2024

Equinor Insurance AS

Annual Report

Troll A. Photo: Øyvind Gravås

Contents

Board of Directors' Annual Report 2024

Equinor Insurance AS (Equins) is a wholly owned subsidiary of Equinor ASA, located in Stavanger with a branch office at Fornebu, Oslo. The company has sold insurance to the Equinor-group since 1985.

The scope of the activity
The company is engaged in non-life insurance and carries mainly risk of property damage, business interruption and third-party liability in connection with the Equinor-group's activities.

The board of directors have set a maximum amount of USD 1100 million that may be exposed to a single event for the year 2024 and 2025. The company's funds are invested in Norwegian and foreign securities.

30th September 2024 the tax authorities granted Equins permission to change presentation of the financial statement and the Board of Directors' annual report from Norwegian to English language.

Equins exposure to credit risk in relation to premium is considered small, as Equinor ASA and its subsidiaries, has a solid credit rating. However, Equins is counterparty to many reinsurers, as Equins is responsible for the entire insurance amount to the insured, regardless of whether reinsurers can meet their obligations. The reinsurers' ability to meet their obligations is monitored actively. The board of directors ensures that the company closely follows the reinsurers with special focus on their financial situation. The liquidity in Equins is good and there is good match between payment date for payment of premium and payment of reinsurance expenses.

Equins aims to achieve a high long-term return on its assets within the framework of sound security and risk diversification. The assets are managed with a strategic equity share of 25% and the remainder of the portfolio in interest-bearing securities. The equity share may vary in line with risk-bearing ability. The portfolio is well diversified, both in terms of geography and different securities. Equins also uses derivatives instead of underlying securities (equities, bonds and money market instruments) if this is more cost-effective.

In connection with changes in portfolio composition, listed equity index futures may be used. Interest rate futures, future interest rate agreements, interest rate swaps, repurchase agreements and interest rate options are used for the purpose of managing the fixed income exposure cost-effectively. Currency swaps and forward exchange contracts are used in the management of currency risk.

Equins uses Equinor Asset Management (EAM) to manage the company's investments. The company's investments in financial instruments entail exposure to equity, interest rate, credit and currency risk. Equins has established an investment strategy with investment guidelines, as well as requirements for reporting content and frequency. Changes in the investment strategy are approved by the board of directors. Risks are monitored at both the asset class and the total portfolio level, where the asset manager is required to comply with internal and legal requirements. The Board of directors' assessment is that the company through the investment strategy has ensured a dynamic framework that provides satisfactory flexibility to meet unexpected changes in exchange rates or in the securities markets. However, the board of directors emphasizes that significant uncertainty exists in assessing future market development.

Equins is a member of the mutual insurance company Everen Limited. The company's provision for insurance obligations relating to Everen amounts to USD 46,5 million at year-end. This is a decrease of USD 15,3 million from 2023.

Staff and organization
The company take part of Equinor-groups recruitment- and development programs which aims to build a diverse workforce by recruiting personnel of both genders, different nationalities and in all age groups across of job types. Equality and diversity are looked upon as competitive advantage, and Equins goal is to give all equal possibilities regardless of gender, age, and cultural background.

Equins had at year end four employees with the following distribution between women and men:

	Men	%	Women	%	Total
Employes	2	50%	2	50%	4
Board	2	40%	3	60%	5

Equinor ASA has purchased Directors and Officers Liability Insurance which also includes General Manager and the board of directors' members of Equins. The insurance policy is issued by reputable insurers with appropriate rating.

Environment, social, and corporate governance (ESG)

The company is committed, both as part of the Equinor Group, but also as a responsible social actor, to minimize its environmental impact and promote sustainable practices in all activities.

The Equinor Group is continuously working to reduce the energy consumption of the group companies and increase the share of renewable energy. Reference is made to documents published on Equinor web pages. https://www.equinor.com/sustainability/reporting.

Equins is committed to continuing its efforts to minimize its environmental impact and will regularly evaluate and improve (measures) processes to ensure sustainable development.

Like the Equinor Group, Equins has, continuous focus on compliance with regulations, internal guidelines and standards for social responsibility, ethics, anti-money laundering and anti-corruption.

EAM's guidelines for responsible management aim to ensure that funds and clients, including Equins, are responsible investors and owners. The objective is to deliver competitive returns over time, and at the same time integrate ESG-risks in investment analyzes and decision processes.

The company has no own research- or development activities.

The Company's account of due diligence pursuant to the Transparency Act

Equins is subject to the Transparency Act and publishes annually an account of due diligence pursuant to the Transparency Act in 2023. The report is available by request to the Managing Director or on the website www.equinor.com/investors/equinor-insurance-annual-reports. The report will be updated to the 2024 version before June 30th 2025.

Statement of the annual accounts

The accounts for 2024 show gross premium income (due gross premiums plus changes in provisions for unearned gross premium) of USD 296,6 million, against gross premium income of USD 263,8 million in 2023. Premium income for own account was USD 203,1 million in 2024 against USD 159,8 million in 2023. In 2024, claims for own account amounted to USD 187,9 million, against USD 86,8 million in 2023. The most significant claims in 2024 are related to the physical damage (PD) and business interruption (BI) Sleipner B, PD Peregrino II gas leak/pipeline rupture, Bacalhau pipeline displacement during abandonment and damage to dynamic umbilical during installation, both located in Brazil as well as damage at the Mabruk field in Libya following the terror attack in 2014.

The company's cash flow from operating activities was USD 204,8 million in 2024. The company's investment activities had a cash outflow of USD 273,9 million. Cash flow from financing activities was positive USD 1,1 million.

The company had a net income on investments of USD 244,1 million in 2024, which corresponds to a positive return of 7,13% compared to a return of 8,26 % for 2023. At year-end, the financial assets amounted to USD 3 337,6 million, compared with USD 3 106,6 million in 2023.

The accounts have been prepared with an annual result of USD 184,0 million after tax.

Transfer and Disposure:

Group Contribution paid after tax	USD	-222,5 million
Group Contribution paid without tax effect	USD	-150,3 million
Group Contribution received without tax effect		343,5 million
Transferred to other paid Equity	USD	-343,5 million
Transfer from other equity	USD	188,6 million
Transfer from natural hazards fund	USD	0,2 million
Total Transfer and Disposure	USD	-184,0 million

After allocating the profit for the year, the company's equity is USD 2 821,5 million, of which share capital is USD 135,6 million.

The company's calculated Solvency Capital Requirement under Solvency II regulations is USD 1092 million, and the estimated available capital is USD 2 768 million. This gives a capital adequacy of 253%. The corresponding calculation at 31.12.23 gives a coverage of 269 %. The minimum capital requirement for 2024 is set at USD 273 million and is also covered by a good margin. The board of directors are of the opinion that the capital adequacy statement indicates that the company's financial controls and risk-bearing ability are good.

Equins established an external credit and financial classification in 2010. The company was awarded to A + / Stable category by Standard & Poor (S & P) on December 24, 2010. The classification of the company follows the classification of the parent company closely and is one notch down from the parent company. As of 31.12.2024, Equins is rated A+.

The board of directors confirms that the assumption of continued operation of Equins is present, and the accounts are thus prepared on these assumptions.

