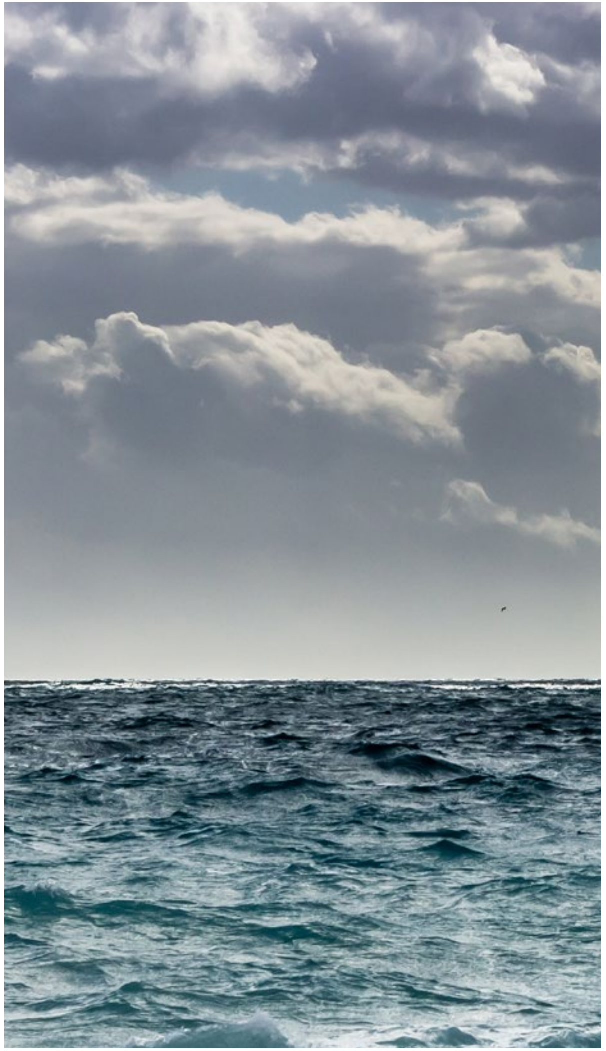
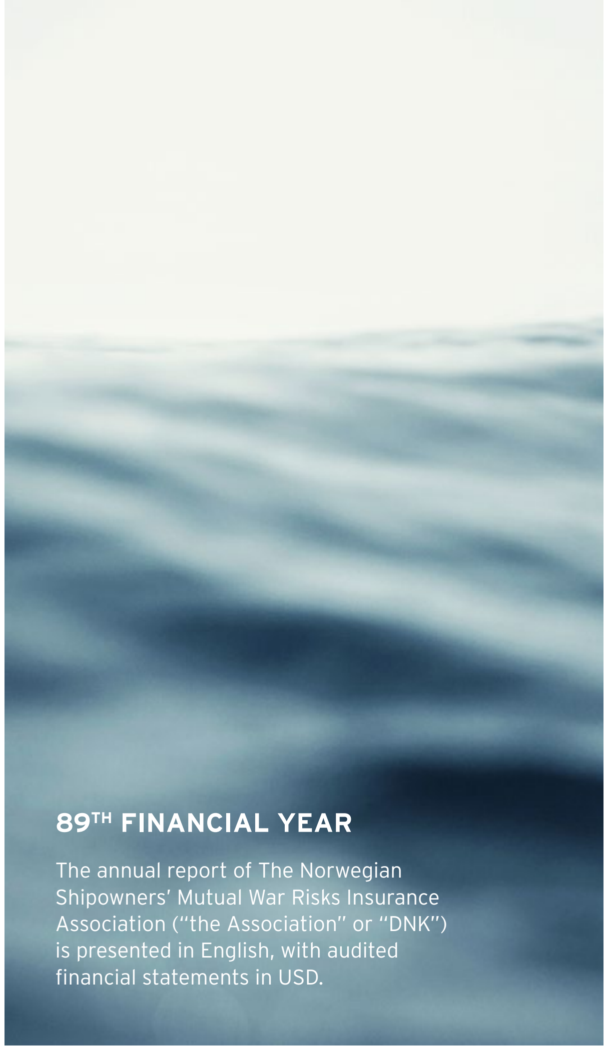
DEN NORSKE KRIGSFORSIKRING FOR SKIB

ANNUAL REPORT 2024



CONTENTS



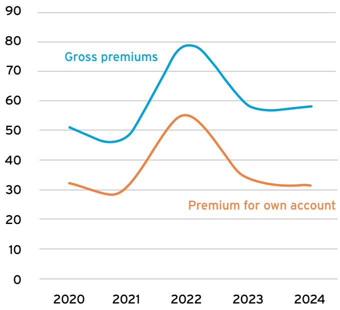
89TH FINANCIAL YEAR

The annual report of The Norwegian Shipowners' Mutual War Risks Insurance Association ("the Association" or "DNK") is presented in English, with audited financial statements in USD.

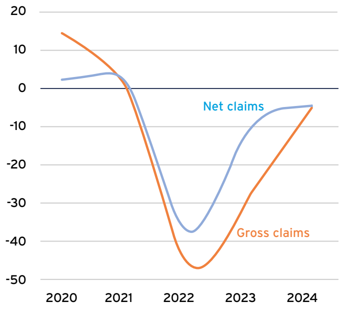
KEY FIGURES

Amounts in USD million

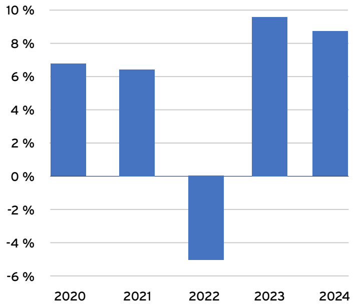
Gross/net premiums



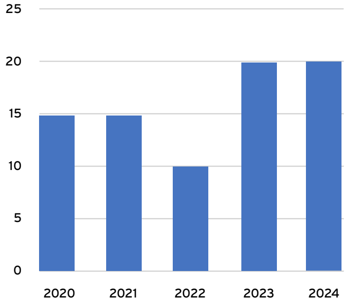
Gross/net claims



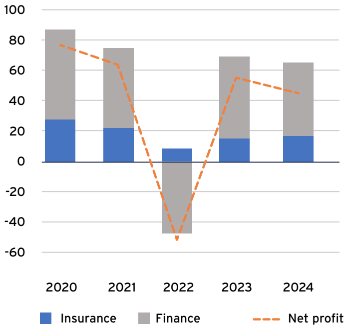
Investment returns



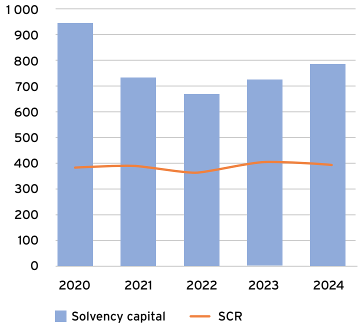
Premium adjustment (NCB)

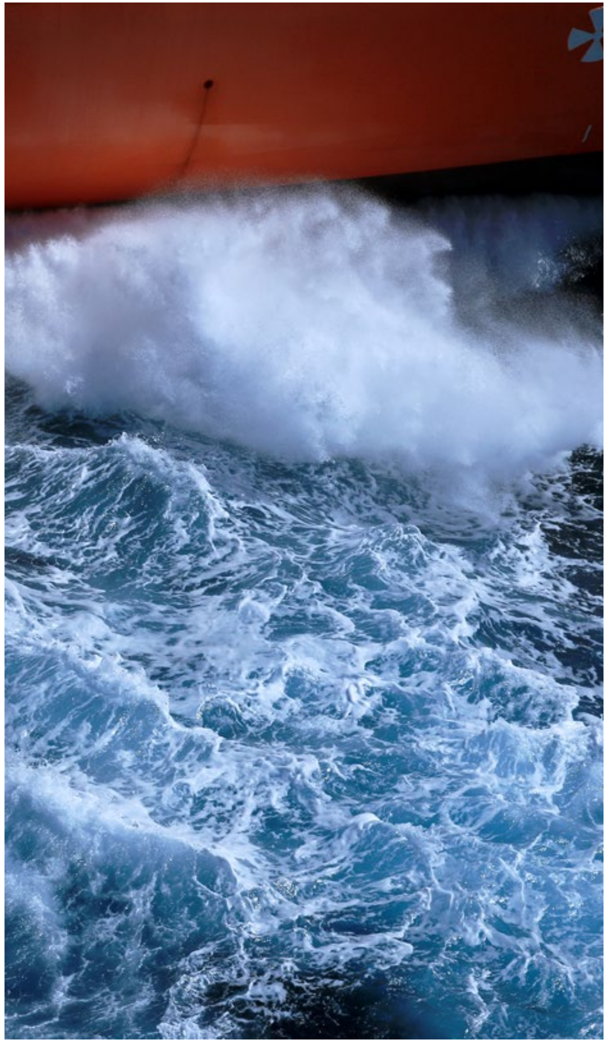


Financial result



Solvency capital and solvency capital requirement (SCR)





GOVERNING BODIES

BOARD OF DIRECTORS

Mons Aase
Chair
DOF ASA

Synnøve Seglem
Vice-Chair
Knutsen OAS Shipping AS

Marthe Romskoug
Wilhelmsen Insurance Services AS

Lars Aa. Løddesøl
Storebrand ASA

Eli Vassenden
Grieg Star AS

Carl K. Arnet
BW Energy Ltd.

Christopher Walker
Frontline Management AS

Eric Jacobs
Awilco AS

COMPENSATION COMMITTEE

Eric Jacobs, Chair
Eli Vassenden
Mons Aase

AUDIT COMMITTEE

Carl K. Arnet, Chair
Eric Jacobs

RISK COMMITTEE

Marthe Romskoug, Chair
Christopher Walker

NOMINATION COMMITTEE

Lasse Kristoffersen, Chair
Wallenius Wilhelmsen ASA
Siri-Anne Mjåtvedt
Utkilen AS
Harald Fotland
The Norwegian Shipowners' Association

ANNUAL REPORT

The Norwegian Shipowners' Mutual War Risks Insurance Association, ("DNK" or "the Association") is a mutual insurance company insuring members' interests in ships, drilling rigs and other similar mobile units against risks of war, terrorism, and piracy. The Association conducts its business from Oslo.

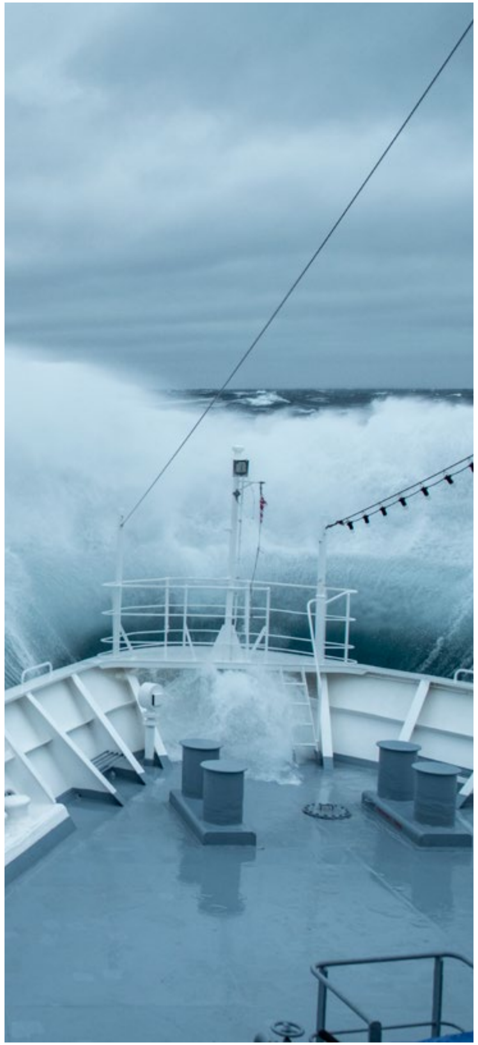
DNK is supervised by the Financial Supervisory Authority of Norway. Governing bodies consist of the General Meeting, the Board of Directors, and the Nomination Committee. At year-end 2024 the Board has three sub-committees: the Audit Committee, the Risk Committee, and the Remuneration Committee. An Investment Committee will be included as from the start of 2025.

The Articles of Association regulate, among others, payment of premiums, premium adjustments, and additional calls, and include provisions for specific measures in times of crisis.

DNK ensures the safety of crew members affected by captivity or violence through broad war risk insurance coverage, offering support before, during, and after incidents. An in-house Intelligence & Operations Centre consist of a crisis response team that tracks potential dangers and issues warnings. This allows affected members to take precautionary actions to avoid risks.

Rising geopolitical tensions have impacted the maritime industry since Russia's invasion in Ukraine in February 2022. Conflicts and wars in the Middle East escalated in 2023 and continued throughout 2024. A large portion of Red Sea transits was rerouted around the southern tip of Africa to avoid Houthi attacks in 2024. Based on internal threat assessments, DNK ceased in July 2024 to offer cover for transits and calls in the Red Sea and Gulf of Aden. This was still the case at year's end. Driven by the mentioned geopolitical tensions, war risk premiums have remained elevated through 2024. Claims costs were nonetheless negligible for DNK in 2024 after two prior years with notable losses.

For several years, DNK has set out to build expansive loss prevention and loss mitigation capabilities to improve resilience through turbulent geopolitical times. Products and services have been expanded, new staff with intelligence and technology background have been employed, and innovative digital solutions have been implemented to monitor insured vessels and to support the members' operations. In parallel, a new insurance product was launched in April 2024 to cover onshore and offshore assets against cyber threats.



