



Guardian Group

Annual Report 2024



Guardian Group Nederland N.V.



 Brainpark III Fascinatio Boulevard 216
3065 WB Rotterdam
The Netherlands
KvK: 83508880


 www.myguardiangroup.eu

Table of Contents

General Information	5
1. Executive Board Report	7
Looking back	7
Corporate Governance	12
Risk management	14
Sustainability	20
Closing word and looking forward to 2025.....	22
2. Supervisory Board Report.....	24
3. Annual Report - Financial Statements 2024	27
Balance sheet as at 31 December 2024	27
Profit and loss account for the year ended 31 December 2024	29
Notes to the Financial Statements.....	32
Notes to the balance sheet	41
Notes to the profit & loss accounts	49
Proposal appropriation of result.....	54
4. Other information	56
Profit appropriation proposal	56
Independent auditor's report	57

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. P.W. Baardse, CFRO (appointed March 30, 2024. Until July 31, 2024)
Mr. P. Plat, CFRO (July 31, 2024 – December 31, 2024)

Independent Auditor

PricewaterhouseCoopers Accountants N.V.

Independent Actuary

Triple A Risk Finance Certification B.V.

Internal Audit

ForvisMazars N.V.

General Information

Our history

Guardian Group Nederland N.V. (hereafter: 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 in 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.

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 license was granted 26 October 2022.

Our profile

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 GGNL outsourcing model seamlessly aligns with the business model of authorized agents. Here the strengths of GGNL and the selected authorized agents complement each other without overlapping tasks.

Through the establishment of this entity, GGNL has confirmed our commitment to the Dutch market. GGNL enhances collaboration and knowledge sharing by maintaining streamlined communication and prioritizing personal engagement with authorized agents. 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.

The GGNL 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.

The premium volume has since increased to € 67.7 million (2023: € 66.9 million) exclusively through the distribution channel of the authorized agents (AA). More than 33 selected AA's (2023: 30) have now been appointed and in 2024 a gross combined ratio of 80% (2023: 70%) was achieved.

A low-angle, upward-looking shot of a modern skyscraper with a glass facade. The building is the central focus, reaching towards the top of the frame. The sky is a deep blue with scattered white clouds. The sun is visible in the upper left corner, creating a bright glow and lens flare. The building's reflection is visible in the windows. The overall mood is professional and aspirational.

1.

Executive Board Report

1. Executive Board Report

Looking back

Our business growth strategy continues to deliver results. We expanded through existing authorized agents and new partnerships. Additionally, we updated our products, including the launch of an enhanced version of our Property commercial product and "Kies & Klaar" retail product.

The reinsurance program renewal did foster robust risk management, enhanced financial performance and is deemed effective. GGNL also updated its reinsurance policy and governance in 2024.

The interim-CFRO, Mr. P.W. Baardse, joined GGNL on January 1, 2024, and received approval from De Nederlandsche Bank on March 18, 2024. For the period before his approval and appointment, GGNL was granted an exemption to operate with a single approved Executive Board member. On July 1, 2024, the new CFRO, Mr. P. Plat, joined GGNL and was approved by the De Nederlandsche Bank on July 12, 2024. Subsequently Mr. P.W. Baardse was offboarded and Mr. P. Plat was appointed on July 31, 2024. The handover from and offboarding of the ad-interim CFRO, Mr. P.W. Baardse, was completed on August 1, 2024.

Furthermore, significant progress was made in compliance and strategic initiatives, including the launch of Corporate Sustainability Reporting Disclosures (CSRD) applicability review and the Digital Operational Resilience Act (DORA) assessment and implementation. We conducted a comprehensive review of our IT architecture and outsourcing policies to strengthen our IT landscape and cyber resilience in line with the DORA requirements. At the end of 2024, GGNL implemented all DORA requirements to be DORA compliant on January 17, 2025. For the items for which GGNL has a dependency on third-parties, an action plan was set up with SMART criteria. The progress of these items is well monitored and dependency items will be solved in 2025.

GGNL is also in the process of switching from IT services provider, this IT Lift & Shift in accordance with DNB regulations will be implemented in 2025.

A capital influx of €1 million from FGI N.V. has bolstered our capacity to grow our book of business and increase our reinsurance retention.

GGNL made significant progress with setting up the (1st line) actuarial team and further professionalizing actuarial methodology and the reporting process. A comprehensive data study led to the creation of claims triangles per line of business, applying an external validated reserving tool aligned with the SII branch classification. We also performed assessments to estimate the impact from future regulations and draft EIOPA consultations on our operational process and capital position. These efforts form the foundation for further advancements in 2025, ensuring robust operational and technological environment for sustained growth while maintaining compliancy.

Part of our broader strategy to enhance data quality and visualisation of figures, GGNL also invested in further optimizing its data structure and implemented financial dashboarding. Designed for in-depth commercial analysis, it enables efficient monitoring, streamlines operations, improving efficiency and transparency across business and financial management.

During 2024, Internal Audit conducted six audits on a wide variety of topics, and all led to an adequate outcome and are shared and discussed in the Audit Compliance & Risk Committee.

Our independent actuary, who holds the Actuarial Function, performed various tasks to review the adequacy of our technical provisions, solvency, and premiums, as well as the effectiveness of our reinsurance program. Additionally, they assessed the ORSA scenarios and calculations.

GGNL decided to explore first steps for additional business opportunities beyond the Dutch borders through existing authorized agents with whom we already have established business relationships. The Executive Board submitted a cross-border service application to the De Nederlandsche Bank.

GGNL concluded 2024 with enhanced operations, sustainable results, a solid capital position and a strategy to expand its business in the Netherlands and Europe.

Workforce

Over 2024, GGNL continued to focus strengthening its team, enhancing employee engagement and maintaining effective workforce management to support growth and operational goals. Training and development programs were continued, and regular staff meetings were held. Compliance & Risk awareness sessions were held with staff working in Underwriting, Claims, Reinsurance, Commercial roles and Finance. GGNL has appointed a commercial manager to strengthen our focus on the Dutch market and partnerships.

Due to the size of its workforce, GGNL is a flat hierarchy organisation and topics as sustainable employability, and absenteeism were addressed regularly in personal meetings. We also optimized the HR process and monitoring of absenteeism and holidays in order to be able to track the well-being and adequate working time of our staff. GGNL has relevant compliance and HR policies and complaints registers in place.

The Dutch collective labour agreement for insurance companies (CAO Verzekeringsbedrijf) is applicable to GGNL. As per December 31, 2024, GGNL workforce totals 10 employees (2023: 8 employees), including the Executive Board, equating to 7.82 FTE (2023: 6.66 FTE) positions. GGNL offers permanent employee contracts and has a defined contribution pension scheme in place. For further information we would like to refer to the annual report disclosures.

GGNL aims for a diverse and inclusive workforce. The Supervisory Board has 33% female/male gender balance, while our Executive Board is unbalanced. During 2024 the composition of the total workforce equals 33% diversity. GGNL remains ambitious for a balanced composition of its workforce, Executive Board and Supervisory Board and will set targets accordingly. In future selection procedures these targets will be taken into consideration whereas the most suitable person for the position will be elected.