Stavanger, 31. mars 2025
for Equinor Insurance AS

Marit Lunde (434025)

Marit Lunde
Chair of the board

Anne-Ma Tostrup Smith

Anne-Margrethe Tostrup Smith
Board member

Lena Kloven Sørensen Myklebust
Board member

Eyvind Aven (614300)

Eyvind Aven
Board member

lars Atle Kjøde

Lars Atle Kjøde
Board member

Trine R. Albretsen

Trine Rødland Albretsen
Managing Director

Key figures

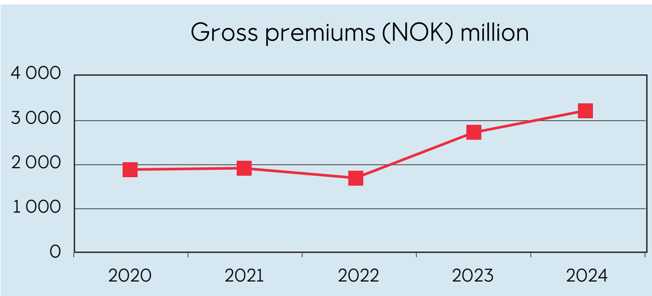
AMOUNT IN NOK 1000	2024	2023	2022	2021	2020
Gross earned premium (1)	3 137 753	2 694 314	1 739 803	1 914 303	1 889 837
Change in %	16,5 %	54,9 %	-9,1 %	1,3 %	25,5 %
Earned premium for own account(2)	2 155 348	1 635 582	1 013 307	1 008 002	884 795
Change in %	31,8 %	61,4 %	0,5 %	13,9 %	15,2 %
Claims incurred for own account	1 205 064	968 067	939 091	1 042 496	2 417 394
Other insurance related costs (TWP)	100 723	39 391	-100 078	0	0
Net financial income	2 825 013	2 791 478	-843 458	1 648 269	1 740 344
Profit/Loss for the year	2 088 768	2 946 902	-817 267	1 471 106	47 240
Combined Ratio (3)	60,03 %	63,66 %	99,32 %	109,07 %	279,52 %

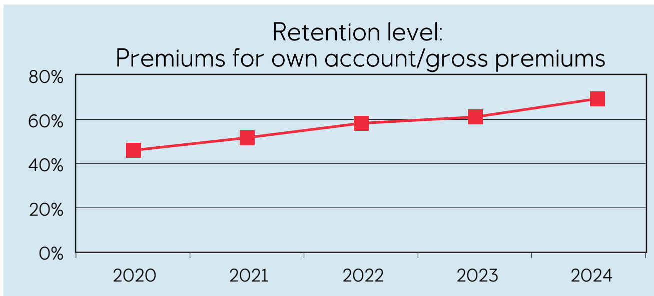
1) Gross earned premium is the sum of gross premium due and changes in booked premium for direct insurance
2) Until 2018 earned premium on own account are adjusted for the increase/decrease in the Theoretical Withdrawal premium (TWP) at OIL. From 2019 this has been moved to a separate line (other insurance related costs)
3) Combined Ratio is the administrative costs and claims on own account as a % of the earned premium on own account

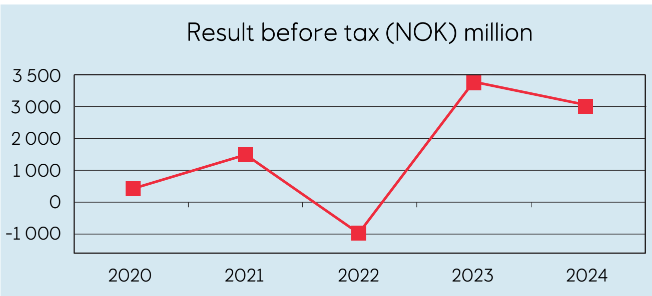
Key figures in %

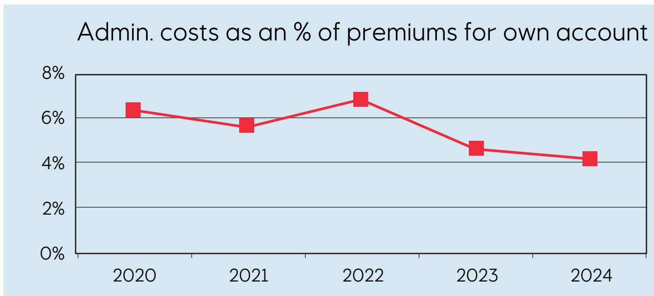
Premium for own account					
Gross earned premium	68,69 %	60,7 %	58,2 %	52,7 %	46,8 %

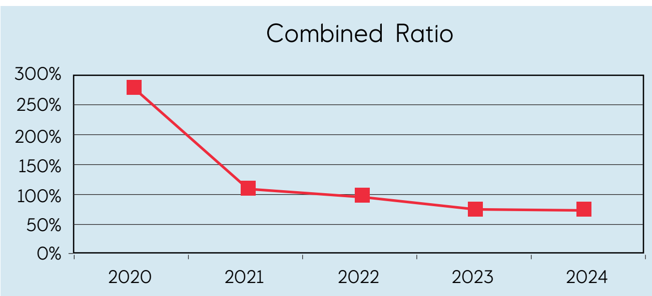
Key figures trends 2020 - 2024

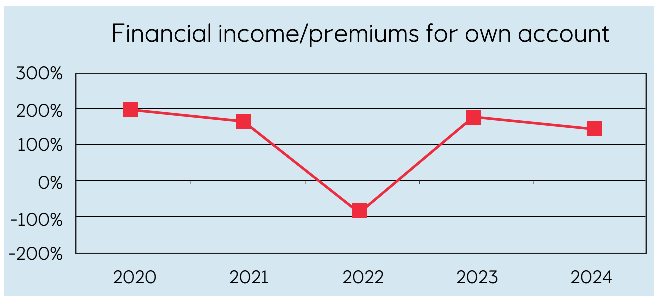












Equinor Insurance AS
Income statement

TECHNICAL ACCOUNTS FOR NON-LIFE INSURANCE

(Amounts in USD 1000)	Note	31.12.2024	31.12.2023
Premium revenues			
Gross premiums earned		296 587	263 832
- Ceded reinsurance premiums earned		-93 514	-104 063
Total premium revenues for own account	3,13	**203 074**	**159 769**
Other insurance related income		**1**	**2**
Claims costs			
Gross claims incurred		-186 141	-89 258
- Reinsurer´s share of gross claims incurred		-1 763	2 476
Total claims costs for own account	3,13	**-187 903**	**-86 782**
Insurance-related operating expenses			
Insurance related administration expenses		-8 292	-6 845
- Commissions received for ceded reinsurance and profit shares		0	0
Total insurance-related operating expenses	3,13	**-8 292**	**-6 845**
Other insurance related cost	12	**15 300**	**5 962**
Profit / loss technical account		**22 179**	**72 107**

NON-TECHNICAL ACCOUNT

Net revenues from financial assets			
Interest revenues and dividends from financial assets		133 665	118 585
Change in fair value of investments		56 431	31 140
Realised gains and losses on investments		58 867	70 713
Administration expenses related to financial assets	13	-4 902	-3 373
Total net revenues from investments		**244 061**	**217 066**
Other revenues related to non-technical accounts		**4 764**	**4 848**
Other expenses related to non-technical accounts		**0**	**0**
Profit / loss non-technical account		**248 825**	**221 914**
Profit / loss before tax		**271 004**	**294 021**
Tax expense	7	**-87 028**	**-47 623**
Profit/loss before other profit and loss components		**183 977**	**246 398**
TOTAL PROFIT / LOSS		**183 977**	**246 398**
Transfers and allocations			
Group contribution paid after tax		-222 494	0
Group contribution paid without tax effect		-150 261	0
Group contribution received without tax effect		343 509	-3 944
Transferred to (-)/from (+) other equity/uncovered losses		-343 509	3 944
Transferred to (-) / from (+) other equity/uncovered losses		188 580	-246 878
Transferred to (-) / from (+) Natural Perils Fund		198	480
Total transfer and allocations		**-183 977**	**-246 398**

Equinor Insurance AS
Balance

Assets

(Amounts in USD 1000)	Note	31.12.2024	31.12.2023
Investments			
Financial assets measured at amortized cost			
Interest-bearing securities at cost		120 173	133 052
Loans and receivables		108	66
Financial assets measured at fair value			
Shares and participating interests		808 817	771 093
Interest-bearing securities		2 335 975	2 188 020
Financial derivatives		72 516	14 402
Total investments	8,9	**3 337 588**	**3 106 633**
Reinsurer's share of gross insurance liabilities in non-life insurance			
Reinsurance of gross premiums not earned		13 738	3 997
Reinsurance of gross claims provision		30 575	147 647
Total reinsurer's share of gross insurance liabilities in non-life insurance	3,6	**44 312**	**151 644**
Receivables			
Receivables in association with direct business operations			
Policyholders		86 574	28 382
Intermediaries		0	0
Receivables related to reinsurance		0	0
Other receivables		344 899	1 363
Total receivables	13	**431 473**	**29 745**
Other assets			
Bank deposits	8,9	70 362	138 377
Tax assets	7,14	24 443	22 898
Total other assets		**94 805**	**161 275**
Prepaid expenses and accrued income not received			
Other prepaid expenses and accrued income not recieved		1 933	2 314
Total prepaid expenses and accrued income not received		**1 933**	**2 314**
TOTAL ASSETS		**3 910 111**	**3 451 612**