ANNUAL REPORT
HIGHLIGHTS 2024

- At year-end 2024, DNK insured 3,294 ships and mobile offshore units (compared with 3,312 in the previous year), with an aggregate insured value of USD 258 billion (244). An additional 13 newbuilds were covered (1).

- Annual premiums and corresponding reinsurance costs increased by 15 % in 2024, largely due to a combination of higher insured values and a rise in rates within certain segments of the fleet. Additional premiums declined marginally in 2024. While risks and rates increased in the Arabian Gulf and the Persian Gulf, the number of transits declined considerably due to the withdrawal of trade and subsequent cover for the Red Sea. Premiums arising from trades in the Black Sea and the so-called RUB-area (Russia, Ukraine and Belarus) were negligible. The premium adjustment before year-end was USD 19.9 million (20.0).

- The Board proposes a dividend of USD 22.5 million for 2024, which is 50 % of total result for the year.

- The return on DNK's investment portfolio was 8.8 % in USD (9.7 %).

- DNK's solvency ratio was 198 % at year-end 2024 (178 %).

- The high capacity in the war risk insurance market has gradually tightened. Reinsurance contracts were nonetheless renewed for 2025 at satisfactory and largely unchanged terms, thus enabling the Association to maintain its competitive rates.

- Member vessels were involved in 0 (2) major security crises in 2024.

- 18 (53) security incidents related to activities by state actors, pirates, and insurgents affected member vessels. All incidents were resolved without incurring losses.

- DNK's bylaws were amended, and regulatory approval obtained, to allow for the development of a new cyber insurance cover for maritime onshore and offshore operations within the same policy. The new product, launched in April, is an optional addition to DNK's existing war cover. DNK's bylaws were also simplified so that the maximum amount for mutual calls was set at USD 300 million, rather than the amount being a function of insured values and the annual insurance premium rate.

DNK has renewed its D&O insurance for Members of the Board and Directors from 2024 to 2025. The insurance covers potential liability arising out of decisions and actions taken as part of their duties. The cover is considered adequate, based on an assessment of DNK's potential exposure.

EVENTS AFTER THE REPORTING PERIOD
There are no known events after the reporting period that may affect DNK's financial statements for 2024.

FINANCIAL RESULT 2024
Gross premium income in 2024 amounted to USD 57.9 million (58.2) after a USD 19.9 million (20.0) premium adjustment to members, or no-claims bonus ("NCB"). Before such NCB,

overall gross premiums decreased 1 % in 2024. Annual premiums rose 15 % compared to 2023. The number of transits through conditional trading areas declined by 49 %, which was largely offset by an increase in rates. Annual premiums represented 11 % of DNK's gross premiums before NCB in 2024 (9 %).

Reinsurance costs increased by 8 %. Premium for own account, after NCB, amounted to USD 32.1 million (34.5). Gross claims costs were USD 5.1 million (27.5). Net claims costs were USD 4.8 million (10.6). The claims in 2024 were primarily related to cost adjustments relating to incidents in preceding years.

DNK's technical result amounted to USD 18.9 million (15.9) after administrative costs.

The operating profit from investment management, after administrative costs, was USD 48.6 million (53.8). The investment portfolio generated a return of 8.8 % in 2024 (9.7 %). While equities provided a return of 22.8 %, the bond portfolio returned 4.4 %. On average, equities made up 25.7 % (24.8 %) of the portfolio through 2024, while the balance was allocated to global bonds, cash, and the money-market.

DNK's administrative cost was USD 17.5 million in 2024, and can be broken down as follows: Personnel expenses, including social security and pensions, was USD 6.6 million (38 %). Costs related to vessel-tracking was USD 1.3 million (7 %). DNK provides a cash contribution of USD 1.0 million (6 %) to support Norma Cyber in a critical start-up phase, securing members a discounted NORMA membership fee. The annual contribution is limited to five years and will terminate after 2025. Wealth tax is included in administrative costs and amounted to USD 2.2 million (13 %) in 2024. Direct asset management costs (fees) amounted to USD 1.1 million (6 %). Other ordinary administration expenses amounted to USD 5.3 million (30 %). The administrative expenses are shown in more detail in note 10 to the financial statements.

DNK's overall operating profit for the year was USD 67.5 million (69.7). After USD 22.5 million in taxes (14.0), the total result for 2024 was USD 45.0 million (55.7). The tax cost in 2024 was based on an operating profit of NOK 1,621 million (979).

Cash flow from insurance activities was USD -26.0 million in 2024 (11.0). Premium income, reinsurance expenses, claims, taxes and administrative costs were the main cash items. The cash flow was negative in 2024 due to taxation on former insurance reserves for the period 2021-2023. Cash flow from financing activities was USD 21.9 million (-25.6). Realised gains and losses from the sale of financial assets, reinvestments and administrative expenses constitute the major cash flow items within investment management. Net cash flow from operations was therefore USD -4.1 million (-14.7). Cash flow from investment in fixed assets was USD -0.9 million (-1.6). Net cash flow for the period was USD -5.0 million (-16.2). At the end of 2024, bank deposits amounted to USD 12.7 million (17.7).

The financial statements are prepared and presented under the assumption that DNK is operating on a going concern basis. In accordance with the Norwegian Accounting Act section 4-5, first paragraph, the Board confirms that such assumption is present.

Two subsidiaries and one associated company are not consolidated in DNK's financial statements. This is because the combined turnover and equity from the three companies is insignificant compared to that of DNK.

NEW TAX LEGISLATION

In 2018, Finansdepartementet (The Ministry of Finance) introduced new tax legislation on insurance reserves. The law implied a tax cost of USD 216 million payable over ten years in equal instalments. Before available tax loss carry-forwards, payable tax was USD 170 million, of which USD 51.3 (86.7) was outstanding at year-end 2024.

DNK has formally challenged the constitutionality of the new tax law as it retroactively imposes tax on reserves built up over past decades.

INSURANCE ACTIVITIES

Despite the geopolitical turmoil witnessed in 2024, the year resulted in no new losses for DNK. This is attributed to the caution exercised by members and the advice and support provided by DNK's loss prevention and contingency resources. Throughout the year, DNK maintained a close dialogue with its members regarding potential threats in the maritime domain. The complex threat landscape affected all regions, leading to discussions about operational and commercial considerations.

A key discussion was about transit through the Red Sea or via the Cape of Good Hope for east-west voyages. Due to Houthi attacks against merchant vessels, many members opted to circumnavigate the continent rather than using the shorter Red Sea and Suez corridor. This approach likely mitigated potential losses and reduced concerns for crewmembers.

In July, DNK temporarily suspended cover for Red Sea transits. This decision remained in force for the rest of the year, reflecting the severity of the situation and the commitment to member and crew safety.

Calls at Russian ports also decreased significantly in 2024. The sanctions regime against individuals, companies, and commodities appeared effective. It is believed that members' commercial obligations involving Russian cargoes have expired and not been renewed. This led to the reallocation of tonnage to other trades but also contributed to the emergence of operators not adhering to sanctions.

Although the number of calls in conditional areas was reduced in 2024 compared to previous years, additional premium income remained high. This can be explained by higher rates in the Arabian Persian Gulf, increased average asset values, and high activity levels in seaborne trade. As per usual practice, when premium income from conditional areas exceeds a certain security threshold, DNK returns premiums to claim-free members before year-end ("NCB"). This was also the case in 2024.

In 2024, the war risk wording in the Nordic Marine Insurance Plan (NMIP) was challenged by representatives of foreign markets. The criticism focused on the definition of state actors, criteria for Loss of Hire, and detentions. DNK members are well protected against various war perils with the combination of NMIP and DNK's policy conditions. DNK remains committed to upholding application and interpretation of the NMIP in the best commercial interest of members, among others through active participation in Nordic Plan-review work.

In 2024, DNK introduced its first non-mutual insurance product for members. To support and complement the existing war cover, DNK launched a comprehensive new cover for onshore and offshore assets against a wide range of cyber threats. The innovative product has generated significant interest, and several members have already purchased a policy, establishing superior protection against cyber threats and subsequent losses across their entire operations.

SECURITY AND CONTINGENCY PREPAREDNESS

The Loss Prevention and Loss Mitigation Concept in DNK

The Loss Prevention and Loss Mitigation Concept in DNK is primarily facilitated by the Intelligence & Operations Centre (IOC) and by DNK's Crisis Management Team when the latter is mobilised. The role of the IOC is to describe an overall global intelligence picture to support members in short and long-term decision making. This is done through a highly organised and extensive source network, a structured and trusted methodology and professionally trained intelligence analysts. The IOC also provides training for members, and offers a 24/7 support service through its Duty Officer function. In addition, the extended IOC (the mobilised Crisis Management Team) supports members with crisis management when needed.

The Norwegian Shipping Security and Resilience Centre is a collaboration between the Norwegian Shipowners' Association, NORMA Cyber and DNK in Rådhusgata 25 in Oslo. DNK is represented in this venture with the Awareness and Resilience Centre (ARC), which is designed to provide situational awareness, both to its members and to the founding companies of the centre.

Intelligence and Operations Summary 2024

The main security challenges for shipping in general in 2024, was related to the Houthi Insurgents' attacks on merchant vessels in the southern Red Sea and the northern Gulf of Aden with Anti-Ship Missiles (ASMs), Unmanned Surface Vessels (USVs) and Unmanned Aerial Vehicles (UAVs).

Also in 2024, the still ongoing Russian war in Ukraine represented a challenge for shipping in general calling Ukrainian ports. In an attempt to hinder Ukrainian export, both Ukrainian port facilities and merchant vessels have been attacked by ASMs and UAVs in 2024 by Russia.

Shipping was again exposed to a threat from Iran in the Arabian/Persian Gulf, the Strait of Hormuz, the Gulf of Oman as well as the Arabian Sea in 2024. Throughout the year, merchant vessels were harassed and aggressively approached by the Islamic Revolutionary Guard Corps Navy (IRGC-N) in the Arabian/Persian Gulf, the Strait of Hormuz, the Gulf of Oman.

Compared to previous years, Piracy and Kidnap for Ransom (K&R) attacks represented a reduced security challenge in the Gulf of Guinea in 2024. But after a pause, Nigeria-based pirates took up their activity by the end of the year.

Somalia based (hijack and/or K&R) piracy became a renewed security challenge in the southern Gulf of Aden and western Indian Ocean during 2024, after several years of low activity. Both successful and unsuccessful attacks on merchant vessels and fishing vessels were conducted. However, the number of attacks were way below the high numbers of attacks in the heydays of Somalia based piracy some ten years ago.

In Southeast Asia, armed robberies and petty thefts in the Singapore Strait remained at a very high level during 2024. Although the nature of the threat has lesser consequence for crew and vessel than piracy in the Gulf of Guinea and off Somalia, these pirate attacks have become increasingly worrying for shipping transit through the strait.

In connection with the launch of the new cyber cover, IOC has revised its contingency capabilities and response plans for incidents involving cyber risks.

INVESTMENT MANAGEMENT

DNK's investment portfolio builds financial resilience, strengthens solvency, and secures long-term sustainability. It seeks to optimize returns within a controlled risk framework while safeguarding capital to meet insurance obligations. Strict governance and risk management ensure stability amid market fluctuations.

Financial markets in 2024

2024 was a year of good returns in both fixed income and equity markets globally. Following a 24 % return in 2023, the global equity benchmark gained another 22 % in 2024, including dividends. This brings the 3-year annualized return to 8.6 %, including the bear market in 2022. The US equity market made up north of 70 % of the global developed market benchmark at year-end, with the Magnificent Seven[1] stocks driving investment gains also in 2024. The bellwether of the AI theme, Nvidia, rose 171 % in 2024 and was the largest contributor to a 25 % total return on the S&P 500. The combined market capitalization of those seven stocks rose by USD 5.6 trillion (46.3 %) in 2024.

The major themes from 2022 and 2023 - inflation, interest rates and artificial intelligence - were still in focus in 2024. The year-on-year U.S. inflation rate kept falling through June for headline inflation and through July for core inflation. The fear of sticky inflation then came back as the annual rate seemed to stay close to 3 %, rather than the 2 % target of the Federal Reserve. Given the dual mandate and the increase in the unemployment rate seen in the third quarter, the Fed still delivered 100 basis points of rate cuts from September onwards. This was somewhat less than the market's expectation of 150 basis points at the beginning of the year, but it brought the Fed funds rate down to 4.25 % at year-end. The U.S. 10-year yield, often seen as the global risk-free reference rate, saw some huge swings during the year. From a starting level at 3.9 %, it went all the way to 4.6 % at year-end, albeit printing a year-low of 3.6 % as recent as September. The decline in the third quarter was related to the unemployment rate rising 0.5 % from the cycle-low, which was seen as a possible early warning for a highly anticipated recession. Uncertainty around the second term of Trump's presidency, in addition to worries around the U.S. fiscal situation, were both dubbed as reasons for the massive rise in yields in the fourth quarter. Additionally, the recession that never came and the stubbornness in CPI inflation, took away further cuts and raised the Fed's perceived neutral rate.

For 2025, the consensus of macro analysts and asset managers forecast a continued strength of the U.S. economy and a further divergence in central bank policy versus Europe and Asia. The anticipated use of tariffs, combined with a positive interest rate differential, and geopolitical uncertainty, are thought to be tailwinds for the dollar also in the coming year. In equities, the AI boom is continuing at full speed, with analysts expecting strong revenue growth for Nvidia driven by massive capex spending from the other six "magnificent" ones. On the other hand, consensus seems to reckon global equities, and especially U.S. equities, as highly expensive in a historical context, in addition to capitalization-weighted benchmarks being very concentrated.