Remuneration

GGNL adheres to a carefully crafted, controlled, and sustainable remuneration policy aligned with its strategic goals, risk appetite, values, and long-term objectives. This policy integrates considerations of the regulatory landscape. The primary aim is to ensure fair compensation practices while preventing any form of remuneration that may incentivize inappropriate behaviour among employees or decision-makers.

The policy is designed to attract, motivate, and retain qualified talent for all levels, including employees, Executive Board members, and Supervisory Board members, by offering a market-competitive compensation package. For 2024, a variable remuneration component for Executive Board members remains capped at a maximum of 20% and employees may qualify for a bonus equivalent to one month's salary, all in compliance with the "Wet Financieel Toezicht" (Financial Supervision Act).

This approach supports GGNL's objectives of maintaining operational excellence, employee satisfaction, and alignment with industry standards and regulatory requirements.

Investments & operating expenses

In 2024, GGNL focused on IT investments to enhance automation, data quality, and regulatory compliance. Key efforts included automating finance and compliance processes, developing financial dashboards, improving data quality, preparing for future ESG reporting and ICT-related requirements, such as DORA compliance. These initiatives led to an increase in spend (+23%) compared to 2023, but GGNL remained within cost budget, reflecting effective cost management while strengthening GGNL's operational and regulatory readiness.

Financial performance (compared to 2023)

GGNL reporting is based on Dutch-GAAP/Dutch Accounting Standards. GGNL achieved a portfolio gross written premium of € 67.7 million, marking a 1% increase compared to prior year (€ 66.9 million). The Executive Board has taken steps in 2024, to (re)structure the portfolio, aiming to create a solid foundation for future growth by carefully reviewing all partnerships, agreements and contract extensions. Consequently, the portfolio size has remained stable, positioning us to accelerate growth over the next three years. Claim costs rose (+28%) mainly in the second half of the year and remained within expectations.

GGNL benefited from higher investment income (+140%), mainly driven by the yield on investments acquired in 2023 with a longer duration. Operational costs also increased (+19%), mainly due to higher personnel cost and expenditure related to improving GGNL's operations, but remained within budget reflecting disciplined cost management.

The gross combined ratio increased to 80%, remaining well below targeted levels. Net operating profit for the year reached € 2.6 million, a 18% decline (2023: € 3.2 million) compared to 2023, largely due to increased claim costs, higher operational expenses and a higher amount was recognized in 2023 on profit commissions as these were related to the establishment of the GGNL stand-alone entity. These profit commissions were linked to the transferred FGI-portfolio and were settled during the portfolio transfer in the fiscal year 2023.

Investment portfolio

At the end of 2024, the balance for other financial investments and cash amounted to € 31.4 million (2023: € 28.7 million). A total of € 24.2 million (2023: € 15.1 million) is invested in bonds, consisting of € 14.9 million in government bonds (2023: € 10.5 million) and € 9.3 million in corporate bonds (2023: € 4.6 million). The remaining € 7.7 million (2023: € 13.6 million) is held in deposits and cash. All investments are maintained with parties rated at least BBB. Investment income for the year amounted to € 0.9 million (2023: € 0.4 million). The total percentage of "sustainable" linked bonds is 21.6% of the total portfolio.

Solvency position

At 31 December 2024, GGNL's solid financial position remains unchanged and the equity on a statutory basis amounts to € 21.7 million. GGNL's solvency II capital requirement is € 10.3 million and as a result the solvency ratio stands at 190% (2023: 201%). During 2024, several initiatives were conducted to update GGNL's governance and policy documents. The internal target capital ratio is 175% (2023: 200%) and has been updated in the GGNL Capital policy and was approved by the SB in 2024. The setting of the internal target capital was to allocate the excess of capital to better align the target with GGNL's growth ambitions and to optimize the GGNL reinsurance structure in 2025. The internal norm remains at 150%.

Capital

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.

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% × 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 175% 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 = 175% × maximum (MCR, SCR)

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 reinsurance broker with a global network. Due to GGNL's positive loss ratio trends in recent years, the relative reinsurance premiums have remained stable compared to 2023. 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. Reinsurers part of the GGNL reinsurance programme have at least an A-rating. Per May 1, 2024 the reinsurance programme was renewed and in order to retain more of GGNL's profitable book of business and in line with Group appetite GGNL has increased the retention of the Quota share treaty.

Corporate Governance

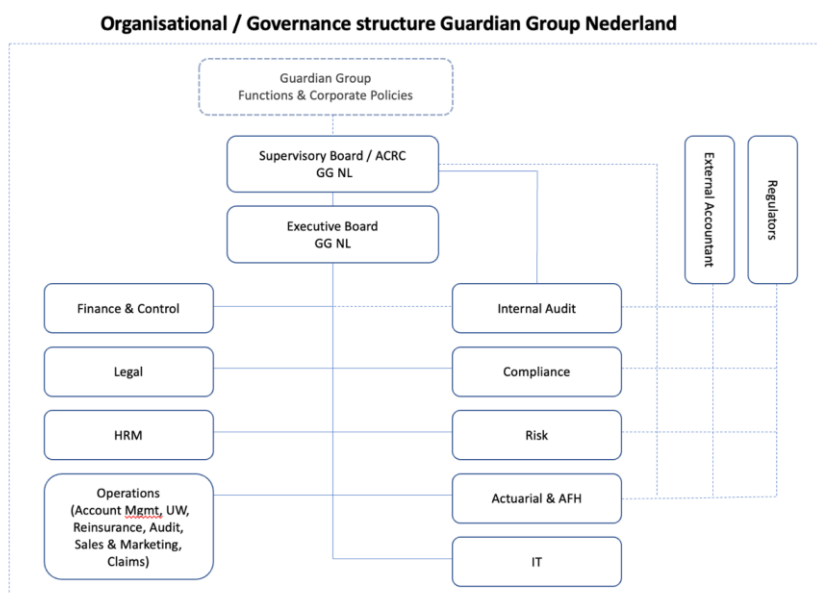
Regarding the governance system of GGNL, the following framework is established concerning general governance arrangements, suitability requirements, the risk management system, and the internal control system.

GGNL comprises of the following bodies:

- A. Executive Board
- B. Supervisory Board
 - i. Audit, Compliance & Risk Committee (ACRC)

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 audit, internal risk management, compliance and control.

The structure below illustrates the organisational structure of GGNL.



Three lines model

The tasks, responsibilities, and authorities are described in governance, 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.

1. The first line consists of the Executive Board and line management.
2. The second line comprises three of the four key functions: compliance, risk management, and the actuarial function.
3. 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 Executive 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.

Risk management

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

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. The ORSA was delivered to De Nederlandsche Bank in December 2024.

Risk Profile

GGNL annually revises its risk strategy and risk profile. In line with the strategic objectives, we formulate our risk profile and risk appetite, expressed in qualitative and quantitative statements. These are described in the risk profile and risk appetite. This forms the basis for all plans and the risk response at various levels. Risk Management monitors and reports quarterly.

The following risks are distinguished therein:

- Insurance technical risk, also taking into account the reinsurance program
- 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 reviewed in and 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 risk, 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 claims & 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. Here, GGNL also takes into account the effect of the reinsurance program.