Equinor Insurance AS
Balance

Equity and liabilities

(Amounts in USD 1000)	Note	31.12.2024	31.12.2023
Paid-up capital			
Share capital			
Share capital		135 590	135 590
Share premium account		211 723	211 723
Other paid-up capital		938 989	595 480
Total paid up equity	**10,11**	**1 286 302**	**942 792**
Retained earnings			
Natural Perils Fund		2 933	3 131
Other retained earnings		1 532 237	1 720 817
Total paid-up capital	**10,11**	**1 535 170**	**1 723 949**
Gross insurance liabilities in non-life insurance			
Provisions for gross premiums not earned	3,5,13	80 602	63 982
Gross claims provision	3,5,6,13	359 138	325 036
Total gross insurance liabilities in non-life insurance		**439 740**	**389 017**
Provisions			
Pension liabilities	4	201	178
Taxes payable	7	8 557	96 856
Provisions related to deferred tax	7	111 282	94 003
Other provisions	12	46 572	61 826
Total provisions		**166 613**	**252 863**
Liabilities			
Liabilities related to direct insurance		0	0
Liabilities related to reinsurance	9	14 524	13 661
Financial derivatives	9	4 404	101 245
Debt to group companies	9,13	435 831	263
Other liabilities	9	27 468	27 730
Total liabilities		**482 226**	**142 898**
Accrued costs and received not earned income			
Other accrued costs and received not earned income		60	93
Total accrued costs and received not earned income		**60**	**93**
TOTAL EQUITY AND LIABILITIES		**3 910 111**	**3 451 612**

Stavanger, 31.03.2025
for Equinor Insurance AS

Marit Lunde (434025)
Marit Lunde
Chair of the board

Anne-Ma Tostrup Smith
Anne-Margrethe Tostrup Smith
Board member

Lena Kloven Sørensen
Myklebust
Board member

Eyvind Aven (614300)
Eyvind Aven
Styremedlem

lars Atle Kjøde
Lars Atle Kjøde
Board member

Trine R. Albretsen
Trine Rødland Albretsen
Managing Director

Equinor Insurance AS
Own equity

Overview of development in own equity

Amounts in USD 1000	Share capital	Share premium account	Other paid up capital	Retained earnings	Natural Perils Fund	Total
Equity 01.01.2023	**134 418**	**2 536**	**599 423**	**1 473 939**	**3 611**	**2 213 928**
Share capital increase	1 172	209 187	0	0	0	210 358
Group contribution received (currency effect)	0	0	-3 944	0	0	-3 944
Current year transfer to/ from Natural Perils Fund	0	0	0	480	-480	0
Profit/Loss	0	0	0	246 398	0	246 398
Equity 01.01.2024	**135 590**	**211 723**	**595 480**	**1 720 817**	**3 131**	**2 666 741**
Group contribution received without tax effect	0	0	343 509	0	0	343 509
Group contribution paid without tax effect	0	0		-150 261		-150 261
Group contribution paid after tax				-222 494		-222 494
Transferred to (-) / from (+) Natural Perils Fund	0	0	0	198	-198	0
Profit/Loss	0	0	0	183 977	0	183 977
Equity 31.12.2024	**135 590**	**211 723**	**938 989**	**1 532 237**	**2 933**	**2 821 471**

Share captal consist of 125.000 ordinary shares, with a nominal value of NOK 10.700. The shares are fully owned by Equinor ASA.

Equinor Insurance AS
Cash flow

Cash flow statement

(Amounts in USD 1000)	31.12.2024	31.12.2023
Cash flow from operating activities		
Received premiums for direct policies	255 016	294 305
Received in connection with other income	1	2
Reinsurance premium ceded	-104 117	-117 609
Calaims paid	-152 038	-228 739
Received reinsurance share of claims	115 309	83 624
Payments to suppliers of goods and services	-12 070	-8 253
Interest paid	-739	-352
Interest received	109 216	102 840
Payment of dividends	24 448	15 745
Payments to / from other financial items	63 632	75 561
Tax payment/refund	-93 911	-179
Net cash from / to (-) operating activities	**204 747**	**216 946**
Cash flow from / to investment activities		
Payment made / received related to short debt	-262	29 214
Payment made / received upon share transactions	80 658	-38 978
Payment made / received in connetion with bonds and certificates	-209 905	-638 983
Payment made / received related to investments at amortized cost	-144 353	213 343
Net cash flow from / to (-) investment activities	**-273 862**	**-435 405**
Cash flow from / to financial activities		
Share capital increase	0	209 735
Group contribution paid	0	61 812
Group contribution received	1 101	0
Net cash flow from / to (-) financing activities	**1 101**	**271 546**
Effect of exchange rate changes on cash and cash equivalents	**0**	**-9 653**
Net change in cash and cash equivalents	**-68 015**	**43 434**
Cash and cash equivalents 1.1	**138 377**	**94 943**
Cash and cash equivalents 31.12	**70 362**	**138 377**

Equinor Insurance AS
Notes to the accounts

1. The company and the company structure
Equinor Insurance AS is a wholly owned subsidiary of Equinor ASA. The company was established in 1985 and is located in Stavanger with a branch office at Fornebu, Oslo. The company address is Forusbeen 50, 4035 Stavanger, Norway. Equinor Insurance is engaged in non-life insurance and carries mainly risk of property damage, business interruption and third party liability related to the activities within the Equinor Group.

2. Significant accounting principles
The financial statement including notes are based on Regulation of annual accounts for non-life insurance companies of 18th December 2015, Act on annual accounts of 17th July 1998 and generally accepted accounting principles.

The financial statement is presented in USD in whole thousand.

Simplifications from IFRS
The company follows the measurement and recognition rules of Regulation of annual accounts for non-life insurance companies. The regulation provides further provisions for use of measure and recognitions rules according to IFRS. The company's notes have been prepared in accordance with Regulation for annual accounts for non-life insurance companies chapter 5.

Basis for preparing annual accounts
Sums and parital sums may due to roundings in some cases be different from the sum of values. Some comparison figures is changed to become equal with the presentation of current year.

Income and cost principles
Premium income
Insurance premium is recognized as income in line with the insurance period. Due gross premium includes all amounts the company has received or is entitled to for insurance contracts where the insurance period is started befor the end of the period. At the end of the period a time limit is made where the overdue premium related to next year is accrued as insurance obligation in the balance sheet. Gross premium is shown before deduction of any commissioins.

Reinsurance
Premium for ceded reinsurance is recognized in line with the reinsurance period.

The company buys parts of the reinsurance from the mutual like insurance company Everen Insurance Ltd. This reinsurance premium is accounted for as described above. Through its association with Everen, Equinor Insurance AS is in addition responsible for potential losses that occur in this company. It is therefore acrued for this obligation in the accounts. The provision represent the economical responsiblilty Equinor Insurance AS has if the company had withdraw from Everen Ltd at the time of closing of accounts (Theoretical Withdrawal Premium). The calculation is done by Everen on the basis of guidelines given by "Everen Insurance Ltd. Shareholders Agreement", and is reflected in the income statement in the line Insurance related cost. In the balance sheet the accrual is classified as Other provisions. See also note 12.

Claims
Claims costs consist of paid gross claims reduced with the reinsurance share, in addition to changes in gross claims provisions and associated reinsurance share. Direct and indirect claims handling cost is part of the claims cost. Claims cost includes liquidation loss / -gain related to previous years provisions.