Return/change in value %	2024	2023	2022	3 years
Global equities, MSCI, USD hedged[2]	21.9 %	24.3 %	(15.4 %)	28.2 %
Global bonds, Bloomberg Global Agg., USD hedged[3]	4.8 %	5.5 %	(2.3 %)	8.0 %
USD vs. NOK	11.9 %	3.8 %	11.2 %	29.1 %

Key market indices 2022-2024

The table above reflects the annual and aggregate return over the past three years for two benchmark indices that are relevant to DNK's investment strategy. While the global equity index for developed markets rose 28.2 % over the past three years, DNK's global bond benchmark returned 8.0 %. The U.S. dollar appreciated by 29.1 % against the Norwegian krone over the same period.

[1] The large U.S. tech companies Apple, Nvidia, Microsoft, Alphabet, Amazon, Meta and Tesla are as a group nicknamed the Magnificent Seven («Mag 7») due to their strong returns and contribution to the aggregate gain in the S&P 500 index.
[2] MSCI World USD hedged is DNK's benchmark for equities. The index consists of equities across 23 countries in developed markets and is fully hedged to USD.
[3] DNK switched to a longer-maturity benchmark in the middle of 2024, moving from the 1-3 year-bucket to the 3-5 year-bucket. The 2024 return is the actual (blended) benchmark return, whereas the 2023 and 2022 figures only include the short-duration benchmark

Investment strategy

DNK's investment portfolio is globally diversified in tradable securities and mutual or pooled funds. There is a 25 % strategic allocation to equities, with the remaining 75 % invested in bonds and fixed income funds. The maturity of the fixed income benchmark is 4 years, and the average credit quality corresponds to a rating of AA-.

Part of the portfolio may periodically deviate from the benchmark within set guidelines. By year-end 2024, the entire portfolio was allocated or hedged to USD. The portfolio return was 8.8 % (9.7 %) in 2024, measured in USD. Equities returned 22.8 % (23.1 %) while bonds returned 4.4 % (5.6 %). DNK's total portfolio return was 0.1 percentage points lower than its benchmark. The benchmark consists of indices that mirror the asset allocation in the investment strategy, and it is used to monitor the risk and return characteristics of DNK's portfolio.

DNK's external asset manager, BlackRock, oversees most of the fixed income portfolio. The investment management agreement regulates the interest rate risk, currency risk, credit risk, concentration risk, and relative volatility ("tracking error").

The equity portfolio consists of index funds and ETFs that track the performance of developed market benchmarks, denominated in or hedged to USD.

Risk measures	2024	2023	2022
Stress test, USD million	(103.3)	(100.7)	(74.5)
Value-at-Risk (VaR), USD million	(116.9)	(96.8)	(83.4)
Relative volatility	0.2 %	0.4 %	0.5 %

Risk measures

The Board has defined acceptable levels of market risk for the investment portfolio. Market risk is the annual loss potential calculated by a stress test in accordance with Solvency II, and by DNK's own Value-at-Risk (VaR) model. Relative volatility is the degree of active risk in the portfolio versus the benchmark. The table above shows these risk measures at the end of the past three years.

The stress test and VaR amounts are higher in 2024 due to a maturity extension in the fixed income portfolio, in addition to a slight increase in the stress factor for equities. The relative volatility ("tracking error") is 0.2 percentage points lower than at year-end 2023, which is explained by less active risk in the portfolio.

CORPORATE GOVERNANCE

DNK is subject to supervision by the Financial Supervisory Authority of Norway ("Finanstilsynet"). Corporate governance issues and requirements are specified in DNK's Articles of Association. The Board has approved policies to provide additional guidance for corporate governance in DNK.

The governing bodies are the General Meeting, the Board of Directors, and the Nomination Committee. The Board has three committees: the Audit Committee, the Risk Committee, and the Remuneration Committee.

DNK's Articles specify the Association's objectives and membership conditions and outline the scope and conduct of an annual general meeting. Each member's voting rights are proportional to its registered insured amount with DNK. No restrictions are placed on voting rights. The Articles regulate payment of premiums, premium adjustments, and additional calls, and include provisions for specific measures in times of crisis. The key responsibilities of the Board concerning Corporate Governance issues are also outlined in the Articles.

The Board sets the overall objectives, strategies, and policies to ensure sound management practices, including requirements to facilitate a transparent organizational structure with respect to responsibility and authority, reporting lines, exchange of information, risk management and internal controls. The Board continually monitors and reviews DNK's financial results, operations and the risk- and capital structure.

Environmental, social and governance (ESG) factors are integrated in DNK's Corporate Governance, risk management systems- and reporting, and in relevant policy documents.

Governing procedures and ethical guidelines for suppliers and internal operations set clear requirements with respect to human rights, working conditions, sustainability systems and ethical business conduct.

Responsible purchasing is also regulated through procedures and guidelines. DNK is subject to the Norwegian Transparency Act. The Association's ongoing work with human rights and decent working conditions was outlined in a report available on DNK's website www.warrisk.no/compliance.

DNK's risk management practices are organized in the corporate governance model with three lines of defence to ensure effective risk management and control. Independent control functions are established for risk management, compliance, actuarial tasks and internal audit tasks, all with periodic reporting to the Board. The actuary function, the quantitative part of the risk management function and the internal audit function are outsourced to external providers.

Finanstilsynet conducted an on-site inspection of DNK's system of management and controls, risk exposure and capitalization in June 2023. A final report was issued in September 2024. There are no outstanding issues related to the inspection, which from DNK's viewpoint had a satisfactory result.

CORPORATE SOCIAL RESPONSIBILITY

Loss prevention is at the core of DNK's business model, it being to people, the environment, or insured assets. The starting point is to provide financial security through insurance, which is followed by operational support in avoiding, mitigating and managing risks.

DNK aims to provide timely and relevant threat assessments so that shipowning members can mitigate and manage crisis situations relating to piracy, terrorism and war. Over the past few years, DNK has expanded its loss mitigation efforts considerably, not only to the benefit of its members, but also to society at large.

DNK has a longstanding tradition of approaching its war risks insurance business broadly, for example by taking care of crew members who have been subject to captivity or violent acts. The support offered to members is designed to ensure redundancy in DNK's ability to protect crew members before, during and after an incident.

An extensive loss prevention program continually monitors credible threats against vessels and crew. DNK's Intelligence & Operations Centre has a professional crisis response management team that plots the location of potential threats and issues warnings to nearby vessels when such actions are required. In turn, this enables members to take precautionary actions, such as rerouting, to bypass identified risks.

Insurance cover in the war risk policy is limited to the perils listed in section 2-9 of the Nordic Marine Insurance Plan, which relate to losses caused by war, terrorism, and piracy. However, in special cases DNK's Board is also empowered to approve insurance cover outside the terms of an insurance policy. Cover under this provision has traditionally been awarded when a member makes special efforts to comply with the Law of the Sea, or to meet humanitarian needs.

When a ship insured by DNK responds to a humanitarian need in a conditional trading area, the additional premium is normally reduced to a minimum, or waived, to support the response.

DNK has since 2016 offered a Security Incident Response (SIR) cover, which offers members local support from one of the largest security companies with a global presence. Such support is particularly important in jurisdictions where corrupt practices are common and where shipowners may be confronted with questionable actions.

Over the past years, DNK's holistic approach to loss prevention has included the establishment and staffing of an intelligence and operations centre (IOC), and significant investments in technology to support its services to members. The operational capabilities of the IOC team include both crisis management and loss prevention. Through real-time tracking and monitoring, IOC can identify vessels that may be at risk and thus communicate its findings and recommendations for loss-preventing or loss-mitigating purposes.

Osprey Analytics AS, a wholly owned subsidiary of DNK, has developed a cloud platform that uses vessel tracking data to automatically calculate premiums and issue digital policies for transits through conditional trading areas. Nordic Maritime Cyber Resilience Centre AS (NORMA Cyber) is a joint venture between DNK and the Norwegian Shipowners' Association. NORMA Cyber provides loss-prevention, threat intelligence and monitoring services related to maritime cyber risks. DNK has a unique insurance cover for marine cyber risks caused by war perils. Through the establishment of NORMA Cyber, DNK has strengthened its capabilities in this domain. In 2024, DNK extended its cyber cover with a new product that includes onshore operations.

The Association has zero tolerance for corruption and bribery. This applies to DNK's employees, service providers, counterparties, and its members. Ethical guidelines and policies regarding anti-money laundering, anti-terrorism financing, anti-corruption, and fraud are discussed and made available to employees, suppliers and other stakeholders. Regular Know Your Customer (KYC) controls, sanctions screening, and monitoring of financial transactions, are performed to minimise the risk of inadvertently doing business with non-compliant counterparties.

DNK's Board, management group, and control functions are also subject to regular fit and proper checks. Suspicious activity and illegal or unethical behaviour can be reported in a safe and confidential way by DNK employees.

DNK routinely reports details of all cases involving ransom demands to the Norwegian National Authority for Investigation of Economic and Environmental Crime (Økokrim), the National Crimes Agency in the UK and INTERPOL. In 2024, DNK had no reported cases of corruption or bribes.

DNK aims for high ethical business standards, and environmentally friendly operations.

The Association devotes extensive resources to solid internal control procedures, to manage existing and emerging risks, and to comply with internal and external regulations and policies.

The European Commission has published a sustainability omnibus, which aims to recalibrate rules on sustainability reporting, to enable more cost-effective delivery on policy objectives. In addition to a general reporting postponement of two years, the Commission has proposed to exclude companies with less than 1,000 employees. If enacted in the European Parliament and in Norwegian law, DNK will be out of scope for regulatory sustainability reporting. Should the proposed changes not be enacted, DNK will report in compliance with the CSRD (Corporate Sustainability Reporting Directive) from 2026, for the financial year 2025. The mandatory double materiality assessment, considering both upstream and downstream activities, was conducted during 2024 and early 2025.

CLIMATE RISK

Geopolitical risk

DNK's insurance activities do not appear to be directly affected by climate risk. Nonetheless, climate risks can, over time, over time strain international relations and hence, indirectly lead to geopolitical tensions. This may in return result in conflicts, and insurance claims for DNK. Climate changes can, for example, lead to famine in vulnerable regions and thus lead to more cases of terrorism or piracy. Moreover, lack of international cooperation on environmental regulation may lead to adverse effects on trade and investments.

Large and populous countries such as the USA, China, Russia and possibly India may seek to protect or pursue their own interests counter to coordinated measures under the auspices of the UN. That may again lead to political tensions or war-like conditions. Such increase in risk may imply greater use of conditional trading areas, and thus higher premium income. Insurance claims may also rise in such areas.

Rates and capacity

Climate risk can materialise as an increase in insurance incidents caused by natural disasters. However, the shipping industry is not particularly prone to so-called physical climate risks. Specifically, in war insurance, the overwhelming risk is posed by threat actors and not the environmental changes. In the long term, a general increase in claims costs may also affect reinsurance pricing and capacity in the war insurance market. Traditionally, variations in reinsurance premium rates have been passed on to DNK's members. Limited future reinsurance capacity may imply a reduction in the insurance cover DNK's members have traditionally benefitted from.

Climate risk in shipping

DNK's members are continuously subject to stricter emissions requirements and regulatory changes that require use of new technology. This could weaken the profitability in the shipping industry and its access to external financing. A possible consequence could be a certain consolidation in DNK's member base and a decrease in the combined value of the insured fleet. This could lead to lower annual premiums, which all else equal, is a risk to DNK. However, the majority of DNK's premiums are in the form of geopolitically driven additional premiums.

Since January 2024, the maritime sector has been part of the European Union's emissions trading system (ETS). This entails the purchase of carbon allowances for voyages to or from EU ports, and for time spent in EU ports. ETS is being phased in, with 40 % of emissions surrendered in 2024, increasing to 70 % in 2025 and 100 % in 2026. This incentivizes shipowners and resolves parts of the transition risk, in terms of creating a unified requirement for all participating actors. The membership community remains committed to embrace new emission reduction technologies and act proactively to position themselves in compliance with regulatory developments and required change.

New sea routes

Global warming may open new sailing passages, for example the Northern Sea Route. This may facilitate faster and thus more environmentally friendly transits but could also increase environmental risk in vulnerable areas. From DNK's perspective, new sea routes imply increased uncertainty from a security and contingency perspective. New routes may, at least initially, be subject to additional premiums. The Green Corridor Initiatives, in addition to active intervention by governing bodies like the EU and IMO, are important parts of the sustainability landscape.

DNK can largely manage the impact of climate risk through its own risk assessments and loss-mitigating practices, and through the coordination of potential actions with participating reinsurers.

Climate risk in the investment portfolio

In the investment portfolio, climate risk is evident in terms of both physical risks and transitions risks. The investment community and portfolio managers are increasingly focused on environmental, social and governance (ESG) factors when making investment decisions.

Physical risks include both acute and chronic risks to the asset values, with the former exemplified by flooding, hurricanes, droughts and wildfires, and the latter exemplified by rising temperatures, rising sea level and loss of biodiversity.

Transition risks relate to the legislative, technological, and preferential change as means of transitioning to a net-zero society. Examples include policies that alter relative prices in favour of low-carbon products, technological improvements, and changes in consumer preferences. Transition risk can take its toll on assets indirectly through slow economic growth combined with structural inflation, or directly in the form of so-called stranded assets.