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 risk

Refers to the risk of value fluctuations in (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 optimal 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 CO₂-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 reinsurance 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 eight 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 authorized agents. We have included fraud and corruption in our SIRA (Systematic Integrity Risk Assessment) process which was updated by Risk Management and Compliance and approved by the executive board. 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 Compliance oversees fraud risk monitoring and provides quarterly reports to the executive board. Additionally, awareness sessions are conducted for teams in Acceptance, Reinsurance, Claims Handling, and Commercial departments. GGNL has established fraud-related procedures and incorporated fraud-related provisions into its outsourcing policies. Authorized agents are subjected to audits to ensure adherence to these procedures and compliance standards. GGNL also uses Group fraud policy that applies to all of GGNL's activities. There are no (material) fraud cases reported in 2024.

- Systems Risk

IT failure and risk of unauthorized access to data.

Other risks

Climate

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 external asset manager to invest our portfolio.

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%. This is a percentage linked to investments that are classified as "art 9" in accordance with the Sustainable Finance Disclosure Regulation (SFDR). 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.

Taxation

Effective starting on December 31, 2023, the "Minimum Tax Act 2024," based on the OECD Pillar II Model Rules, has come into force. This legislation aims to ensure that large multinational groups pay a minimum effective tax rate of 15% on their global profits.

For the 2024 financial year, the mandatory exception for recognizing deferred tax assets and liabilities related to Pillar II taxes has been applied, as permitted under the Dutch Accounting Standards.

The implementation of the Pillar II legislation is not expected to have an impact on the GGNL's tax position and tax expenses starting from the 2025 financial year. GGNL is a stand-alone entity. Any reallocations of Pillar II taxes within the Group will be accounted for and disclosed in accordance with the applicable standards.

At the moment the Group is in process of identifying the Ultimate Parent Entity (UPE). GGNL will reassess the implications and impact of Pillar II in consultation with a globally recognized tax advisor. In 2025, GGNL will prepare the substantiation of the Effective-tax-rate (ETR) in accordance with Pillar II regulations. The Dutch statutory tax rate is 25.8%. GGNL's effective tax rate over 2024 is 25.4% (2023: 25%).

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
- Advising on solvency based on Solvency II principles in cooperation with the risk management function.
- 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 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.

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.

Sustainability

Commitment to Sustainability

At GGNL, sustainability is not just an initiative; it is integral to our vision of creating a secure and balanced future for all our stakeholders. In 2024, we built on our sustainability strategy to address climate challenges and contribute to well-being. We continue to ensure that our activities align with global and local sustainability goals.

Responsible Investment Policy

GGNL responsibly allocates its capital, complying with applicable laws and regulations. Additionally, it adheres to the principles of the International Responsible Business Conduct (IRBC) agreement for the insurance sector and applies the guidelines of the Sustainable Investment Code. GGNL does not make direct investments, delegating portfolio management to an external investment manager.

Goals for Responsible Investment

GGNL has established specific goals for responsible investing:

1. At least 20% of the investment portfolio must consist of investments with a sustainability rating provided by the external investment manager. This sustainability rating is based on investments with an “article 9” classification in accordance with the Sustainable Finance Disclosure Regulation (SFDR).
2. The ambition is to achieve climate-neutral investments by 2050, with progress being made wherever possible.
3. GGNL avoids investing in companies or countries that violate (inter)national sustainability principles, including:
 - Causing significant environmental harm,
 - Violating human rights,
 - Involvement in weapons,
 - Violations of animal welfare.

Monitoring Responsible Investment

To track progress and impact, GGNL's Risk Management conducts an annual "carbon calculation" on the investment portfolio. An annual analysis is also performed on the companies and countries in which investments are made. Based on these analyses, GGNL assesses the implementation of its policy. If required, actions are outlined in a plan with quantitative and/or qualitative Key Performance Indicators (KPIs).

The monitoring results are submitted to the board and reported externally if necessary (e.g., under Solvency II requirements). Monitoring and ESG risk analysis outcomes are integrated into GGNL's standard risk management process.

Evaluation of Responsible Investment

GGNL uses the "double materiality" principle, aligned with EU guidelines, meaning financial returns are not the sole factor in decision-making. The entire investment portfolio is evaluated quarterly in collaboration with the external manager, with sustainability being a fixed agenda item.

External Manager mandate

GGNL has defined criteria for the external manager's investment mandate and plan. Annually, the mandate and plan are reviewed to ensure alignment with GGNL's responsible investment objectives. The portfolio performance is shared with the Executive Board members quarterly and both Executive Board members are part of the Group Executive Investment Committee meetings.

Introduction to CSRD

The Corporate Sustainability Reporting Directive (CSRD) is a transformative regulation introduced by the European Union, designed to standardize and enhance sustainability reporting across businesses. Replacing the Non-Financial Reporting Directive (NFRD), the CSRD mandates more detailed and transparent disclosures on environmental, social, and governance (ESG) impacts. The directive aims to provide stakeholders with reliable, comparable, and relevant information about an organization's sustainability performance and strategy. Under the CSRD, organizations are required to adopt the European Sustainability Reporting Standards (ESRS).

CSRD applicability review

GGNL is familiar with the CSRD and ESRS frameworks, embedding these requirements into its operations and reporting processes. This ensures compliance with regulatory obligations while also reinforcing the commitment to sustainable development. In the Netherlands the CSRD (and ESRSs) is not transposed into national law at 31 December 2024. Implementation legislation is introduced but not yet approved thus not effective. GGNL began its CSRD journey in 2024. The first double materiality assessment (DMA) was conducted in Q4 2024 and will be updated in 2025. The (ESG) 'Omnibus Simplification Package', presented by the European Commission on February 26, 2025, aims to create a consolidated sustainability framework and simplify overlapping EU reporting and due diligence requirements. GGNL's Executive Board will closely monitor the impact and will align (implementation) timelines and requirements accordingly.

Closing word and looking forward to 2025

GGNL prioritized profitability in underwriting new business and the selection of (new) authorized agents. While this approach resulted in portfolio growth that was below financial budget, it contributed to a significantly better gross combined ratio than market average and NOPAT above budget. GGNL also maintained a lower operational cost ratio compared to the industry benchmark and successfully operated within the 2024 cost budget. The Executive Board delivered a financial budget plan 2025 – 2029, with clear targets set for 2025.

Looking ahead, GGNL remains confident in the opportunities within the Dutch and European market to drive sustainable and profitable growth in 2025.

In Q1 2025, we experienced relative higher incurred losses than expected concerning our property portfolio. Currently, an estimation of the impact on our year-end incurred claims, is too early to project.

Furthermore over 2025, we expect to add new authorized agents and increase our portfolio, while maintaining our targeted combined ratios. GGNL also aims to maintain strong capital levels and takes into account to increase reinsurance retention levels. In order to facilitate this, we will continue to invest in improving data quality and our financial & actuarial reporting.

We extend our gratitude to Mr. P.W. Baardse for his service as interim-CFRO and to all our stakeholders for their trust and excellent collaboration. We look forward to strengthening our relationships further in 2025.