Insurance related operation cost
Insurance related operation costs consist of administration costs reduced with received commissions for ceded reinsurance. Administration costs is accrued and expensed during the accounting period.

Currency
The companys functional currency is US dollar. The conversion from NOK to USD is a result of a process where the companys present and future operation was assessed. The Norwegian Financial Supervisory Authority (FSA) gave its approval in July 2022 to present and report the financial statement in US dollars.

The company changed the functional currency with effect from 01.01.2023. Transactions in other currencies than USD is converted on initial recognition to USD at current exchange rate. Receivables and debts in other currency than USD is converted with the exchange rate to USD at the balance sheet date. The related gain or loss from the conversion is posted in the income statement. The currency risk in foreign financial securities liminated by purchase and sale of securities.

Insurance obligations
New international accounting standards regarding insurance contracts (IFRS 17) was introduced from 01.01.2023. Small and medium sized non-life insurance companies are given access to use the standard if wanted. Equinor Insurance AS has choosen not to use the standard.

Insurance contracts is measured in relation to Regulation of annual accounts for non-life insurance companies § 3-1 second and third paragraphs, as well as § 3-5 og § 3-6.

Requirement for provisions for insurance obligations is regulated in the Financial Enterprises Act §§ 14-7 and 14-8. Insurance obligations consists of provision for premium not earned, provision for unexpired risk and compensation provision.

Premium provision (provision for un-earned gross premium)
Premium provision is a deferral of the written premium. The provision equals the unearned parts of the written premium. No deductions for cost have been made to the written premium.

Claims provision
Gross claims provisions shall cover expected future payments for claims which, at the time of the balance sheet, are incurred, but not settled. This includes claims that are reported but not settled (RBNS) and claims incurred but not reported (IBNR). A provison is also made for claims for which not enough has been reported.

The provisions relating to reported claims are individually assessed by the claims adjusters, while the IBNR provision is based on experience, based on the time it normally takes from the date of loss until it is reported. Based on experience and the portfolio development a statistical model is prepared to calculate the extent of late-reported claims. In addition, the claims provisions contain a provision to cover indirect administration costs incurred in connection with the claims settlement (ULAE)

Adequacy test
On the balance sheet date, an adequacy test is carried out to check whether the level of the provisions is adequate. The test is based on the current estimate of future claims payments related to the insurance policies the company has on the balance sheet date, as well as the associated cash flows. This includes both claims that has occurred on balance sheet date (the claims provision) and claim that occur from the balance sheet date to the policy anniversary (the premium provision). Any negative deviation between the original provision and the adequacy test results in a provision for unexpired risk.

Reinsurance share of gross insurance liabilities
Reinsurance recoveries are classified as assets in the balance sheet. The recoveries are reduced by the potential counterparty loss based on objective evidence of impairment.

Natural Peril fund
All Norwegian insurance companies that underwrite fire insurance are required to participate in the Natural Perils Pool. The operating result on the scheme is allocated to the natural perils fund. The fund is only to be used to cover costs associated with natural perils. The fund is classified as equity and is recognized and measured in accordance with the Natural Perils Act of 16.06.1989

Deferred tax and uncertain tax positions
The tax cost in the accounts consists of payable tax and changes in deferred tax/tax benefit. Payable tax is calculated on the basis of the years tax result. Deferred tax/tax benefit is calculated on the basis of temporary differences between accounting and tax values and tax effects of losses. Net deferred tax assets are entered in the balance sheet if it is probable that the benefit may be used.

Disputed tax claims are recognized as an asset when there is a preponderance of probability that it will be refunded.

Equinor Insurance AS makes provisions for uncertain and disputed tax positions with best estimates of expected amounts, subject to decisions by the tax authorities in accordance with IAS 12 and IFRIC 23. The provisions are reversed if the disputed tax position is decided to the benefit of Equinor Insurance AS.

Group contribution
As a captive, the company has chosen to follow the rules for medium-sized companies in the regulation for annual accounts for non-life insurance companies. §3-12 states that medium-sized companies that choose to use this option must apply Chapters 4 and 5 of the Accounting Act for items that are not directly regulated by Chapter 3 of the regulations. This means that the company must use the accounting provisions of the Accounting Act and no longer IFRS for these items. Paid dividends and paid/received group contributions will therefore recognized in line with the provisions of the Accounting Act at the end of the year (date of the accounts). This applies to paid and received group contributions/ dividends that are adopted after the balance sheet date.

Cash flow statement
The company uses the "Direct model" as a principle for setting up cash flow. When using the model net cash flows for operational, investment and financing activities are reported. The model provides, among other things, information on what proportion of the accounted operating income is represents cash payments.

Financial instruments
Financial assets
Financial instruments are recognized and measure in accordance with IFRS 9.

In IFRS 9, the scope is defined as all financial instruments with certain specified exceptions, cf. IFRS 9.2.1. Equivalent scope applies according to the annual accounts regulations, cf. § 3-7, 3.3.2. IFRS 9 contains three valuation categories for financial assets:
1. Amortized cost
2. Fair value with profit recognition over other income and costs
3. Fair value with income recognition through ordinary profit and loss

Valuation at amortized cost only applies to financial assets that are interest-bearing instruments and that are held in a business model where the purpose is to hold financial assets to receive contractually regulated cash flows. If the interest instruments are held in a business model where the purpose is both (1) to hold until maturity and (2) to sell the asset, it must be valued at fair value with" profit recognition over other income and expenses (OCI). Financial assets that do not meet the above criteria must be valued at fair value with income recognized above the result (3).

The company's investments are part of a portfolio with both interest instruments that are valued at amortized cost and financial assets that is measured and reported at fair value with profit and loss above the result. Bank deposits are measured at amortized cost.

Financial assets and liabilities are recognized in the balance sheet when the company becomes a party to the instrument's contractual provisions, and Financial assets are recognised in the balance sheet when the contractual rights to the cash flows expire or are transferred.

Financial derivatives
Financial derivatives are valued at fair value. Fair value of the derivatives is classified respectively as an asset or as a liability, with changes in the fair value of the result.

Measurement at fair value
Quoted prices in active markets are the best evidence of fair value, and the company therefore uses such as far as possible. Financial instruments listed in active markets will normally include certificates, bonds and equity instruments with quoted market prices obtained from relevant stock exchanges or clearing houses. Fair value of listed financial assets and liabilities and financial derivatives determined with reference to mid-prices at the end of the balance sheet date.

When there is no active market, fair value is determined using valuation methods. These include the use of recently undertaken arm's length market transactions, reference to fair value for another instrument that is substantially the same, discounted cash flow calculations and pricing models. The fair value of currency and interest rate swaps is based on relevant quotations from active markets, on corresponding listed instruments and other appropriate valuation methods. Fair value of options that are not quoted in active markets, is calculated using valuation methods developed and used by third parties.

The company's best estimate of the fair value of financial instruments that are not listed in active markets corresponds to expected gains or loss if the contracts had been closed at the turn of the year. Realized results may differ due to assumptions used.

Pension
The company has a defined contribution pension scheme. Contributions are expensed as the pension is earned by the employee.