Using fund flow estimates from Morningstar Direct on open-ended mutual funds and ETFs, the trend of sustainability investing seems to have turned in recent years. Funds labelled "sustainable" in their prospectuses attracted net inflows of close to USD 1 trillion in 2020 and 2021 combined. In 2022, a year with significant net outflows overall, sustainability funds still got inflows of USD 166 billion. However, in 2023 and 2024, the net inflow to sustainability-labelled funds has almost evaporated, cf. the chart below.

In collaboration with Morningstar and Sustainalytics, DNK has measured and monitored climate risk in the investment portfolio. Broadly speaking, the portfolio consists of equities (25 %), corporate bonds (22 %), and government bonds (53 %). The bond portfolio is managed according to a proprietary ESG framework, in which every security is evaluated according to the societal externalities they produce. The manager then seeks the best issuers and avoids the worst issuers from an ESG perspective. Issuers deemed to have negative externalities are excluded from the mandate. As of 31 December 2024, the fixed income mandate had a 1.9 % overweight in positive-externality-issuers, and a 1.6 % underweight in negative-externality issuers. BlackRock also applies a proprietary sovereign sustainability score (BSSI), which uses World Bank data in addition to an internal overlay of ESG factors on countries.

Methodology and assumptions in ESG reporting

The Morningstar framework reports an ESG score on an individual company level. Each company is given a score between 0 and 100, from negligible (low score) to severe ESG risk (high score). The

The market capitalization-weighted sustainability metrics for DNK's portfolio are reported below.

Total portfolio (USD 748 million)	DNK	Benchmark
General		
SFDR Article 8 funds[1]	89 %	N/A
Morningstar Corporate Sustainability Score (0–100), weighted average	17.7	18.2
Morningstar Sovereign Sustainability Score (0–100), weighted average	13.1	13.6
Carbon emissions[2]		
Carbon emissions, Scope 1–2 (metric tons CO_2)	7 471	10 847
Carbon emissions, Scope 1-3 (metric tons CO_2)	121 445	122 575
Carbon intensity, Scope 1–2 (tons CO_2 per USDm company revenue)	81.0	112.2
Carbon data coverage (%)	*42.1 %*	*38.8 %*
Sovereign carbon intensity (kilograms of CO_2 per USD of GDP)	0.19	0.25
Exposure to high-emitting sectors (% of portfolio)	2.9 %	4.1 %
Diversity & Inclusion		
Female directors (% of portfolio)	14.9 %	14.0 %
Director data coverage (%)	*41.9 %*	*39.1 %*
Female executives (% of portfolio)	10.1 %	9.0 %
Executive data coverage (%)	*40.1 %*	*37.0 %*

[1] BlackRock's discretionary mandate is not subject to SFDR, but is managed in line with an Article 8-classification
[2] Only relevant for corporate issuers, which explains the low coverage.

Equity portfolio (USD 189 million)	DNK	Benchmark
General		
SFDR Article 8 funds	93.8 %	N/A
Morningstar Corporate Sustainability Score (0–100)	19.4	20.1
MSCI ESG rating, weighted average	A	A
Coverage MSCI rating	97.8 %	98.6 %
Carbon emissions		
Carbon emissions, Scope 1–2 (metric tons CO_2)	4 224	5 493
Carbon emissions, Scope 1–3 (metric tons CO_2)	56 285	64 938
Carbon intensity, Scope 1–2	83.6	103.6
Carbon data coverage (%)	97.3 %	98.2 %
Exposure to high-emitting sectors (% of equity portfolio)	6.4 %	8.6 %
PAI Share of Non-Renewable Energy Consumption	44.3 %	45.2 %
Product Involvement[3]		
Arctic Oil & Gas Exploration	0.0 %	0.0 %
Fossil Fuel	4.0 %	6.3 %
Oil & Gas Generation	3.4 %	4.1 %
Oil & Gas Production	2.7 %	4.4 %
Oil & Gas Products & Services	1.3 %	1.3 %
Oil Sands Extraction	0.1 %	0.8 %
Controversial Weapons, Evidence of Activity	0.2 %	1.6 %
TOTAL	**11.7 %**	**18. 6 %**

Equity portfolio (USD 189 million) CONT.	*DNK*	*Benchmark*
Sustainalytics Carbon Risk		
Carbon Exposure Score (0-100)	13.4	15.0
Carbon Managed Risk Score (0-100)	-7.6	-8.1
CARBON REMAINING RISK SCORE (0-100)	**5.8**	**6.9**
Biodiversity		
PAI Activities Negatively Affecting Biodiversity Areas (% of portfolio)	6.1 %	7.5 %
Biodiversity coverage (%)	97.8 %	98.6 %
Water pollution		
PAI Emissions to Water (metric tons)	11.7	11.5
Water emissions coverage (%)	6.0 %	6.1 %
UN Global Compact & OECD Guidelines for MNE		
No Breach	81.6 %	82.6 %
Watchlist	16.0 %	15.6 %
Breach	0.2 %	0.5 %
COVERAGE	**97.8 %**	**98.6 %**
Diversity & Inclusion		
Percent of female directors	34.5 %	34.8 %
Director data coverage (%)	97.8 %	98.7 %
Female executives (% of portfolio)	24.1 %	23.9 %
Executive data coverage (%)	*94.7 %*	*95.5 %*

[3] Percent of equity portfolio invested in companies with at least 5 % of revenue stemming from the product.

ESG score combines environmental, social, and corporate governance factors. Equities and corporate bonds are treated equally in this regard, as it is the issuing company that determines the ESG risk score. Government or sovereign bonds are scored on a similar scale, based on an assessment of the issuing country. Utilizing data from the World Bank, each country is ranked on several factors, like energy and carbon intensity, water stress, corruption, access to electricity, life expectancy at birth, air pollution, government effectiveness and political rights.

To enable maximum data coverage, the fixed income portfolio is mapped to the issuing entity's listed stock for corporate issuers, and to proxy funds/ETFs for government bonds and agency mortgages. DNK's investments are scaled to the corresponding entity's enterprise value including cash (EVIC). This is the recommended way of attributing emissions, according to the GHG Accounting and Reporting Standard published by the Partnership for Carbon Accounting Professionals (PCAF).

DNK's portfolio scores marginally better than, or equal to, its benchmark on most indicators.

A brief description of how the sovereign and corporate portion of DNK's portfolio differs from its benchmark is provided below.

In the sovereign portion, the differences are mostly explained by an underweight in high-risk and high-carbon issuers like China, and overweight issuers like Canada, France and Italy.

In the corporate portion, the differences are due to an underweight in high- and severe-risk issuers, as well as an underweight in low-risk issuers. Issuers with an ESG risk score above 30 have a total underweight of 1.2 percentage points in the corporate portfolio, whereas issuers with an ESG score below 10 have an overweight of 3.2 percentage points.

Actions and initiatives

DNK will seek to improve both the composition of issuers in terms of ESG Risk Scores, as well as the carbon emissions and intensity metrics going forward. In 2025, DNK will analyse the possible effects on the investment universe, expected return, and risk, by enhancing the current sustainability constraints in the investment portfolio.

RISK MANAGEMENT

Risk management and internal control are integrated into DNK's system of governance and daily operations. At least once a year, the Board reviews the Association's risk strategies and policies which define its risk profile and tolerance, key principles for risk taking, controls and capital structuring. Employees at all levels are responsible for risk management and sound internal control within their area of responsibility. DNK aims to have a culture of risk transparency and awareness and encourage open discussions at all levels of the organisation. Key risks are identified, measured, managed and reported throughout the organisation and to the Board of Directors.

The Association is exposed to insurance, market, counterparty, operational and liquidity risk. Except for liquidity risk, the loss potential of each risk is individually calculated, aggregated, and aligned with available solvency capital. DNK is subject to an additional capital requirement under Solvency II to capture catastrophe risks. The Association is managed to comply with the Board's goal of maintaining a moderate-to-low risk profile.

DNK is exposed to other significant risks that cannot be fully quantified such as strategic, business, reputational and geopolitical risk. For these risks, DNK also performs analysis, risk assessments, monitoring and reporting.

Different climate scenarios have been prepared to analyse how climate-related risks and opportunities may impact DNK's insurance activities, investment portfolios and services. For further details, please see the section on Climate Risk above.

Insurance risk is limited for each cover and mitigated through reinsurance. Premiums are set on an annual basis. Rates for conditional trading areas are set for each voyage in accordance with current evaluations of the underlying risks.

Counterparty risk is restricted through credit quality standards and concentration limits for participating reinsurers. The use of financial derivatives is mainly limited to currency hedging with standardized products. Parties to any hedging contract must meet defined standards of creditworthiness.

Market risk is regulated by the guidelines in the Association's investment strategy. The guidelines cover restrictions relating to interest rate risk, equity risk, currency risk, credit risk, concentration risk and active risk.

Operational risk is mitigated through policies and procedures, clear strategies, responsibilities and reporting lines, robust and effective internal controls, risk assessments, procedures for follow-up of incidents, and contingency plans for business-critical processes. Key focus areas are digital operational resilience, sanctions screening, AML controls, management of third parties and outsourcing and data governance.

Liquidity risk is accounted for in the investment strategy to meet the nature of DNK's obligations, in the event of major insurance losses. Liquidity risk is tested by stress scenarios that assume the realisation of DNK's investment portfolio and the call for additional premiums from members.

Strategic risk is evaluated, analysed, and discussed as part of the regular strategy process.

Business risk is primarily handled through the strategic process, and controlled by monitoring market, product and competitive conditions, capital market requirements and developments, regulatory conditions, changes in the geopolitical landscape and so forth.

Compliance risk is management through a framework ensuring that DNK conducts its business activities in accordance with relevant rules, regulations and governing policies. In 2024 particular focus has been on compliance with the new EU regulation DORA.

Reputational risk is identified and evaluated as part of the periodic risk assessments and managed by emphasising compliance with laws and regulations, product quality, financial performance, corporate governance, and member service.

Geopolitical risk is monitored in close cooperation with external parties. DNK's members may operate beyond traditional waters and transport routes. Changes in external conditions may affect the insurance market, political power balances and legal provisions in a manner which may impede DNK's ability to maintain its broad insurance programme.

For further details on main risks and their management, please see the notes to the financial statements.

CAPITAL MANAGEMENT AND SOLVENCY

CAPITAL REQUIREMENT

The Association's solvency capital was USD 787.9 million at the end of 2024 (726.1), where Tier 1 capital was USD 615.0 million (577.6), and Tier 2 capital (mutual liability) amounted to USD 172.9 million (148.5).

The solvency capital requirement was USD 397.7 million by year-end 2024 (407.0), including an additional capital requirement, as the standard model does not fully capture the unsystematic risks inherent in war-related marine insurance. For 2024, this additional charge was USD 293.0 million (303.9). The solvency ratio was 198 % (178 %).

The notes to the annual accounts include further details on DNK's solvency capital.

DEN NORSKE KRIGSFORSIKRING FOR SKIB

OSPREY Solutions

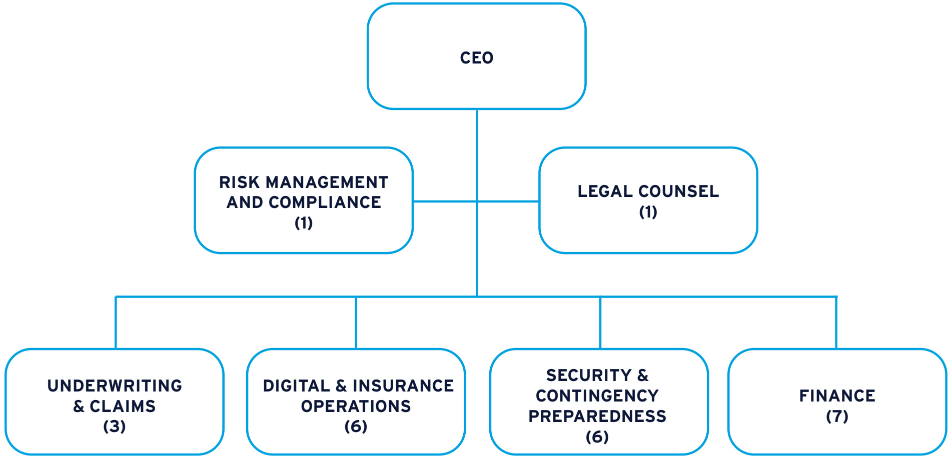
NORMA CYBER

ADMINISTRATION

The Association operates out of Oslo and had 25 employees at year-end 2024 (24). DNK seeks to contribute to equal opportunities and the professional development of its employees, irrespective of gender, age, sexual orientation, or cultural background.

There were no work-related accidents resulting in material injury to personnel or property.

Sick leave in 2024 totalled 27 days (73), which represented 0.5 % of overall working days (1.4 %). Excluding long-term absence (more than 16 days) in 2024, absence due to illness was 0 % of working days (0.5 %).



DNK's Board consists of 3 women and 5 men, while the administration is comprised of 9 women and 16 men.

The overall organisational structure is illustrated below (number of employees in parenthesis).

The Association has negligible negative impact on the environment and strives to develop products and services which will enable the members to reduce their environmental impact.

OUTLOOK 2025

The two main risk factors affecting DNK's earnings relate to geopolitical risk and financial risk. Volatility in the political arena, or in the financial markets, may result in higher insurance claims or investment losses – or both. In more detail, changes in the following factors may impact DNK's financial position and solvency ratio:

- (i) Aggregate insured value
- (ii) Additional premiums in conditional trading areas
- (iii) Cost and availability of reinsurance
- (iv) Claims
- (v) Investment returns

Premiums for war risk insurance are influenced by geopolitical risk, piracy or other violent or criminal attacks against ships and offshore units.

