

# ANNUAL FINANCIAL REPORT

Eurolife FFH General Insurance Single  
Member Societe Anonyme

For the year ended in  
31 December 2024



**EUROLIFE FFH**

A FAIRFAX Company

**Eurolife FFH General Insurance S.A**  
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**The information contained in this financial report has been translated from the original financial report that has been prepared in the Greek language. In the event that differences exist between this translation and the original financial report in Greek, the Greek financial report will prevail over this document.**

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**BOARD OF DIRECTORS' REPORT OF EUROLIFE FFH GENERAL INSURANCE S.A.**

The Board of Directors of Eurolife FFH General Insurance Single Member Societe Anonyme, trading as "Eurolife FFH General Insurance S.A." (hereinafter the "Company"), presents the Company's Annual Management Report and its Annual Financial Statements for the year ended 31 December 2024.

**Developments in the Greek economy during 2024: remarkable resilience, despite the uncertainties in the international environment**

In 2024, Greek Economy has shown remarkable resilience, despite the uncertainties in the international environment. The continuance of the war in Ukraine for the third consecutive year, the serious developments in the Middle East, the election of a new President in the USA, and the intensifying geostrategic competition between the USA and China were the main sources of concern. However, the annual GDP growth rate of the Greek economy was estimated at 2,3%, significantly exceeding the average in the euro area, which was 0,9%.

This resilience is attributed to various factors, such as the continuous inflow of European funds, the increase of employment and nominal wages, the decline of unemployment to its lowest level in the last 15 years, as well as the reduction in inflation. Additionally, private consumption was boosted due to the increase in real disposable income.

The recovery of investment grade by international rating agencies, already from the previous year, enhances confidence in the Greek economy and continues to create prospects for expanding the investment base.

A significant development is also the fact that within the current period in the field of monetary policy, after successive interest rate hikes in 2022 and 2023, and based on the improved outlook for inflation, the European Central Bank decided on a series of interest rate cuts from June 2024 to June 2025, reducing the deposit facility rate by a total of 200 basis points.

At the same time, the average annual inflation based on the Harmonized Index of Consumer Prices decreased to 3,0% in 2024 from 4,2% in 2023, as a result of milder increases in food and industrial product prices.

However, there are still uncertainties and difficulties regarding the macroeconomic environment, such as those arising from the ongoing crisis in the Middle East, the continuation of the war in Ukraine, and the election of a new president in the United States. Management closely monitors global developments and periodically assesses the impacts they may have on the Company's operations and financial position. The Company has no activities in the Middle East, nor in Ukraine/Russia, and does not expect direct impact on its operations. Furthermore, the tariff increases announced by the new president in the United States have not had a significant impact on the Company's activity and capital position.

The Company will continue to assess economic conditions so that it can timely reflect any changes resulting from uncertainties about the macroeconomic outlook.

**Development of the Greek insurance market in 2024**

In 2024, the Greek insurance market showed significant growth, continuing its upward trend from the previous year. According to the Hellenic association of insurance companies, premium production increased by 8,7% in 2024, exceeding GDP growth (2,3%).

More specifically, in the Greek insurance market <sup>(1)</sup>, according to the available data, the total premium production for the year 2024 amounts to € 5.689,3 million (2023: € 5.235,2 million.), out of which € 2.954,8 million is attributed to general insurance business (2023: € 2.700,9 million.) and € 2.734,5 million in life insurance business (2023: € 2.534,3 million).

In particular, general insurance increased by 9,4% (2023: 12,0%), while life insurance increased by 7,9% (2023: 4,5%). Regarding non-life insurance sectors, the non-motor sectors recorded an increase of approximately 11,9% compared to 2023, while motor insurance sectors recorded an increase of 4,6%. Regarding life insurance sectors, life insurance linked with investments (Unit-Linked products) increased by 21,5% compared to the previous year, traditional life insurance products recorded increase of 5,0%, while management of group pension funds decreased by 17,8%.

The following table presents the insurance premium production of the Greek market <sup>(1)</sup> per insurance line of business for year 2024 and the respective variations compared to year 2023.

<sup>(1)</sup> According to the premium production published by the Hellenic Association of Insurance companies ("H.A.I.C."), that includes information only

for the insurance companies that are members of H.A.I.C. (<http://www1.eaee.gr/paraqogi-asfalistron>).

**Insurance premiums of the Greek market***(amounts in € mil.)*

	2024	%	Change % compared to 2023
Life traditional insurance	1.183,0	20,8%	5,0%
Life insurance linked to investments (Unit-linked)	1.218,2	21,4%	21,5%
Management of group pension funds	333,3	5,9%	(17,8)%
Motor vehicle liability	799,4	14,1%	4,6%
Land vehicles	335,9	5,9%	15,3%
Sickness	517,0	9,1%	9,1%
Fire and natural forces	442,9	7,8%	12,8%
Other non-life	859,6	15,0%	10,4%
<b>Total gross written premiums</b>	<b>5.689,3</b>	<b>100,0%</b>	<b>8,7%</b>

The adoption of the two new international financial reporting standards has played an important role, IFRS 17 - "Insurance Contracts" and IFRS 9 - "Financial Instruments", which were effective by 1st of January 2023. In particular, the transition to IFRS 17 was one of the most significant changes for insurance companies in the last 20 years, as a complete revision of the financial statements was required. The implementation of the new accounting standard IFRS 17 provides new information on the financial situation of insurance companies, allowing a more transparent and accurate picture of their performance.

During the current year 2024, through a series of legislative initiatives by the state, the importance and role of insurance has been highlighted, promoting the protection of citizens and businesses. Significant reforms continued in the first months of 2025, specifically with Law 5116/2024, as amended and in effect from Law 5162/2024, making as of 1 June 2025 the insurance of large enterprises (i.e. those with an annual turnover of more than € 500.000) against natural disasters (risks of flooding, earthquakes, and wildfires) mandatory. In addition, with the same Law 5162/2024, insuring vehicles against natural disasters will also become mandatory as of 1 June 2025. These are important reforms that enhance protection against the increasing risks from natural disasters, phenomena that have become more frequent in recent years. Furthermore, with the same law, within the framework of implementing the government's commitments to private insurance, which the Prime Minister announced in September 2024 at the Thessaloniki International Fair (TIF), the exemption of health insurance premiums for minors from the insurance tax was also established.

With Law 5170/2025, a legislative adjustment of premiums for long-term individual contracts was introduced. Specifically, this law abolished the Unified Health Index ('E.D.Y.') and mandated the development of a new index, the Annual Premium Index ('E.D.A.') by ELSTAT, which will be implemented from 1 January 2026, for long-term individual health insurance.

In addition, with Law 5193/2025, the insurance process is moving closer to the modern digital age, as the possibility of submitting an insurance application through electronic means is established, changing the way insurance applications are submitted in the Greek market. At the same time, insurance companies are now required to ensure customer identification as well as to confirm that the customer has received and agrees with the content of the application.

Moreover, 2024 was a year of challenges and opportunities for the Greek insurance market, with companies adapting to new conditions and leveraging technological advancements for further development. Artificial intelligence (AI) emerged as a critical tool for transforming the insurance sector, enhancing operational efficiency as well as customer experience. The need for modernization of insurance companies, particularly in the area of financial management, has become more urgent, aiming to adapt to new technological and regulatory requirements.

Finally, the Greek insurance market has maintained a strong capital base, with most insurance companies meeting or exceeding solvency requirements ('Solvency II'). Despite challenges such as high inflation and increasing frequency of natural disasters, the sector shows resilience, supported by stable investment strategies and growing demand for insurance products.

**Financial Results Review**

The Company reported a significant rebound in profitability during 2024, following a decline in 2023. This improvement reflects a recovery from the impact of the exceptional natural disasters experienced in Greece during 2023, notably widespread wildfires and severe flooding in Thessaly resulting from Storm Daniel.

The Company's underwriting performance in 2024 resulted in a profit of € 5,7 million, a significant improvement compared to the € 7,1 million loss incurred in 2023. This positive underwriting result contributed to a strong recovery in overall profitability, with pre-tax profits for 2024 reaching € 9,3 million, a level comparable to pre-2023 performance (2023: € 4,3 million).

### Financial Figures of the Company

#### Key financial figures

(amounts in € mil.)

	2024	2023
Gross written premiums	90,6	80,0
Insurance revenue	86,4	75,9
Insurance service expenses	(58,1)	(69,1)
Net expense from reinsurance contracts held	(22,7)	(13,9)
Insurance service result	5,7	(7,1)
Net Investment Income <sup>(1)</sup>	8,5	16,2
Profit Before Tax	9,3	4,3
Income Tax	(2,6)	(1,3)
Profit for the year	6,8	3,0
Total assets	235,5	221,7
Equity	107,2	95,5
Insurance Contract Liability	105,4	107,4
Number of Employees at 31 December	164	161

<sup>(1)</sup> Investment income is the sum of the following lines from the income statement: Interest and dividends, Net gains on financial assets at fair value through profit or loss (FVTPL), Impairment provisions for credit risk coverage, and Other investment income.

### Financial Ratios

	2024	2023
Return on equity after tax («ROE»)	6,7%	3,4%
Return on assets before tax («ROA»)	4,1%	2,1%
Expense ratio	43,2%	44,4%
Loss ratio	27,1%	50,3%
Combined ratio	70,2%	94,8%
Solvency II Ratio (SCR)	148%	127%
Solvency II Ratio (MCR)	594%	507%

#### Financial Ratios Glossary

Return on equity after tax (ROE): Profit for the year after tax divided by the average net assets of the year.

Return on assets before tax (ROA): Profit for the year before tax divided by the average total assets of the year.

Expenses Ratio: Attributable (including insurance acquisition cash flows) and non-attributable expenses, divided by insurance revenue.

Loss Ratio: Incurred Claims divided by insurance revenue.

Combined Ratio: Total of claims and benefits, attributable (including insurance acquisition cash flows) and non-attributable expenses, divided by insurance revenue.

Solvency II Ratio (SCR): Eligible Own funds divided by Solvency capital requirement.

Solvency II Ratio (MCR): Eligible Own funds divided by Minimum capital requirement.

### Gross written premiums

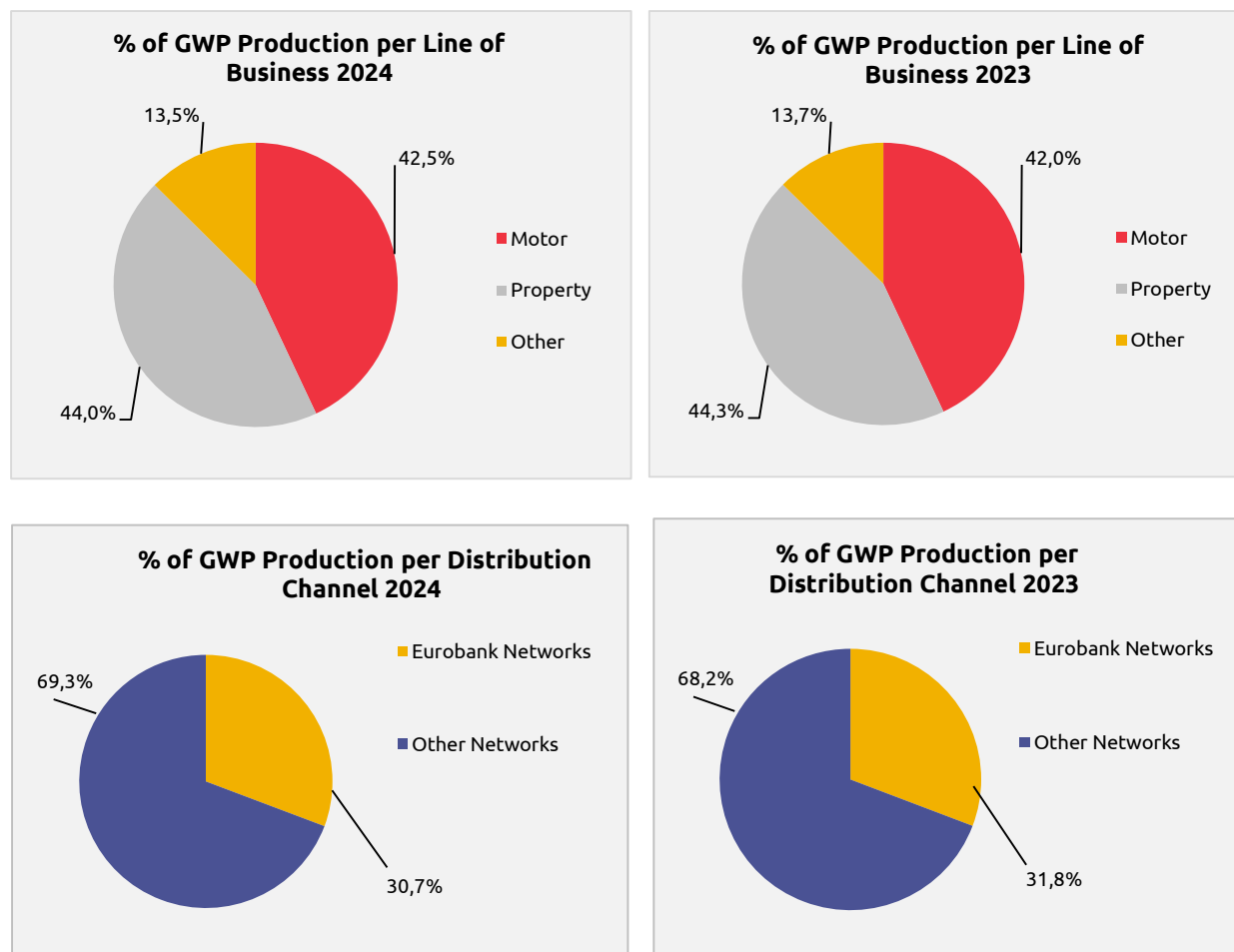
For the year 2024, the Company reported gross written premiums of € 90,6 million, presenting a 13,2% increase over the €80,0 million recorded in 2023. This growth reflects positive performance across all insurance sectors.

Specifically, the insurance premium production of the real estate sector recorded an increase of € 4,4 million (increase 12,3% compared to 2023), the insurance premium production of the motor sector increased by € 4,9 million (increase 14,7% compared to 2023), while the premium production of the other sectors rose by € 1,3 million (increase 11,5% compared to 2023).

In terms of market shares, the Company gathered 3,1%<sup>1</sup> of the total market in 2024 (2023: 3,7%<sup>1</sup>).

The following charts present the gross written premium production per line of business and per distribution channel for the years 2024 and 2023, respectively.

<sup>1</sup> Based on the production of insurance premiums published by the Association of Insurance Companies of Greece which includes data only for insurance companies that are members of it. (<http://www1.eaee.gr/paragogi-asfalistron>).



#### Analysis of insurance service result by insurance sector

(amounts in € thousand)

	From 01/01 to 31/12/2024				From 01/01 to 31/12/2023			
	Motor	Real estate	Other	Total	Motor	Real estate	Other	Total
Insurance revenue	36.606	37.393	12.386	<b>86.384</b>	31.846	33.924	10.088	<b>75.858</b>
Insurance Service Expenses	(35.170)	(16.214)	(6.667)	<b>(58.052)</b>	(31.623)	(32.254)	(5.233)	<b>(69.110)</b>
Insurance Service Result from insurance contracts issued	1.435	21.178	5.718	<b>28.332</b>	222	1.670	4.855	<b>6.748</b>
Net expense from reinsurance contracts held	(3.638)	(15.940)	(3.094)	<b>(22.672)</b>	(3.347)	(6.616)	(3.885)	<b>(13.848)</b>
<b>Insurance Service Result</b>	<b>(2.203)</b>	<b>5.238</b>	<b>2.624</b>	<b>5.660</b>	<b>(3.125)</b>	<b>(4.946)</b>	<b>970</b>	<b>(7.101)</b>

The Company's insurance service result amounted to profits of € 5,7 million in 2024 (2023: losses of € 7,1 million), returned to pre-2023 levels.



**Net investment income**

The Company's net investment income amounted to € 8,5 million in 2024 compared to € 16,2 million in the previous year. This change is primarily attributed to lower valuation gains on financial assets in 2024 compared to 2023.