Note 3 Premium income and claim costs etc

Amounts in USD 1000	Direct insurance					
	Energy-insurance (1060)	Industry-insurance (1070)	Natural disaster-insurance (1070)	Liabilty insurance (1080)	Health-insurance (4290)	Total
Premium income						
Written gross premiums	274 376	11 274	607	22 715	4 236	313 208
Premium provision 1/1-24	56 335	1	0	7 645	0	63 982
Premium provision 31/12-24	-63 101	0	0	-17 501	0	-80 602
Earned premium	**267 610**	**11 275**	**607**	**12 859**	**4 236**	**296 587**
Submitted reinsurance premium						
Ceded reinsurance premium	78 997	4 713	113	19 431	0	103 254
Premium provision 1/1-24	20	0	0	3 977	0	3 997
Premium provision 31/12-24	0	0	0	-13 738	0	-13 738
Accrued reinsurance premium	**79 017**	**4 713**	**113**	**9 670**	**0**	**93 514**
Gross claims						
Paid claims	25 224	21 700	744	100 000	4 370	152 038
Claims provision 1/1-24	-147 976	-43 539	-805	-128 636	-4 081	-325 036
Claims provision 31/12-24	296 710	41 981	643	16 066	3 738	359 138
Gross claims	**173 957**	**20 142**	**582**	**-12 569**	**4 028**	**186 141**
Insurance related operation costs						
Paid commission	0	0	0	0	0	0
Received commission	0	0	0	0	0	0
Administration costs	7 491	316	6	360	119	8 292
Gross operation expenses	**7 491**	**316**	**6**	**360**	**119**	**8 292**
Reinsurance result						
Accrued reinsurance premium	79 017	4 713	113	9 670	0	93 514
Share of gross paid claims	0	-15 309	0	-100 000	0	-115 309
Share of gross claims provision 1/1-24	651	24 496	0	122 500	0	147 647
Share of gross claims provision 31/12-24	-18 100	-2 900	0	-9 574	0	-30 575
Reinsurance result	**61 568**	**10 999**	**113**	**22 596**	**0**	**95 277**
Net claims incured	**156 508**	**26 428**	**582**	**357**	**4 028**	**187 903**
Net result	**24 593**	**-20 182**	**-95**	**2 472**	**90**	**6 878**

Gross premium earned amounted to USD 232.9 millions in Norway, USD 8.1 millions from other countries covered by the EEA agreement and USD 55.5 millions from other countries.

Continued note 3 Specification claim costs

Amounts in USD 1000	2024	2023
Gross claims		
Paid claims for losses occurring during the accounting period	2 853	2 378
Claim provision for losses occurring during the accounting period	172 737	57 108
Total estimated gross claim costs in the current account period	**175 589**	**59 487**
Gross liquidation result		
IB claims provision	-325 036	-363 224
Paid claims for losses occuring in previous accounting periods	149 185	125 069
Claims provision for losses occuring in previous accounting periods	186 401	267 928
Total estimated gross claims costs related to previous accounting periods	**10 550**	**29 773**
Gross claims	**186 138**	**89 259**
Gross paid claim costs	152 038	127 447
Change in gross claim provision	34 102	-38 189
Gross claims	**186 141**	**89 259**

Amount in 1000 USD	2024	2023
Gross claims specified per line of business		
Energy insurance (1060)	173 957	74 264
Industry insurance (1070)	20 142	-10 374
Natural perils insurance (1070)	582	970
Liability insurance (1080)	-12 569	19 355
Health insurance (4290)	4 028	5 044
Gross claims	**186 141**	**89 259**

Note 4 Remuneration and loans to the management and the board

Amounts in USD 1000	Payment	Pension costs	Other allowance	Total allowance
Executive staff				
Managing Director	128	15	17	160
The Board of Directors*			11	11
Total allowance	**128**	**15**	**28**	**171**

* Board members who are employed by the Equinor group do not, in accordance with the group's guidelines, receive any remuneration from Equinor Insurance AS.

The company has entered into an agreement on a bank guarantee of NOK 2.150.000 for employee witholding tax.

The number of man-years on 31.12.2024 is 4 compared to 4 per 31.12.2023.

All employees have bonus agreements that are linked to the bonus scheme in Equinor ASA.

The company has introduced a share savings program for all permanent employees according to the same principle as in Equinor ASA. The s hare savings program gives employees the opportunity to buy shares in Equinor ASA through monthly salary deductions. The employees can save up to five percent of their annual gross basic salary. In addition, the company provides a grant to the employees of 20% of the amount saved, limited to NOK 1,500 per employee per year. If the share is retained for two full calendar years of continious employment with the company, the employees will be awarded a bonus share for each share they have purchased.

Loans have been granted to the company's employees of USD 107.642 per 31.12.2024. As of 31.12.2023 the corresponding amount was USD 66.200.

Loans to the general manager amounted to USD 42.560 as of 31 December 2024. The loan is repaid in monthly installments.

The Norwegian Tax Agency's standard interest rate is used.

Pension
The company has a defined contribution pension scheme as the main scheme, where the premium paid in constitutes the year's pension cost in the accounts. In addition, the deposit scheme contains an unfunded benefit. This applies to salary and remuneration over 12 times the basic amount of the National Insurance Scheme (12G), as well as a compensation scheme for transition from benefit to contribution-based pension. The unfunded benefits are adjusted with the a rate of return equal to the return in the funded scheme, and are measured at fair value and recognized as a defined benefit obligation.

The defined benefit obligation is per 31.12.2024 USD 201.337. As of 31.12.2023, the obligation was USD 178.100.

Audit
Fees for the auditor are expensed at USD 64.185 for statutory audits and fees outside the audit assignment amounts to USD 21.821 for 2024. The equivalent for 2023 is USD 88.600 and USD 6.700. The amounts are inclusive of value added tax.

Note 5 Management of insurance risk

Overview
Equinor Insurance AS only underwrites non-life insurances which are entirely linked to the Equinor group's operations. Equinor's business is of such a nature that both the frequency of claims and the claims amount can vary widely.

Equinor Insurance AS' overall approach to risk management includes the identification, evaluation and management of risk in all its activities. The company manages risk to ensure reliable operations and to achieve the company's business objectives.

The main basis for insurance is the transfer of risk from the policyholder to the insurance company. Equinor Insurance AS receives the insurance premium from the policyholder in exchange for the company's undertaking as insurer to pay claim if an insured loss occurs. Insurance risk will therefore make up a large part of the total risk exposure for the company. Insurance premiums are received in advance and must cover future claims payments. The insurance technical provisions and the company's equity are invested, and consequently the company will be exposed to various forms of market risk, liquidity risk and credit risk.

Comprehensive risk management ensures that various risks are assessed and handled in a consistent manner. The company's board has established a framework that determines the company's risk profile, risk management and control. The framework defines how the company identifies risk and sets frameworks to ensure sufficient quality and diversification of financial assets. The framework also sets frameworks for insurance risk and reinsurance strategy and specifies reporting requirements.

Insurance risk
The risk in the individual insurance contract is linked to the probability of the insured event occurring and the uncertainty related to the size of the subsequent claim amount. Insurance events occur randomly, and the observed numbers and claim amounts will vary from year to year in relation to the levels calculated by statistical techniques.

Factors that can have a negative impact on insurance risk can be a lack of risk diversification in terms of risk type and sum insured, geographical location and type of business that the insurance covers.

Equinor Insurance AS manages its insurance risk mainly by setting limits for the company's total exposure per event of damage and by reinsuring parts of its insurance risk. The board determines the framework for the company's reinsurance program annually.

Equinor Insurance AS is a member of the mutual like insurance company Everen Insurance Limited (Everen). The membership means that Equinor Insurance AS reinsures some of its risk with Everen. Everen covers damages up to USD 270 million per claim (for interest).

Equinor Insurance AS has a mandatory membership in the Norwegian Natural Perils Pool. The pool has its own reinsurance programme, which significantly reduces Norwegian natural perils risk.

The geographical distribution of the provisions is shown in the table below:

	Premium provision		Claims provision	
Amounts in USD 1000	2024	2023	2024	2023
Norway	45 422	33 874	205 259	151 282
USA inkl Bahamas	7 453	1 645	14 391	161 148
Great Britain	13 010	25 449	61 132	0
Angola	347	1 191	13 938	12 204
Libya	0	0	17 992	0
Brazil	14 360	1 651	46 427	253
Other	10	172	0	149
Total	**80 602**	**63 982**	**359 138**	**325 036**

The premium provision consists of premiums not yet earned on current insurance contracts.

Sources of uncertainty when estimating future claim payments

Provisions for future claim payments can be divided into three elements. The first is provisions for events that have been reported at the time of the balance sheet (RBNS) and are estimated by the claims adjustor and own claim adjustor staff. Due to the uncertainty associated with the determination of claims provisions (RBNS), it is likely that the final claim amounts will differ from the prior and original claim amount., thus a provision for reported but not enough reported claim amountsfor (IBNER). The third element is provisions for events that occur during the agreement period but are not yet reported (IBNR).