Rotterdam, 22 April 2025



Mr. R.A. (René) van den Broek
Chief Executive Officer



Mr. P. (Peter) Plat
Chief Financial & Risk Officer

A low-angle, upward-looking shot of a modern skyscraper with a glass facade. The building is the central focus, reaching towards the top of the frame. The sky is a deep blue with some wispy white clouds. The sun is visible in the upper left corner, creating a bright glow and casting a soft light on the building's glass. The perspective makes the building appear to converge towards the top, emphasizing its height.

2.

Report of the Supervisory Board

2. Supervisory Board Report

Introduction

The Supervisory Board (hereafter: SB) of Guardian Group Nederland N.V. (GGNL) presents its report for the year 2024. Throughout the year, the SB has provided oversight, strategic guidance, and governance support to support GGNL's compliance with regulatory frameworks, financial stability, and operational efficiency.

Meetings and Governance

In 2024, the SB convened five times (four regular, one extra) to review financial performance, claims development, reinsurance, ORSA (Own Risk and Solvency Assessment), capital policy, sustainability and other strategic initiatives. The SB engaged in discussions with the EB to assess risks, business development opportunities, and ESG (Environmental, Social, and Governance) compliance.

The Audit, Compliance & Risk Committee (ACRC) held four meetings in 2024, attended by the external auditor, internal audit and Risk Manager and Compliance Officer when invited. Key areas of focus included the financial statements, actuarial function, and internal audit findings. The ACRC reviewed major claims, financial provisions, and compliance with Solvency II and Dutch regulatory requirements.

Continuing professional education and knowledge sharing

An extra SB meeting was held in December to specifically discuss key regulatory and strategic topics, including ORSA, the Corporate Sustainability Reporting Directive (CSRD), and the Digital Operational Resilience Act (DORA) updates. This meeting allowed for a deeper assessment of compliance, risk management strategies, and GGNL's readiness for upcoming (regulatory) changes. The SB conducted a self-assessment, and the results will be addressed in 2025.

Financial Oversight

The SB evaluated the 2024 financial statements and the findings presented by PricewaterhouseCoopers Accountants N.V. The SB engaged in discussions with the EB and external auditors. After analysis, the SB confirmed that GGNL's financial reporting adhered to all regulatory and legal requirements, ensuring transparency and accuracy.

Executive Board Changes

Mr. P.W. Baardse joined as interim Chief Financial & Risk Officer (CFRO). His tenure ended August 2024, after Mr. P. Plat was approved by De Nederlandsche Bank as the new CFRO. The SB extends its sincere gratitude to Mr. Baardse for his contributions during the interim period and his role in ensuring a smooth transition.

Risk Management and Compliance

GGNL enhanced its risk management framework by aligning with the Digital Operational Resilience Act (DORA) and the Corporate Sustainability Reporting Directive (CSRD). Key risk areas were carefully assessed.

The SB monitored the progress of the Own Risk and Solvency Assessment (ORSA), submitted to De Nederlandsche Bank in December 2024.

Additionally, the Internal Audit function continued to play a role in evaluating and improving the effectiveness of risk management, control, and governance processes and performed six audits, all with sufficient conclusions. The ACRC took notice of Internal Audit's findings, recommendations and follow-up was discussed during the ACRC meetings.

GGNL maintained a solvency ratio of 190% per 2024 year end, well above the internal target capital ratio, ensuring financial resilience. Additionally, the company updated its capital policy.

In alignment with the Corporate Sustainability Reporting Directive (CSRD), GGNL has taken steps to review the applicability and next steps regarding sustainability reporting. Key activities included conducting a materiality assessment, integrating ESG factors into risk management.

Conclusions

The SB acknowledges GGNL's progress in financial performance, governance, and compliance despite market challenges. GGNL has maintained a strong capital position and an effective risk management framework. Looking ahead, GGNL is well-positioned for sustainable growth in the Dutch and European markets. The SB expresses its gratitude to the EB, GGNL employees, and stakeholders for their dedication and collaboration throughout 2024.

The SB approves the 2024 financial statements and recommends that the Shareholders discharge the EB from liability for management activities and the policies implemented, discharge the SB for its oversight, and approve the 2024 financial statements.

Rotterdam, April 22, 2025

Mrs. T.E. Monzón – Chair

Mr. D. Fränkel – Member

Mr. W. Wagenaar – Member



3.

Annual Report – Financial

3. Annual Report - Financial Statements 2024

Balance sheet as at 31 December 2024

(Before appropriation of result)

Assets

(in euros)

		31-12-2024	31-12-2023
Intangible assets	1		
Value of business acquired		3.787.200	4.260.600
		3.787.200	4.260.600
Investments	2		
<i>Other financial investments</i>			
> bonds		23.704.279	15.110.496
		23.704.279	15.110.496
Receivables	3		
Receivables from direct insurance			
> intermediaries		2.038.837	3.141.660
Reinsurance receivables		447.234	0
Other receivables		213.339	0
		2.699.410	3.141.660
Other assets	4		
Tangible fixed assets		1.095	1.095
Cash and cash equivalents		7.706.757	13.590.207
		7.707.852	13.591.302
Accrued assets	5		
Accrued interest		285.782	193.579
Deferred acquisition costs		2.093.431	2.259.660
		2.379.213	2.453.239
Total assets		40.277.954	38.557.297

Shareholder's equity and liabilities

(in euros)

		31-12-2024	31-12-2023
Shareholder's equity	6		
Share capital paid called up		100.000	100.000
Share premium		18.634.000	17.634.000
Other reserves		3.083.742	(81.785)
Undistributed profit/(loss)		2.584.097	3.165.527
		<u>24.401.839</u>	<u>20.817.742</u>
Technical provisions	7		
<i>For unearned premiums</i>			
Gross		6.923.792	7.681.715
Reinsurance		5.436.608	6.377.396
		<u>1.487.184</u>	<u>1.304.319</u>
<i>For claims</i>			
Gross		37.766.218	32.610.105
Reinsurance		29.991.938	27.047.834
		<u>7.774.280</u>	<u>5.562.271</u>
		<u>9.261.464</u>	<u>6.866.590</u>
Liabilities	8		
Payables from direct insurance		838.680	428.203
Reinsurance payables		3.071.564	7.500.218
Other liabilities		322.588	203.368
		<u>4.232.832</u>	<u>8.131.789</u>
Accrued liabilities	9	<u>2.381.819</u>	<u>2.741.176</u>
Total shareholder's equity and liabilities		40.277.954	38.557.297

Profit and loss account for the year ended 31 December 2024

Technical account

(in euros)