The following tables present the analysis of total investment income by category of financial assets in the fiscal year 2024 and 2023 respectively:

**From 01/01 to 31/12/2024**

(amounts in € thousand)

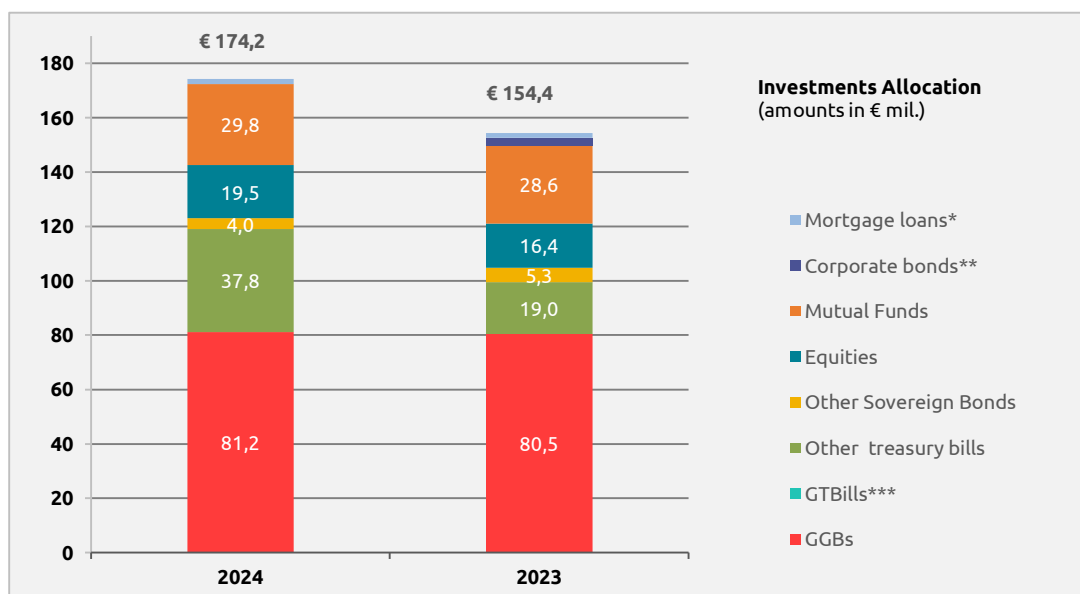
	Investment Income	Realized losses	Fair value gains / (losses)	Change in credit impairment	Total
Bonds	3.885	-	(1.842)	-	2.043
Equities	785	-	3.154	-	3.939
Mutual Funds	842	(47)	1.303	-	2.098
Loans	107	-	-	-	107
Deposits	194	-	-	-	194
Other	107	-	-	-	107
<b>Net Investment Income/(expense)</b>	<b>5.920</b>	<b>(47)</b>	<b>2.616</b>	<b>-</b>	<b>8.488</b>

**From 01/01 to 31/12/2023**

(amounts in € thousand)

	Investment Income	Realized gains	Fair value gains	Change in credit impairment	Total
Bonds	3.699	400	1.935	-	6.034
Equities	325	-	5.788	-	6.114
Mutual Funds	-	-	3.741	-	3.741
Loans	96	-	-	(1)	95
Deposits	101	-	-	-	101
Other	122	-	-	-	122
<b>Net Investment Income/(expense)</b>	<b>4.343</b>	<b>400</b>	<b>11.464</b>	<b>(1)</b>	<b>16.207</b>

The composition of the Company's investment portfolios per financial asset class at 31 December 2024 and 31 December 2023 is as follows:



\* Mortgage loans: 2024: € 1,8 million (2023: € 1,8 million)

\*\* Corporate Bonds 2024: € 0,0 million. (2023: € 2,9 million)

\*\*\* Greek Government Treasury Bills: € 0,0 million (2023: € 0,0 million)

## Financial Results

The Company reported profits before tax of € 9,3 million for 2024, a 117,1% increase compared to the € 4,3 million reported in 2023. This significant growth is primarily driven by increased profitability from insurance contracts underwritten during the year.

## Share Capital- Equity- Main Shareholders

The Company is a subsidiary of Eurolife FFH Insurance Group Holdings SA, which holds 100% of its share capital.

Based on the decision of the Company's extraordinary Shareholders' General Meeting dated at 22 December 2023, the share capital increased by € 10.000 thousand by contribution in cash covered by Eurolife FFH Insurance Group Holdings SA and the issuance of 162.522 new ordinary shares with a nominal value of € 61,53 each. The share capital of the Company amounts to € 13.064 thousand.

Following a decision by the Company's Extraordinary Shareholders' General Meeting s on 18 November 2024, the Company's share capital increased by €5.000 thousand through a cash contribution from Eurolife FFH Insurance Group Holdings S.A. This resulted in the issuance of 81.261 new common shares, with a nominal value of € 61,53 each.

As of 31 December 2024, the Company's share capital amounts to € 18.064, divided into 293.583 common shares with voting rights, with a nominal value of € 61,53 each. All common shares have been issued and the share capital is fully paid.

Eurolife FFH Insurance Group Holdings SA is a subsidiary of Costa Luxembourg Holding S.a r.l. ("Costa"), which holds 80% of its share capital. Costa is domiciled in Luxembourg (1 Jean Piret, L-2350 Luxembourg) and is fully controlled by Colonnade Finance S.à.r.l.. Colonnade Finance S.à r.l. is also domiciled in Luxembourg and is member of the Fairfax Financial Holding Limited Group ("Fairfax group "). Fairfax Financial Holding Limited, based in Ontario, Canada, is the ultimate parent company of the Fairfax group and indirectly holds a 80% share in the Company. Eurobank SA ("Eurobank") holds the remaining 20% of the Company's share capital and is considered related party.

The Company's Equity on 31 December 2024 amounted to € 107,2 million, compared to € 95,5 million on 31 December 2023.

## Dividend Distribution

Dividends are recognized when the decision for their distribution is approved by the Shareholder's General Meeting.

The Annual Shareholders' General Meeting of the Company decided no distribution of dividends for the financial years ended 31 December 2024 and 31 December 2023.

## Subsidiaries

During 2024 the Romanian subsidiary, Eurolife FFH Asigurari Generale S.A., which commenced operations in September 2007, recorded premium income of € 8,9 million versus € 8,3 million in 2023. For the year 2024, the loss before tax amounted to € 453 thousand (2023: losses € (869) thousand), while the losses for the year amounted to € 388 thousand (2023: losses € 738 thousand).

Based on the decision of the Extraordinary Shareholders' General Meeting of the subsidiary Eurolife FFH Asigurari Generale S.A., dated 8 April 2024 the subsidiary proceeded with an increase of share capital by € 999 thousand (RON 4.967 thousand) by issuing 3.514 new shares at a nominal value of € 285 (RON 1.413,6) each covered by its shareholders, Eurolife FFH General Insurance S.A. (with a percentage of 95,3%) and Eurolife FFH Life Insurance S.A. (with a percentage of 4,7%).

Following the increase, the subsidiary's Eurolife FFH Asigurari Generale S.A. share capital amounts to € 7.779 thousand (RON 32.141 thousand).

## Management of insurance and financial risks

### Risk Management Framework

The Company's effective risk management framework is considered as a key factor for risk limitation and protection for both policyholders and shareholders. The practices and methodologies applied enhance the framework and contribute to the adoption of the supervisory authorities' requirements.

The risk management framework is assessed and is updated when required, taking into consideration the experience of the Company, the market dynamics and its harmonization with the regulatory requirements. In this context, a Risk, Asset- Liability & Investment Management Committee has been established overseeing all risk management activity of the Company's insurance subsidiaries in close cooperation with the Risk Management General Division.

The Risk Management system includes the governance strategy that determines the risk taking as well as the risk management framework supported by the methodology and the risk identification, measurement, monitoring, controlling and reporting. The risk management framework is applied by all the organizational units of the Company which fall into the 1st line of defense, the Risk Management Function, the Actuarial Function and the Function of Regulatory Compliance which fall into the 2nd line of defense as well as the Internal Audit Function which falls into the 3rd line of defense.

The Company, due to the nature of its operations, is exposed mostly to the following types of risks: underwriting & reserving (insurance) risk, market risk, credit risk, liquidity risk, operational risk, concentration risk, strategic risk and reputational risk.

#### A. Insurance risk

Insurance risk is the risk inherent in every insurance policy and relates to the probability of the occurrence of the insured event, as well as the uncertainty regarding the amount of the resulting claim. Insurance risk arises from the Company's portfolio, which consists of protection and savings products (both individual and group contracts).

The main insurance risks to which the Company is exposed are:

**Insurance risk and technical provisions:** This reflects the risk of loss or adverse change in the value of insurance liabilities arising from fluctuations in the timing, frequency, and severity of insured events, as well as the timing and amount of claims settlement.

**Catastrophic risk:** This represents the risk of loss or adverse change in the value of insurance liabilities stemming from significant uncertainty in pricing and reserving assumptions due to extreme or exceptional events. Such events have a low probability of occurrence but high severity upon impact (such as natural disasters), resulting in a significant deviation between actual and expected claims payments.

**Cancellation risk:** This assesses the risk of damage or adverse changes in the value of insurance liabilities arising from changes in the level or volatility of policy cancellation rates.

#### Insurance risks management:

In **motor insurance**, the risk undertaking process and the pricing are crucial mechanisms for risk management. Pricing is based on the use of multivariate models aimed at more accurately assessing the risk and appropriately matching it with the premium for each policyholder. The premium is calculated to cover both the damages and expenses that may arise from the Company's portfolio. Additionally, the reinsurance agreements in place include excess-of-loss contracts, with a maximum risk retention limit for the Company, particularly concerning third-party liability in motor insurance programs per event and secondly the own motor claims of large amount

In **real estate insurance** for the estimation of frequency and severity of claims, the Company regularly monitors its portfolio per package. Appropriate risk undertaking procedures are in place, taking into consideration criteria such as nature and quality of risk, fire and theft protection measures, geographical location, earthquake accumulation, building construction type and construction year, deductibles, sub-limits for certain categories of covers and loss history.

Management of insurance risks also includes the establishment of a maximum level of risk accumulation and of a maximum level of loss per risk or event. Any excess amounts are, in both cases, subject to reinsurance cessions through reinsurance treaties or facultative cessions.

The Company maintains reinsurance agreements with creditworthy reinsurers, in order to mitigate catastrophic risks as well as individual risks. The majority of the general insurance contracts covering the largest portion of the Company's portfolio are on an excess of loss ("XoL") basis. The Company focuses on modifying both the capacity and its retention by re-evaluating the relevant portfolios each year. There is further protection via proportional reinsurance treaties. There are also instances of mid-term re-evaluation in the event of a significant change to the Company's portfolio, followed up with changes if and when deemed necessary.

Moreover, claims' management is also a significant process related to underwriting risks. The estimated cost of claims also includes administration costs. The Company has established adequate claims' management procedures in order to cover the overall cycle of claims: announcement, receipt, assessment, processing and settlement, complaints and dispute settlement and reinsurance recoverable.

Finally, the pricing of the plans and the verification of the adequacy of the reinsurance contracts have the agreement of the actuaries.

**B. Market risk**

Market (investment) risk is the risk of loss or adverse change in the financial situation of an entity resulting, directly or indirectly, from fluctuations in the level and volatility of market prices of assets and liabilities.

The key market risks the Company is exposed to, are set out below:

**Interest rate risk:** is the risk related to the change in fluctuation of interest rates, which affect both the assets and the liabilities.

**Currency risk:** is the risk related to fluctuation of currencies which affect the assets and the liabilities of the Company.

**Equity risk:** The Company, holding positions in stocks and equity mutual funds, is exposed to equity risk arising from fluctuations in their prices.

**Market risk concentration:** The Company is exposed to this risk through its positions in individual issuers, such as term deposits, bonds, stocks, etc.

**Credit spread risk:** This is the risk arising from changes in the level or volatility of credit spreads and may affect the value of assets. The Company is exposed to this category through placements in time deposits and bonds-loans.

Market risk management

The Company continuously monitors market risk on an ongoing basis, by measures defined in the individual risk management policies at entity level. To this extent, the Company:

- Has established and follows an Investment Strategy and an Investment Risk Management Policy, on which the Company's investment activity is based,
- Monitors the exposure of investment portfolio in each sub category of market risk and limits have been set.

To monitor and measure market risks, the Company uses the above risk limits, applies the Value at Risk (VaR) methodology, monitors asset portfolio's valuations on an ongoing basis and carries out simulations in order to calculate potential losses in the event of abnormal market conditions or sensitivity analyses on a regular basis, depending on the existing portfolio structure, strategy and market conditions.

**C. Credit Risk**

Credit risk arises from the possibility of a counterparty causing financial loss due to failure to meet its financial obligations as a result of its deteriorating financial condition. The Company is exposed to credit risk arising principally from: debt securities-loans, reinsurance claims, insurance premiums and cash and cash equivalents.

In debt securities-loans, credit risk is related to the inability of the issuer to meet its obligation to settle the face value and coupons of the bond upon maturity.

Regarding credit risk related with reinsurers, credit risk refers to the inability of the reinsurer to meet its financial obligation. The Company has placed several types of reinsurance arrangements, with various reinsurers, and as result is exposed to credit risk. While these agreements mitigate insurance risk, the receivables from reinsurers expose the Company to credit risk.

Credit risk from insurance receivables refers to the inability of an intermediary/agent to remit the premiums collected from the client to the Company.

Finally, the Company is exposed to credit risk through its positions in cash and cash equivalents.

Credit risk management

As a measure of assessing credit risk, the credit rating of each counterparty (issuer of debt securities and reinsurer) is used, as provided by certified rating agencies, without the Company conducting its own assessment.

The reinsurance contracts are reviewed at regular intervals to ensure that the level of coverage is adequate and that these contracts are supported by solvent reinsurers. In this context, strict principles have been established for the selection of reinsurers.

The Company implements policies and standards for the management and monitoring of credit risk by intermediaries with emphasis on the daily monitoring of the largest balances in combination with the established limits.

**D. Liquidity risk**

Liquidity risk may arise from the Company's inability to liquidate investments and other assets in order to meet its financial obligations when they become due.

Factors such as a financial crisis, energy crisis due to the pandemic or the war, could potentially influence the policyholders' behavior. In such cases customers may proceed to redeem their contracts resulting in significant cash outflows for the Company. In order to address the above issues, the Company retains adequate liquid assets and reinsurance treaties covering catastrophic risks. The Company's liquidity position is closely monitored on an ongoing basis.

Liquidity risk management

In order for the Company to effectively manage liquidity risk, it has established, recorded and follows a set of documents consisting of the Liquidity Management Policy and a specific implementation directive.

Specific principles govern these documents and ensure the effective management which is mainly achieved by holding sufficient cash and cash equivalents as well as highly marketable financial assets that can easily be liquidated to meet operational needs. In addition, the time mismatch of cash inflows and outflows is monitored both in terms of assets and liabilities.

**E. Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events. It is inherent in every function and business activity of the Company. An effective system towards management of operational risk is required in order to identify, assess and quantify exposures, identify manifestations of operational risk events, determine tolerance limits and, where necessary, reduce the exposure to acceptable levels.

The Company, considering the nature, scale and complexity of its activities has established a Comprehensive Operational Risk Framework of principles and procedures, allowing for the effective identification, assessment, management, monitoring and reporting of operational risks (to which it is or may be exposed to). The aforementioned framework is integrated into decision-making processes and corporate culture, raising awareness of operational risk. It's implemented alongside a continuous program to strengthen operational risk ownership across all staff.

The Company's Operational Risk Management Framework includes methodologies related to: Risk Control Self-Assessment, scenario assessment, business environment assessment, FRA risk exposure assessment (FRA), evaluation of outsourcing relations (ORA), in the assessment of cloud computing service providers, in the conduct risk assessment of business practices (conduct risk assessment), the assessment of the business environment, the monitoring of Key Risk Indicators (KRIs) and in the management of operational risk events (operational losses) and is described in the corresponding documents, methodologies, policies and / or procedures.

The Company's strategy, regarding the management of operational risk, includes:

- Establishment of the Operational Risk Framework and definition of roles, duties and responsibilities of management and personnel.
- Performance of the following activities:
  - ✓ Risk & control self-assessment (RCSA), materiality assessment of outsourced functions or activities, cloud services & providers' risk assessment, Outsourcing Relationship Assessment (ORA), Business Environment Assessment, Business Practice Risk Assessment and Fraud Risk Assessment (FRA)
  - ✓ Record keeping of internal operational losses in combination with relevant events' causal analysis as well as analysis of external operational risk events
  - ✓ Establishment and monitoring of Key Risk Indicators (KRIs)
  - ✓ Introduction and documentation of operational risk management methodologies, policies and processes
  - ✓ Development and analysis of an appropriate set of scenarios which examine the potential exposure to operational risk,
  - ✓ Identification, evaluation and reduction (when necessary) of risks when creating new products, processes and / or systems,
  - ✓ Establishment and annual testing of a business continuity plan
  - ✓ Enhancement of operational risk awareness within the Company
  - ✓ Formulation of the Agency's operational risk profile (including the identification and summary description of the 10 most important operational risks)
  - ✓ Submitting reports to inform the Board of Directors (via RALIMCo & the Audit Committee).

### Capital Adequacy

The Company's capital management strategy prioritizes two key objectives. First, it ensures the Company maintains adequate capitalization continuously, complying with the Solvency II regulatory framework. Second, within this framework, it seeks to maximize shareholder returns while remaining within the Company's established risk tolerance and risk undertaking parameters.

The calculations of the Solvency Capital Requirement (SCR), the Minimum Capital Requirement (MCR) as well as the eligible own funds of the Company are being performed on a quarterly basis and results are submitted to the Supervisor Authority, as required by the regulatory framework. In addition, the capital adequacy (SCR ratio) is evaluated on a daily basis, using estimates on the eligible equity and SCR, taking into account market data and assets and liabilities portfolio data. The main objective is to ensure timely information and action of the Management whenever necessary.

Additionally, the Company performs simulation exercises or sensitivity analysis with scenarios that reflect the negative impact of unexpected changes both on the macroeconomic environment and on the Company itself, in order to assess the resilience of the future status of its available funds.

It is noted that as of 31 December 2024 and 31 December 2023, the Company's eligible own funds exceeded the Solvency Capital Requirement (SCR).

### Labor issues

The Company's workforce is a critical asset driving its success and growth. Employee headcount stood at 164 as of 31 December 2024 (2023: 161). The demographic composition of the workforce, reflecting a balanced gender distribution with women comprising 59,1% (2023: 56,4%) of the total, underscores the Company's commitment to equal opportunities.

The Company is committed to provide equal opportunities for employment and complying with the related legislation on employment opportunities. Ours commitment was also certified in November 2021 by the signing of the Diversity Charter, the European Commission's initiative to promote diversity in business. Additionally, we recognize as an important priority the training of our employees in matters of diversity management, as well as the implementation of policies and practices to promote it. The Company is committed to implementing equality of opportunity and diversity within the Company, ensuring equal treatment of its human resources, regardless of gender, race, color, national or ethnic origin, genetic background, religious or other beliefs, disability or chronic illness, age, marital or social status, sexual orientation, identity or gender characteristics. Our goal is to build a work environment every day that emphasizes talent and equal opportunity, without discrimination.