The most important assumption, which is the basis for the estimates, is the company's claim history and claim history in the oil and gas business as a whole. This includes assumptions in relation to the average cost per claim, frequency of claims and costs for handling insurance claims. Additional qualitative judgment is used to assess whether previous trends will continue in the future. Developments in technology and in external framework conditions are also included in the assessments. Other important assumptions concern developments in interest rates, settlement time and changes in exchange rates.

When calculating the IBNR provisions, the actuary uses standard statistical methods. Calculations are done quarterly where initial expectations are compared against new information.

The size of the insurance technical provisions will depend on changes in the assumptions described above. Due to the nature of the business and the concentration of risks linked to oil and gas operations, the frequency and average cost per claim vary greatly. The same applies to the time from when the claim is reported until the claim is settled. The table below shows the development in claims and the cost of claims over the past 5 years.

Amounts in USD 1000	Number of claims (withdrawn claims not included)	Average claim cost (withdrawn claims not included)	Number of claims including withdrawn claims	Average claim costs per claim including withdrawn claims	Number of open claims at the end of the reporting year	Average claim cost per open claim
2024	6	29 265	6	29 265	34	10 563
2023	5	11 897	5	11 897	41	7 928
2022	5	8 151	5	8 151	28	12 972
2021	3	18 629	3	18 629	21	20 651
2020	8	64 423	8	64 423	18	37 347

Sensitivity premium risk

Premium risk is the risk that the company does not demand a sufficient premium for the insurance contracts. Equinor Insurance AS has guidelines for underwriting insurance policies in order to ensure good quality in assessment and calculations in connection with risks that are insured, defined risk types and upper limits for insurance sums that can be underwritten. This is done to ensure that one has control over the risk exposure in the insurance portfolio.

The table below shows how the effect of 1 percent increase in the Combined Ratio (CR). An increase in CR can be a consequence of an increased frequency of claims and/or an increase in the average claims amount.

Result effect of increase in Combined Ratio (1% point) Amounts in USD 1000	2024	2023
Costs for own account at the end of the year	196 195	93 627
Costs for own account with 1% increase in Combined Ratio	118 493	95 223
Change costs at own expense	**-77 702**	**1 596**

Note 6 Analysis of claim development

Sensitivity analysis deposit risk;
Calculating insurance technical provisions for an insurance portfolio means that you must find an estimate for the value of future cash flows for incurred losses, and there will always be elements of uncertainty in such calculations. It is this type of uncertainty that is associated with reserving risk.

The tables below show gross insurance claims, including notified claims and IBNR for each subsequent year after the financial year together with total payments to date.

Gross claims

Amounts in USD 1000	2019	2020	2021	2022	2023	2024	Sum
Estimated claim costs							
As of the end of the accident year	5 907	2 467	4 000	3 079	8 635	122 597	
- one year after	71 730	614 027	21 600	35 511	24 648		
- two year after	59 197	665 446	65 091	55 953			
- three year after	101 570	691 081	52 616				
- four year after	180 172	715 050					
- five year after	168 155						
Estimated amount per 31.12.2024	168 155	715 050	52 616	55 953	24 648	122 597	
Total payment to date	157 235	669 646	28 448	12 983	4 188	2 854	
Claim provision	10 920	45 404	24 169	42 970	20 461	119 743	**263 666**
Claim provision before 2019							14 128
Currency adjustment							-
IBNR, IBNER and ULAE							81 344
Total							**359 138**

Ceded reinsurance claims

Amounts in USD 1000	2019	2020	2021	2022	2023	2024	Sum
Estimated claim costs							
As of the end of the accident year	-	-	-	-	-	18 100	
- one year after	58 163	244 080	21 968	620	-		
- two year after	52 398	239 569	20 363	6			
- three year after	94 280	252 296	-				
- four year after	168 988	265 955					
- five year after	156 062						
Estimated amount per 31.12.2024	156 062	265 955	-	6	-	18 100	
Total payment to date	146 488	263 313	-	6	-	-	
Claim provision	9 574	2 642	-	-	-	18 100	**30 317**
Claim provision before 2019							-
Currency adjustment							-
IBNR, IBNER and ULAE							258
Total							**30 575**

For own account

Amount in kr 1000	2019	2020	2021	2022	2023	2024	Sum
Estimated claim costs							
As of the end of the accident year	5 907	2 467	4 000	3 079	8 635	104 497	
- one year after	13 568	369 947	21 600	34 891	24 648		
- two year after	6 799	425 877	44 728	55 947			
- three year after	7 290	438 785	52 616				
- four year after	11 184	449 095					
- five year after	12 093						
Estimated amount per 31.12.2024	12 093	449 095	52 616	55 947	24 648	104 497	
Total payment to date	10 747	406 333	28 448	12 977	4 188	2 854	
Claim provision	1 346	42 762	24 169	42 970	20 461	101 643	**233 349**
Claim provision before 2019							14 128
Currency adjustment							-
IBNR, IBNER and ULAE							81 086
Total							**328 564**

Note 7 Tax calculation

Amount in USD 1.000	2024	2023
This year's tax cost is divided into:		
Payable tax	8 560	96 856
Change in deferred tax	17 277	-45 646
Tax effect of group contributions with tax effect	62 755	0
Withholding tax	-19	179
Corresponding correction tax case in previous years*	-1 544	-3 767
Correction for previous years	0	0
Total tax cost	**87 028**	**47 622**
Calculation of the year's tax base:		
Profit before tax expense	565 134	336 728
Permanent differences	-160 014	-131 885
Change in temporary differences	-119 862	182 582
Received/paid group contribution with tax effect	-251 019	0
This year's tax base	34 239	387 425
This year's tax base	**387 425**	**0**
Overview of temporary differences and deferred tax on the balance sheet:		
Insurance technical provisions and other future obligations	-46 500	-61 800
Deferred risk equalization provision**	345 169	513 669
Unrealized gains/losses on securities	146 451	-75 859
Total	445 120	376 010
Total	**376 010**	**557 987**
Deferred tax basis	445 120	376 010
25% deferred tax, insurance technical	74 668	112 967
25% deferred tax, securities	36 614	-18 965
Deferred tax in the accounts	**111 282**	**94 003**

*See note 14
**From 2018, the risk equalization provision was recognized as income for tax purposes at 1/10 in accordance with new tax rules.

Note 8 Management of financial risk

Financial risk can be divided into share price risk, currency risk, interest rate risk, credit risk and liquidity risk. Share price risk, currency risk, interest rate risk and liquidity risk are managed on an aggregated level and taken care of through the management strategy that has been drawn up for Equinor Insurance AS. Credit risk in connection with receivables from reinsurers and the reinsurer's share of the claims provisions is handled by requiring a minimum rating for Equinor Insurance AS reinsurers and close follow-up of the claims provisions.

Empirical studies show that, over a longer period, investments in shares and risky interest-rate instruments will very likely yield a higher return than investments in risk-free interest-rate instruments. In line with this experience, and in order to achieve the objective of achieving a long-term high return within the framework of proper security and risk diversification, the company allocates most of the portfolio to assets other than risk-free investments. In order to contribute to proper security and risk diversification, the funds must be distributed among several asset classes both with regard to geography and different securities, with specific frameworks for management for all asset classes with maximum permitted deviations. Specific limits have also been set for the use of derivatives and for credit risk. Active risk management is carried out in that the risk in the financial portfolio is continuously kept up against the company's risk capacity and risk tolerance.

The board of Equinor Insurance AS processes the management strategy annually, where detailed mandates for managing financial risk at asset class level are given to Equinor Asset Management AS, which is responsible for the management of the financial assets. Below, the board determines the upper and lower limits per asset class, which must be complied with at all times. The table below shows the asset allocation for Equinor Insurance AS at the end of the year. The actual asset allocation will vary throughout the year and follow movements in the market, tactical asset allocation and the risk situation.