Average rates for annual premiums have in 2025 remained largely unchanged in spite of an increase in geopolitical tensions. The total value of insured tonnage has increased by nearly 6 % versus year-end 2023. Reinsurance costs have also remained stable into 2025. The main conditional trading areas are currently ports in Russia, Belarus and Ukraine including the Black Sea, the Indian Ocean, the Red Sea, the Arabian Gulf and the Persian Gulf and finally, the Gulf of Guinea. The reinsurance contracts for 2025 were renewed "as per expiry". DNK has a diversified risk mitigation program with reputable reinsurers.

Additional premiums are likely to remain elevated in 2025 due to war and conflicts in the Middle East. Tensions between the U.S. and China has become both more visible over the issue of Taiwan, and more dispersed to include technology and trade. While it is difficult to foresee changes in geopolitical risks and their possible impact on marine war insurance, there is concern for a potential escalation that effects shipping routes and seafarers' safety, as currently experienced in the Red Sea.

Although the level of pirate activity has decreased in recent years, maritime crime and piracy attempts in the Gulf of Guinea and Southeast Asia continue. DNK has implemented proactive measures in these areas to mitigate the potential impact on members' vessels and crews.

Higher interest rates appear to have alleviated inflationary pressure but may deter economic growth and diminish corporate earnings and thus lead to higher unemployment. This may in turn trigger corrections in the financial markets. However, the consensus for 2025 indicates a strong U.S. earnings growth and a healthy labour market. In other major economies – notably the EU, the outlook is less clear, and monetary policies have adapted to the potential for an economic contraction. Growth in the emerging economies is moderated by a strong USD, and could be negatively impacted by potential protective trade policy initiations from the U.S.A.

Provided there will be no major insurance claims, a positive technical result is expected in 2025. Under this assumption, DNK is believed to improve its solvency ratio by year-end 2025.

DNK remains actively engaged in the Norwegian national total defence concept inter alia as a permanent member of the NORTRASHIP-Board and through engagements in NATO's resilience work relating to ocean transport and war risks insurance. Due to current geopolitical tensions, it is expected that these engagements will broaden.

DNK's solvency ratio was 198 % at the end of 2024 (178 %) which is well above the regulatory requirement.

RECENT DEVELOPMENTS

HRH The Princess Royal, Princess Anne visits The Norwegian Shipowners' Mutual War Risks Insurance Association (DNK) in Oslo.

HRH The Princess Royal, Princess Anne, visited DNK on May 22nd in her capacity as the Patron of the Anglo-Norwegian Resistance Commemoration Project.

The program started in the newly established Norwegian Shipping Security and Resilience Centre (operated in close co-operation by the Norwegian Shipowners' Association, DNK and Norma Cyber).

This was followed by a briefing in DNK's Intelligence & Operations Centre where HRH was given a brief on how threats against civilian shipping are monitored and how the crisis response is organized. DNK's Intelligence & Operations Centre is where the operational response to all incidents resulting from war, terror or piracy affecting Norwegian ships is coordinated.

HRH was introduced to the members of DNK's Board of Directors and management. Members of the Norwegian Shipowners' Association involved in the transportation of military equipment for NATO allies were specially invited. Member companies securing European energy supply following the attack on Ukraine, securing the North-Sea underwater infrastructure, or otherwise significantly contributing to the common Anglo-Norwegian maritime security interests were also present.

HRH The Princess Royal, Princess Anne, unveiled a painting by artist Mrs. Serena Vivian-Neal depicting wartime "Coast-Watchers" secretly monitoring the movements of a German battleship in Norway during WWII. The painting

was purchased by DNK with the proceeds going to the Anglo-Norwegian Resistance Commemoration Project.

DNK's CEO, Mr. Svein Ringbakken said:
"We are honoured that HRH The Princess Royal, Princess Anne, Patron of the Anglo-Norwegian Resistance Commemoration Project, has unveiled the "Coast-Watchers" painting. Like during WWII, the modern Norwegian maritime industry maintains its contribution to our own security and to that of our allies.

As HRH The Princess Royal, Princess Anne, has witnessed today, the movements of civilian ships are still monitored as are the threats posed by our adversaries. The methods and geographic locations of interest may have changed from what is depicted in the painting, but the allies remain the same.

Lest we forget the sacrifice by the thousands who lost their lives fighting for our freedom from WWII until today, both military and merchant sailors."

The Norwegian Shipowners' Mutual War Risks Insurance Association, DNK, was established in 1935. DNK insures all members against the risks of war, terror and piracy and is the world's largest mutual war risks insurer. It has relied on re-insurance support and close cooperation from Lloyds of London and the London-market since its inception

Collaboration between the United Kingdom and Norway in the maritime field had an immense importance for the allied war effort during World War II. More than 50 % of the carrying capacity of more than 1000 Norwegian merchant ships during WWII, was at any given time, available to the UK Ministry of Transport through the Nortraship-organization.

On this background, the UK Ministry of Transport provided re-insurance to the DNK, and thereby all Norwegian shipping, from 1952 until after the Cold War in 2000, in case a major powers conflict should again have erupted.

The main headquarters for Nortraship was in London, where also the Norwegian Government and Royal Family found a safe refuge until Norway was liberated at the end of the war. The resistance effort in occupied Norway was also directed from the United Kingdom in close cooperation between the Norwegian Government in London, the UK Government, armed forces, and agencies.

Oslo, 24 March 2025
The Norwegian Shipowners' Mutual War Risks Insurance Association

Mons Aase
(Chair)

Synnøve Seglem
(Vice-Chair)

Marthe Romskoug

Eli Vassenden

Eric Jacobs

Chistopher Walker

Carl K. Arnet

Lars Aa. Løddesøl

Svein Ringbakken
(Managing Director)

FINANCIAL STATEMENTS

(IN USD)

INCOME STATEMENT

Amounts in USD 1 000	Note	2024	2023
Gross earned premiums		57 889	58 202
Ceded reinsurance on gross earned premiums		(25 754)	(23 752)
Premiums for own account		**32 135**	**34 451**
Gross claims expenses	8	(5 076)	(27 523)
Reinsurers' share of gross claim expenses	8	309	16 906
Claims for own account		**(4 767)**	**(10 617)**
Insurance related administrative expenses	2,3,4,5,10	**(8 435)**	**(7 907)**
OPERATING RESULT OF TECHNICAL ACCOUNT		**18 934**	**15 926**
NON-TECHNICAL ACCOUNT			
Net income from financial assets			
Interest and dividend from financial assets	9	11 609	10 903
Change in fair value of financial assets	9	13 954	55 851
Realised gains from financial assets	9	32 066	(4 586)
Administrative expenses related to financial assets	2,3,4,5,9,10	(9 052)	(8 400)
Total net income from financial assets		**48 577**	**53 767**
OPERATING RESULT OF NON-TECHNICAL ACCOUNT		**48 577**	**53 767**

Amounts in USD 1 000	Note	2024	2023
PRE-TAX RESULT		**67 511**	**69 693**
Tax expense	6	**(22 506)**	**(13 972)**
PROFIT FOR THE YEAR		**45 005**	**55 721**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**45 005**	**55 721**
TOTAL RESULT		**45 005**	**55 721**
PROFIT FOR THE YEAR IS DISTRIBUTED AS FOLLOWS:			
Proposed dividend		22 500	0
Earned other equity		22 505	55 721
TOTAL		**45 005**	**55 721**

BALANCE SHEET

Amounts in USD 1 000	Note	2024	2023
ASSETS			
Other intangible assets	5	365	465
Owner occupied properties	5	349	349
Subsidiaries and associated companies			
Investments in subsidiaries and associated companies	18	1 670	1 676
Financial assets at amortised cost			
Bank deposits investment portfolio		26 029	42 926
Financial assets at fair value			
Shares and other equity investments	12,13,15	188 951	191 586
Bonds and other fixed income securities	12,14,15	539 487	537 649
Financial derivatives	12,15,16	9 064	6 128
Total investments		**765 549**	**780 313**
Reinsurers' share of unearned gross premiums		**221**	**0**
Reinsurers' share of gross claims provisions	**8**	**5 401**	**10 085**
Reinsurers' share of gross reserves		**5 623**	**10 085**
Insurance related receivables		5 865	9 627
Reinsurers' receivables		17 944	11 374
Other receivables		612	312
Total receivables		**24 421**	**21 314**
Equipment and fixtures	5	2 365	2 122
Cash and bank deposits	7	12 708	17 728
Total other assets		**15 073**	**19 850**
Total prepaid expenses and accrued income		**1 111**	**1 460**
TOTAL ASSETS		**812 143**	**833 488**

Amounts in USD 1 000	Note	2024	2023
EQUITY & LIABILITIES			
Other equity	17	654 288	622 460
Total equity		**654 288**	**622 460**
Provision for unearned gross premiums		379	0
Gross claims provisions	8	13 917	19 241
Total insurance reserves		**14 296**	**19 241**
Pension liability provisions	4	1 263	1 098
Taxes payable	6	32 932	76 336
Deferred tax liability	6	51 254	69 101
Other provisions		2 171	2 200
Total provisions		**87 620**	**148 735**
Insurance related liabilities		10 731	10 734
Reinsurance liabilities		5 746	5 911
Financial derivatives	12,15,16	2 580	5 708
Other liabilities	11	34 968	18 364
Total liabilities		**54 024**	**40 718**
Other accrued expenses and prepaid income		**1 915**	**2 334**
TOTAL EQUITY AND LIABILITIES		**812 143**	**833 488**

Oslo, 24 March 2025
The Norwegian Shipowners' Mutual War Risks Insurance Association

Mons Aase (Chair)
Synnøve Seglem (Vice-Chair)
Marthe Romskoug
Eli Vassenden
Eric Jacobs
Chistopher Walker
Carl K. Arnet
Lars Aa. Løddesøl
Svein Ringbakken (Managing Director)

STATEMENT OF CHANGES IN EQUITY

Amounts in USD 1 000	2024	2023
OTHER EQUITY		
Other equity 01.01.	622 460	560 768
Total result	45 005	55 721
Proposed dividend	(22 500)	0
Exchange rate effects	9 324	5 971
Other equity 31.12.	**654 288**	**622 460**

CASH FLOW STATEMENT

Amounts in USD 1 000	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from customers	62 026	60 315
Cash paid to re-insurers	(32 710)	(20 126)
Cash paid related to claims expenses	(10 400)	(22 520)
Cash receipts from re-insurers related to claims expenses	4 993	9 243
Paid insurance related administrative expenses	(49 942)	(15 923)
Net cash flows from the technical account	**(26 035)**	**10 989**
Net cash flows from interest, dividends and realised gains / losses on financial assets	43 185	4 468
Net cash flows from acquisition / disposal of financial assets	20 081	(20 191)
Paid administrative expenses related to financial assets	(41 328)	(9 925)
Net cash flows from the non-technical account	**21 938**	**(25 648)**
Net cash flows from operating activities	**(4 097)**	**(14 659)**
CASH FLOW FROM NON-OPERATING ACTIVITIES		
Cash receipts from the disposal of fixtures and fixed assets	0	3
Cash paid for the acquisition of fixtures and fixed assets	(923)	(1 583)
Net cash flows from non-operating activities	**(923)**	**(1 579)**
Net cash flow in the period	**(5 020)**	**(16 239)**
Cash and bank 01.01.	17 728	33 967
Net cash flows in the period	(5 020)	(16 239)
Cash and bank 31.12.	**12 708**	**17 728**

NOTES

NOTE 1 ACCOUNTING PRINCIPLES

The Financial Statements have been prepared in accordance with the "regulations for annual accounts for non-life insurance companies" approved by the Norwegian Ministry of Finance, and in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP).

Financial instruments

Financial assets and liabilities are recognised and measured in accordance with IFRS 9.

Recognition and derecognition

Financial assets and liabilities are recognised when DNK becomes a party to the instrument's contractual provisions. Regular purchases and sales of financial assets are recognised on the trade date. At initial recognition, financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are derecognised when the contractual rights to receive cash flows from the investments have expired or have been transferred, and the Association has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when expired, which is defined as the point in time when the contractual provisions are fulfilled, cancelled or expired.

Classification and measurement of financial assets

Financial assets are classified into one of three measurement categories: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI), and amortised cost. In the case of financial assets, a distinction is made between debt instruments and equity instruments. The classification of debt instruments is determined by the contractual conditions governing the financial assets, and the business model applied in managing the portfolio of assets.

Financial instruments at fair value through profit or loss (FVTPL)

DNK's fixed income portfolio is managed externally, with the performance and risk management being evaluated on a fair value basis. Bonds and fixed income investments are held for trading with active buying and selling within the portfolio. The fixed income assets are thus not held solely for the purpose of collecting principal and interest.

Derivatives, equity mutual funds, and exchange-traded funds, are also held for trading and hence, measured at FVTPL.

Financial instruments at fair value through profit or loss are measured at fair value on the reporting date. Changes in fair value are stated in the income statement as "Change in fair value of financial assets". When an asset is derecognised, the difference between the carrying amount and the consideration received is recognised in profit or loss.

Amortised cost

Receivables, bank deposits and cash equivalents are carried at amortised cost using the effective interest method.

Financial liabilities are measured at amortised cost except for financial derivatives, which are measured at FVTPL.

Receivables, cash equivalents, and other financial liabilities are short-term in nature and the carrying amount is considered a good approximation of fair value.

DNK has historically not taken credit losses on receivables to a material extent, and based on materiality, there has not been recognised an allowance for expected credit losses.

Financial instruments at fair value through other comprehensive income (FVTOCI)

Typically, DNK does not have financial instruments that are measured at fair value through other comprehensive income. This is due to the nature, or business model, of the investment portfolio mentioned above.