	01-01-2024 to 31-12-2024	01-01-2023 to 31-12-2023
Earned premiums for own account	10	
Gross written premiums	67.732.456	66.902.720
Reinsurance premiums	53.223.229	52.632.949
	14.509.227	14.269.771
<i>Change in technical provision for unearned premium</i>		
Gross	757.923	(204.701)
Reinsurance	940.787	(1.139.737)
	(182.864)	935.036
	14.326.363	15.204.807
Allocated investment income	11	
	244.548	91.954
Claims for own account	10	
Gross claims paid	29.497.062	25.412.563
Reinsurance claims	24.058.095	22.372.911
	5.438.967	3.039.652
<i>Change in technical provision for claims</i>		
Gross	5.156.113	2.534.151
Reinsurance	2.944.104	1.134.705
	2.212.009	1.399.446
	7.650.976	4.439.098
Operational expenses	12	
Acquisition costs	20.264.879	19.876.843
Change in deferred acquisition costs	166.230	(133.292)
Management and personnel expenses	3.015.765	2.458.607
Amortisation of intangible assets	473.400	473.400
Provision and profit-sharing received from	(19.820.295)	(15.758.176)
	4.099.979	6.917.382
Result on technical account	2.819.956	3.940.281

Non-technical account

(in euros)

		01-01-2024 to 31-12-2024	01-01-2023 to 31-12-2023
Result on technical account		2.819.956	3.940.281
Investment income	11		
> other investments		941.486	382.160
> realized investment income		4.690	156
		946.176	382.316
Investment expenses	13		
> management charges		57.302	11.581
		57.302	11.581
Investment income allocated to the technical		244.548	91.954
Income / (loss) before tax		3.464.282	4.219.062
Taxes	14	880.185	1.053.535
Net profit / (loss)		2.584.097	3.165.527

Cashflow statement the year ended 31 December 2024

Indirect method

(in euros)

		01-01-2024 to 31-12-2024	01-01-2023 to 31-12-2023
Cash flows generated from (used in) operating			
Net profit / (loss)		2.584.097	3.165.527
Amortisation of intangible assets	1	473.400	473.400
Amortisation bonds	2	(383.483)	(137.381)
		89.917	336.019
		2.674.014	3.501.546
Change in technical provisions	7	2.394.874	6.866.590
Change in deferred acquisition costs	5	166.229	(2.259.660)
		2.561.103	4.606.930
Change in receivables	3	655.589	(3.141.660)
Change in liabilities	8	(3.807.650)	8.010.232
Change in corporate taxes payable / receivable		(304.646)	91.307
Change in accrued interest	5	(92.203)	(193.579)
Change in accrued liabilities	9	(359.357)	2.741.176
		(3.908.267)	7.507.476
Total cash flows generated from (used in) operating		1.326.850	15.615.952
Cash flows generated from (used in) investment			
<i>Investments and purchases</i>			
Other financial investments	2	(11.927.949)	(15.452.775)
Intangible assets	1	0	(4.734.000)
		(11.927.949)	(20.186.775)
<i>Disposals, repayments, and sales</i>			
Other financial investments	2	3.717.649	479.660
		3.717.649	479.660
Total cash flows generated from (used in) investment		(8.210.300)	(19.707.115)
Cash flows generated from (used in) financing activities			
Contribution of share premium	6	1.000.000	3.000.000
		1.000.000	3.000.000
Total cash flows generated from (used in) financing activities		1.000.000	3.000.000
Net cash flow		(5.883.450)	(1.091.163)
Movement in cash and cash equivalents			
Cash and cash equivalents at the end of the period		7.706.757	13.590.207
Cash and cash equivalents at the beginning of the period		13.590.207	14.681.370
Increase (decrease) cash and cash equivalents		(5.883.450)	(1.091.163)

Notes to the Financial Statements

Entity information

The registered and actual address of Guardian Group Nederland N.V. (hereafter GGNL) 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.

General notes

The most important activities of the entity

The activities of GGNL consist of Insurance Business (non-life) starting January 1, 2023 in compliance with financial supervision rules, provide support, and carry out relationship management regarding the active intermediaries and/or authorized agents and/or other organizations that are utilized to offer non-life insurance products.

Disclosure of group structure

The company is part of a group, with Guardian Holdings Limited (GHL) in Trinidad and Tobago as ultimate parent of the group consolidation. 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.

GGNL is a subsidiary of Fatum General Insurance N.V., which in its turn is a subsidiary of Fatum Holding N.V. (Curaçao) 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 owned by NCB Global Holdings Limited ('NCBGH' and the 'Parent'), a limited liability holding company, which was incorporated in Trinidad and Tobago in December 2017. NCBGH is 100% owned by NCB Financial Group Limited ('NCBFG'). NCBFG was incorporated in Jamaica in April 2016 and is the financial holding company for the NCB Group. NCBFG is 49.58% owned by AIC (Barbados) Limited and the ultimate parent company is Portland Holdings Inc., incorporated in Canada. Portland Holdings Inc. is controlled by Hon. Michael A. Lee-Chin, O.J., a director of the Company. The NCB Financial Group provides a diversified range of financial services through its subsidiaries and associates.

For further information, please refer to the annual report of NCB Financial Group Limited, published on the website www.myncb.com.

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 (Solvency II) best estimate of provisions for claims, disputes, and legal proceedings;
- Determining the profit commission recognized for the fiscal year;
- 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.

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 have been prepared under the assumption that GGNL will continue its operations in the foreseeable future. The Executive Board has assessed the going concern assumption by evaluating the fiscal year's performance, the combined ratio of GGNL's insurance portfolio, as well as GGNL's capital and liquidity positions. The Executive Board concludes that GGNL's insurance technical result is on budget, and the overall combined ratio of the insurance portfolio is 80%. Also, GGNL has sufficient liquidity to meet current and future (liquidity) obligations for the next twelve months after the signing date of these financial statements. For the 2025 financial budget, GGNL anticipates growth in the number of contracted authorized agents, an increase in gross written premiums, and an improvement in net operating result after tax."

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.

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 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 cumulative 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 ten years.

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

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, which is recorded as part of Other Assets. Difference between purchase value and fair value over the term are recognized in the income statement. At initial recognition bonds are valued at the fair value. Additionally, a balance is recognized for the difference between the purchase and fair 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 fair values is linearly amortized over the term in the income statement as part of Investment Income.

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.

In the reserving process, liabilities related to insurance contracts are calculated for the current insurance policies. The methodology applied depends on the applicable regime and local accounting standards. These liabilities are calculated at least four times a year and tested for adequacy annually.

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. Deferred taxes are valued at nominal value. Deferred tax assets are only recognized when they are expected to be recovered.

Other provisions – other liabilities

Other provisions, including a provision for anniversary payments, are recognized at nominal value and are expected to settle within twelve months after reporting date.

Liabilities

Liabilities are initial measured at fair value. For other liabilities that are expected to be settled within twelve months after the balance sheet date, the carrying amount is a reasonable estimate of the fair 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 acquisition costs

Deferred acquisition costs represent 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 relative 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 our cost allocation 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 investing and 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)

	2024	2023
Purchased insurance		
Acquisition value 1 January	4.734.000	0
Purchases	0	4.734.000
Cumulative depreciation	(946.800)	(473.400)
Book value 31 December	3.787.200	4.260.600
Changes in bookyear:		
Purchases	0	4.734.000
Amortisation	(473.400)	(473.400)
Total changes	(473.400)	4.260.600
Amortisation rate	10% per annum	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 million. 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.