Asset allocation	31.12.2024		31.12.2023	
	1000 USD	%	1000 USD	%
Equities	808 817	20,78 %	771 093	22,34 %
Bond	2 320 043	59,61 %	2 133 857	61,82 %
Certificates	15 932	0,41 %	54 163	1,57 %
Financial derivatives	72 516	1,86 %	14 402	0,42 %
Interest-bearing securities measured at amortized cost	120 173	3,09 %	133 052	3,85 %
Lending and receivables	108	0,00 %	66	0,00 %
Reinsurer's share of gross insurance liabilities in non-life insurance	26 212	0,67 %	151 644	4,39 %
Tax receivable	24 443	0,63 %	22 898	0,66 %
Receivables (trade receivables)	431 472	11,09 %	29 745	0,86 %
Bank	70 362	1,81 %	138 377	4,01 %
Other	1 933	0,05 %	2 315	0,07 %
Total	**3 892 011**	**100,00 %**	**3 451 612**	**100,00 %**

Share price risk is defined as a fall in value as a result of reduced share prices. See amounts below (continued note 8) in stress test and sensitivity analysis.

Interest rate risk is defined as a fall in value as a result of a change in the interest rate level, and it is considered from a pure asset perspective at portfolio level in accordance with approved strategies and mandates. When managing interest rate risk and trading, only standard derivatives are used. These include interest rate futures, options, future interest rate agreements (FRAs) and interest rate swaps.

Currency risk is defined as the loss resulting from changes in exchange rates. Based on analyzes and assessments, the board has established a currency hedging strategy. The portfolio is exposed to currency risk when investing in international securities. Currency futures are used to reduce this risk in accordance with the established currency hedging strategy.

Credit risk is defined as a change in the pricing of an issuer's debt as a result of changes in creditworthiness. Credit risk is handled both by upper credit limits for named counterparties, by restrictions based on official ratings from rating agencies and requirements for diversification when investing in bonds. Credit risk in connection with reinsurance is handled by requiring a minimum rating for Equinor Insurance AS reinsurers and close follow-up of claims provisions.

Liquidity risk is defined by the inability to meet payments when due, or by having to realize investments at a high cost in order to be able to make payments. The requirements for asset allocation ensure that the company has sufficient liquidity at all times to fulfill its ongoing obligations.

The total risk with regard to annual profit before tax for Equinor Insurance AS is continuously measured in relation to the targets set by the board. This means that if during a year there is a longer period of negative financial income, or a sharp fall in the values of the assets, the allocation to shares will be reduced and the placements in fixed-income securities will be increased.

Market risk
Market risk can be divided into share price risk, interest rate risk and currency risk.

Share price risk;
The share portfolio in Equinor Insurance AS is globally diversified and includes emerging markets. The risk in the company's share portfolio is moderate and is managed, among other things. through geographical diversification, through the use of broad benchmark indices and through the use of several different fund managers. American, European and Norwegian shares dominate. Up to 10.20% of the share portfolio has been invested in the emerging economies asset class in 2024. Throughout the year, the highest share of unlisted shares in the share portfolio has been 0.00%. Both of these share classes can be characterized as investments with a higher risk than other share placements.

Equity exposures 31.12.2024

Amounts in USD 1000	Booked value
Company	
Verdipapirfondet Equinor Aksjer USA	164 101
Verdipapirfondet Equinor Aksjer Europa	145 238
Verdipapirfondet Equinor Aksjer Norden	94 971
Verdipapirfondet Equinor Aksjer USA Aktiv	84 719
Verdipapirfondet Equinor Aksjer USA Indeks	80 120
Verdipapirfondet Equinor Aksjer Norge	78 868
Verdipapirfondet Equinor Aksjer Pacific Indeks	64 124
KLP Aksje Fremvoksende Markeder Indeks S250	30 552

Amount in 1000 USD	Booked value
Company	
Aberdeen Global Emerging Markets SRI Fund	24 561
American Century Emerging Markets Sustainable Fnd	18 936
American Century Global Small Cap Equity Fund	16 959
Arcipelagos SICAV Red Gate China Growth Fund	5 668
Athomstart Invest 961 AS	1
Total Equity	**808 817**

The company's management of financial ssets must provide a satisfactory return on capital given restrictions related to the legal solvency requirements, sufficient risk diversification, satisfactory liquidity and desired risk level. Management must be done on the basis of a long-term management profile, and not be characterized by short-term speculation. The company mainly manages the management of financial risk through frameworks provided by the board and statutory requirements.

The table below shows equity risk according to the standard model in Solvency II pr. 31.12.2024.

Numbers in USD 1000

Equities	Value before stress	Value after stress
Type 1 shares (listed shares)	720 050	418 657
Type 2 shares (not listed shares or outside EEA/OECD)	78 808	37 940
Total	798 857	456 597

Symmetrical stress factor as of 31.12.2024*)		2,86 %
	Without symmetrical	With symmetrical
Type 1 shares (listed shares)	39,00 %	41,86 %
Type 2 shares (not listed shares or outside EEA/OECD)	49,00 %	51,86 %

*) Additional stress factor to reflect trends in the stock market (from EIOPA)

The table below shows currency risk. Currency risk is calculated as 25% increase or decrease in foreign currencies exchange rates

Currency	Value before stress		Value after stress		Profit/loss
	Assets	Obligation	Assets	Obligation	
Increase in foreign currency (25%)	5 398 723	2 714 961	5 455 174	2 644 631	126 781
Decrease in foreign currency (25%)	5 398 723	2 714 961	5 342 272	2 785 291	-126 781

Interest rate risk is calculated based on an increase and decrease in interest rate based on Solvency II shock parameters on interest sensitive assets and liabilities

Interest rate risk	Value before stress		Value after stress		Profit/loss
	Assets	Obligation	Assets	Obligation	
Decrease *)	2 219 214	215 811	2 330 819	230 859	96 558
Increase *)	2 219 214	215 811	2 106 219	200 159	-97 343

*) Solvency II Interest rate risk parameter

	Interest rate shock (relative)	
Maturity (years)	Increase shock	Decrease shock
0	70,00 %	75,00 %
1	70,00 %	75,00 %
2	70,00 %	65,00 %
3	64,00 %	56,00 %
4	59,00 %	50,00 %
5	55,00 %	46,00 %
10	42,00 %	31,00 %
15	33,00 %	27,00 %
20	26,00 %	29,00 %
90	20,00 %	20,00 %
1000000	20,00 %	20,00 %

Note 9 Financial instruments

Categories of financial assets and liabilities

Amounts in USD 1000	Balance per 31.12.24	Financial assets and liabilites real value over P&L	Amortized cost	Other financial liabilites	Not financial asset and liabilities
Equities	808 817	808 817	0	0	0
Interest-bearing securities	2 456 148	2 335 975	120 173	0	0
Lending and receivables	108	0	108	0	0
Financial derivatives	72 515	72 515	0	0	0
Reinsurance share of unearned gross premium	13 737	0	0	0	13 737
Reinsurance share of gross claims provision	30 575	0	0	0	30 575
Policyholders	86 574	0	86 574	0	0
Reinsurer´s share of gross insurance liabilities in non-life insurance	0	0	0	0	0
Other receivables	344 899	0	344 899	0	0
Cash register, bank	70 362	0	70 362	0	0
Tax receivable	24 443	0	24 443	0	0
Other prepaid expenses and accrued income not received	1 933	0	0	0	1 933
Total assets	**3 910 111**	**3 217 307**	**646 559**	**0**	**46 245**
Gross unearned premium provision	80 602	0	0	0	80 602
Gross claims provision	359 138	0	0	0	359 138
Pension obligations and the like	201	0	0	201	0
Liabilites for deferred tax	111 282	0	0	111 282	0
Liabilites for period tax	8 557	0	0	8 557	0
Other provisions for liabilities	46 572	0	0	0	46 572
Liabilites in connection with direct insurance	0	0	0	0	0
Liabilites in connection with reinsurance	14 524	0	0	14 524	0
Financial derivatives	4 404	0	0	4 404	0
Other liabilites	463 299	0	0	463 299	0
Other incurred costs and received unearned income	60	0	0	93	0
Total liabilites	**1 088 639**	**0**	**0**	**602 360**	**486 312**

Financial assets

Classification of financial assets at fair value

Amounts in USD 1000	Equities	Bonds	Certificates	Financial derivatives	Total
31.12.2024					
Level 1	0	230 870	0	0	230 870
Level 2	808 817	2 071 381	33 724	72 515	2 986 437
Level 3	0	0	0	0	0
Total real value	**808 817**	**2 302 251**	**33 724**	**72 515**	**3 217 307**

Level 1, fair value based on quoted prices in an active market for identical assets, includes financial instruments actively traded, and where the value recognized in the company's balance sheet is determined based on observable prices of identical instruments. For the company, this category will in most cases only be relevant for listed equity instruments, certificates and government bonds.