Dividend income from financial assets is recognised when the Association's right to receive payments is established.

The Association assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Foreign exchange

The Association's goal is to reasonably balance receivables against potential obligations for each currency.

The major part of the premium income, financial assets and potential claims obligations are in USD. USD is the Association's functional currency, and the financial statements are presented in this currency.

Transactions in foreign currencies are translated into USD using the average monthly rate of exchange. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities, are recognised in the income statement.

Fixed assets

Fixed assets are recognised at historical cost in the balance sheet and depreciated on a straight-line basis over the assets' life. Direct maintenance of business equipment is recognised in operating expenses on an on-going basis, while additions or improvements are capitalised and depreciated along with the asset.

Pensions

The Association has a defined contribution plan for its employees, and there is an additional scheme for salaries in excess of 12 G. The payments to the defined contribution plan are expensed.

Deferred tax

Tax costs in the income statement account consist of taxes payable and changes in deferred tax/tax benefits. Taxes payable are calculated on the basis of the year's taxable result.

Deferred tax is calculated at 25 % on the basis of the temporary differences that exist between book and tax values, as well as the deficit for tax assessment purposes that will be carried forward at the end of the financial year. Tax increasing and tax reducing temporary differences that are reversed or could be reversed during the same period are offset and the tax effect is calculated on a net basis.

Premium recognition and premium for own account

Premium and commission are recognised as income when the cover period comes into effect, regardless of the timing of payment. Premium for own account includes premiums written, net of premiums ceded (reinsurance). The majority of DNK's insurance contracts have a coverage period of one year. The reserve for unearned premiums relates to premium income that is to be be recognised as the Association provides insurance contract services in the future. Premium for own account appears in the technical account.

Cost recognition and claims reserve

Claims are expensed as incurred. Other costs are expensed in the same period as the income to which they relate is recognised. Claims reserves are intended to cover anticipated future claims payments for losses incurred but not yet settled at the end of the fiscal year. The claims reserves are calculated by an actuary as the best estimate of these future claims payments and includes actuarial judgement. The calculations are in accordance with regulations for annual accounts for non-life insurance companies § 3-5 (3). The reserves comprise provisions for losses reported to the Association but not settled (RBNS) and losses incurred but not reported (IBNR). Provisions for reported losses are assessed individually by the claims department.

Investments in subsidiaries

The turnover and equity in the subsidiaries are regarded as an insignificant addition to the group's business and has therefore not been consolidated in the accounts. Shares in subsidiaries are valued using the cost method.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates may differ from actual results, but the estimates are based on the best knowledge and assessment at the time the financial statements are approved by the Board. Revisions of accounting estimates are recognised in the period in which the estimates are revised.

The most significant estimate is used in Claims Reserves. The claims reserves are calculated by an actuary as the best estimate of these future claims payments and includes actuarial judgement. The calculations are in accordance with regulations for annual accounts for non-life insurance companies § 3-5 (3).

Other estimates for claims handling are calculated specifically for individual incidents and situations. International specialist evaluations and market prices are obtained to determine estimates and provisions for each individual claim. In the early stages of an incident, there will be greater uncertainty regarding actual costs and, consequently, the estimate will have a higher degree of uncertainty. DNK has access to the foremost international experts for such evaluations and has the capacity to follow up on individual cases specifically to establish accurate estimates. All cases are monitored continuously, and adjustments to estimates are made accordingly.

NOTE 2 PAYROLL COSTS, NUMBER OF EMPLOYEES AND OTHER BENEFITS

On average there were 25 people employed by the Association in 2024. The following amounts are expensed as salary, fees and other benefits, and the following loans were outstanding:

No loans/guarantees have been extended to the Board of Directors or other related parties.

Holiday-pay accrued in 2023 is included under salary for 2024. The Association has introduced a tentative variable compensation plan for all employees. The plan comprises individual quantitative and qualitative criteria to earn such variable compensation. The variable compensation can be up to 10, 20 or 30 % of annual base salary, depending on position held. The Association's variable compensation plan for top management is in line with legal requirements with respect to documentation, size of payment, payment period, adjustment for risk and cyclicality in earnings. There are no other compensation agreements with the Managing Director, the Chair or the other members of the Board.

2024

Amounts in USD 1 000	Salary/ fees	Bonus	Pension costs	Other benefits	Total	Loan
MANAGEMENT						
Svein Ringbakken, Managing Director	449	113	144	33	**739**	0
Sverre Huse, Finance Director	394	89	88	3	**574**	0
Anders Hovelsrud, Insurance Director	190	34	35	4	**263**	0
Helena Brudvik, Head of Risk Management & Compliance	213	34	31	2	**280**	0
Freddy Furulund, Director of Security & Contingency	209	36	35	2	**282**	0
Irene Philips, Chief Digital Officer	226	39	36	3	**304**	0
BOARD OF DIRECTORS						
Mons Aase, Chair	38	0	0	0	**38**	0
Synnøve Seglem, Vice-Chair	28	0	0	0	**28**	0
Eli Karin Vassenden, Board member	28	0	0	0	**28**	0
Eric Jacobs, Board member	29	0	0	0	**29**	0
Christopher Walker, Board member	26	0	0	0	**26**	0
Harald Fotland, Board member	24	0	0	0	**24**	0
Marthe Romskoug, Board member	26	0	0	0	**26**	0
Carl K Arnet, Board member	26	0	0	0	**26**	0

2023

Amounts in USD 1 000	Salary/ fees	Bonus	Pension costs	Other benefits	Total	Loan
MANAGEMENT						
Svein Ringbakken, Managing Director	434	93	121	41	**689**	0
Sverre Huse, Finance Director	386	73	77	2	**538**	0
Anders Hovelsrud, Insurance Director	181	26	29	3	**239**	0
Helena Brudvik, Head of Risk Management & Compliance	199	25	26	2	**252**	0
Freddy Furulund, Director of Security & Contingency	203	29	30	2	**264**	0
Irene Philips, Chief Digital Officer	206	25	31	2	**264**	0
BOARD OF DIRECTORS						
Mons Aase, Chair	31	0	0	0	**31**	0
Synnøve Seglem, Vice-Chair	24	0	0	0	**24**	0
Eli Karin Vassenden, Board member	24	0	0	0	**24**	0
Eric Jacobs, Board member	31	0	0	0	**31**	0
Christopher Walker, Board member	21	0	0	0	**21**	0
Harald Fotland, Board member	21	0	0	0	**21**	0
Marthe Romskoug, Board member	21	0	0	0	**21**	0
Carl K Arnet, Board member	24	0	0	0	**24**	0

NOTE 3 AUDITOR'S FEES

The auditor's fees for 2024 include a legally required audit of USD 62 655 (70 314), tax related services of USD 13 595 (11 821) and other audit related services of USD 11 727 (0). These amounts are stated without value-added tax.

Amounts in USD	2024	2023
Audit related services	62 655	70 314
Legal,tax-issues relating to equity distribution	13 595	11 821
Legal, other costs		
Other services from auditor	11 727	0

NOTE 4 PENSION COSTS AND PENSION OBLIGATIONS

The Association's pension schemes meet the requirements of the Act relating to mandatory occupational pensions. The collective pension scheme covers pensions from the age of 70. The legal act relating to company pension schemes came into effect on January 1st, 2001 and does not give early retirees the right to remain members of the pension schemes. If the Association's employees leave before they turn 70 they will, according to the provisions of the act relating to companies' pensions, be withdrawn from the pension scheme and receive a so-called paid-up policy, i.e. the value of their accrued rights.

All employees are included in the defined contribution plan for salaries up to 12 G. There is in addition a non-funded pension scheme for salaries surpassing 12 G. The payments to the defined contribution plan are expensed.

The cost of the defined contribution plans in 2024 was USD 590 291 (507 549).

NOTE 5 FIXED ASSETS

The Association uses linear depreciation for all fixed assets. The economic life of fixed assets is estimated as follows: Machinery and fixtures 3-10 years, vehicles 5 years, IT-systems 3-5 years and other intangible assets 5 years.

Amounts in USD 1 000		Machinery/ Fixtures and vehicles	Works of art (paintings)	Other intangible assets	Owner occupied properties
Acquisition cost as at 01.01		3 087	145	482	349
+ Additions during year		920	9	0	0
- Disposals during year		(147)	0	0	0
+ Exchange rate effects		(25)	0	0	0
Acquisition cost as at 31.12	**A**	**3 835**	**154**	**482**	**349**
Accumulated ord. depr. as at 01.01		1 110	0	17	0
+ Ordinary depreciation		680	0	100	0
- Disposals at acquisition cost		(147)	0	0	0
+ Exchange rate effects		(19)	0	0	0
Accumulated ord. depr. as at 31.12	**B**	**1 624**	**0**	**117**	**0**
Book value as at 31.12	**A-B**	**2 211**	**154**	**365**	**349**

NOTE 6 TAXES

USD is DNK's functional currency. Taxes are, by law, calculated in NOK and then restated in USD. Hence, the pre-tax result in this note does not correspond to the pre-tax result in the income statement. In NOK the pre-tax result was NOKm 1 621 (979).

As required by a new tax law passed in 2018, insurance reserves built up over prior years became fully taxable. Such insurance reserves are taxed over ten years in equal amounts. For 2024, NOK 700 million of reserves (around USD 61 million) was recognised for tax purposes (included in the note below under insurance reserves).

The Ministry of Finance is considering an amendment to the tax law for certain types of insurers, amongst them DNK. This requires notification with the ESA. If approved, a formal hearing process will be required in Norway. The taxation of insurance reserves built up over several decades raises, in DNK's view, legal issues relating to laws that are given retroactive effect.

Amounts in USD 1 000	2024	2023
OVERVIEW OF TEMPORARY DIFFERENCES INCLUDED IN THE BASIS FOR DEFERRED TAX		
Fixed assets	0	(322)
Pension obligations	282	240
Insurance reserves	61 494	68 822
Gross claims provisions	(69)	(77)
Accrued variable compensation plan	(155)	321
Tax-exempt investments	(19 598)	(11 300)
Net temporary differences	**41 954**	**57 684**
Basis for deferred tax (tax asset) on balance sheet	205 015	276 402
Deferred tax (tax asset) on balance sheet	**51 254**	**69 101**
BASIS FOR DEFERRED TAX (TAX ASSET), CHANGE IN DEFERRED TAX AND TAX PAYABLE		
Pre-tax result (in NOK accounts)	142 437	96 289
Permanent differences	(52 667)	(40 381)
Basis for the year's tax expense	**89 770**	**55 909**
Change in temporary differences included in the basis for deferred tax (tax asset)	41 954	57 684
Taxable income (basis for taxes payable on balance sheet)	**131 724**	**113 593**

Amounts in USD 1 000	2024	2023
OVERVIEW OF TAXES PAYABLE		
Payable tax (deficit)	32 932	28 398
Payable tax (deficit) from previous years	76 336	62 063
Paid tax from previous years	(73 908)	(11 294)
Exchange rate effects	(2 428)	(2 830)
Total taxes payable on balance sheet	**32 932**	**76 336**
Payable tax (deficit)	32 932	28 398
Change in accrued payable tax (deficit) for previous years	63	5
Change in deferred tax (tax Asset)	(10 489)	(14 421)
Tax expenses (tax asset) in income statement	**22 506**	**13 972**
RECONCILIATION OF THE YEAR'S TAX EXPENSE		
Pre-tax result (in NOK accounts)	142 437	96 289
Tax on accounting result before tax 25%	35 673	24 067
Tax expenses in income statement	22 506	13 972
Difference	**(13 167)**	**(10 095)**
OVERVIEW OF DIFFERENCE		
25% av permanent differences	(13 167)	(10 095)
Total differences	**(13 167)**	**(10 095)**

NOTE 7 BANK DEPOSITS

Holdings of cash and liquid assets at the end of the period appear in the cash flow statement. Cash and bank includes USD 230 167 (230 874) of unpaid tax withholdings as at 31.12.24.

NOTE 8 CLAIMS HANDLING

Claims reserves are intended to cover anticipated future claims payments for losses incurred but not yet settled at the end of the fiscal year. The claims reserves are calculated by an actuary as the best estimate of these future claims payments and includes actuarial judgement. The calculations are in accordance with regulations for annual accounts for non-life insurance companies § 3-5 (3). The reserves comprise provisions for losses reported to the Association but not settled (RBNS) and losses incurred but not reported (IBNR). Provisions for reported losses are assessed on an individual basis.

DNK has a gross run-off result (gain) of USD 0.579 million in 2024. Correspondingly, there was a larger gross run-off loss in 2023 of USD -14.774 million. The run-off loss in 2023 was due to an increase in a specific claim estimate. As a result of the IBNR model being based on a combination of historical claims development and an alternative model for "events not in data," a run-off gain is expected in normal years, but with rare and potentially large run-off losses, as observed in 2023.