2. Investments

(in euros)

	2024	2023
Bonds		
Balance as at 1 January	15.110.496	0
Purchases	11.927.949	15.452.775
Disposals	(3.717.649)	(479.660)
Amortisation	383.483	137.381
Book value 31 December	23.704.279	15.110.496

The investment portfolio is consisting of EU government bonds and EU and Non-EU corporate bonds. The total investment portfolio is managed by ING Bank.

(in euros)

	31-12-2024			31-12-2023		
	Government Bonds	Corporate Bonds	Total	Government Bonds	Corporate Bonds	Total
Nominal value	15.375.000	9.470.000	24.845.000	10.960.000	4.950.000	15.910.000
Acquisition value	14.371.200	8.889.766	23.260.966	10.417.261	4.555.854	14.973.115
Cumulative amortisation	(234.672)	(208.641)	(443.313)	(81.391)	(55.990)	(137.381)
Book value	14.605.872	9.098.407	23.704.279	10.498.652	4.611.844	15.110.496
Market value	14.907.729	9.321.827	24.229.556	10.766.898	4.746.895	15.513.793

(in euros)

	31-12-2024			31-12-2023		
	Government Bonds	Corporate Bonds	Total	Government Bonds	Corporate Bonds	Total
External rating						
AAA	5.013.917	0	5.013.917	2.589.828	0	2.589.828
AA	8.583.138	467.809	9.050.947	6.350.637	182.050	6.532.687
A	0	4.473.945	4.473.945	0	1.475.867	1.475.867
BBB	1.008.817	4.156.653	5.165.470	1.558.187	2.953.927	4.512.114
Total	14.605.872	9.098.407	23.704.279	10.498.652	4.611.844	15.110.496

(in euros)

	31-12-2024			31-12-2023		
	Government Bonds	Corporate Bonds	Total	Government Bonds	Corporate Bonds	Total
Bond issuer						
EU	14.605.872	4.025.022	18.630.894	10.498.652	2.011.554	12.510.206
Non-EU	0	5.073.385	5.073.385	0	2.600.290	2.600.290
Total	14.605.872	9.098.407	23.704.279	10.498.652	4.611.844	15.110.496

All government bonds and corporate bonds are listed on the stock exchange and are actively traded, and the fair value reflects the market value as of 31st December 2024.

3. Receivables

(in euros)

	31-12-2024	31-12-2023
Intermediaries		
Receivables from AAs	2.038.837	3.141.660
	<u>2.038.837</u>	<u>3.141.660</u>

(in euros)

	31-12-2024	31-12-2023
Reinsurance receivables		
Receivables from reinsurers	447.234	0
	<u>447.234</u>	<u>0</u>

(in euros)

	31-12-2024	31-12-2023
Other receivables		
Corporate income taxes	213.339	0
	213.339	0

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)

	31-12-2024	31-12-2023
Tangible fixed assets		
IT equipment	1.095	1.095
	1.095	1.095

(in euros)

	31-12-2024	31-12-2023
Cash and cash equivalents		
ING Bank current account	2.706.757	6.590.207
ING Bank fixed-term deposits	5.000.000	7.000.000
	7.706.757	13.590.207

Cash at banks and in hand include deposits of € 5.0 million (2023: € 7.0 million), with a maximum term of maturity of 3 months and maturity dates in January 2025. Because of the short term, deposits are classified as cash and cash equivalents. The interest rate is 2.50% (2023: 2.85%).

Cash at banks and in hand amounting to up to € 2.7 million (2023: € 6.6 million) are at the free disposal of the company. An interest rate of 1.9% (2023: 1.85%) is applicable for the savings account. In 2024 all cash is not restricted

5. Accrued Assets

(in euros)

	31-12-2024	31-12-2023
Accrued interest		
Interest savings account	80.851	9.636
Interest fixed-term deposits	2.466	59.330
Interest bonds	202.465	124.613
	285.782	193.579

(in euros)

	31-12-2024	31-12-2023
Deferred acquisition costs		
Deferred commissions AAs	2.093.431	2.259.660
	2.093.431	2.259.660

(in euros)

	2024	2023
Deferred acquisition costs		
Balance as at 1 January	2.259.660	0
Purchased insurance portfolio	0	2.126.368
Additions	20.264.879	19.876.843
Depreciation	(20.431.108)	(19.743.551)
Balance as at 31 December	2.093.431	2.259.660

Accrued positions are recognized at nominal value. The deferred acquisition costs for non-life insurance are commissions paid to the AA's 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)

	2024	2023
Share capital paid called up		
Balance as at 1 January	100.000	100.000
Paid share capital during the	0	0
Balance as at 31 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. All 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)

	2024	2023
Share premium		
Balance as at 1 January	17.634.000	14.634.000
Capital contribution	1.000.000	3.000.000
Balance as at 31 December	18.634.000	17.634.000

(in euros)

	2024	2023
Other reserves		
Balance as at 1 January	(81.785)	0
Contribution of tangible fixed assets	0	1.095
Appropriation of result	3.165.527	(82.880)
Balance as at 31 December	3.083.742	(81.785)

(in euros)

	2024	2023
Undistributed profit/(loss)		
Balance as at 1 January	3.165.527	(82.880)
Appropriation of result	(3.165.527)	82.880
Result for the year	2.584.097	3.165.527
Balance as at 31 December	2.584.097	3.165.527

(in euros)

	31-12-2024	31-12-2023
Solvency II		
Shareholder's equity as per Balance Sheet	24.401.839	20.817.742
Eligible own funds to meet the SCR	20.032.502	17.283.913
Solvency Capital Requirement	10.519.560	8.590.475
SCR ratio	190%	201%
Internal minimum in % of SCR	150%	150%
Internal minimum in SCR	15.779.340	12.885.713

7. Technical provisions

(in euros)

	31-12-2024	31-12-2023
For unearned premiums own account		
Balance as at 1 January	1.304.319	0
Purchased insurance portfolio	0	2.239.355
Additions during the period	14.509.227	14.269.770
Release to result	(14.326.362)	(15.204.806)
Balance as at 31 December	1.487.184	1.304.319

(in euros)

	31-12-2024	31-12-2023
For claims		
Balance as at 1 January	5.562.271	0
Purchased insurance portfolio	0	4.162.824
Movement	2.212.009	1.399.447
Balance as at 31 December	7.774.280	5.562.271

(in euros)

	Gross	Reinsurance	2024 Own	2023 Own
For claims				
Balance as at 1 January	32.610.105	27.047.834	5.562.271	0
Purchased insurance portfolio	0	0	0	4.162.824
Additions to provision	18.908.750	14.630.476	4.278.274	2.722.254
Paid from provision	(15.518.507)	(13.180.089)	(2.338.418)	(1.189.454)
Charge / (Release) to result	1.765.870	1.493.717	272.153	(133.353)
Balance as at 31 December	37.766.218	29.991.938	7.774.280	5.562.271

The adequacy of the (balance sheet value of) technical liabilities are tested at each reporting date. This involves establishing a test provision, which approximates the market value of liabilities, considering uncertainty margins and aligning with the Solvency II methodology. The risk margin is set more prudently than in the Solvency II standard model.