Training and professional competence of our people is an important pillar for the Company. Specifically, the skills, know-how and technical specialization of the employees are evaluated and explored in order to contribute to the success and differentiation of the Company against its peers. Through development schemes that are linked to the Company's strategy and the individual goals of each employee, the skills and the career development of the personnel are enhanced. Performance evaluation is performed through a modern tool that ensures the meritocracy, transparency and objectivity of the process.

Considering market competitiveness and trends, the Company regularly reviews its compensation and benefits framework to attract, retain, and motivate its workforce. Key principles underpinning this framework—ensuring alignment between employee goals and the Company's strategy, and fostering long-term value creation for shareholders—include: providing competitive compensation to attract and retain qualified personnel; maintaining internal equity across organizational units; mitigating excessive risk-taking; and linking compensation to a long-term assessment of performance achievements.

Health and safety are one of the highest priorities of the Company in order to make work safe, improve the quality of employees' working life and prevent related risks. The Company, for another year, continued to take all measures necessary for the prevention and protection of health and safety, by supervising their proper implementation, working conditions and compliance with the rules through an organized risk management framework. Employees' health and safety are part of corporate culture and ensured in all aspects of working life.

### Social issues

The Company holds a leading position in the Greek insurance market and its mission is to support every person to live the life they want, by offering insurance products and services that meet all contemporary needs.

Recognizing its role and contribution to Greek society, the Company is committed to returning a portion of its annual profits to the community. To this end, it implements a corporate social responsibility program, designing and executing initiatives that demonstrate its commitment to supporting individual growth and progress, and giving back to society.

The Corporate Social Responsibility Program is designed and operates with the intention to address issues that concern Greek citizens and society nowadays, as well as their hopes for a better and more optimistic future. In this context, it considers, plans and implements actions for:

- A. The quality of Greek citizens' life and its upgrade.
- B. The promotion of Greek culture and education through knowledge and learning initiatives.
- C. The reinforcement of new innovative ideas that help Greek entrepreneurship evolve by creating more options and greater optimism about the future.

Through this program, the Company aims to provide tangible benefits to society and individuals, encouraging them to strive for and achieve more each day and empowering them to pursue a richer life. To implement the program, the Company systematically collaborates with organizations operating within the country, supporting their work and jointly developing programs and activities.

The corporate social responsibility program's initiatives benefit a large number of individuals across various age groups and regions. Specifically, these initiatives focus on supporting people in remote, border, and island areas; members of vulnerable social groups; children, adults, and families (with tailored actions for each group); and providing financial support to social and educational institutions and organizations.

#### **A) For quality of life and its improvement**

This pillar implements actions aimed at giving more optimism and improving the quality of people's lives. The Company collaborates with key organizations to jointly implement actions that respond to significant problems and difficulties that specific groups of people face today. These actions are designed and implemented with the ultimate goal of real and meaningful impact on the beneficiaries to whom they are intended.

#### **B) Promotion of the Greek culture and education**

This pillar is supported by actions to promote Greek culture as well as to help even more people get in touch with the national inheritance. The ultimate objective of the actions is to give the opportunity to as many people as possible to benefit from art and education - with a focus on residents of remote border and island regions that do not have easy access to educational and cultural initiatives. The Company has given particular emphasis on this pillar, as its main priority is to support equal opportunities for both children and adults in learning and cultural activities. For this reason, the actions carried out are not limited to major urban centers of the country, but extended to various cities and regions of Greece.

#### **C) For entrepreneurship and equal opportunities in business**

Through this action pillar, the Company aims to support the work of organizations that promote new and innovative entrepreneurship ideas and initiatives. Believing in people's capabilities and abilities, it aims to develop partnerships that give people the opportunity to implement their business ideas and / or develop specific professional skills.

#### **Corporate Social Responsibility Actions for 2024**

As part of its corporate social responsibility program, the Company participated in the following activities in 2024:

##### **Supporting projects and activities aiming on improving and upgrading people's quality of life:**

- The Company supported HOPEgenesis in providing medical services, examinations, and check-ups to pregnant women and women wishing to conceive in remote areas lacking ready access to maternity hospitals and healthcare centers. This support ensures these women receive monitoring by specialized medical personnel, as well as counseling and psychological support during pregnancy and childbirth. In 2024, the Company added two more areas to the program, bringing the total number of "adopted" areas to twelve: Patmos, Agrafta, Kasos, Kastellorizo, Lipsoi, Tilos, Chalki, Nisyros, Anafi, Ano Koufonisi, Sikinos, and Oinousses.
- Construction of a kindergarten in Chalki providing children with a dedicated space for creative engagement and skill development. This represents the fifth kindergarten inaugurated by the Company (the first on Patmos in 2020, the second in Palaiokatouna, Agrafta in 2021, the third on Lipsoi in 2022, and the fourth on Kastellorizo in 2023). The Company is committed to constructing a kindergarten in each of the twelve aforementioned "adopted" areas, with work progressing on the remaining seven.

- For the third consecutive time, support, as "Founding Sponsor" of the Economist's conference on low birth rate, the premier meeting organized every two years, where developments on the demographic issue are presented by prominent speakers from Greece and abroad.
- Support of the organizations «Together for Children» through its sponsorship of the 3rd Children's Festival «Together... in the Game!», with the aim of highlighting the value of games as a key factor in children's development and socialisation.
- Signing of the Charter of Diversity, which it undertakes to implement equal opportunities and diversity within it, ensuring equal treatment of its human resources, regardless of gender, race, color, ethnic or national origin, genealogical, religion or other beliefs, disability or chronic illness, age, marital or social status, sexual orientation, identity or gender characteristics.
- Support for the 2nd consecutive year of Solidarity Now's Project MAMA in Thessaloniki, which was addressed to new and expectant mothers from vulnerable social groups, and their partners, who wanted to be informed and empowered on issues related to the care of the mother, the young child and the whole family.
- The Company continued the use of the Green Carpet of Thomas Cook India and LTIMindtree - a platform harmonized with global ESG reporting standards - for the monitoring and management of emissions resulting from the business trips of its executives.

**Reinforcement of activities to promote culture and education, such as:**

- Sponsorship of the annual artistic programme of the Greek National Opera, and exclusive sponsorship of the 2nd Festival of Religious Music, which was implemented by the Greek National Opera, with the cooperation of the Ministry of Culture and Sports, and was a cultural event of great scope, with over 50 concerts in churches, museums, archaeological and concert venues and with free admission for the public.
- Strategic Cooperation and support of all activities of the Museum of Cycladic Art, which include:
  - ✓ The annual Children's Painting Competition implemented by the Museum, where children from all over Greece can participate,
  - ✓ The 2<sup>nd</sup> «Cycladic Kids Festival», a multi-thematic arts festival accessible to all children, in the context of which the exhibition of the Children's Drawing Competition took place,
  - ✓ The Weekend Workshops, series of educational activities for children and parents carried the Museum's instructors,
  - ✓ The creation of Family kits, special museum tour kits for families
  - ✓ The weekly workshops for people with disabilities, guided tours in sign language, activities for people with blindness with the mobile tactile display case implemented in the framework of the program "In Contact" that was also presented with the support of the Company in 2022,
  - ✓ Transportation to and from the Museum for vulnerable groups (people with disabilities, refugees, etc.)
  - ✓ The Support of school visits to the Museum's permanent collections,
  - ✓ Educational activities for Young Friends & urban culture events, with exclusive activities and collaborations with cultural institutions,
  - ✓ Curated events for Patrons & Donors,
  - ✓ The Young Patrons Cultural Weekend in Ios, a three-day cultural program that includes a visit to archaeological sites etc.,
  - ✓ Cycladic walks for all, an action with walks – one-day excursions inside and outside Attica to archaeological and cultural sites.
- Donation to the Cyber Security International Institute for the organization of the educational activity "Digital Academies", through which children, adults and families are informed online about internet security issues, cyber bullying, grooming, phishing, game development and robotics.
- Support for the 2nd consecutive year for the European Cultural Centre of Delphi and its activities, with emphasis on the "Delphic Dialogues", an ambitious program in which eminent thinkers and scientists of global scope discuss current issues and problems that humanity will be called to face in the near future.



**Organizing activities to support entrepreneurship, such as:**

- Donation to the Stemnitsa School of Silversmithing, through the Bodossaki Foundation, to support the students' curriculum and the newly created specialty "Mountain Guide", and by extension the local community of Stemnitsa.

**Support of various other activities such as:**

- Financial support to the «Ben Graham Center».
- Membership to the Road Safety Institute "Panos Mylonas".
- Donation to the Historical Archives – Museum of Hydra, the Jewish Museum of Greece, at the Athens Olympic Museum, in AMKE «Mporoume», in the Union Financial Planners of Greece and at the Handicraft and Industrial Educational Museum, for the implementation of their project and activities.
- Sponsorship of insurance policies to Ithaca, IOAS, Unesco, the Olympic Museum of Athens, Ark of the World, Agioi Anargyroi Boarding School, Association for the Support of Disabled in Kozani, and Mr. Kremastiotis, Berdos, Kosoglou, and Athanasopoulos.

**External Auditors**

The Board of Directors, after taking into consideration the appointment of external auditors for 2025, will propose an audit firm in the upcoming Annual General Assembly Meeting. The General Assembly Meeting will decide on the selection of the Audit Firm and its fee.

**Other information**

**Environmental issues:** Due to the nature of its operations, the Company does not address environmental issues, given that it does not consume large amounts of natural resources, compared to the companies in other industries.

**Branches:** The Company does not have branches.

**Equity shares:** The Company does not hold own equity shares.

**Prospects of the Greek economy for 2025: Positive dynamics, concerns and uncertainties**

The prospects for the Greek economy in 2025 appear favorable, with projected growth surpassing the euro area average. According to the Bank of Greece, the country's GDP growth rate is expected to reach 2,2% in 2025, before moderating slightly to 2,1 % in 2026 and 2,0% in 2027.

At the same time, the Organization for Economic Co-operation and Development (OECD) forecasts an annual growth rate of over 2% for the Greek economy over the next two years, supported by continued inflows of European funds.

One of the main drivers of this growth is the Recovery and Resilience Facility, which is expected to inject approximately €30 billion into the Greek economy—an amount equivalent to around 16% of GDP. These funds will be allocated to infrastructure projects, digital transformation, and the green transition, thereby boosting investments, which are projected to reach € 20 billion.

However, concerns and uncertainties remain that could affect the country's economic outlook. The investment gap (the deviation in total investments, expressed as a percentage of GDP, between Greece and the average in the 20 Eurozone countries) and low productivity continue remain challenges for the Greek economy. Despite a reduction in the investment gap from ~11% in 2019 to ~6% in 2023, Greece must maintain its efforts to further converge with the European average. In addition, the management of public debt—which remains among the highest in the EU—continues to be a persistent challenge for the country.

External factors, such as geopolitical tensions, political instability in major European countries, and the effects of global trade policy, including the continuance of the war in Ukraine and, developments in the Middle East as well as the policies of the new US government, may also have a negative impact on the Greek economy in the coming years. Furthermore, the persistence of inflationary pressures represents an additional source of uncertainty that could affect economic stability. Overall, while the outlook for 2025 is encouraging, Greece must effectively address the aforementioned challenges in order to ensure sustainable and robust economic growth.

Recognizing the challenges of the times, the Company continues to rank organic, profitable growth and digital transformation at the forefront of its strategic priorities. To this end, it systematically invests in new technologies and strategic partnerships, with top priorities including the upgrading of infrastructure, the adoption of international best practices, and the integration of modern technologies into its operations.

A key factor in achieving all of the Company's strategic choices and priorities is its human capital. People are regarded as the Company's most valuable asset, fully recognized as its driving force. The goal is to staff the organization with the most capable and effective professionals, in order to build a strong competitive advantage.

At the same time, policies are implemented to strengthen employee engagement, facilitate communication, and promote teamwork, as well as the development, training, and evaluation of human capital. All activities related to human resource management continue decisively to the achievement of the Company's objectives and to the acquisition and maintenance of a competitive advantage.

#### Events after the reporting date

In the first quarter of 2025, the USA announced and implemented a series of tariff measures initially against Canada, Mexico, and China, and subsequently against steel and aluminum exports from the EU. As expected, all these economies responded with corresponding countermeasures. The US tariff burdens did not have a significant impact on the activity, capital position, and valuations of the Company's investment portfolios, as the initial sharp fluctuations triggered in the stock markets by the related announcement have subsided. Although financial conditions have improved, they remain vulnerable to negative developments that could impair global economic prospects. Management closely monitors developments and periodically assesses the potential impacts on the Company's operations and financial position.

There are no other significant subsequent events that need to be reported.

#### The Board of Directors

Alexandros Sarrigeorgiou	Chairman and CEO, Executive Member
Konstantinos Vasileiou	Vice-Chairman, Non-Executive Member
Angelos Androulidakis	Independent, Non-Executive Member
Alberto Lotti	Independent, Non-Executive Member
Wade Sebastian Burton	Non-Executive Member
Ioannis Serafimidis	Non-Executive Member
Theodoros Kalantonis	Non-Executive Member
Nikolaos Delendas	Executive Member
Amalia Mofori	Executive Member
Vassilios Nikiforakis	Executive Member

Athens, 17 June 2025

Chairman of the B.O.D and CEO

Member of the B.O.D. and General Manager of Finance,  
Strategic Planning & MIS

Alexandros Sarrigeorgiou

Vassileios Nikiforakis

## **Independent Auditors' Report (Translated from the original in Greek)**

To the Shareholders of Eurolife FFH General Insurance Single Member SA

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the Financial Statements of Eurolife FFH General Insurance Single Member SA (the "Company"), which comprise the Statement of Financial Position Balance Sheet as at 31 December 2024, the Income Statement, Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of Eurolife FFH General Insurance Single Member SA as at 31 December 2024 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA), as incorporated in Greek legislation. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants, as incorporated in Greek legislation, and with the ethical requirements that are relevant to the audit of the financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the requirements of the applicable legislation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 and the relevant significant assessed risks of material misstatement were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Measurement of liabilities for incurred claims and benefits (LIC- outstanding claims) from insurance contracts measured under the Purchase Allocation Approach (PAA)**

Reference to notes 2.13, 3.1, 4.2 and 18 of the Financial Statements. The insurance liabilities for incurred claims and benefits (LIC) as of 31 December 2024 for Non Life amounted to EUR 84mln.

Key Audit Matter	How the matter is approached during our audit
<p>The liabilities for incurred claims and benefits (LIC- outstanding claims) from insurance contracts measured under the Purchase Allocation Approach (PAA) concern estimates of future cash flows for outstanding claims which will derive from Non Life segment.</p> <p>The assessment of the above noted insurance liabilities contains high level of subjectivity, especially in relation to estimation of the ultimate cost for body injuries and legal cases of the motor third party liability sector.</p> <p>In addition, the estimation of the future cash flows requires the use of appropriate actuarial models and calculations that include subjective assumptions, such as discount rates and the future inflation, claims payment patterns as well as the effect of changes in legislation.</p> <p>Given the importance of the aforementioned liabilities amount, the related disclosures and the level of judgment required, we consider that liabilities for incurred claims and benefits (LIC- outstanding claims) from insurance contracts measured under the Purchase Allocation Approach (PAA) to be one of the key audit matters.</p>	<p>Our audit approach regarding this issue includes the examination of the design and implementation of internal controls of the liabilities for incurred claims and benefits (LIC- outstanding claims) from insurance contracts measured under the Purchase Allocation Approach (PAA), as well as the substantive audit procedures analyzed below:</p> <ul style="list-style-type: none"> <li>• Our audit in internal control procedures were focused on control procedures that concern, the methodology and authorizations for the provisioning of outstanding claims reserves from the loss adjusters.</li> <li>• Assessment of the outstanding claim provision for significant legal claims in relation to the relevant policies of the Company and the lawyers letters on a sample basis.</li> </ul> <p>With the involvement of our actuarial experts and specialists we performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Examination of the actuarial reports regarding the reasonableness of assumptions and appropriateness of methodologies used based on International Actuarial practices and internal guidelines and policies of the Company.</li> <li>• Independent recalculation of the estimate liability of the final cost of claims for significant lines of business and comparison of results with the calculation of the Company.</li> <li>• Comparison of underlying components and data that are included in the cash flow models with the analytical data of the relevant outstanding claims registers.</li> <li>• Analysis and comments on the main and not expected changes and fluctuations, as well as important changes in assumptions and methodologies used in the current valuation compared to previous year.</li> </ul>

	Finally we assessed the adequacy and appropriateness of the disclosures in the relevant note of the Financial Statements.
<b>Valuation of the investment assets at fair value classified at Level 3</b>	
Reference to notes 3.3, 4.6 and 11 of the Financial Statements. The Financial assets at fair value classified at Level 3, include investments through profit and loss valued with valuation techniques using unobservable inputs as of 31 December 2024 total amount EUR 17mIn.	
<b>Key Audit Matter</b>	<b>How the matter is approached during our audit</b>
<p>The Financial assets valued with valuation techniques using unobservable inputs.</p> <p>The fair value of the Financial assets classified at Level 3 is calculated based on valuation techniques that include management judgment, assumptions, estimates and valuation models. Where the material prices data are unobservable, the management has not valuable market prices available for the calculation of the fair value.</p> <p>The valuation of these financial assets includes high level of subjectivity and complexity and it is determined using complicated valuation methods. The selection of the appropriate valuation methods includes subjectivity from the specialists side.</p> <p>For the investment assets valued with valuation methods using unobservable inputs, the estimate of the uncertainty is high due to the increased market volatility.</p> <p>Given the importance of the abovementioned account, the related disclosures and the complexity of the valuation of the financial assets, we consider this to be key audit matter.</p>	<p>Our audit approach regarding this issue includes the examination of the design and implementation of internal controls which concern the valuation of the financial assets classified at Level 3, as well as the substantive procedures are analysed below: With the involvement of our valuation specialists we performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Understanding of the processes relate to the valuation of the unlisted investment items.</li> <li>• Examination of the supporting documentation for the valuation as prepared by the external valuation experts of the Company.</li> <li>• Examination of the appropriateness of the models and methodologies used for the valuation of the unlisted financial items.</li> <li>• Examination of the data and parameters used in the valuation. The KPMG valuation specialists performed independent calculation of the fair value of the unlisted investment items in order to verify that the fair value is within the acceptable range.</li> </ul> <p>Finally we assessed the adequacy and appropriateness of the disclosures in the relevant note of the Financial Statements.</p>

## Other Matter

The Financial Statements of Eurolife FFH General Insurance Single Member SA for the prior year ended 31 December 2023 were audited by another audit firm for which the Certified Auditor issued an audit report on 28 June 2024 expressing an unmodified opinion.

## Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report, for which reference is made in the "Report on Other Legal and Regulatory Requirements" and the Declarations of the Members of the Board of Directors but does not include the Financial Statements and our Auditors' Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRS, as adopted by the European Union, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of the Company is responsible for overseeing the Company's financial reporting process.

## Auditors' 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 auditors' 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 which have been incorporated in Greek legislation 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, which have been incorporated in Greek legislation, we exercise professional judgment and maintain professional skepticism 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 auditors' 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 auditors' 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 those charged with governance 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.

From the matters communicated with those charged with governance, 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 auditors' 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.

## **Report on Other Legal and Regulatory Requirements**

### **1. Board of Directors' Report**

The Board of Directors is responsible for the preparation of the Board of Directors' Report. Our opinion on the financial statements does not cover the Board of Directors' Report and we do not express an audit opinion thereon. Our responsibility is to read the Board of Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work pursuant to the requirements of paragraph 1, cases aa, ab and b, of article 154C of L. 4548/2018, we note that:

- (a) In our opinion, the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of Article 150 of L. 4548/2018, and its contents correspond with the accompanying Financial Statements for the year ended 31 December 2024.
- (b) Based on the knowledge acquired during our audit, relating to Eurolife FFH General Insurance Single Member SA and its environment, we have not identified any material misstatements in the Board of Directors' Report.

## **2. Additional Report to the Audit Committee**

Our audit opinion on the Financial Statements is consistent with the Additional Report to the Audit Committee of the Company dated 17 June 2025, pursuant to the requirements of article 11 of the Regulation 537/2014 of the European Union (EU).

## **3. Provision of non-Audit Services**

We have not provided to the Company any prohibited non-audit services referred to in article 5 of Regulation (EU) 537/2014.

The permissible non-audit services that we have provided to the Company during the year ended 31 December 2024 are disclosed in Note 24 of the accompanying Financial Statements.

## **4. Appointment of Auditor**

We were appointed for the first time as Certified Auditors of the Company based on the decision of the Annual General Shareholders' Meeting dated 19 July 2024.

Athens, 24 June 2025

KPMG Certified Auditors S.A.  
AM SOEL 186

Philippos Kassos, Certified Auditor Accountant  
AM SOEL 26311



**STATEMENT OF FINANCIAL POSITION***(amounts in € thousand)*

	Notes	31/12/2024	31/12/2023
<b>ASSETS</b>			
Property, plant and equipment	5	830	155
Right of use assets	6	1.809	2.136
Investment Properties	7	675	692
Intangible assets	8	26.774	26.118
Investment in financial assets:			
Financial assets at FVTPL	11	172.382	152.595
Financial assets at amortised cost	12	1.818	1.818
Investment in subsidiary	9	7.513	6.560
Insurance contract assets	18	867	673
Reinsurance contract assets	13	11.014	14.439
Other receivables	14	2.441	2.833
Income tax receivable		1.215	1.151
Cash and cash equivalents	15	8.132	12.564
<b>Total Assets</b>		<b>235.471</b>	<b>221.734</b>
<b>EQUITY</b>			
Share capital	16	18.064	13.064
Reserves and prior years' retained earnings	17	82.407	79.418
Profit for the year		6.754	3.035
<b>Total Equity</b>		<b>107.226</b>	<b>95.517</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	18	106.311	108.092
Reinsurance contract liabilities	13	3.029	2.667
Employee benefits	19	427	366
Deferred tax liabilities	10	6.325	4.041
Lease liabilities	6	2.037	2.380
Provisions and other liabilities	20	10.117	8.671
<b>Total Liabilities</b>		<b>128.245</b>	<b>126.217</b>
<b>Total Equity and Liabilities</b>		<b>235.471</b>	<b>221.734</b>

Athens, 17 June 2025

CHAIRMAN & CHIEF EXECUTIVE  
OFFICERMEMBER OF THE B.O.D. AND GENERAL  
MANAGER OF FINANCE, STRATEGIC  
PLANNING & MIS

FINANCE MANAGER

DEPUTY FINANCE MANAGER

ALEXANDROS P.  
SARRIGEORGIOUVASSILEIOS N.  
NIKIFORAKISEVANGELIA D.  
TZOURALIEVANGELOS S.  
EFSTATHIOU

ID A01446375

ID AP186537

LIC. No 0099260

LIC. No 00110083

The notes on pages 30 to 92 are an integral part of these financial statements.

## INCOME STATEMENT

(amounts in € thousand)

	Notes	From 01/01 to 31/12/2024	From 01/01 to 31/12/2023
Insurance revenue		86.384	75.858
Insurance service expenses		(58.052)	(69.110)
<b>Insurance service result from insurance contracts issued</b>	<b>21</b>	<b>28.332</b>	<b>6.748</b>
Allocation of reinsurance premiums		(21.323)	(17.550)
Amounts recovered from reinsurance contracts		(1.349)	3.701
<b>Net expense from reinsurance contracts held</b>	<b>21</b>	<b>(22.672)</b>	<b>(13.848)</b>
<b>Insurance service result</b>		<b>5.660</b>	<b>(7.101)</b>
Interest and dividends	<b>22</b>	5.813	4.222
Net gains on financial assets at FVTPL	<b>22</b>	2.568	11.864
Impairment provisions for credit risk coverage	<b>22</b>	-	(1)
Other investment income	<b>22</b>	107	122
<b>Net investment income</b>		<b>8.488</b>	<b>16.207</b>
Finance expenses from insurance contracts issued	<b>23</b>	(2.459)	(2.464)
Finance income from reinsurance contracts held	<b>23</b>	234	441
<b>Net insurance finance result</b>		<b>(2.225)</b>	<b>(2.023)</b>
Other operating expenses	<b>24</b>	(2.607)	(2.793)
<b>Profit before tax</b>		<b>9.316</b>	<b>4.290</b>
Income tax expense	<b>25</b>	(2.562)	(1.255)
<b>Profit for the year</b>		<b>6.754</b>	<b>3.035</b>

Athens, 17 June 2025

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**STATEMENT OF COMPREHENSIVE INCOME***(amounts in € thousand)***Profit for the year****Other comprehensive income****Items that will not be reclassified to profit or loss in subsequent periods:**

- Remeasurement of post-employment benefit obligations, net of tax

**Other comprehensive income, net of tax****Total comprehensive income, net of tax**

Notes	From 01/01 to 31/12/2024	From 01/01 to 31/12/2023
	6.754	3.035
17	(30)	8
	<b>(30)</b>	<b>8</b>
	<b>6.724</b>	<b>3.043</b>

Athens, 17 June 2025

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**STATEMENT OF CHANGES IN EQUITY***(amounts in € thousand)***Balance at 1 January 2024**

Remeasurement of post-employment benefit obligations, net of tax

**Other comprehensive income for the year, net of tax**

Profit for the year

**Total comprehensive income for the year, net of tax**

Transfer of prior year's retained earnings to reserves

Increase of Share Capital

**Total transactions with shareholders****Balance at 31 December 2024****Balance at 1 January 2023**

Remeasurement of post-employment benefit obligations, net of tax

**Other comprehensive income for the year, net of tax**

Profit for the year

**Total comprehensive income for the year, net of tax**

Transfer of prior year's retained earnings to reserves

Increase of Share Capital

**Total transactions with shareholders****Balance at 31 December 2023**

Share capital (Note 16)	Reserves and prior years' retained earnings (Note 17)	Profit for the year	Total
<b>13.064</b>	<b>79.418</b>	<b>3.035</b>	<b>95.517</b>
-	(30)	-	(30)
-	<b>(30)</b>	-	<b>(30)</b>
-	-	6.754	<b>6.754</b>
-	<b>(30)</b>	<b>6.754</b>	<b>6.724</b>
-	3.035	(3.035)	-
5.000	(15)	-	4.985
<b>5.000</b>	<b>3.020</b>	<b>(3.035)</b>	<b>4.985</b>
<b>18.064</b>	<b>82.407</b>	<b>6.754</b>	<b>107.226</b>
<b>3.064</b>	<b>73.872</b>	<b>5.568</b>	<b>82.504</b>
-	8	-	8
-	<b>8</b>	-	<b>8</b>
-	-	3.035	<b>3.035</b>
-	<b>8</b>	<b>3.035</b>	<b>3.043</b>
-	5.567	(5.567)	-
10.000	(30)	-	9.970
<b>10.000</b>	<b>5.537</b>	<b>(5.567)</b>	<b>9.970</b>
<b>13.064</b>	<b>79.418</b>	<b>3.035</b>	<b>95.517</b>

The notes on pages 30 to 92 are an integral part of these financial statements.

## CASH FLOW STATEMENT

A FAIRFAX Company

*(amounts in € thousand)***Cash flows from operating activities****Profit for the year****9.316****4.290****Adjustments for:**

Depreciation of property, plant and equipment

**5, 6, 7, 8**

2.130

1.945

Change in other provisions

506

(514)

Non realized foreign exchange differences

**22**

817

190

Fair value gains from financial assets

**22**

(3.433)

(11.654)

Changes in insurance and reinsurance contract assets/liabilities

**13, 18**

1.812

18.880

Realized (gains)/ losses on financial assets

**22**

47

(400)

Interest income and expenses, dividends and other investment income

(3.762)

(2.376)

Bonds amortization and interest on deposits

(2.046)

(1.847)

**Changes in Operating Assets and Liabilities:**

Purchases of financial assets

**11**

(77.691)

(85.897)

Sales of financial assets

62.405

71.721

Decrease/ (increase) in other receivables

156

(355)

Increase in other liabilities

862

581

Interest received and other investment income

3.986

2.044

Income tax payment

-

(581)

**Net Cash (Outflows) from Operating Activities****(4.894)****(3.973)****Cash Flows from Investing Activities**

Purchases of property, plant and equipment and intangible assets

**5, 8**

(2.833)

(1.474)

Increase of interest in subsidiaries

**9**

(953)

-

**Net Cash (Outflows) from Investing Activities****(3.786)****(1.474)****Cash Flows from Financing Activities**

Principal repayment of lease liabilities

(737)

(691)

Share capital increase

**16**

4.985

9.970

**Net Cash Inflow/ (Outflows) from Financing Activities****4.248****9.279**

Net Increase/(decrease) in cash and cash equivalents

(4.432)

3.832

Cash and cash equivalents at the beginning of the year

**15**

12.564

8.732

**Cash and Cash Equivalents at the end of the year****15****8.132****12.564**

The notes on pages 30 to 92 are an integral part of these financial statements.

**NOTE 1: GENERAL INFORMATION**

Eurolife FFH General Insurance S.A. ("the Company") has been incorporated in Greece and is active in the insurance industry by providing services relating to motor liability and other non-life insurance.

The Company's headquarters are located in Athens, 33-35 Panepistimiou Str. & 6-10 Korai Str., P.O. 105 64, Greece, (GEMI Reg. 121637360000), tel (+30) 2109303800, [www.eurolife.gr](http://www.eurolife.gr). The Company operates both in Greece and abroad through its subsidiary in Romania under the name of Eurolife FFH Asigurari Generale S.A.

The number of employees of the Company as of 31 December 2024 amounted to 164 (2023: 161).

The composition of the Board of Directors is as follows:

<b>Name</b>	<b>Attribute</b>
Alexandros Sarri Georgiou	Chairman and CEO, Executive Member
Konstantinos Vasileiou	Vice-Chairman, Non-Executive Member
Angelos Androulidakis	Independent, Non-Executive Member
Alberto Lotti	Independent, Non-Executive Member
Wade Sebastian Burton	Non-Executive Member
Ioannis Serafimidis	Non-Executive Member
Theodoros Kalantonis	Non-Executive Member
Nikolaos Delendas	Executive Member
Amalia Mofori	Executive Member
Vassilios Nikiforakis	Executive Member

These financial statements were approved by the Company's Board of Directors on 17 June 2025 and are subject to approval by the Annual Shareholders' General Meeting.

The Company is a subsidiary of Eurolife FFH Insurance Group Holdings S.A. (hereinafter referred to as "Eurolife FFH Insurance Group"), which holds 100% of its share capital. Eurolife FFH Insurance Group Holdings S.A. is a subsidiary of Costa Luxembourg Holding S.à r.l. ("Costa"), which holds 80% of its share capital. Costa is based in Luxembourg (1 Jean Piret, L-2350 Luxembourg) and is fully controlled by "Colonnade Finance S.à r.l.", a member of the "Fairfax Financial Holdings Limited group" (hereinafter "Fairfax group"). Fairfax Financial Holdings Limited, headquartered in Ontario, Canada, is the ultimate parent of the Fairfax group and indirectly holds an 80% share in the Company. The remaining 20% of Eurolife FFH Insurance Group Holdings S.A.'s share capital is held by Eurobank S.A. (hereinafter "Eurobank"), which is considered a related party.

**Activities of the Company**

The Company offers a wide range of insurance products which can be divided into three insurance product categories: real estate, motor and other insurance products. With regard to real estate insurance, the Company offers to its customers various household and small commercial coverage packages, as well as, to a lesser extent, tailor-made coverage for large commercial and industrial risks. The motor insurance offerings comprise a number of packaged motor insurance products, ranging from mandatory third party liability to partial and full insurance. The other insurance comprise products such as: (i) public (general third party) liability insurance and employers' liability insurance; (ii) cargo insurance; engineering (Construction All Risks ("CAR") and Erection All Risks ("EAR") insurance for all types of construction projects); (iii) personal accident insurance; (iv) yachts liability insurance; and (v) professional liability to certain categories of professionals. The property and casualty insurance products are distributed through Eurobank's network as well as through the distribution channel of the Company's insurance intermediaries and brokers.

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 2: MATERIAL ACCOUNTING POLICIES**

The material accounting policies applied in the preparation of these financial statements are set out below.

**2.1 Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU") and are effective from 1 January 2024.

The financial statements have been prepared under the historical cost principal, except financial assets held at fair value through other comprehensive income and financial liabilities held at fair value through profit or loss (including derivative financial instruments), which have been measured at fair value.

Unless otherwise stated, the financial statements are presented in Euro (€) and the financial information presented in Euro has been rounded to the nearest thousand.

The policies set out below have been consistently applied to the years ended 31 December 2024 and 31 December 2023, respectively.

Going concern assessment

The financial statements have been prepared on a going concern basis, as the Board of the Directors considered it as appropriate, taking into consideration the following:

Macroeconomic environment

2024 was a year of particularly increased uncertainty and multiple challenges for global economic activity, with the continuation of the war in Ukraine, developments in the Middle East, the election of a new president in the US, and the geostrategic competition between the US and China, being the main sources of concern. Despite the challenges of the international environment, Greece's economy remained on a growth trajectory, achieving a higher performance than most partners in the European Union. More specifically, according to data from the Hellenic Statistical Authority ("ELSTAT"), in 2024 Greece's actual GDP increased by 2.3%, significantly exceeding the Eurozone average of 0.9%, driven by household consumption and stockpiling. Furthermore, average annual inflation based on the Harmonized Index of Consumer Prices ("HICP") decreased to 3,0% in 2024 from 4,2% in 2023, while the average monthly unemployment rate decreased to 10,1% from 11,1% in 2023, the lowest in the last 15 years. According to the Bank of Greece's estimates, economic activity is expected to grow by 2,3% in 2025, with private consumption and investment as the main drivers. In the fiscal area, the Bank of Greece expects a primary surplus of 2,4% of GDP in 2025, which is at similar levels to the 2,5% of GDP in 2024.

A significant boost to growth in Greece is expected to come from EU-funded projects and reforms. Greece will receive a total of €36 billion (€18,2 billion in grants and €17,7 billion in loans) by 2026 from the Recovery and Resilience Fund (RRF), of which €18,2 billion (€8,6 billion in grants and €9,6 billion in loans) had been disbursed by the EU by the end of 2024. Additional resources of €40 billion will flow through the long-term budget of the European Union (MFF), of which €20,9 billion will finance the Partnership Pact for Regional Development (NSRF 2021–2027).