Amounts in USD 1 000	2024	2023
PROFIT & LOSS		
Gross paid claims	(10 400)	(22 520)
- Deducted claims provisions	10 389	22 324
Expensed gross claims	**(11)**	**(196)**
New gross claims provisions	(5 064)	(27 327)
Gross expensed claims	**(5 076)**	**(27 523)**
Reinsurers' share of gross paid claims	4 993	9 243
- Deducted reinsurers' share of claims provisions	(4 993)	(9 689)
Expensed reinsurers' share of gross claims provisions	**0**	**(447)**
Change in reinsurers' share of gross claims provisions	309	17 353
Reinsurers' share of expensed gross claims	**309**	**16 906**
Claims for own account	**(4 767)**	**(10 617)**

Amounts in USD 1 000	2024	2023
BALANCE SHEET		
Gross claims provisions 01.01	**19 241**	**14 238**
- Paid claims deducted from claims provisions	(10 389)	(22 324)
New claims provisions	5 064	27 327
Change in gross claims provisions	**(5 324)**	**5 003**
Gross claims provisions 31.12	**13 917**	**19 241**
Reinsurers' share of gross claims provisions 01.01	**10 085**	**2 422**
- Deducted reinsurers' share from gross claims provisions	(4 993)	(9 689)
Change in reinsurers' share of gross claims provisions	309	17 353
Change in gross claims provisions	**(4 684)**	**7 663**
Reinsurers' share of gross claims provisions 31.12	**5 401**	**10 085**
Claims provision for own account 31.12	**8 516**	**9 156**

NOTE 9 ITEMS THAT HAVE BEEN COMBINED IN THE ACCOUNTS

Amounts in USD 1 000	2024	2023
Interest income from bank deposits	(1 007)	2 184
Interest income on bonds	12 616	8 719
Interest and dividend from financial assets	**11 609**	**10 903**
Unrealised gains/(losses) on equities	29 529	21 367
Unrealised gains/(losses) on bonds	(21 656)	29 720
Unrealised gains/(losses) on derivatives	6 081	4 764
Unrealised gains/losses on financial current assets	**13 954**	**55 851**
Realised exchange rate gains	3 741	4 946
Realised exchange rate losses	(2 558)	(3 293)
Realised gains/(losses) on equities	11 327	15 366
Realised gains/(losses) on bonds	6 842	(18 822)
Realised gains/(losses) on derivatives	12 714	(-2 783)
Realised gains from financial assets	**32 066**	**(4 586)**
Administrative expenses associated with financial assets	**(9 052)**	**(8 401)**
Total income/(loss) from financial assets	**48 577**	**53 766**

NOTE 10 ADMINISTRATIVE EXPENSES

The Association's administrative expenses are allocated between its insurance and finance activities as far as practically possible. Common costs are allocated according to the distribution of personnel expenses between the two operating activities, which for 2024 were split 50/50.

Amounts in USD 1 000	Insurance 2024	Finance 2024	Total 2024	Total 2023
Salary and holiday pay, employees	2 146	2 146	4 293	4 181
Social security taxes	564	564	1 128	1 065
Pension cost	295	295	590	508
Other personell costs	134	124	258	226
Fees	269	269	538	456
Rental costs, office and machinery	294	294	589	614
Ordinary depreciation	390	390	780	712
Other administrative expenses	4 343	4 969	9 312	8 545
Total administrative expenses	**8 435**	**9 052**	**17 487**	**16 307**

NOTE 11 OTHER LIABILITIES

Amounts in USD 1 000	2024	2023
Net unsettled trades in investment portfolio	11 101	17 100
Supplier accounts payable	497	387
Payroll tax withholdings	210	219
Social security taxes	197	190
Other taxes (finance tax & VAT)	226	231
Dividend	22 738	238
Total other liabilities	**34 968**	**18 364**

NOTE 12 FINANCIAL ASSETS - FAIR VALUE HIERARCHY

Fair value is meant to be a representative price based on what similar assets or liabilities would be traded at given normal terms and market conditions.

Level 1 is the highest quality of fair value. It is based on listed prices in active markets. A financial instrument is considered listed in an active market if prices are easily and regularly accessible from the exchange, dealer, broker, pricing service or governing authority, and these prices represent actual and frequent transactions on an arm's length basis.

Level 2 is based on observable market data, but the instrument is not considered to be actively traded. This includes prices derived from identical instruments and prices of similar assets that can be confirmed through market data. Level 2 financial instruments are for example fixed income securities that are priced based on representative yield curves.

Level 3 is considered to represent an inactive market, where observable data is unavailable. Prices are primarily estimated out of internal assessments. Level 3 financial instruments can be private equity, real estate and financial claims.

* Total fair value equals market value.

Amounts in USD 1 000	2024	2023
Equities	188 951	191 586
Bonds and fixed income securities	539 487	537 649
Financial derivatives, assets - liabilities	6 484	420
Total financial assets*	**734 922**	**729 655**

2024 - Financial assets measured at fair value over the income statement

Amounts in USD 1 000	Level 1	Level 2	Level 3	Total
Equities	188 951	0	0	188 951
Bonds and fixed income securities	378 411	161 075	0	539 487
Financial derivatives, assets - liabilities	0	6 484	0	6 484
Total	**567 362**	**167 560**	**0**	**734 922**
Distribution	77.2 %	22.8 %	0.0 %	100.0 %

2023 - Financial assets measured at fair value over the income statement

Amounts in USD 1 000	Level 1	Level 2	Level 3	Total
Equities	191 586	0	0	191 586
Bonds and fixed income securities	311 555	226 094	0	537 649
Financial derivatives, assets - liabilities	0	420	0	420
Total	**503 141**	**226 514**	**0**	**729 655**
Distribution	69.0 %	31.0 %	0.0 %	100.0 %

NOTE 13 INVESTMENT PORTFOLIO IN EQUITIES AND MUTUAL FUNDS

The equity portfolio is primarily managed passively. The risk and return profile of the portfolio is thus similar to that of the global, developed equity market. The global equity benchmark is delivered by MSCI, and it is hedged to USD. The portfolio of index funds is also USD hedged. The equity portfolio is geographically well diversified and consists of easily traded fund units.

2024

Amounts in USD 1 000	Value at cost	Fair value	Distribution
Equity index funds			
State Street World Screened Index Equity	63 013	139 070	73.6 %
Mercer Passive Global Equity	28 630	38 195	20.2 %
iShares Core S&P 500 UCITS ETF	11 130	11 686	6.2 %
Total equities	**102 773**	**188 951**	**100.0 %**

2023

Amounts in USD 1 000	Value at cost	Fair value	Distribution
Equity index funds			
Mercer Passive Global Equity	71 924	78 171	40.8 %
State Street World Screened Index Equity	63 013	113 415	59.2 %
Total equities	**134 937**	**191 586**	**100.0 %**

NOTE 14 SPECIFICATION OF BOND PORTFOLIO

As of 31 December 2024, DNK's fixed income portfolio consists of a discretionary managed global bond portfolio, three fixed income funds and a cash account. The benchmark for the global discretionary mandate is the Bloomberg Global Aggregate Index with a duration of 3–5 years, hedged to USD. The weighted average duration for DNK's fixed income portfolio was 4.0 years at the end of 2024, whereas the benchmark had a duration of 3.7 years. The corresponding figures at the end of 2023 were 2.2 years and 1.9 years, respectively.

The table to the right shows the credit quality of the bond portfolio, its duration, yield and interest rate risk. The interest rate risk shows the expected loss for a one percentage point upward shift in the yield curve. The interest rate risk is primarily driven by the portfolio's duration.

The currency split in the bond portfolio is shown in the table below.

	2024	2023
NOK	0 %	0 %
USD	100 %	100 %
Other	0 %	0 %

The average credit quality (rating) of the bond portfolio is A+ (AA-). The table below shows how the portfolio is distributed by credit quality.

Amounts in USD 1 000	2024 Market value	2023 Market value
Market value of fixed income securities	534 876	535 195
Accrued interest income	4 611	2 454
Bonds and other fixed income securities	**539 487**	**537 649**

Amounts in USD 1 000	Value at cost	Market value	Value at cost	Market value
DISCRETIONARY MANDATES				
Global bonds, USD hedged	472 874	463 868	473 258	483 344
BOND FUNDS				
BlackRock Money Market	4 581	4 637	19 666	21 036
Pimco Global Bond Fund	40 000	40 226	29 194	30 815
Pimco Low Duration Income Fund	26 000	26 145	0	0
MARKET VALUE OF FIXED INCOME SECURITIES		**534 876**		**535 195**

2024

Amounts in USD 1 000	Distribution	Rating	Duration	Yield	Int. rate risk
Bonds, global, USD hedged	87 %	A+	3.9	3.6 %	(17 879)
Bond funds	13 %	AA	4.9	6.1 %	(3 506)
Total fixed income	**100 %**	**A+**	**4.0**	**3.9 %**	**(21 385)**

2023

Amounts in USD 1 000	Distribution	Rating	Duration	Yield	Int. rate risk
Bonds, global, USD hedged	90 %	AA-	2.0	4.2 %	(9 457)
Bond funds	10 %	AA	3.8	5.3 %	(1 852)
Total fixed income	**100 %**	**AA-**	**2.2**	**4.3 %**	**(11 309)**

NOTE 14 SPECIFICATION OF BOND PORTFOLIO CONT.

2024

Amounts in USD 1 000

Rating	Global	Funds	Total	Distribution
AAA	82 604	4 637	87 241	16.3 %
AA	132 305	66 371	198 676	37.1 %
A	122 694	0	122 694	22.9 %
BBB	98 378	0	98 378	18.4 %
BB	17 097	0	17 097	3.2 %
B	9 391	0	9 391	1.8 %
CCC, lower	1 076	0	1 076	0.2 %
No rating	323	0	323	0.1 %
Total	**463 868**	**71 008**	**534 876**	**100 %**

2023

Amounts in USD 1 000

Rating	Global	Funds	Total	Distribution
AAA	77 139	21 036	98 176	18.3 %
AA	192 250	30 815	223 065	41.7 %
A	134 076	0	134 076	25.1 %
BBB	77 039	0	77 039	14.4 %
BB	7 163	0	7 163	1.3 %
B	4 760	0	4 760	0.9 %
CCC, lower	(4 829)	0	(4 829)	(0.9 %)
No rating	(4 256)	0	(4 256)	(0.8 %)
Total	**483 344**	**51 851**	**535 195**	**100 %**

Government, government guaranteed, and municipal bonds amount to 60 % (64 %) of the bond portfolio's fair value. Non-government bonds have an average credit rating of A (A).

NOTE 15 RISK MANAGEMENT

Prudent risk management and internal control is an integral part of DNK's business operations.

The Board receives reports on a regular basis, showing the level of, and trend in, the risk factors DNK is exposed to.

Risks

The Association is mainly exposed to insurance risk, market risk (financial risk), counterparty risk, liquidity risk and operational risk. The aggregate risk is managed in relation to available capital, and it is subject to frequent assessment. Reporting to the authorities is done on a quarterly basis, whereas monthly estimates are reported to the Board. With a well-diversified reinsurance programme, a moderate investment risk, and a low operational risk, the Board has set a goal to maintain a moderate to low risk profile for DNK.

DNK's solvency capital requirement at the end of 2024 was USD 397 million (407).

The solvency capital requirement reflects the aggregate risk exposure, consisting of several individual sub risks.

Insurance risk relates to DNK's insurance products. This is the Association's most significant risk, which is reinsured through an extensive programme.

Market risk arises from the Association's investment activity. Financial derivatives are mainly used to achieve the desired currency exposure. Market risk is measured by value-at-risk and the Solvency II stress test.

Counterparty risk relates mainly to the potential lack of payout on a reinsurance contract. The risk is managed by setting credit quality standards and concentration limits for participating reinsurers.

Operational risk, which includes legal risk, arises from the Association's activities, outsourced assignments and its cooperation with external parties. The risk is managed through a framework designed to ensure an on-going risk assessment of business operations and controls. This risk is a minor part of the aggregate capital requirement for DNK.

Liquidity risk relates to the Association's ability to meet its claims and liabilities on time. Financial investments are limited to liquid securities and fund units. The members' mutual liability represents an important part of DNK's liquidity reserve.

Market risk

The investment portfolio consists of equities and bonds. The financial risk in the portfolio can be decomposed into interest rate risk, equity risk, spread risk, concentration risk and currency risk. The Association has no exposure to real estate investments. The investments are limited to highly liquid securities and mutual funds. The degree of active risk is fairly low. The stress test module under Solvency II is used to calculate the market risk expressed below.

- The interest risk shows how much the bond portfolio will fall in value by an upward shift in the yield curve.
- The equity risk is calculated by assuming a 41.9 % fall in the equity portfolio.
- Currency risk comes into play when the investment portfolio has a currency exposure to currencies other than the reporting currency in USD. The risk corresponds to a 25 % depreciation of foreign currency.
- Concentration risk is based on the combined exposure to an individual issuer. The major factor in determining the level of risk for any issuer is its credit rating.
- The spread risk is a measure of a potential increase in the risk premium for non-government bonds over sovereign bonds.

The Association's investment strategy and agreements with external managers govern risk taking and reporting requirements. The strategy also takes into account the characteristics of the Association's insurance activities and the corresponding liabilities.

Market risk is estimated both by the stress test under Solvency II and by a statistical model. The statistical model calculates the volatility of the portfolio and its benchmark. These volatilities are used to estimate the loss potential, expressed as "value at risk" (VaR), both in per cent and as a USD amount. The portfolio's relative risk is also calculated, estimating the risk-taking in the portfolio relative to the benchmark. The relative risk may also be used to describe the characteristics of the portfolio, and quality assessment of the asset management. At the end of 2024, the relative volatility was 0.2 %, which indicates that the portfolio's overall risk profile is fairly close to its benchmark.

At year-end 2024, the portfolio's risk profile was as indicated in the table on the next page.

While the stress test models a financial crisis, the estimated VaR reflects the recent level of market volatility with a confidence level of 99.5 %.

The statistical model reflects the volatility in the portfolio, and the relative volatility against its benchmark (also called tracking error). VaR and volatility calculations are based on historical data using the past 42 months.