Development of net claims experience

(in euros)

Financial year 2024	Technical provision for claims as at January 1	Payments	Technical provision for claims as at 31 December	Balance of release / (addition)
Claims year				
2020 and older	732.755	234.074	522.732	(24.051)
2021	297.772	123.310	172.758	1.704
2022	336.151	134.104	273.803	(71.756)
2023	2.624.703	1.846.930	955.823	(178.050)
Total up to and including 2023	3.991.381	2.338.418	1.925.116	(272.153)
2024	-	3.100.549	4.299.164	-
Claims handling expenses	1.570.890	-	1.550.000	-
Total	5.562.271	5.438.967	7.774.280	(272.153)

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

8. Liabilities

(in euros)

	31-12-2024	31-12-2023
Payables from direct insurance		
Payables due to AAs	838.680	428.203
	838.680	428.203

(in euros)

	31-12-2024	31-12-2023
Other liabilities		
Payroll tax and social security	42.757	35.608
Holiday allowance	23.665	16.608
Creditors	248.939	40.076
Other payables	7.227	19.770
Corporate income taxes	0	91.307
	322.588	203.368

All liabilities are due within one year.

9. Accrued liabilities

(in euros)

	31-12-2024	31-12-2023
Accrued liabilities		
Accrued reinsurance	1.840.107	2.149.389
Accrued expenses	541.712	591.788
	2.381.819	2.741.176

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).

Contingent liabilities

(in euros)

	Cars	IT Services	Office Rental	Total
Within one year	26.400	49.000	78.700	154.100
Between two and five years	57.400	132.000	32.800	222.200
Total	83.800	181.000	111.500	376.300

There are no obligations longer than five years.

Subsequent events after the balance sheet date

There have been no subsequent events after the balance sheet date that would require adjustment to or disclosure in the financial statements. The Executive Board has reviewed all events occurring after the reporting date up to the date of approval of the financial statements and confirms that there are no material matters or significant developments that impact the financial position or performance as presented.

Notes to the profit & loss accounts

All Premiums from insurance contracts are realized in the Netherlands.

10. Specification branche results

(in euros)	Fire and other damage to property insurance		General liability and other insurance		Total	
	2024	2023	2024	2023	2024	2023
Earned premiums for own account						
Gross written premiums	46.045.190	45.005.172	21.687.266	21.897.548	67.732.456	66.902.720
Reinsurance premiums	36.541.411	35.359.272	16.681.818	17.273.677	53.223.229	52.632.949
	9.503.779	9.645.900	5.005.448	4.623.871	14.509.227	14.269.771
<i>Change in technical provision for unearned premium</i>						
Gross	507.794	(484.710)	250.129	280.009	757.923	(204.701)
Reinsurance	601.359	(1.225.341)	339.428	85.604	940.787	(1.139.737)
	(93.565)	740.631	(89.299)	194.405	(182.864)	935.036
	9.410.214	10.386.531	4.916.149	4.818.276	14.326.363	15.204.807
Allocated investment income	166.220	61.418	78.328	30.536	244.548	91.954
Claims for own account						
Gross claims paid	18.656.134	16.118.937	10.840.928	9.293.626	29.497.062	25.412.563
Reinsurance claims	14.951.921	14.029.383	9.106.174	8.343.528	24.058.095	22.372.911
	3.704.213	2.089.554	1.734.754	950.098	5.438.967	3.039.652
<i>Change in technical provision for claims</i>						
Gross	3.082.990	976.585	2.073.123	1.557.566	5.156.113	2.534.151
Reinsurance	1.799.565	239.429	1.144.539	895.276	2.944.104	1.134.705
	1.283.425	737.156	928.584	662.290	2.212.009	1.399.446
	4.987.638	2.826.710	2.663.338	1.612.388	7.650.976	4.439.098
Operational expenses	2.724.172	4.911.591	1.375.807	2.005.791	4.099.979	6.917.382
Result on technical account	1.864.624	2.709.648	955.332	1.230.633	2.819.956	3.940.281

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.

Financial year 2024

(in euros)

	2023	2022	2021	2020 and older	Total
Run-off results					
Accident insurance	(13.980)	4.936	(761)	(28.025)	(37.830)
Motor vehicle liability insurance	(194.050)	(34.943)	(13.976)	(23.746)	(266.715)
Other motor Insurance	24.556	2.456	307	9.197	36.516
Marine and transport insurance	(66)	381	1.000	20	1.335
Fire and other damage to property insurance	236.344	5.831	11.520	(6.871)	246.824
General liability insurance	(230.854)	(50.417)	3.614	25.374	(252.283)
	(178.050)	(71.756)	1.704	(24.051)	(272.153)

The run-off results incorporate the findings from the data study, resulting in more accurate reserves for each line of business compared to financial year 2023. The run-off results are analysed quarterly.

11. Operational expenses

Acquisition costs

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

(in euros)

	2024	2023
Management and personnel expenses		
Personnel costs	1.292.472	1.146.923
Other operational expenses	1.723.293	1.311.684
	3.015.765	2.458.607

As part of the other operational expenses, there is an amount included of € 156.000 that is related to cost charges from group entities.

(in euros)

	2024	2023
Personnel costs		
Salaries	973.817	947.415
Pension costs	67.152	46.868
Social security contributions	82.376	71.236
Other personnel costs	169.127	81.404
	<u>1.292.472</u>	<u>1.146.923</u>

The average number of employees in 2025 was 7.8 FTE (2024: 6.6 FTE) and all are working from the Netherlands (headquarters: Rotterdam).

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 and classifies as defined contribution. The premium amount is determined based on the principles agreed upon in the implementation agreement between both parties.

(in euros)

	2024	2023
Remuneration of supervisory board and directors		
Remuneration of supervisory board	65.000	65.000
Remuneration of directors	683.644	680.000
	<u>748.644</u>	<u>745.000</u>

Specification audit fees

(in euros)

	2024	2023
Specification audit fees		
Audit of the financial statements and the QRTs	242.000	254.100
Other audit services	0	12.100
Non audit services	0	0
	242.000	266.200

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)

	2024	2023
Other investments		
Interest bonds	338.696	121.504
Interest fixed-term deposit	137.741	77.655
Interest bank account	81.566	45.620
Amortisation bonds	383.483	137.381
	941.486	382.160
Realized investment income	4.690	156
	946.176	382.316

13. Investment expenses

(in euros)

	2024	2023
Investment expenses		
Management charges	57.302	11.581
Paid interest	0	0
	57.302	11.581

14. Taxes

(in euros)

	2024	2023
Taxes		
Corporate income tax	880.185	1.053.535
	880.185	1.053.535

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

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

(in euros)

	2024	2023
Income / (loss) before tax	3.464.282	4.219.062
Statutory tax rate (second layer)	25,8%	25,8%
Statutory tax amount	880.185	1.053.535
Adjustments	0	0
Effective tax amount	880.185	1.053.535
Effective tax percentage	25,4%	25,0%

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

Proposal appropriation of result

In line with the GGNL Capital Policy, up to 75% of the net operating profit after tax can be proposed as dividend and should be approved by the Supervisory Board – General Annual Meeting. The Executive Board will prepare a dividend proposal in Q1 2025, taking into account the Solvency Capital Requirement (SCR) to ensure compliance with the GGNL Capital Policy and maintaining the internal target capital of 175%.