In 2024, the Greek State raised €9,55 billion from international financial markets through the Public Debt Management Organization ("PDMO") with the issuance of two new bonds (a 10-year with a yield of 3,478% in January and a 30-year with a yield of 4,241% in April) and the reissue of 11 older securities with maturities of 5 and 10 years. As a result of a series of upgrades of the Greek Government's credit rating in the second half of 2023, its long-term debt securities were classified as investment grade according to four of the five External Credit Rating Agencies accepted by the ECB. (DBRS: BBB (low), positive outlook, Fitch: BBB-, stable outlook, Scope: BBB, stable outlook, S&P: BBB-, positive outlook) and one notch below investment grade by the fifth agency, Moody's (Ba1 with positive outlook), on 31 December 2024. In the field of monetary policy, after 10 consecutive interest rate increases in 2022 and 2023 and based on the improved inflation outlook, the European Central Bank (ECB) decided on eight interest rate cuts from June 2024 to June 2025, reducing the deposit facility rate by a total of 200 basis points.

Regarding the economic outlook for the next 12 months, the main macroeconomic risks and uncertainties in Greece are related to: (a) geopolitical tensions caused mainly by the war in Ukraine and the fragile situation in the Middle East, their consequences for regional and global stability and security and their impact on the global and European economy, (b) a cessation or even reversal of the deflationary trend observed over the last 24 months with impacts on economic growth, employment, public finances, household budgets, business production costs, foreign trade and the asset quality of banks, as well as any social and/or political impacts that the above may bring about (c) the timing of any further interest rate cuts by the ECB and the US Federal Reserve, as maintaining higher interest rates for a longer period of time may continue to put pressure on government borrowing costs and the private sector and the balance sheets of some financial institutions, while a premature reduction in interest rates carries the risk of a rebound in inflation (d) the prospect that Greece's most important trading partners, especially the Eurozone, will enter

**NOTES TO THE FINANCIAL STATEMENTS**

economic stagnation or even temporary recession, (e) the increased political and economic uncertainty stemming from the international foreign and trade policy of the new United States administration, including the tariff burdens imposed by the US on products produced in the EU, which could disrupt trade flows more than expected and hit exports, especially in critical industrial sectors, (f) the persistently high current account deficit which appears to be once again becoming a structural feature of the Greek economy, (g) the effective and timely implementation of structural reforms to achieve the objectives and milestones of the TAA and to enhance productivity, competitiveness and resilience; and h) the worsening of natural disasters due to climate change and their impact on GDP, employment, the fiscal balance and sustainable development in the long term.

Regarding US tariffs on products produced in the EU, the direct impact on the Greek economy is expected to be limited, due to the small size of Greece's trade with the US and the steady flow of investment from European funding. exports to the US represent less than 5% of Greece's total exports). However, the Greek economy may be indirectly affected through the slowdown in eurozone growth and increased uncertainty, negatively affecting exports and the investment climate. However, already in Europe, and particularly in Germany, there is a shift from a conservative fiscal approach towards implementing targeted measures to support economic growth and stability.

The occurrence of the above risks could have negative consequences on the fiscal planning of the Greek State, as it could slow down the expected rate of economic growth, liquidity, asset quality, capital adequacy and profitability of the financial sector. In this context, the Company's Board of Directors constantly monitors developments in the macroeconomic, financial and geopolitical fields. It has also increased its level of readiness in terms of decision-making, initiatives and policy formulation for the protection of the Company's capital, asset quality and liquidity, as well as the fulfillment, to the greatest extent possible, of its strategic and business objectives.

Capital adequacy and profitability

In 2024, the Company achieved high profitability, recovering from the decline in profits in 2023, as the previous year was exceptional, marked by natural disasters in Greece, including wildfires in various regions of the country and floods in the Thessaly region caused by the storm 'Daniel.' The Company's profit before tax for the fiscal year ended 31 December 2024, amounted to € 9,3 million (2023: € 4,3 million).

The Company's management systematically monitors the capital adequacy in accordance with Solvency II and takes the necessary actions to maintain a strong capital base and a high quality investment portfolio. As at 31 December 2024, the Company's solvency II ratio was 148% (2023: 127%)

Conclusion on going concern

The Board of Directors, recognizing the geopolitical, macroeconomic, and financial risks in the economy and taking into account factors related to: (a) the growth prospects in Greece for the current and coming years, which are also supported by the utilization of already approved EU funding mainly through the Recovery and Resilience Facility ("RRF"), (b) the Company's ability to generate profits, asset quality, strong capital adequacy and liquidity, (c) the Company's negligible exposure to Russia, Ukraine, and the Middle East, (d) the limited impact of US tariffs, has determined that the Company's financial statements can be prepared on a going concern basis.

**2.2 Adoption of International Financial Reporting Standards (IFRS)****2.2.1 Amendments to standards adopted by the Company**

The following amendments to existing standards, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRIC) and endorsed by the European Union (EU), became effective from 1 January 2024:

**IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non Current**

In January 2020, IASB issued amendments to IAS 1 clarifying the requirements for the classification of the liabilities as current and non - current. In particular, the amendments clarify that one of the criteria for the classification of a liability as non - current is the entity's right to defer settlement for at least 12 months after the reporting date. The amendments clarify the meaning of a right to defer settlement, the requirement of this right to exist at the reporting date and that management's intention in relation to the option to defer the settlement does not affect current or non-current classification. The adoption of the amendments has no impact on the Company's financial statements.

**IAS 1, Amendment – Classification of Liabilities as Current or Non-current with Covenants**

Additionally, in October 2022, IASB issued an amendment providing clarifications for the classification of debt with covenants and requires new disclosures for non-current liabilities that are subject to future covenants. The adoption of the amendment has no impact on the Company's financial statements.



**NOTES TO THE FINANCIAL STATEMENTS****2.2.2 New standards, amendments to standards and new interpretations not yet adopted by the Company**

A number of new standards and amendments to existing standards are effective after 2024, as they have not yet been adopted for use in the European Union or the Company has not early adopted them before their mandatory effective date. Those that may be relevant to the Company are as follows:

**IFRS 18 "Presentation and Disclosure in Financial Statements" (effective for annual periods starting on or after 01.01.2027, not yet adopted by EU)**

In April 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. The primary objective of the Standard is to improve the assessment of a company's performance by increasing comparability in presentation in an entity's financial statements, particularly in the statement of profit or loss and in its notes to the financial statements. Specifically, the Standard will improve the quality of financial reporting due to a) the requirement of defined subtotals in the statement of profit or loss, b) the requirement to disclose certain 'non-GAAP' measures – management performance measures (MPMs) and c) the new principles for aggregation and disaggregation of information. The adoption of the standard is not expected to have a significant impact on the Company's financial statements.

**IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (effective for annual periods starting on or after 01.01.2027, not yet adopted by EU)**

In May 2024 the International Accounting Standards Board (IASB) issued a new standard, IFRS 19, which permits to a subsidiary, without public accountability and that has a parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. An eligible subsidiary that applies IFRS 19 is required to apply the requirements in other IFRS Accounting Standards for recognition, measurement and presentation requirements but for disclosure requirements, it applies IFRS 19 instead of the disclosure requirements in other IFRS Accounting Standards, except in specified circumstances. The adoption of the standard is not expected to have an impact on the Company's financial statements.

**IFRS 9 and IFRS 7, Amendments to the classification and measurement of financial instruments (effective from 1 January 2026, adopted by EU)**

The amendments clarify that a financial liability is derecognized on the "settlement date" and introduce an accounting policy choice to derecognise financial liabilities which are settled by using an electronic payment system before the settlement date. Other clarifications include the classification of financial assets linked with environmental, social and governance features "ESG" via additional guidance on the assessment of contingent features. Clarifications have been made to non-recourse loans and contractually linked instruments. The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVTOCI). The adoption of the standard is not expected to have an impact on the Company's financial statements.

**Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 effective from 01 January 2026, adopted by EU)**

In the annual improvements volume 11 issued on 18 July 2024 the International Accounting Standards Board (IASB) makes minor amendments that include clarifications, simplifications, corrections and changes in the following Accounting Standards:

- IFRS 1 - First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter
- IFRS 7 - Financial Instruments: Disclosures:
  - Gain or loss on derecognition,
  - Disclosure of differences between the fair value and the transaction price,
  - Disclosures on credit risk.
- IFRS 9 - Financial Instruments
  - Derecognition of lease liabilities,
  - Transaction price.
- IAS 7 - *Statement of Cash Flows* - Cost Method

The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 *Revenue from Contracts with Customers* over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under IFRS 9.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

The adoption of the improvements is not expected to have an impact on the Company's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****2.3 Foreign currency****2.3.1 Functional currency and presentation currency**

The financial statements are presented in Euro, which is the functional currency of the Company.

**2.3.2 Transactions and balances in foreign currency**

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions, are recognized in the income statement.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date, and the resulting exchange differences are recognized in the income statement, except for those arising from the translation of foreign currency liabilities that hedge the net investment in foreign subsidiaries or foreign currency cash flows, which are recognized in equity.

Non-monetary assets and liabilities are translated into the functional currency at the exchange rates ruling at initial recognition, except for non-monetary items denominated in foreign currencies that are stated at fair value which have been translated using the rate of exchange at the date the fair value was determined. The exchange differences relating to these items are treated as part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

**2.4 Property, plant and equipment**

Property, plant and equipment include land and buildings, improvements in leasehold assets, furniture, computers and other equipment as well as vehicles and are presented at historical cost net of accumulated depreciation and accumulated impairment losses.

The acquisition cost includes expenses directly attributable to the purchase of the assets. Subsequent expenditures related to an item of property, plant and equipment are capitalized only when it is probable that they will generate future economic benefits for the Company and their cost can be measured reliably. Repair and maintenance costs are recognized in the income statement as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of property, plant and equipment, in order to reduce the acquisition cost of the property, plant and equipment to their residual value as follows:

<b>Leasehold improvements:</b>	The lowest between the lease contract term and the estimated useful life.
<b>Computers:</b>	4 -7 years
<b>Other furniture and equipment:</b>	4 -12 years
<b>Vehicles:</b>	5 -7 years

Property, plant and equipment are reviewed for impairment where there are impairment indicators, and any impairment loss is recognized directly in the income statement.

The historical cost and the accumulated depreciation of property, plant and equipment are derecognized upon sale or retirement of the respective asset and any arising gain or loss is recognized in the income statement.

**2.5 Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost plus any cost which is directly attributable to the acquisition of such assets. After initial recognition, investment properties are presented at their acquisition cost net of accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight line basis over the estimated useful lives of investment properties, in order to reduce acquisition costs to residual values as follows:

<b>Land:</b>	No depreciation
<b>Buildings:</b>	40 to 50 years

Improvements made to investment properties are depreciated at the lowest between the useful life of the improvement and the building.

**NOTES TO THE FINANCIAL STATEMENTS**

Investment properties are examined annually by independent valuers in order to determine whether there is an indication of impairment.

**2.6 Intangible assets****(i) Goodwill**

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred at the date of acquisition, over the fair value of the Company's share of net identifiable assets and contingent liabilities acquired. Goodwill on acquisitions of subsidiaries is included in "intangible assets".

Goodwill on the acquisition of subsidiaries is not amortized but tested for impairment annually or more frequently if there are any indications that impairment may have occurred. The Company's impairment testing is performed each year end. The Company considers external information such as weak economic conditions, persistent slowdown in financial markets, volatility in markets and changes in the levels of market and exchange risk, an unexpected decline in an asset's market value or market capitalization being below the book value of equity, together with a deterioration in internal performance indicators, in assessing whether there is any indication of impairment.

Goodwill is recognized at cost less any accumulated impairment losses. When tested for impairment, goodwill acquired in a business combination is allocated to those cash-generating units (CGUs) or groups of CGUs expected to benefit from the synergies of the business combination. Each CGU or group of CGUs to which goodwill has been allocated represents the lowest level within the Company at which goodwill is monitored for internal management purposes.

The Company's impairment model compares the carrying value of a CGU or group of CGUs with its recoverable amount. The carrying value of a CGU is based on the assets and liabilities of each CGU. The recoverable amount is determined on the basis of the value-in use which is the present value of the future cash flows expected to be derived from the CGU or group of CGUs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU and the countries where the CGUs operate.

An impairment loss arises if the carrying amount of an asset or CGU exceeds its recoverable amount, and is recognized immediately as an expense in the income statement. Impairment losses are not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**(ii) Software**

Costs associated with the maintenance of existing software programs are recognized in the income statement as incurred. Costs payable to third parties relating to the development and implementation of new software programs are recognized as capital enhancements, added to the cost of new software programs and treated similarly. Intangible assets are presented at historical cost less accumulated amortization and accumulated impairment losses. Intangible assets are reviewed for impairment where there are impairment indicators and any impairment loss is recognized directly to the income statement.

Amortization is calculated on a straight-line basis over their estimated useful lives as follows:

**Software:** 4 to 7 years

**2.7 Financial assets and liabilities****2.7.1 Financial assets - Classification and measurement**

The Company classifies financial assets based on the business model for managing those assets and their contractual cash flow characteristics.

Accordingly, financial assets on initial recognition are classified into one of the following measurement categories: amortized cost, fair value through other comprehensive income or fair value through profit or loss.

Purchases and sales of financial assets are recognized on trade date, which is the date the Company commits to purchase or sell the assets.

**Financial Assets measured at Amortized Cost ('AC')**

The Company classifies and measures a financial asset at AC only if both of the following conditions are met and is not designated as at FVTPL:

- a) The financial asset is held within a business model whose objective is to collect contractual cash flows (hold-to-collect business model) and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

**NOTES TO THE FINANCIAL STATEMENTS**

These financial assets are recognized initially at fair value plus or minus direct and incremental transaction costs and fees received that are attributable to the acquisition of these assets, and are subsequently measured at amortized cost, using the effective interest rate (EIR) method).

Interest income, realized gains and losses on derecognition, and changes in expected credit losses from assets classified at AC, are included in the income statement.

**Financial Assets measured at Fair Value through Other Comprehensive Income ('FVTOCI')**

The Company classifies and measures a financial asset at FVTOCI only if both of the following conditions are met and is not designated as at FVTPL:

- a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (hold-to-collect-and-sell business model) and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Financial assets that meet these criteria are debt instruments and are measured initially at fair value, plus or minus direct and incremental transaction costs that are attributable to the acquisition of these assets.

Subsequent to initial recognition, FVTOCI debt instruments are re-measured at fair value through OCI, except for interest income, related foreign exchange gains or losses and expected credit losses, which are recognized in the income statement. Cumulative gains and losses previously recognized in OCI are transferred from OCI to the income statement when the debt instrument is derecognized.

As of December 2024 and December 2023 the Company has not classified any financial assets in the portfolio of FVTOCI.

**Financial Assets measured at Fair Value through Profit or Loss ('FVTPL')**

The Company classifies and measures all other financial assets that are not classified at AC or FVTOCI, at FVTPL.

Furthermore, a financial asset that meets the above conditions to be classified at AC or FVTOCI, may be irrevocably designated by the Company at FVTPL at initial recognition, if doing so eliminates, or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets measured at FVTPL are initially recorded at fair value and any unrealized gains or losses arising due to changes in fair value are included in the income statement.

**Business model and contractual characteristics assessment**

The business model assessment determines how the Company manages a group of assets to generate cash flows. That is, whether the Company's objective is solely to collect contractual cash flows from the asset, to realize cash flows from the sale of assets, or both to collect contractual cash flows and cash flows from the sale of assets. In addition, the business model is determined after aggregating the financial assets into groups (business lines) which are managed similarly rather than at an individual instrument's level.

The business model is determined by the Company's key management personnel consistently with the operating model, considering how financial assets are managed in order to generate cash flows, the objectives and how performance of each portfolio is monitored and reported and any available information on past sales and on future sales' strategy, where applicable. Accordingly, in making the above assessment, the Company will consider a number of factors including the risks associated with the performance of the business model and how those risks are evaluated and managed, the related personnel compensation, and the frequency, volume and reasons of past sales, as well as expectations about future sales activity.

**Types of business models**

The Company's business models fall into three categories, which are indicative of the key strategies used to generate returns.

- a) The Hold-to-Collect (HTC) business model aims to retain financial assets to collect contractual cash flows.
- b) The Hold-to-Collect-and-Sell (HTC&S) business model aims to both collect contractual cash flows and sell the assets. As of 31 December 2024 and 31 December 2023, the Company had not classified any financial assets under the HTC&S category.
- c) Other business models include financial assets which are managed and evaluated on a fair value basis as well as portfolios that are held for trading.

The Company's business models are reassessed if there is a sales' assessment trigger or if there are any changes in the Company's strategy and main activities.

**NOTES TO THE FINANCIAL STATEMENTS****Solely payments of principal and interest (SPPI test)**

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI (the SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

The company can also irrevocably designate financial assets in the FVTPL category if this significantly reduces or eliminates a mismatch created by assets and liabilities measured on different bases.

**Equity instruments**

Equity instrument are financial instruments that meet the definition of an equity instrument from the issuer's perspective (i.e., instruments that do not contain a contractual obligation to pay and which represent a residual interest in the issuer's net assets). Examples of equity securities include ordinary common shares.

Subsequently, the Company measures all equity investments at FVTPL (Fair Value Through Profit or Loss). Gains and losses from FVTPL equity investments are included in the line item "Net gain/(loss) on FVTPL investments" in the income statement.

The Company chooses not to apply the FVTOCI option for equity instruments that are not held for trading.

**Derecognition of financial assets**

The Company derecognizes a financial asset when its contractual cash flows expire, or the rights to receive those cash flows are transferred in an outright sale in which substantially all risks and rewards of ownership have been transferred. In addition, a financial asset is derecognized even if rights to receive cash flows are retained but at the same time the Company assumes an obligation to pay the received cash flows without a material delay (pass through agreement) or when substantially all the risks and rewards are neither transferred nor retained but the Company has transferred control of the asset. Control is transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI for financial assets at FVTOCI, is recognized in income statement, except for cumulative gains or losses of FVTOCI equity instruments which are not reclassified from OCI to income statement at the date of derecognition.

