We evaluated the validity of the Company's assessment whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its assurance contracts and a risk margin. We performed tests of details, based on sampling, to verify that the standing data as recorded by the authorised general agents, such as starting and ending date of the policy, the insured amount, the premium, the claims paid out and claim reserves, including the reinsurance part were accurate by reconciling these to the original policies, claim reports, bank receipts and reinsurance policies. The standing data was used in the valuation of the liabilities arising from insurance contracts. We have not noted any material differences. We discussed the outcome of the actuarial analysis with the external actuaries and the actuarial function holder. Specific attention was paid to claims trends, especially arising from personal injury ('letselschades'), estimation of the IBNR, recovery rates, discount rates and future expenses and other assumptions used. We validated that the external actuary is a well reputable firm We determined that executive board's assumptions were based upon available audit evidence and recognised actuarial practices, and found the assumptions used to be reasonable. Furthermore, we assessed the adequacy of the disclosures. We did not note any material findings.

Key audit matter	*How our audit addressed the matter*
Disclosures regarding capital requirements based on Solvency II regulations *We refer to Note 6 'Shareholder's equity' in the financial Statements.* The Company, as a regulated insurer, determines the required capital to cover its risk exposure based on the Solvency II requirements. The capital position is determined based upon the available capital ('Own Funds') of €17.2 million and the required capital of €8.6 million. This results in a solvency ratio of 201% as per 31 December 2023. The risk of misstatement in the SCR calculation is higher due to the use of estimates and valuation models. The fact that the solvency ratio constitutes a key indicator and the Solvency II information is relevant within the Company's capital and dividend policy means that we consider these areas a key matter for our audit. Available capital The determination of the available capital position is based on the economic balance sheet drawn up by the Company. Several important estimates and valuation models are applied that use inputs not observable in the market. The main estimates are: • The cash flows used to determine the economic value of the technical provisions and reinsurance recoverables (parameters and assumptions with respect to investment returns, lapse, claim statistics and future expenses); • the market value of the other financial investments (bonds); and • expected premium income for the next year. Required capital The standard formula is used to determine the capital requirements.	Available Capital We verified the accuracy and completeness of the adjustments to arrive from the Dutch GAAP balance to the economic balance sheet, the basis for calculation of the available capital, in accordance with Solvency II regulations. We tested the estimates (parameters and assumptions with respect to investment returns, lapse, claim statistics, future premiums and expenses) used to determine the cash flows to the observed historical developments in the insurance portfolio. Where the assumptions take into account actions of the executive board, we challenged the executive board on the feasibility and associated impact. We determined that executive board's assumptions were supported by evidence and found these to be reasonable. Required capital We assessed that for each sub-risk the capital requirements were calculated in accordance with the Solvency II regulations. In this respect, we tested (for a sample) the reconciliations and reasonableness of the data, by verifying the data of the company with our own external data. Furthermore, we performed sample tests on the calculations in the Solvency II model. Disclosures We also evaluated whether the disclosures relating to the available capital and the disclosures of the required capital are adequate. We also verified the compliance with the applicable financial reporting framework. We found the disclosures to be appropriate in this context. We did not note any material findings.

Report on the other information included in the financial report

The financial report contains other information. This includes all information in the financial report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:
- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the executive board's report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The executive board is responsible for the preparation of the other information, including the executive board's report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of Guardian Group Nederland N.V. on 13 April 2023 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 13 April 2023. Our appointment has been renewed annually by the shareholders and now represents a total period of uninterrupted engagement of 2 years.

Responsibilities for the financial statements and the audit

Responsibilities of the executive board and the supervisory board for the financial statements

The executive board is responsible for:
- the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the executive board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the executive board should prepare the financial statements using the going-concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The executive board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. 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 but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Rotterdam, 22 April 2024
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.P.A. Corver RA

Appendix to our auditor's report on the financial statements 2023 of Guardian Group Nederland N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining 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 internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluding on the appropriateness of the executive board' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company'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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board 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 provide the supervisory board 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 actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, 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.