This proposal is available to the Supervisory Board - General Annual Meeting and has not yet been recognized in the 2024 financial statements. According to the GGNL Capital Policy, GGNL anticipates a maximum dividend distribution of EUR 1.9 million and plans to allocate EUR 0.65 million to the reserves. The final dividend amount will be determined after approval of the annual report, and will be announced before May 16, 2025.

Rotterdam, 22 April 2025

Guardian Group Nederland N.V.

Executive Board

Mr. R.A. van den Broek

CEO

Mr. P. Plat

CFRO

Supervisory Board

Mrs. T.E. Monzón

Chair

Mr. D. Fränkel

Mr. W. Wagenaar

A low-angle, upward-looking shot of a modern skyscraper with a glass facade. The building is the central focus, reaching towards the top of the frame. The sky is a deep blue with scattered white clouds. The sun is visible in the upper left corner, creating a bright glow and lens flare. The building's glass reflects the sky and clouds. The overall color palette is dominated by blues and greys, with a warm orange glow from the sun in the top left.

4. Other information

4. Other information

Profit appropriation proposal

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.

Independent auditor's report



Independent auditor's report

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

Report on the audit of the financial statements 2024

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 2024, 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 2024 of Guardian Group Nederland N.V., Rotterdam.

The financial statements comprise:

- the balance sheet as at 31 December 2024;
- the profit and loss account for the year then ended; and
- 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.



Independence

We are independent of Guardian Group Nederland N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, 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 with a portfolio consisting of non-life insurance policies focusing solely on the distribution channel of authorized agents. 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 judgements, 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.

Guardian Group Nederland N.V. assessed the possible effects of climate change on its financial position. Refer to the Executive Board Report where the client disclosed the risk related to climate change due to complex regulations. We discussed Guardian Group Nederland N.V.'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 expected effects of climate change are not considered a key audit matter.



Other areas of focus, that were not considered as key audit matters, was the use of distribution channel authorised 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 an insurance company. We included specialists in the area of valuation of liabilities arising from insurance contracts in our team. In addition we included a specialist in SQL scripts to reperform the processing of the monthly data files obtained from the authorised general agents into the general ledger.

The outline of our audit approach was as follows:

Materiality
<ul style="list-style-type: none">Overall materiality: €610.000.
Audit scope
<ul style="list-style-type: none">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 RotterdamWe included all material financial statement line-items in the scope of our audit.
Key audit matters
<ul style="list-style-type: none">Valuation of contract liabilities arising from insurance contracts; andDisclosures regarding capital requirements 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 in the table 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	€610,000 (2023: €519,000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 2.5% of total 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. 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 €61,000 (2023: €51,900) 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 risk 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 risk of material misstatement due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures and incident registration among other things. 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 compliance 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 risks	Our audit work and observations
<p>The risk of management override of control</p> <p>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.</p> <p>That is why, in all our audits, we pay attention to the risk of management override of controls in:</p>	<p>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.</p> <p>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.</p>

Identified fraud risks	Our audit work and observations
<ul style="list-style-type: none"> • 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. <p>We pay particular attention to tendencies due to possible interests of the executive board.</p>	<p>We analysed the outgoing payments for the full year 2024. We selected payments based on risk-criteria. The payments were then investigated with underlying support of the transactions.</p> <p>We also performed specific audit procedures related to important estimates of the executive board, including the valuation of the technical provisions. 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.</p> <p>We did not identify any significant transactions outside the normal course of business.</p> <p>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.</p>
<p>The risk of unauthorised payments</p> <p>The risk of unauthorized payments exists due to the absence of a four-eye principle in the ING application. Consequently, there is a possibility that the executive board may post, process, approve, and pay invoices without the necessary internal approvals. This situation results in a risk of unauthorized outgoing payments.</p>	<p>We performed our audit procedures primarily substantively.</p> <p>We conducted a sample-based examination of outgoing payments that did not go through the Visma approval process. Our investigation confirmed that the tested payments were of a legitimate business nature and could be traced to supporting documentation. Our audit procedures did not reveal any specific indications or suspicions of fraud related to unauthorized payments.</p>

We incorporated an element of unpredictability in our audit. We performed testing on all reimbursements of the executive board and selected a sample of credit card expenses during the year. and inspected 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 outflow;
- 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.

Based on our procedures performed, 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 entity'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.

Key audit matter	Our audit work and observations
<p>Valuation of contract liabilities arising from insurance contracts</p> <p><i>Refer to Note 7 'Technical provisions' in the Financial Statements.</i></p> <p>The gross non-life insurance liabilities consist of:</p> <ul style="list-style-type: none"> • technical provision for unearned premiums and unexpired risks (€6.9 million); • technical provision for claims (€37.8 million). <p>The Company makes use of an external actuarial company to calculate the non-life insurance liabilities.</p> <p>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 claims, assumptions on claim trends, especially for personal injury ('letselschades'), the number of incurred but not yet reported claims ('IBNR'), lapse, disability, incident rate 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.</p>	<p>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. We involved our actuaries to assist us in performing audit procedures in this area.</p> <p>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 insurance contracts and a risk margin.</p> <p>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.</p> <p>The standing data was used in the valuation of the liabilities arising from insurance contracts. We have not noted any material differences.</p>

Key audit matter	Our audit work and observations
<p>Disclosures regarding capital requirements based on Solvency II regulations</p> <p><i>We refer to Note 6 'Shareholder's equity' in the financial Statements.</i></p> <p>The Company, as a regulated insurer, determines the required capital to cover its risk exposure based on the Solvency II requirements.</p> <p>The capital position is determined based upon the available capital ('Own Funds') of €20.0 million and the required capital of €10.5 million as per 31 December 2024. This results in a solvency ratio of 190% as per 31 December 2024.</p> <p>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.</p> <p><i>Available capital</i></p> <p>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 that are not observable in the market.</p> <p>The main estimates are:</p> <ul style="list-style-type: none"> • 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); • expected premium income for the next year. <p><i>Required capital</i></p> <p>The standard formula is used to determine the capital requirements.</p>	<p>We discussed the outcome of the actuarial analysis with the executive board, the actuary 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 both the external actuary and the actuarial function holder are part of a well reputable firm. We determined that the 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.</p> <p>We did not note any material findings.</p> <p><i>Available Capital</i></p> <p>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.</p> <p>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.</p> <p><i>Required capital</i></p> <p>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.</p> <p><i>Disclosures</i></p> <p>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.</p> <p>We found the disclosures to be appropriate in this context.</p> <p>We did not note any material findings.</p>

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual 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 16 April 2024 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 16 April 2024. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 3 years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company, for the period to which our statutory audit relates, are disclosed in note 11 to the financial statements.

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.

Amsterdam, 22 April 2025

PricewaterhouseCoopers Accountants N.V.

Original has been signed by H.C.L. Scholtes MSc RA

Appendix to our auditor's report on the financial statements 2024 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's 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.

Guardian Group Nederland N.V.

 www.myguardiangroup.eu



Guardian Group