**Modification of financial assets that may result in derecognition**

In addition, derecognition of financial asset arises when its contractual cash flows are modified and the modification is considered substantial enough so that the original asset is derecognized and a new one is recognized. The Company records the modified asset as a 'new' financial asset at fair value plus any eligible transaction costs and the difference with the carrying amount of the existing one is recorded in the income statement as derecognition gain or loss.

When assessing whether or not to derecognize an instrument, amongst others, the Company considers the following factors:

- Change in currency of the debt instrument,
- Introduction of an equity feature,
- Change in counterparty,
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss.

**2.7.2 Financial liabilities**

Financial liabilities have two subcategories; the financial liabilities held for trading and the financial liabilities designated as at fair value through profit or loss upon initial recognition.

**NOTES TO THE FINANCIAL STATEMENTS**

The Financial Liabilities of the Company include mainly derivative financial instruments. The accounting policies of the abovementioned financial liabilities are described in note 2.7.3. Financial liabilities are not reclassified according to IFRS 9.

**2.7.3 Derivative financial instruments**

Derivative financial instruments primarily include foreign exchange contracts, forward currency agreements, interest rate option contracts (both written and purchased), currency and interest rate swaps, and other derivative financial instruments. Derivatives are initially recognized on the Balance Sheet at fair value on the date the contract is entered into, and are subsequently remeasured at fair value. Fair value is considered to be the market value, taking into account recent market transactions. In cases where no market value is available, fair value is estimated using discounted cash flow models and option pricing models. When the fair value is positive, derivatives are treated as assets, whereas when the fair value is negative, they are treated as liabilities. The policies for the measurement of the fair value of financial instruments, including derivative financial instruments, are described in Notes 2.8 and 4.6.

**Embedded derivatives**

Embedded derivatives are components of hybrid contracts that also include host contracts, resulting in some of the cash flows of these combined instruments varying in a manner similar to those of stand-alone derivatives.

Financial assets that contain embedded derivative financial instruments are recognized in their entirety on the Balance Sheet within the appropriate classification category, following the assessment of the contractual cash flows and the business model of the financial instruments, as described above.

In addition, a financial asset that meets the above conditions to be classified at amortized cost or at fair value through other comprehensive income directly in equity may be designated by the Company as measured at fair value through profit or loss upon initial recognition, if in this way an accounting inconsistency that would otherwise arise is eliminated or significantly reduced.

These embedded derivatives are measured at fair value, with changes in their fair value recognized in profit or loss. The Company did not hold any embedded derivatives in other financial instruments during the years 2024 and 2023.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument. Once recognized as a hedging instrument, the identification method is determined depending on the nature of the item being hedged by derivatives.

**2.8 Fair value measurement of financial instruments**

Fair value is the price that would be received to sell a financial asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, in the most advantageous market in which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company measures the fair value of a financial instrument using the quoted price in an active market for that instrument, when available. A market is considered active if transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. When a quoted price in an active market is not available, the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all factors that market participants would consider when pricing a transaction.

The Company has elected to use the mid-market pricing as a practical expedient for measuring fair value within the bid-ask spread.

The best evidence of the fair value of a financial instrument at initial recognition is usually the transaction price, i.e., the fair value of the consideration given or received, unless the Company believes that fair value at initial recognition is evidenced by a quoted price in an active market for an identical financial asset or liability, or based on a valuation technique that uses only data from observable markets.

All assets and liabilities whose fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level of input that is significant to the overall fair value measurement (see Note 4.6).

**2.9 Impairment of assets****2.9.1 Impairment of financial assets****2.9.1.1 Impairment of financial instruments**

The Company recognizes allowance for expected credit losses (ECL) that reflect changes in credit quality since initial recognition to financial assets that are measured at AC and FVTOCI. As of 31 December 2024 and 31 December 2023, the Company has not classified any financial assets in the portfolio of FVTOCI. Expected credit losses (ECL) are a probability-weighted average estimate of credit losses that reflects the time value of money. At initial recognition of financial instruments within the scope of the impairment policy, the Company recognizes an impairment allowance equal to the 12-month expected credit losses (12-month

**NOTES TO THE FINANCIAL STATEMENTS**

ECL). This 12-month ECL results from default events that are possible to occur within the next twelve months. Subsequently, for those financial instruments that have experienced a significant increase in credit risk since initial recognition, an impairment allowance equal to the lifetime expected credit losses (lifetime ECL) is recognized. Lifetime ECL results from default events that are possible to occur over the expected life of the instrument. If, upon initial recognition, the financial asset meets the definition of a purchased or originated credit-impaired financial asset (POCI), the impairment allowance is based on the change in lifetime expected credit losses of the asset.

For all financial assets subject to impairment, a general three-stage approach is applied, based on the extent of credit deterioration since origination:

- Stage 1 – When there is no significant increase in credit risk since the initial recognition of a financial instrument, an amount equal to 12-month ECL is recorded. The 12-month ECL represents a portion of the losses that would be recognized over the lifetime of the financial instrument or group of instruments, arising from default events that are possible within the next 12 months after the reporting date. It equals the expected lifetime cash shortfalls due to default events that are possible within the next 12 months. Newly originated or purchased unimpaired financial assets, and assets recognized after a materially significant modification that is accounted for as derecognition, are initially classified in Stage 1.
- Stage 2 – When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, it is included in Stage 2. Lifetime ECL represent the expected credit losses that result from all possible default events over the expected life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.
- POCI - Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. They are not subject to stage allocation and are always measured on the basis of lifetime expected losses. Accordingly, ECL are only recognized to the extent that there is a subsequent change in the assets' lifetime expected credit losses. Any subsequent favorable change to their expected cash flows is recognized as impairment gain in the income statement even if the resulting expected cash flows exceed the estimated cash flows at initial recognition. Apart from purchased assets directly from the market or through a business combination, POCI assets may also include financial instruments that are considered new assets, following a substantial modification accounted for as a derecognition.

As of 31 December 2024 and 31 December 2023, the Company does not hold financial assets Purchased or originated credit impaired (POCI) or financial assets classified at Stage 3.

**Measurement of Expected Credit Losses**

The measurement of ECL is an unbiased probability-weighted average estimate of credit losses that reflects the time value of money, determined by evaluating a range of possible outcomes. A credit loss is the difference between the cash flows that are due to the Company in accordance with the contractual terms of the instrument and the cash flows that the Company expects to receive (i.e. cash shortfalls) discounted at the original effective interest rate (EIR) of the same instrument, or the credit-adjusted EIR in case of purchased or originated credit impaired assets (POCI). In measuring ECL, information about past events, current conditions and reasonable and supportable forecasts of future conditions are considered.

The key elements of the ECL calculations are outlined below:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information. Two types of probability of default are used to calculate the expected credit loss:
  - 12-month PD which is the estimated probability of default occurring within the next 12 months. It is used in the calculation of 12-month expected credit losses for Stage 1;
  - Lifetime PD which is the estimated probability of default arising during the remaining life of the financial asset. It is used to calculate expected credit losses of Stage 2, Stage 3 and purchased or initially recognized credit impaired financial assets (POCI);
- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.



**NOTES TO THE FINANCIAL STATEMENTS****Forward looking information**

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth,
- Central Bank base rates.

**Write-off of financial assets**

Where the Company has no reasonable expectations of recovering a financial asset either in its entirety or a portion of it, the gross carrying amount of that instrument is reduced directly, partially or in full, against the impairment allowance. The amount written-off is considered as derecognized. Subsequent recoveries of amounts previously written off decrease the amount of the impairment losses in the income statement.

**2.9.1.2 Impairment of loans to insurance intermediaries**

The ECL calculation for loans granted to insurance intermediaries follows the same approach as for credit-impaired receivables. However, since the Company calculates lifetime ECL by designating all loans to Stage 2 from their acquisition date, it does not perform a stage classification assessment (for Stage 1 and Stage 2).

Despite recognition of lifetime ECLs since initial recognition, the Company tracks cases of defaults and update relevant ECLs accordingly (e.g. PD 100%), for cases of all loans that are considered credit-impaired and allocated to Stage 3.

**2.9.2 Impairment of non-financial assets**

Assets with an indefinite useful life are not subject to depreciation and are tested for impairment annually. Depreciable assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For impairment assessment purposes, assets are grouped at the lowest levels for which separate cash flows can be identified (cash-generating units).

**2.10 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet if, and only if, the Company currently has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.11 Current and deferred taxation****(i) Current tax**

Income tax payable on profits is calculated based on the applicable enacted tax law and is recognized as an expense in the period in which profits arise.

**(ii) Deferred tax**

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are measured using the tax rates expected to apply upon the period when the asset or liability will be settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The main temporary differences arise from the impairment of financial assets and financial liabilities, depreciation of tangible and intangible assets, defined benefit obligations to employees due to retirement and the measurement of the insurance contracts liabilities.

Deferred tax assets are recognized to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the recovery of all or part of the asset. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Deferred tax associated with the change in fair value of financial assets recognized at fair value through other comprehensive income, is also recognized in the statement of comprehensive income and subsequently transferred to the income statement together with the deferred gain or loss.

Management periodically evaluates its position on issues related to the tax authorities and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.



**NOTES TO THE FINANCIAL STATEMENTS****2.12 Employee benefits****i) Defined post-employment contribution plans**

The Company provides certain defined post-employment contribution plans. The annual contributions made by the Company are invested and placed in specific asset categories. If employees meet the planned requirements, they participate to the overall performance of the investment. The contributions made by the Company are recognized as an expense in the period that they occur.

**ii) Defined post-employment benefit plans**

Under labor law in force, when an employee remains in service until normal retirement age is entitled to a lump sum reimbursement calculated based on years of service and salary at the date of retirement. The Company accounts for a provision based on actuarial study for staff leaving indemnities using the projected credit unit method. According to this method, the cost of staff leaving indemnities is recognized in the income statement over during the last 16 years of service of the employees until the date of retirement based on actuarial valuations carried out every year.

The indemnity liability is calculated as the present value of expected future cash outflows using interest rates of high quality European corporate bonds, with terms to maturity approximating the terms of relevant liability (see note 19).

Actuarial gains or losses arising from the calculation of staff leaving indemnities are recognized in other comprehensive income and cannot be recycled to profit or loss in future periods. Past service costs and interest expense are recognized immediately in the income statement.

The reimbursements payable after 12 months from the reporting date are discounted to their present value.

**iii) Employee termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts to leave voluntary in return for such privileges. The Company accounts for such liabilities when it has committed to either terminate the employment of existing employees of the Company according to a detailed formal plan without possibility of withdrawal, or when it provides such benefits as an incentive for voluntary redundancy. The benefits payable after 12 months from the reporting date are discounted to present value.

**iv) Bonus and benefits participation plans**

Management will periodically reward employees of high performance with bonus. Bonus benefits which require only management approval are recognized as accrued expenses. Moreover, distribution of profits to employees, which requires approval by the General Meeting, is recognized as an employee benefit expense in the year that the relative service is provided.

**2.13 Insurance and Reinsurance Contracts****Insurance and Investment contracts classification**

The Company issues insurance contracts in the ordinary course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company defines significant insurance risk as existing if, and only if, an insured event could require the issuer to pay additional amounts that are material in any single scenario, excluding scenarios that lack commercial substance. Additional amounts of at least 5% paid for the insured event indicate that significant insurance risk exists. IFRS 17 requires the assessment of whether a contract contains significant insurance risk to be performed only once (unless the terms of the contract are modified), specifically at its inception.

Contracts that have the legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts and follow the accounting for financial instruments in accordance with IFRS 9. The Company does not issue such contracts.

The Company issues insurance contracts to individuals and corporate customers for all property and casualty risks. Property and casualty insurance products mainly offered include motor, real estate, personal accident and general third-party liability.

The Company also issues reinsurance contracts, primarily for motor insurance, in the ordinary course of business to indemnify other entities for claims arising from one or more insurance contracts issued by those entities.

The vast majority of Property and Casualty business provide coverage period of one year or less and so are qualified automatically for the Premium Allocation Approach (PAA).

The Company issues multi-year insurance contracts covering property, engineering, general third-party liability, cargo, and financial loss risks. However, there is no material difference in the measurement of the liability for remaining coverage ("LRC") between the Premium Allocation Approach (PAA) and the Generalised Model (GMM), therefore they qualify for the PAA.

**NOTES TO THE FINANCIAL STATEMENTS**

The Company does not issue any contracts with direct participating features.

**Insurance and reinsurance contracts accounting treatment****2.13.1 Separating components from insurance and reinsurance contracts**

The Company assesses its insurance and reinsurance contracts to determine whether they contain distinct components which must be accounted for under IFRS 9 or IFRS 15. After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract.

IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- *Distinct embedded derivatives*: derivatives embedded in a contract whose financial characteristics and risks are not closely related to those of the host contract and whose terms would not meet the definition of an insurance or reinsurance contract if assessed as standalone financial instruments.
- *Distinct investment components*: the amounts that an insurance contract specifies must be returned to the policyholder in all circumstances, regardless of whether an insured event occurs. These components are not particularly intertwined with the insurance elements and are sold, or could be sold, as separate contracts on equivalent terms in the same market or jurisdiction.
- *Distinct goods or services components*: these relate to claims for the transfer to policyholders of distinct goods or services other than insurance coverage and investment services. A good or service is considered distinct if the policyholder can benefit from it, which is readily available to them either on its own or together with other resources.

No distinct goods or services components, embedded derivatives, or investment components requiring separate accounting under a standard other than IFRS 17 were identified in the Company's portfolio.

Non-distinct investment components were identified in the Company's portfolio, relating to the profit commission arrangements on reinsurance contracts that provide minimum guaranteed amounts.

Certain contracts meet the definition of an insurance contract but have as their primary purpose the provision of services for a fixed fee. Such contracts (or components) may meet the definition of an insurance contract because it is uncertain if or when assistance or service will be required. IFRS 17 allows for an accounting policy choice to apply either IFRS 17 or IFRS 15 to these contracts.

The Company's portfolio does not include contracts for the provision of services for a fixed fee. However, distinct fixed-fee service components are identified within motor and property insurance contracts as roadside assistance and technical assistance. The Company has elected to apply IFRS 17 to these distinct components.

**2.13.2 Level of aggregation****2.13.2.1 Level of aggregation - Insurance contracts**

IFRS 17 requires an entity to determine the aggregation level for applying its requirements. The aggregation level for the Company is initially determined by separating contracts into portfolios. Portfolios comprise groups of contracts with similar risks that are managed together..

The contract is the lowest unit of accounting, therefore portfolios can group contracts with multiple risks.

The Company's interpretation of the "similar risk" criterion was based on the type of insurance risk, exposure to insurance claims, and similarity in the change of key assumptions, such as claim rates, frequency, and severity. This means that contracts with similar risks will have future cash flows that respond similarly in amount and timing to changes in key assumptions.

Regarding the "common management" criterion, the Company considered management and internal reporting for monitoring activities, distribution channels, the separation of products into private or business contracts, operational areas, and the duration of groups of insurance contracts.

Portfolios are further divided based on their expected profitability at initial recognition into three categories: loss-making contracts, contracts with no significant risk of becoming loss-making, and remaining contracts. The profitability of contract groups is estimated using actuarial valuation models, considering both existing and new contracts. The main factors the Company considers regarding expected profitability are product pricing, results of similar contracts it has recognized, age groups, and factors such as changes in market experience or regulations.

The portfolios are subdivided into group of contracts on the basis of annual cohorts (contracts issued within calendar year).

**NOTES TO THE FINANCIAL STATEMENTS****2.13.2.2 Level of aggregation - Reinsurance contracts**

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, with the exception that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

For some groups of reinsurance contracts held, a group can comprise a single contract.

Certain reinsurance contracts provide coverage for underlying contracts included in different insurance contract groups. However, the Company concludes that the legal form of the reinsurance contract reflects the substance of the Company's contractual rights and obligations, considering that the different coverages expire together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components related to different underlying insurance contract groups.

Summary of the Company Reinsurance Program for 2024:

Program		Maximum net loss (Company's share)	Gross Margins (including Company's Share)	Comment
<u>Property</u>				
Working (property) XOL risk	Per risk	500.000	50.000.000	bust layer included
Working (property) XOL risk	AAD	250.000		
Fire Catastrophe XOL risk	Per event	10.000.000		
<u>Casualties</u>				
Casualty XOL risk (MOTOR)	Per accident	1.500.000	50.000.000	
Casualty XOL risk (LIABILITIES, Misc. Acc., etc)	Per accident	100.000	5.000.000	
Casualty XOL risk (Personal Accident etc)	Per accident	50.000	5.000.000	
Casualty XOL risk (Drone TPL)	Per accident	25.000	5.000.000	
<u>Transportation – Shipping</u>				
Cargo & Pleasure Craft XOL risk	Goods in transit	500.000	8.000.000	
Cargo & Pleasure Craft XOL risk	Crafts	500.000	3.000.000	

**2.13.3 Recognition****2.13.3.1 Recognition - Insurance contracts**

The Company recognizes groups of insurance contracts from the earliest of the following:

- The beginning of the coverage period of the group of contracts,
- The date when the first payment from a policyholder is due, or actually received if there is no due date,
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognized on the date of acquisition.

When a contract is recognized, it is added to an existing group of contracts or, if the contract does not meet the criteria for inclusion in an existing group, it forms a new group to which future contracts will be added. Contract groups are created at initial recognition and their composition is not reviewed after all contracts have been added to the group.