Level 2, fair value based on data other than the quoted prices included in level 1, but which are from observable market transactions. This will, for example, be the use of interest and exchange rates as input in the company's valuation models to determine the fair value of financial derivatives.

Level 3, fair value based on non-observable data, includes financial instruments where fair value is determined based on inputs and assumptions that are not from observable market transactions.

Note 10 Solvency capital requirements

Amounts in USD 1000	31.12.2024	31.12.2023
Solvency capital		
Available capital to cover SCR	2 768 167	2 575 662
Eligible capital to cover SCR	2 768 167	2 575 662
Available capital to cover MCR	2 768 167	2 575 662
Eligible capital to cover MCR	2 768 167	2 575 662
Solvency capital requirements(SCR)		
Market risk	442 340	397 070
Counterparty risk	24 760	31 763
Health insurance risk	1 025	1 062
Non-life insurance risk	1 199 782	989 368
Diversification	-276 314	-247 979
Risk related to intangible assets	0	0
Operational risk	9 950	9 883
Loss-absorbing effect of deferred tax	-309 492	-222 779
Solvency capital requirements(SCR)	**1 092 053**	**958 388**
Ratio eligible capital and SCR	**253 %**	**269 %**
Minimum capital requirement (MCR)		
Minimum capital requirement upper limit (45% of SCR)	491 424	431 275
Minimum capital requirement lower limit (25% of SCR)	273 013	239 597
Absolute minimum capital requirement (EUR 2.7 million)	4 353	2 862
Minimum capital requirement (MCR)	**273 013**	**239 597**
Ratio eligible capital and MCR	**1014 %**	**1075 %**

Note 11 Valuation of insurance liabilities - solvency purposes and annual accounts

Amounts in USD 1000	Solvency balance per. 31.12.24	Annual accounts per. 31.12.24	Difference
Total assets	3 530 202	3 910 111	379 909
Total liabilities	762 035	1 088 640	-326 605
Total equity	**2 768 167**	**2 916 532**	**148 365**

Difference in valuation:

Technical provisions for annual accounting purposes (provision for unearned gross premium and gross claims provision) are replaced by the best estimate and risk margin in the Solvency II balance sheet. The best estimate consists of premium and claims provisions. In addition, the reinsurance share of gross insurance liabilities will be replaced by the reinsurance share of the best estimate. According to the regulations, natural disaster funds are classified as equity.

Differences between technical provisions in the annual accounts and the Solvency II balance sheet will also be subject to deferred tax.

Best estimate compensation provision in the Solvency II balance sheet
Calculated as discounted future cash flows of expected compensation payments.

Best estimate premium provision in the Solvency II balance sheet
Gross unearned premium is multiplied by the estimated combined ratio and the result is discounted.

Risk Margin
In summary, the risk margin is calculated by adding a cost of capital to the discounted estimated SCR for each year in the period the current compensation provision will be paid.

Note 12 Participation in other companies

Equinor Insurance AS is a member of the mutual like insurance company Everen Insurance Ltd.. Everen offers its members insurance worldwide within the energy sector, and membership is limited to companies that do business within this sector. Membership is governed by the "Everen Insurance Ltd. Shareholder's Agreement", which is a binding contract between Everen and the members. The agreement contains, among other things, standard insurance and reinsurance policies and the "Rating and Premium Plan", in addition to regulation of other benefits and liabilites.

Equinor Insurance AS buys parts of its reinsurance from Everen and through this Equinor Insurance AS has transactions in its income statement and balance sheet that originate in Everen. This is booked as ordinary reinsurance, i.e. as earned and set aside reinsurance premium and reinsurance share of claim cost, recognized and set aside in profit and loss. In addition to this, membership in a mutual like company entails joint responsibility for any losses that may arise in connection with this company's operations. This obligation is defined in Everen as "Theoretical Withdrawal Premium" and set aside in Equinor Insurance AS's accounts. The provision shall represent the financial responsibility Equinor Insurance AS has in relation to Everen if the company had withdrawn from the insurance at the time of closing the accounts, and is calculated by Everen on the basis of guidelines given in the "Everen Insurance Ltd. Shareholders Agreement".

The company's provision for liabilities related to Everen amounts to USD 46.5 million at the end of the year, while as of 31 December 2023 it amounted to USD 61.6 million.

The TWP provision is classified as Other insurance-related costs in the profit and loss account and as Other provisions for liabilities in the balance sheet.

Note 13 Transactions between related parties

Equinor Insurance AS is 100% owned by Equinor ASA, and only insures risks associated with the Equinor group. Transactions regarding premium income, claims and administration costs will therefore largely be transactions with related parties.

Pricing of transactions with related parties is based on the arm´s length principle.

Transactions with related parties break down as follows:

Transactions between related parties in profit&Loss:

Amounts in USD 1000	2024	2023
Transactions between related parties in profit&Loss:		
Gross premium income	296 587	263 832
Gross claim costs	-187 903	-89 258
Insurance-related administration costs	-747	-730
Investment-related administration costs	-3 629	-2 689
Transactions between related parties in the balance sheet:		
Provision for unearned gross premium	80 602	63 982
Gross claims provision	359 138	325 036
Debt to group companies	435 831	263
Receivables from group companies	343 509	0

See also note 3 for information on the types of insurance included and geographical distribution.

Note 14 Contingent assets

Equinor ASA and Equinor Energy AS have a dispute with the Oil Tax Office regarding dividends from Everen ltd. It is the Oil Tax Offices view that large part of the dividend, which Equinor Insurance AS receives, should be classified as reduced premium for Equinor Energy AS. Equinor Energy AS has posted an increase in tax liability. Equinor Insurance AS has a corresponding entry, a tax receivable.

As of 31.12.24 the reduced premium is calculated to TUSD 101.123 with a tax effect of TUSD 78.876. For Equinor Insurance AS the tax asset is calculated to TUSD 24.443.

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Medlemmer av Den norske Revisorforening

To the General Meeting in Equinor Insurance AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Equinor Insurance AS (the Company), which comprise the balance sheet as at 31 December 2024, income statement, development in equity and cash flow 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 Company as at 31 December 2024 and its financial performance and 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 Company in accordance with the requirements of the 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)* (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We have been the auditor of the Company for 6 years from the election by the general meeting of the shareholders in 2019 for the accounting year 2019.

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 for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Gross claims provision

Basis for the key audit matter
The gross claims provision amounted to USD 359 million. The gross claims provision is an estimate of future claims for events that have occurred but have not yet been settled at the time of reporting (IBNS). The item consists of provisions for claims that have occurred and have been reported to the Company (RBNS), claims that have occurred but have not been reported (IBNR), and an estimate of indirect claims handling costs (ULAE). The use of models, estimates related to future development and determination of assumptions require that management exercise judgement. The models, estimates and assumptions are crucial for measuring the gross claims provision, and we have considered this to be a key audit matter. The gross claims provision is discussed in notes 3, 5 and 6 in the financial statements.

Our audit response
We assessed the Company's processes and models for calculation of the gross claims provision. We considered estimates related to future developments and the determination of assumptions. We also compared models, estimates and assumptions used by the Company against industry standards and regulatory requirements. We involved our own actuary to assist in our assessments of models, estimates related to future development and determination of assumptions.

Other information

The Board of Directors and the managing director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. 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 the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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Oslo, 31 March 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Johan-Herman Stene
State Authorised Public Accountant (Norway)

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