The market risk varies mostly with changes in the portfolio's allocation to equities, bond duration, and credit quality.

In asset management, counterparty risk is primarily related to the use of derivatives. DNK has outsourced most of its investment management through a discretionary mandate. The external manager can use derivatives to manage interest rate and foreign exchange risks. Foreign exchange related derivatives are used to secure the desired exposure to USD. Fixed income related derivatives are used to reduce risk, or to make the management process more efficiently. Qualitative limits on counterparties and the type of derivatives permitted is regulated in the investment mandate.

Liquidity risk

The liquidity requirement is stated in the investment strategy and in external investment mandates. DNK is required to invest in assets that are easily divestible. The purpose of a stringent liquidity requirement is to be able to meet large potential claims, including the possible failure of reinsurers' ability to meet their obligations. Based on DNK's solvency margin and the simultaneous payment clause in its reinsurance contracts, the liquidity risk is considered to be low. DNK's holdings of securities are valued using official exchange prices, while fund holdings are valued using official unit prices provided by the fund manager or its pricing agent.

Amounts in USD 1 000	2024	2023
Market risk	**103 253**	**100 743**
Equity	79 057	76 346
Spread	17 229	16 593
Currency	11 650	16 245
Interest rates	33 924	29 110
Concentration	3 089	5 019
Property risk	118	123
Diversification	(41 814)	(42 693)
Value-at-risk	**116 931**	**96 833**
Volatility	**6.1 %**	**5.0 %**
Relative volatility	**0.2 %**	**0.4 %**

NOTE 16 FINANCIAL DERIVATIVES

A major part of DNK's bond portfolio is managed by one external investment manager. The investment agreement regulates the manager's ability to use derivatives to manage interest rate and foreign exchange risks. The manager is required to hedge the portfolio to USD. In addition, DNK has entered into a currency swap to manage its foreign exchange risk on the NOK-denominated deferred tax liabilities.

The table below shows the financial derivatives on the balance sheet at year-end.

The currency derivatives are rolled over monthly, quarterly, or biannually. The derivatives are mainly related to hedging of currencies. The fixed income derivatives are more commonly used for tactical purposes to implement changes so that the portfolio is in line with the manager's current market outlook.

Amounts in USD 1 000

FINANCIAL DERIVATIVES	2024	2023
+ Assets	9 064	6 128
- Liabilities	(2 580)	(5 708)
Net financial derivatives	**6 484**	**420**
Interest rate risk; futures	(62)	562
Currency hedging, bonds, forwards	6 547	(142)
Net financial derivatives	**6 484**	**420**

NOTE 17 EQUITY AND SOLVENCY CAPITAL

The Association is subject to the requirements under Solvency II and the new tax regime for insurance reserves that was introduced in Norway in 2018. General insurance reserves are no longer itemized on the balance sheet but rather reclassified as equity and deferred tax. The deferred tax was USD 51 million (69) at year-end 2024.

DNK's solvency capital requirement (SCR) combines the capital requirement given by the standard model and the additional capital requirement set by the FSAN (Financial Supervisory Authority of Norway). The additional capital requirement covers insurance risks that cannot be captured by the standard module in Solvency II, or any meaningful statistical models. This is not surprising given the unsystematic risks inherent in covering war, piracy and terrorism risks at sea. The additional capital requirement is set for one calendar year and changes as and when DNK amends it insurance and reinsurance program. The additional capital requirement was USD 293 million (304) in 2024.

DNK's solvency ratio on 31 December 2024 was 198 % (178 %).

Amounts in USD 1 000

CAPITAL REQUIREMENT AT YEAR-END	2024	2023
Solvency Capital Requirement (SCR)	397 727	407 020
Minimum Capital Requirement (MCR)	99 432	101 755
Additional capital requirement (included in SCR)	293 000	303 900

SOLVENCY CAPITAL AT YEAR-END	2024	2023
Basic own funds, Tier 1	615 019	577 599
Ancillary own funds, Tier 2	172 900	148 500
Total eligible own funds to meet the SCR	**787 919**	**726 099**
Tier 2 as a percent of SCR	43 %	36 %
Solvency capital margin	390 192	319 079
Solvency capital ratio	**198 %**	**178 %**

NOTE 18 INVESTMENT IN SUBSIDIARIES

DNK has invested in three companies: Osprey Solutions AS (100 % ownership), NORMA Cyber Resilience Center AS (51 % ownership/voting share) both located in Rådhusgt 25, Oslo, and Aeger Group AS (26.8 % ownership/voting share) located Nedre Slottsgate 11, Oslo. The cost method is used for the subsidiary's valuation.

The turnover and equity in the subsidiaries are regarded as an insignificant addition to the group's business and has therefore not been consolidated in the accounts.

Osprey Solutions AS is a maritime tech start-up founded in 2019 and is now a wholly owned subsidiary. Osprey develops data-driven solutions that provide actionable insights and enable automation of ineffective processes. Accurate vessel position and performance data is collected and delivered in real-time ship to shore, through secure satellite communications technology. The information can be accessed in a user portal with extensive mapping and filtering functionality or be integrated into existing operational systems.

NORMA Cyber Resilience Center is a joint effort between Den Norske Krigsforsikring for Skib (DNK) and the Norwegian Shipowners' Association and started operations from 1 January 2021. The centre delivers centralised cyber security services to Norwegian shipowners and other entities within the Norwegian maritime sector. NORMA Cyber aims to be the leading hub for operational cyber security efforts within the Norwegian maritime sector. DNK has a 51 % ownership in NORMA Cyber.

The transactions with subsidiaries are mainly for Osprey licenses fees, Norma Cyber a five year start-up support of USD 1 000 000 each year and Aeger transactions are Duty Officer support.

Amounts in USD 1 000

Investments in Subsidiaries	**2024**	**2023**
Osprey	1 331	1 331
NORMA Cyber	299	306
Aeger	40	39
Total investments in subsidiaries and associates	**1 670**	**1 676**

Transactions with subsidiaries and associates	**2024**	**2023**
Osprey	154	76
NORMA Cyber	1 066	1 078
Aeger	51	44
Total transactions with subsidiaries and associates	**1 272**	**1 199**

NOTE 19 CLIMATE RISK AND SUSTAINABILLITY MATTERS

Through 2024, DNK has worked on its double materiality analysis, in anticipation of and preparation for the Corporate Sustainability Reporting Directive ("CSRD"). The Association has identified its material impacts, risks and opportunities ("IROs") with respect to relevant sustainability matters. DNK will continue working towards compliance with the forthcoming regulatory requirements on sustainability reporting.

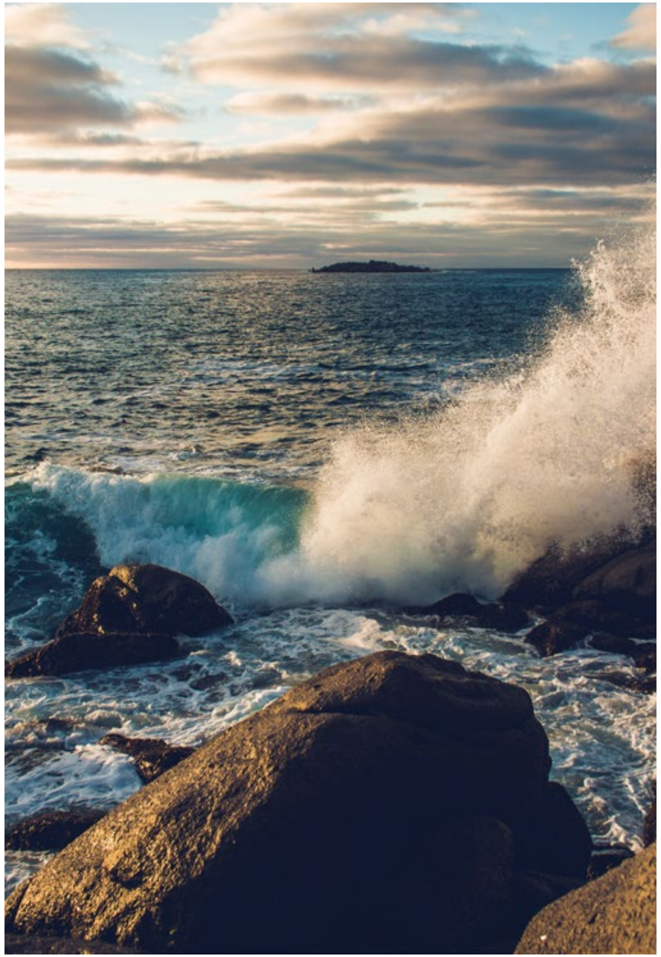
DNK has minimal direct negative impact on the climate (i.e. Scope 1 emissions). DNK's loss-prevention activities aim to minimize potential loss of lives, environmental damage, and damage of hull and machinery. Pricing of war risk seems unrelated to climate risk beyond the preventive measures to avoid losses. DNK does not expect climate risk to impact its insurance operations in the short term. In the longer term, climate risk may lead to increased geopolitical friction and hence potential losses relating to war, terrorism or piracy. If anything, the cost of reinsurance for war risk may increase as reinsurers face losses elsewhere. In the past, variation in reinsurance cost has been passed on to DNK's members.

DNK's investment portfolio is subject to ESG restrictions that aim to reduce the climate risk of the portfolio, both physical risk and transition risk. Key sustainability metrics are shown in the paragraph on Climate Risk in this report, comparing the portfolio to its benchmark. Most of the effect on sustainability indicators comes from the exclusion of certain energy companies working with fossil fuels. Within fixed income, DNK has an overweight in issuers that are perceived to have positive externalities. Issuers that are showing negative externalities, according to a proprietary rating from BlackRock, are fully excluded. DNK's investments are subject to strict liquidity requirements. Financial assets are primarily priced under Level 1 of the fair value hierarchy, cf. Note 12.

DNK has not identified any specific climate-related risks or discounts priced into its investments, beyond the reflections already evident in current market valuations. The sector composition of corporate issuers in the investment portfolio, both equities and corporate bonds, does not materially deviate from flagship market-weighted indices.

NOTE 20 EVENTS AFTER THE BALANCE SHEET DATE

There are no known events after the balance sheet day that may impact the financial statements and notes presented for 2024.



AUDITOR'S REPORT

To the General Meeting of Den Norske Krigsforsikring for Skib Gjensidig forening

Independent Auditor's Report

Opinion

We have audited the financial statements of Den Norske Krigsforsikring for Skib Gjensidig forening (the Association), which comprise the balance sheet as at 31 December 2024, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable statutory requirements, and the financial statements give a true and fair view of the financial position of the Association as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

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

Basis for Opinion

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

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

We were elected as auditors for the Association for the first time before the year 2001, and have now been the auditor of the Association for a continuous period of at least 24 years from the election by the General Meeting.

Key Audit Matters

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

The Association's activities are largely unchanged compared to last year. We have not identified regulatory changes, transactions or other material events that qualified as new key audit matters for our audit of the 2024 financial statements. Furthermore, *Valuation of financial assets to fair value* and *Valuation of gross claim provisions* have the same characteristics and risks as in the prior year, and therefore continue to be areas of focus this year.

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of financial instruments to fair value	
Valuation of financial assets to fair value was a focus area as it represents a significant part of the Association's assets. Consequently, valuation of the financial assets is an important measure of the Association's financial solidity. The majority of the Association's financial assets are based on observable prices in active markets, but some are also valued based on observable market data input for instruments not traded in active markets. For further details of valuation of financial assets to fair value, see note 1, 12, 13, 14, 15 and 16.	In our audit, we assessed the design and tested the effectiveness of the Association's established controls over financial assets. This included control that ensured complete and accurate application of market prices. The Association uses an external asset manager (service organization). The auditor of the service organization was used to evaluate the design effectiveness and implementation of established controls to ensure valuation of financial assets to fair value, as well as testing the operational effectiveness of the controls. The auditor's testing included, among other, controls related to pricing, data and portfolio servicing. In order to decide whether we could use the information in the auditor's reports as the basis for our assessments, we examined the auditor's competence and objectivity, reviewed the auditor's reports and considered possible deviations and measures taken. We concluded that we could rely on the relevant controls. For a sample of investments, we tested whether fair values were consistent with external valuations and relevant documentation. Where relevant, we evaluated the reliability of the data sources used. We assessed and found that information provided in the notes regarding the Association's valuation principles and fair value was sufficient and adequate.
Valuation of gross claims provisions	
We focused on valuation of gross claims provisions because determining the provisions involves a degree of inherent complexity, and application of management judgement. The liabilities are based on estimated cost of all claims incurred but not settled at year end, including both reported and not reported claims. The frequency of claims has historically been low. However, the claims are often long- tailed and nonstandard, causing thorough individual assessments of reported claims. Therefore, the Association has limited historical data available to estimate claims that are incurred but not yet reported. The use of assumptions and data is crucial for measuring gross claims provisions. For further details of valuation of gross claims provisions, see note 1 and 8.	For a sample of reported claims, we reviewed and challenged management's assessment of the valuation of insurance liabilities. This included testing the underlying data to source documents. As a basis for its assessment of claims incurred but not reported, management has hired an expert (external actuary). We assessed the external actuary's competence, integrity and objectivity and evaluated the results of the actuary's assessments. Among other things, we assessed the models and assumptions used and tested a selection of the underlying data. We also assessed and found that the notes regarding the gross claims provisions were sufficient and adequate.

Other Information

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

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

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

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

Oslo, 24 March 2025
PricewaterhouseCoopers AS

Thomas Steffensen
State Authorised Public Accountant
(This document is signed electronically)

DEN NORSKE
KRIGSFORSIKRING
FOR SKIB