**2.13.3.2 Recognition - Reinsurance contracts**

The Company recognizes a group of reinsurance contracts held from the earlier of the following:

- The commencement of the coverage period of the group of held reinsurance contracts. However, the Company delays the recognition of a group of reinsurance contracts providing proportional coverage until the date any underlying insurance contract is initially recognized, if that date is later than the commencement of the coverage period of the held reinsurance contracts and
- The date on which the Company recognizes a loss-making group of underlying insurance contracts, if the Company entered into the relevant held reinsurance contract (in the reinsurance contract group) on or before that date.

The Company adds new contracts to the group during the reporting period in which the contract meets one of the criteria mentioned above. For acquired reinsurance contracts, the initial recognition date coincides with the acquisition date.

**2.13.4 Modification and Derecognition**

The Company derecognizes insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) or

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- The contract is modified in a way that the modification results in a change of the measurement model or accounting standard applied to measure a component of the contract, materially alters the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognizes the original contract and recognizes the modified contract as a new contract.

On derecognition of a contract from a group of contracts not measured under the PAA::

- The fulfilment cash flows ("FCF") of the contract group are adjusted to eliminate those relating to the rights and obligations that are derecognized,
- The CSM of the contract group is adjusted for changes in fulfilment cash flows, unless those changes are allocated to a loss component ("LC") and
- The number of coverage units for expected remaining services is adjusted to reflect the coverage units derecognized from the contract group.

If a contract is derecognized because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.

If a contract is derecognized because its terms are modified, then the CSM is also adjusted by the premium that would have been charged if the Company had entered into a contract with the terms of the new contract on the modification date, less any additional premium charged for the modification. The new contract recognized is measured assuming that, on the modification date, the Company received the premium it would have charged less any additional premium charged for the modification.

If a contract modification does not lead to derecognition, the Company treats the changes in cash flows resulting from the modification as changes in estimates of fulfilment cash flows.

However, the exercise of a right included in the terms of a contract does not constitute a modification. The exercise of a contractual right available to either the policyholder or the entity, within the contract boundary, which does not require the agreement of the entity or the policyholder, respectively, does not constitute a contract modification leading to derecognition under IFRS 17. Instead, changes arising from the exercise of contractual rights that do not require the agreement of either party (either the entity or the policyholder) will be treated as changes in estimates of fulfilment cash flows.

**2.13.5 Insurance Acquisition Cash flows**

Insurance acquisition cash flows ("IACF") arise from the costs of selling, underwriting, and initiating a group of insurance contracts (issued or expected to be issued). These costs are directly attributable to the groups of insurance contracts, and the Company uses a systematic and rational method to allocate these costs to: (i) individual contracts and contract groups, and (ii) the insurance contract portfolio to which the contract group belongs.

When insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognized in the balance sheet, a separate asset for them is recognized for each related group.

The asset for insurance acquisition cash flow is derecognized from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of each reporting period, the Company reviews the amounts of IACF allocated to groups of insurance contracts not yet recognized to reflect changes in assumptions related to the allocation method used.

**Recoverability Assessment**

At each reporting date, the Company reviews the carrying amount of the IACF asset to determine if there is any indication that the asset is impaired. If such an indication exists, the Company adjusts the carrying amount of the asset so that it does not exceed the expected net cash inflow for the related future contract groups. An impairment loss is recognized in profit or loss for the difference. When an impairment loss is reversed subsequently, the carrying amount of the asset is increased to the extent that the impairment conditions no longer exist or have improved. The cumulative amount of the impairment loss reversal does not exceed the impairment loss recognized for the asset in prior years.

**2.13.6 Contract Boundary**

The Company includes in the measurement of a group of contracts all the future cash flows within the boundary of each contract in the group.

**2.13.6.1 Contract Boundary - Insurance contracts**

The Company uses the concept of the contract boundary to determine which cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations existing during the reporting period. During the reporting period, the Company may require the policyholder to

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pay premiums, or the Company has a substantive obligation to provide services to the policyholder. A substantive obligation to provide insurance services expires when:

- The Company has the practical ability to reassess the risks of that specific policyholder and, therefore, can determine a price or benefit level that fully reflects those risks, or
- Both of the following criteria are satisfied:
  - i. The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio,
  - ii. The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

For insurance contracts with a coverage period of one year or less, the contract boundary is at least the duration of the contract.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognized when those contracts meet the recognition criteria.

**2.13.6.2 Contract Boundary - Reinsurance contracts**

Cash flows are within the contract boundary if they arise from substantive rights and obligations existing during the reporting period in which the Company is obligated to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

**2.13.7 Measurement**

According to the specific features of each contract, one of the following approaches should be used:

- **General measurement model (GMM):** it should be applied to all insurance contracts, unless they have direct participation features and are in the scope of the VFA or the contracts are eligible for the premium allocation approach;
- **Premium allocation approach (PAA):** it is an optional simplification for the measurement of the liability for remaining coverage for insurance contract with short-term coverage.
- **Variable fee approach (VFA):** it should be applied to insurance contract with direct participation features, i.e. contracts under which the entity provides investment-related services and is compensated for the services by a fee that is determined by reference to the underlying items.

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds.

**2.13.7.1 Insurance Contracts - Group of contracts not measured under PAA****2.13.7.1.1 Initial measurement**

The Company measures a group of insurance contracts at initial recognition as the sum of: (i) the fulfilment cash flows ("FCF") within the contract boundary, which includes estimates of future cash flows and the adjustment for non-financial risk ("RA"), and (ii) the Contractual Service Margin ("CSM") representing the unearned profit related to the provision of services under those contracts. As of 31 December 2024 and 31 December 2023, there were no contracts measured using the GMM.

Fulfilment cash flows within contract boundary

Fulfilment cash flows are current unbiased and probability-weighted estimates of the present value of future cash flows, including the adjustment for non-financial risk. In deriving a probability-weighted average, the Company considers a range of scenarios to determine a full spectrum of possible outcomes, incorporating all reasonable and supportable information available without undue cost or effort regarding the amount, timing, and uncertainty of expected future cash flows. The estimates of future cash flows reflect the conditions prevailing at the measurement date, including assumptions about the future at that date.

The Company estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way.

When estimating future cash flows, the Company includes all cash flows within the contract boundary including: premiums and any related cash flows, claims, benefits and other payments to the policyholders, an allocation of insurance acquisition cash flows,

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claims handling costs, policy administration and maintenance costs, including recurring commissions, an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts, transaction-based taxes etc.

The measurement of fulfilment cash flows includes insurance acquisition cash flows. The Company determines the insurance revenue related to insurance acquisition cash flows by allocating the portion of premiums related to the recovery of those cash flows, in each reporting period in a systematic manner, according to the passage of time. The same amount is also recognized as insurance service expense.

The risk adjustment (RA) for a group of insurance contracts, determined separately from other estimates, is the compensation required for bearing the uncertainty about the amount and timing of cash flows arising from non-financial risk.

Methods and assumptions used to determine the risk adjustment are discussed in note 3.1.2.

Estimates of future cash flows are adjusted using current discount rates to reflect the time value of money and the financial risks associated with those cash flows, to the extent that they are not included in the cash flow estimates. Discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including the timing, currency, and liquidity of the cash flows. Determining the discount rate that reflects the characteristics of the cash flows and the liquidity characteristics of the insurance contracts requires significant judgment and estimation. See Note 3.1.3.

For contract groups acquired as part of a business combination or transfer of contracts, the consideration received for those contracts is included in the fulfilment cash flows as a substitute for premiums received on the acquisition date. In a business combination, the consideration received equals the fair value of the contracts on that date.

The Liability for Remaining Coverage ("LRC") is the Company's obligation to (a) investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (i.e., the obligation related to the unexpired portion of the coverage period) and (b) pay amounts under existing insurance contracts not included in (a) relating to (i) insurance contract services not yet provided (i.e., the obligations relating to the future provision of insurance contract services) or (ii) any investment components or other amounts not related to the provision of insurance contract services and not transferred to the liability for incurred claims.

The Liability for Incurred Claims ("LIC") is the Company's obligation to (a) investigate and pay valid claims for insured events that have already occurred, including events that have occurred but have not been reported, and other incurred insurance expenses, and (b) pay amounts not included in (a) relating to (i) insurance contract services already provided, or (ii) any investment components or other amounts not related to the provision of insurance contract services and not forming part of the liability for remaining coverage ("LRC").

**Contractual service margin (CSM)**

The CSM is a component representing the unearned profit that the Company will recognize as it provides coverage in the future. At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- The initial recognition of fulfilment cash flows,
- The derecognition, on the initial recognition date, of any asset or liability recognized for insurance acquisition cash flows,
- The cash flows arising from the Company's contracts on that date.

A negative CSM at the inception date indicates that the group of insurance contracts issued is loss-making. A loss from loss-making insurance contracts is recognized immediately in profit or loss, with no CSM recognized in the balance sheet at initial recognition.

For acquired insurance contracts, at initial recognition, the CSM is an amount that does not give rise to revenue or expense from: (i) the initial recognition of fulfilment cash flows and (ii) the cash flows arising from the acquired contracts on the acquisition date, including the fair value of the acquired contract groups on that date as a substitute for premiums received.

**2.13.7.1.2 Subsequent measurement**

The carrying amount of a group of insurance contracts at each reporting date is the sum of the LRC and the LIC.

The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date.

The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

**NOTES TO THE FINANCIAL STATEMENTS**Changes in fulfilment cash flows

Fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates, and current estimates of the RA for non-financial risk. Changes in fulfilment cash flows are recognized as follows:

- Changes relating to future services: Adjusted against the CSM or recognized in the insurance service result in profit or loss if the group is onerous,
- Changes relating to current or past services: Recognized in the insurance service result in profit or loss,
- Effects of the time value of money, financial risk and changes therein on estimated future cash flows: Recognized as insurance finance income or expenses.

The following adjustments relate to future service and thus adjust the CSM:

- Experience adjustments resulting from the difference between premium receipts (and any related cash flows such as insurance acquisition cash flows and premium taxes) and the amounts expected at the beginning of the period. Differences relating to premium receipts relating to current or past services are recognized immediately in profit or loss, while differences relating to premium receipts relating to future services adjust the CSM,
- Changes in the estimates of the present value of future cash flows of the Liability for Remaining Coverage (LRC), including also changes in optional cash flows, excluding changes related to the time value of money and changes in financial risk,
- Differences between each investment component expected to be payable during the period and the actual investment component payable during the period and
- Changes in the RA for non-financial risk relating to future services.

The following adjustments do not relate to future service and thus do not adjust the CSM:

- changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof,
- changes in the FCF relating to the LIC; and
- experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

If a loss component exists, when there are changes to the fulfilment cash flows within the LRC, they are allocated between the loss component and the LRC excluding the loss component on a systematic basis.

Decreases in future fulfilment cash flows reduce the remaining loss component and reinstate the CSM after reducing the loss component to zero, and conversely, increases in future fulfilment cash flows increase the loss component, with changes in the loss component recognized in insurance expenses in the statement of profit or loss.

**2.13.7.2 Insurance Contracts - Group of contracts measured under PAA****2.13.7.2.1 Initial measurement**

The Company uses the Premium Allocation Approach (PAA) for measuring contracts with a coverage period of one year or less. In addition to contracts with a coverage period of less than one year, the PAA may be used to measure groups of contracts where the Company reasonably expects that such simplification will result in a measurement of the LRC that will not materially differ from that which would result from applying the Generalised Model Method (GMM).

At the initial recognition of each group of insurance contracts, the carrying amount of the liability for remaining coverage ("LRC") is measured as the premiums received at initial recognition less any insurance acquisition cash flows ("IACF") paid and any amounts arising from the derecognition of the asset for prepaid insurance acquisition cash flows ("Asset for IACF"). The Company amortizes insurance acquisition cash flows for all contract groups.

For contracts measured using the PAA, the liability for incurred claims ("LIC") is measured similarly to the measurement of LIC when the PAA is not applied. Future cash flows are adjusted for the time value of money, as these contracts typically have a settlement period of more than one year. The RA for non-financial risk is also estimated for the measurement of LIC.

If there are indications that a group of insurance contracts is loss-making at initial recognition, then the Company recognizes a loss in insurance expenses in the statement of profit or loss and increases the LRC if the current estimates of fulfilment cash flows related to the remaining coverage exceed the carrying amount of the LRC. This excess amount is recognized as a loss component within the LRC, which is presented in insurance contract liabilities in the balance sheet. For further disclosures regarding the loss component, see Note 2.13.8.

**2.13.7.2.2 Subsequent measurement**

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of: (i) the LRC; and (ii) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.



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For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- increased for premiums received in the period;
- decreased for insurance acquisition cash flows paid in the period;
- decreased for the amounts of premiums recognized as insurance revenue for the services provided in the period; and
- increased for the amortization of insurance acquisition cash flows in the period recognized as insurance service expenses.

The Company does not adjust the LRC for insurance contracts issued for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

The LIC includes the fulfillment cash flows for losses on claims and expenses that have not yet been paid, including claims that have been incurred but not reported ("IBNR"). It also includes a risk adjustment for non-financial risk and the time value of money for the insurance contracts issued with expected settlement period over one year.

If facts and circumstances indicate that a group of insurance contracts becomes onerous during the coverage period, the Company recognizes a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfillment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognized. For additional disclosures on the loss component, please refer to Note 2.13.8.

### **2.13.7.3 Reinsurance Contracts - Group of contracts measured under PAA**

#### **2.13.7.3.1 Initial measurement**

On initial recognition of each group of reinsurance contracts, the carrying amount of the Asset for Remaining Coverage ("ARC") is measured as the premiums paid (i.e. premiums ceded) on initial recognition, adjusted for ceding commissions that are not contingent on claims and any amounts previously recognized for cash flows related to the group. The Company does not recognize any insurance acquisition cash flows for reinsurance contract assets held. For contracts measured under the PAA, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the Asset for Incurred Claims ("AIC").

Where the Company recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. Company calculates the loss-recovery component by multiplying the loss recognized on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held.

For more detailed information about the loss recovery component, please refer to note 2.13.8.2

#### **2.13.7.3.2 Subsequent measurement**

The carrying amount of a group of reinsurance contracts that are assets at each reporting date is the sum of the Asset for Remaining Coverage and the asset for incurred claims. On subsequent measurement, the carrying amount of the ARC is increased by any premiums paid and reduced by the amount recognized as reinsurance expense for services received.

The asset for incurred claims includes the fulfillment cash flows for the recovery of claims and expenses not yet collected, including the recovery of claims that have occurred but have not yet been reported. The asset for incurred claims also includes the RA and the time value of money adjustment, as most of the Company's held reinsurance contracts that are assets and measured under the PAA typically have a settlement period of more than one year.

If a loss recovery component exists, it is adjusted on subsequent measurement to reflect changes in the loss component of the loss-making group of underlying contracts to the extent that it affects reinsurance cash flows, but it cannot exceed the portion of the loss component of the loss-making group of underlying contracts that the Company expects to recover from its held reinsurance contract assets.

### **2.13.8 Onerous contracts**

#### **2.13.8. Loss Components**

An insurance contract is onerous at the date of initial recognition if the fulfillment cash flows allocated to the contract, any previously recognized insurance acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow.

The Company has established a loss component of the liability for remaining coverage for any group of onerous insurance contracts depicting the losses recognized that relate to future services (either these contracts are onerous at inception or become onerous after the inception).



**NOTES TO THE FINANCIAL STATEMENTS**

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognized at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

Groups that were not onerous at initial recognition can also subsequently become onerous if the following amounts exceed the CSM when:

- unfavourable changes relating to future service in the fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk; and
- for a group of insurance contracts with direct participation features, the decrease in the amount of the Company's share of the fair value of the underlying items.

After the recognition of the loss component, the Company allocates the subsequent changes in fulfilment cash flows of the liability for remaining coverage on a systematic basis between the loss component of the LRC and the LRC excluding the loss component.

The subsequent changes in the fulfilment cash flows of the LRC to be allocated are (for groups not measured under PAA):

- Insurance finance income or expense,
- Changes in risk adjustment for non-financial risk recognized in profit or loss representing release from risk in the period,
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for non-financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognized in the year).

Any subsequent decrease in fulfilment cash flows allocated to the group related to future service, arising from changes in estimates of future cash flows and the RA for non-financial risk, as well as any subsequent increases in the amount of the Company's share in the fair value of the underlying items, should be allocated solely to the loss component until that component is reduced to zero. These changes should be discounted using the original ("locked-in") discount rates for insurance contracts without participation features, while for insurance contracts with participation features, current discount rates should be used.

**2.13.8.2 Loss recovery component**

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognized:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognized; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The Company calculates the loss recovery component by multiplying the loss on the underlying insurance contracts by the percentage of claims from the underlying insurance contracts that the Company expects to recover from the held reinsurance contract group. The Company uses a systematic and rational method to determine the portion of losses recognized in the group of insurance contracts covered by the held reinsurance contract group when some contracts in the underlying group are not covered by the held reinsurance contract group.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

**2.13.9 Presentation**

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognized before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

**NOTES TO THE FINANCIAL STATEMENTS**

The Company disaggregates the amounts recognized in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company, according to the Standard, is not required to disaggregate the change in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. The Company has decided to make such a disaggregation for the risk adjustment.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

**2.13.10 Insurance Revenue**

As the Company provides insurance services of a group of issued insurance contracts, it reduces the group's LRC and recognizes insurance revenue, which is measured at the amount of consideration that the Company estimates it is entitled to in exchange for those services.

For groups of insurance contracts measured under the General Model, insurance revenue consists of the sum of the changes in the LRC due to:

- the insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding: (i) amounts allocated to the loss component, (ii) repayments of investment components, (iii) amounts of transaction-based taxes collected on behalf of third parties and (iv) insurance acquisition expenses,
- the change in the risk adjustment for non-financial risk, excluding: (i) changes that relate to future service that adjust the CSM and (ii) amounts allocated to the loss component,
- the amount of CSM for the services provided in the period,
- experience adjustments for premium receipts that relate to current or past service, if any.

Insurance revenue also includes the portion of premiums related to the recovery of insurance acquisition cash flows included in insurance expenses in each period. Both amounts are measured systematically based on the passage of time.

For groups of insurance contracts measured under the PAA, the Company recognizes insurance revenue based on the passage of time over the coverage period of a group of contracts.

**2.13.11 Insurance service expenses**

Insurance service expenses arising from insurance contracts are recognized in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items:

- incurred claims and benefits excluding investment components,
- other incurred directly attributable insurance service expenses,
- amortisation of insurance acquisition cash flows,
- changes in the fulfilment cash flows of the liabilities for incurred claims relating to past service.,
- losses on onerous contracts and reversals of losses,
- impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

For contracts not measured under the PAA, amortization of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue.

For contracts measured under the PAA, amortization of insurance acquisition cash flows is based on the passage of time.

**2.13.12 Net income or expense from reinsurance contracts held**

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following amounts:

- Amount recovered from reinsurers,
- An allocation of the premiums paid.

The Company treats reinsurance cash flows that are dependent on the claims of the underlying contracts as part of the amount recovered from reinsurers. Non-claims-dependent ceding commissions are presented as a deduction from the premiums paid to the reinsurer.

The allocation of reinsurance premiums (reinsurance service expense) is recognized in a similar manner to insurance revenue. The amount of reinsurance service expense recognized during the reporting period depicts the transfer of services received and reflects the portion of reinsurance premiums the Company expects to pay in exchange for those services.

**NOTES TO THE FINANCIAL STATEMENTS**

For groups of reinsurance contracts held measured under the PAA, the Company recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

**2.13.13 Insurance finance income and expense**

Financial insurance revenue or expense includes the change in the carrying amount of the group of insurance and reinsurance contracts arising from: the effect of the time value of money and changes in the time value of money, together with the effect of financial risk and changes in financial risk.

The Company has an accounting policy choice to present all financial insurance revenue or expense for the period in profit or loss or to separate the amount between the statement of profit or loss and other comprehensive income ("OCI"). The accounting policy choice for separating financial insurance revenue or expense between profit or loss and OCI is applied on a portfolio basis.

Group of contracts measured under GMM

The main amounts within insurance finance income or expenses are: (i) interest accreted on the FCF and the CSM, (ii) the effect of changes in interest rates and other financial assumptions and (iii) foreign exchange differences arising from contracts denominated in a foreign currency.

The Company did not issue any insurance contracts measured using the GMM as of 31 December 2024 and 31 December 2023.

Group of contracts measured under the PAA

The main amounts within insurance finance income or expenses are: (i) interest accreted on the LIC and (ii) the effect of changes in interest rates and other financial assumptions.

When applying the PAA, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk. For those claims that the Company expects to be paid within one year or less from the date of incurrence, the Company does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognized. The Company has elected to present all insurance finance income or expenses of the groups of contracts measured under PAA in profit or loss.

The interest accretion on the fulfilment cash flows is made by using current discount rates.

**2.13.14 IFRS 17, transition from IFRS 4**

The Company adopted IFRS 17 — Insurance Contracts from January 1, 2023. IFRS 17 replaced IFRS 4 — Insurance Contracts for annual periods beginning on or after January 1, 2023.

In transitioning to IFRS 17, the Company applied the full retrospective approach to all contract groups.

**Full Retrospective Approach**

In transitioning to IFRS 17, the Company applied the full retrospective approach for all contract groups.

- determined, recognized, and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied,
- determined, recognized and measured any assets for IACF as if IFRS 17 had always been applied, with the exception that the recoverability assessment was not applied before 1 January 2022.,
- Ceased to recognize any balances that would not have existed if IFRS 17 had always been applied. These included deferred acquisition costs for insurance contracts and insurance receivables and liabilities, which under IFRS 17 are included in the measurement of insurance contracts,
- Recognized any net effect of the above in equity.

**2.14 Leases**

The Company participates as lessee and lessor in operating leases.

**The Company as a Lessor:**

Assets leased out under operating leases are included in Property, plant and equipment and are depreciated over their estimated useful lives in accordance with similar own-use tangible assets. The rental income (net of any incentives given to lessees) is recognized on a straight line basis over the lease period.

**The Company as a Lessee:**

The Company's new accounting policies on the adoption of IFRS 16 effective from the date of initial recognition are the following:

**NOTES TO THE FINANCIAL STATEMENTS****i) Right of use asset**

The Company recognizes right-of-use assets for leasehold property at the commencement of the lease (the date the asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted upon remeasurement of the corresponding lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial directly attributable costs, and lease payments made on or before the commencement date, less any lease incentives or other incentives received. Except where the Company is reasonably certain that the leased asset will be transferred to its ownership at the end of the lease term, the recognized right-of-use assets are depreciated using the straight-line method over the shorter of the useful life of the underlying asset and the lease term. Right-of-use assets are subject to impairment testing.

**ii) Lease liabilities**

At the commencement of the lease, the Company recognizes lease liabilities equal to the present value of the lease payments over the duration of the lease contracts. Payments include contractual fixed payments, reduced by any lease incentives received, variable payments depending on an index, and amounts for residual value payments expected to be paid. Leases also include the exercise price of a call option that is relatively certain to be exercised by the Company and the termination penalty payments of a lease, if the contract terms indicate with reasonable certainty that the Company will exercise the right to terminate. Variable payments that are not dependent on an index are recognized as an expense in the period in which the event occurs and the payment is made.

To calculate the present value of the payments, the Company uses the incremental borrowing cost at the commencement date of the lease if the interest implicit in the lease is not readily available. Following the commencement of the lease, the amount of lease liabilities is increased with the accrued interest expense and is reduced by the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a change in the contract, or any change in the term of the contract, in the fixed lease payments or in the assessment to purchase the asset.

**iii) Short term leases**

The Company applies the practical expedient for short-term leases (i.e. leases of less than or equal to 12 months from the date of commencement of the lease where there is no right to purchase the asset). Lease payments for short-term leases are recognized as an expense on a straight-line basis over the term of the lease.

**iv) Significant considerations in determining the lease term with an extension option**

The Company determines the lease term as the contractual lease term, including the period covered by (a) the right to extend the lease, if it is relatively certain that the right will be exercised, or (b) the right to terminate the contract, if it is relatively certain that the right will not be exercised.

The Company has the right for some leases to extend the lease term. The Company assesses whether there is relative certainty that the right of renewal will be exercised, taking into consideration all relevant facts and circumstances creating an economic incentive. Subsequent to the lease commencement, the Company re-assesses the lease term, if there is a significant event or change in circumstances within its control and affects the exercise (or not) of the extension option (such as a change in the business strategy of the Company).

**2.15 Related party transactions**

The related parties of the Company include:

- i. an entity that has control over the Company and entities that are controlled, jointly controlled or significantly influenced by this entity, as well as members of its key management personnel and their close family members,
- ii. members of key management personnel of the Company, close family members and entities that are controlled or jointly controlled by the abovementioned persons,
- iii. the Company's associated companies and joint ventures (if any), and
- iv. other related entities.

All transactions with related parties are within the ordinary course of business and are conducted on arm's length terms.

**2.16 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

**NOTES TO THE FINANCIAL STATEMENTS****2.17 Dividends**

Dividend distribution on shares is recognized as a deduction in the Company's equity when approved by the Company's shareholders. Interim dividends are recognized as a deduction in the Company's equity when approved by the Board of Directors.

**2.18 Provisions – Pending litigations**

Provisions are recognized when the Company has a current legal or constructive obligation as a result of past events and it is likely that an outflow of resources embodying economic benefits required to settle the obligation whose amount can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties relating to the amount recognized as a provision. Provisions are reviewed at each reporting date and adjusted to reflect the best possible estimate. If subsequently, it is no longer probable that in order to settle the obligation an outflow of resources embodying economic benefits will be required, the provision is reversed.

**2.19 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand and time deposits with banks, and other highly liquid and low-risk short-term investments with original maturities of three months or less.

**2.20 Revenue recognition**

Revenue is recognized when it is probable that future economic benefits will flow to the Company and the amount can be measured reliably. The recognition of revenue from insurance contracts is described in Note 2.13. The recognition of the Company's other revenue is as follows:

**Interest Income**

Interest income is recognized in the income statement on an accrual basis for all interest bearing instruments using the effective interest rate method. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset.

When an interest bearing asset is impaired, its carrying amount is reduced to its recoverable amount, which is the present value of the expected future cash flows discounted at the original effective interest rate. Interest is subsequently calculated at the same interest rate on the impaired (new book value).

**Dividend Income**

Dividend income from financial assets is recognized in the income statement when the right to be received is approved by the shareholder.

**2.21 Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost less any impairment losses. Cost is the fair value of the consideration given, or if that cannot be reliably measured, the fair value of the consideration received, plus costs directly attributable to the transaction. Investments in subsidiaries are periodically assessed for impairment, and any impairment loss is recognized directly in the statement of profit or loss.

**NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The Company makes estimates and assumptions about the outcome of future events that affect the amounts of assets and liabilities presented in the financial statements. These estimates are based on historical data and on estimates of future events that are reasonable in the current circumstances. The estimates and assumptions that have a high likelihood of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year are as follows:

**3.1 Insurance and reinsurance contracts**

Below are analysed the key assumptions about the future and other key sources of uncertainty in the estimates at the reporting date, which carry a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on the parameters available at the time of preparing the financial statements. Existing conditions and assumptions about future developments, however, may change due to market changes or circumstances arising outside the Company's control. Such changes are considered in the determination of assumptions when they occur. The Company analyses the information separately for insurance contracts and reinsurance contracts. This specific separation has been determined based on the Company's management approach.

**NOTES TO THE FINANCIAL STATEMENTS****3.1.1 Discount rates**

The Company has determined discount rates using the bottom-up approach.

Future cash flows are discounted using zero-risk yield curves adjusted to reflect the characteristics of the cash flows and the liquidity of the issued insurance contracts and the held reinsurance contracts. The Company determines the yield curves using commercially available interest rates per currency and liquidity-reduced spreads.

The table below presents the yield curves used to discount the cash flows of the Company's insurance contracts (related to the most significant portfolios) as of 31 December 2024 and 31 December 2023.

	31/12/2024					31/12/2023				
	1 year	3 years	5 years	10 years	20 years	1 year	3 years	5 years	10 years	20 years
<b>Premium Allocation Approach</b>										
Property and Casualty	2,38%	2,34%	2,50%	2,91%	3,45%	3,38%	2,70%	2,64%	2,86%	3,24%

**3.1.2 Risk adjustment for non-financial risk**

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The calculation of the Risk Adjustment leverages on the Solvency II view of non-financial risks, taking also into account the diversification benefits between risks. The Risk Adjustment is calculated according to the Value at Risk methodology, assuming a confidence level of 75% and normal distribution of future cashflows.

**3.1.3 Methods used to measure liability for incurred claims**

The Company is required to establish a liability for incurred claims (LIC) for the payment of losses and the settlement of claims that arise from the Company's life and property and casualty products. These liabilities represent the expected ultimate cost to settle claims occurring prior to, but still outstanding as of, balance sheet date. The Company establishes its liabilities by product line, type and extent of coverage and accident year. There are two categories of the LIC: liability for reported losses; and liability for incurred but not reported (IBNR) losses. Additionally, the LIC is held for loss adjustment expenses, which contain the estimated legal and other expenses expected to be incurred to finalize the settlement of the losses.

The Company's liability for reported losses and loss settlement expenses is based on estimates of future payments to settle reported claims. The Company bases these estimates on the data available at the time of determining the liability, considering the estimated cost until the final settlement of the claims. The liability takes into account inflation, as well as other factors that may affect the amount required to fulfil the Company's obligations. In determining the amount of the liability, the Company considers historical trends and patterns of claim payments, outstanding claims, and types of coverage. In addition, court decisions, economic conditions, and public behaviour may affect the ultimate cost of claims and, therefore, the estimate of the Company's liability.

The Company establishes the liability for IBNR losses to recognize the estimated cost of losses for events which have already occurred, but for which the Company has not yet been notified. This liability is established to recognize the estimated costs required to bring such claims to final settlement. As these losses have not yet been reported, the Company relies upon historical information and statistical models, based on product line, type and extent of coverage, to estimate its IBNR liability. The Company uses reported claims trends, claims severities, exposure growth and other factors in estimating IBNR liability.

The Company uses a number of accepted actuarial methods to estimate and evaluate the amount of LIC. The most common methods used to estimate claims incurred are the chain-ladder and the Bornhuetter-Ferguson methods.

**3.2 Estimated impairment of goodwill**

The Company annually assesses whether there is any indication of impairment of goodwill, in accordance with the accounting policy presented in Note 2.6(i). The recoverable amounts of cash-generating units are determined based on their value in use. Determining value in use is an inherently subjective process involving the use of best estimates and management judgment, particularly regarding the future cash flows of the cash-generating units or groups of cash-generating units and the appropriate discount rates.

The recoverable amount of cash-generating units is determined based on the cash-generating units' business plan, which is derived from the approved three-year management forecasts and which are extended for an additional two-year period of stable growth which is followed from a long-term period growth in the perpetuity. The forecasts and business plans represent management's

**NOTES TO THE FINANCIAL STATEMENTS**

current expectations regarding changes in volumes, margins, and capital requirements, taking into account estimated market conditions, competitor activity, and the impact of recent regulatory or legislative changes.

The discount rate used for each cash-generating unit represents the estimated cost of capital for that unit. The Weighted Average Cost of Capital ("WACC") is used to determine the discount rate.

The key assumptions for the value-in-use calculations and inputs to the afore-mentioned model, as well as the impact of potential changes to key variables, are described in note 8 and may change as economic and market conditions change.

**3.3 Fair value of financial instruments**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Furthermore, for financial instruments where transactions are infrequent and pricing is characterized by low transparency, fair value is less objective and requires judgment at various levels depending on liquidity, the degree of aggregation, the uncertainty of market factors, pricing assumptions, and other risks affecting that financial instrument.

The valuation techniques used include present value methods and other models primarily based on observable data and, to a lesser extent, unobservable data, in order to maintain the reliability of the fair value measurement.

Valuation models are primarily used to value over-the-counter derivatives and securities measured at fair value. In these cases, fair value is estimated using observable data of similar financial instruments or using models.

Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent to the personnel who performed the valuation methods. All models are certified before being used and adjusted so as to ensure that outputs reflect the actual data and the comparative market prices. The key assumptions and estimates considered by management when applying a valuation model include:

- the likelihood and expected timing of future cash flows,
- the selection of the appropriate discount rate based on the estimate of a market participant for the appropriate spread of the rate over the risk free rate,
- judgment in determining the model that will be used to calculate the fair value.

To the extent practicable, models use only observable input, however in areas such as credit risk (both own and the counterparty) management estimates are required for parameters such as volatility and correlations so as to reflect uncertainties in fair value resulting from the lack of observable market input.

Inputs used in valuations based on unobservable data are inherently uncertain due to the limited number or unavailability of recent market data. However, in most cases there will be some historical data on which the fair value measurement can be based and, therefore, even when unobservable data is used, some observable data will be used in the calculation of fair value.

Valuation techniques used to calculate fair value are described in Note 4.6.

**NOTE 4: INSURANCE AND FINANCIAL RISK MANAGEMENT****4.1 Framework for risk management**

The Company has established an effective risk management system to address the risks to which it is exposed and to protect its policyholders and shareholders. The system is based on a defined framework of principles, policies, and procedures. Due to the nature of its activities, the Company is exposed to insurance risks, financial risks such as credit risk, market risk, liquidity risk, and operational risk. To minimize the negative impacts that may arise from these risks, the Company has developed:

- a framework that reflects its risk management strategy,
- a methodology for the identification, measurement, management and reporting of all risks to which the Company is or may be exposed, and finally
- a governance structure, according to the requirements raised by the regulatory and the internally defined framework.

In this context, the Company has established a Risk Management, Asset-Liability and Investment Committee and a Risk Management Function.

**4.1.1 Risk, Asset - Liability and Investment Management Committee**

The Risk, Asset - Liability and Investment Management Committee is a committee of the Board of Directors.

The main responsibilities of the Committee are:

- Ensuring and providing assurance to the Board of Directors regarding ongoing compliance with Solvency II Capital Requirements,



**NOTES TO THE FINANCIAL STATEMENTS**

- Developing an appropriate strategy for managing risks affecting the Company and managing its capital in accordance with the applicable regulatory framework,
- Establishing principles and rules governing the identification, assessment, measurement, monitoring, management, and reporting of risks, including Asset-Liability Management,
- Establishing an adequate internal control system that ensures the understanding and integration of appropriate risk management policies into the Company's decision-making process,
- Monitoring, reviewing, and validating adherence to the procedures for calculating Solvency II capital requirements and conducting Own Risk and Solvency Assessment exercise,
- Assisting the Board of Directors in adopting a sound and prudent investment strategy and policy,
- Monitoring the Company's compliance with the legal and regulatory framework governing all its operations,
- Establishing appropriate communication channels with relevant committees..
- Evaluating investment proposals, upon recommendation from either Management or external investment advisors, considering legal and regulatory requirements and ensuring the adequacy of the solvency coverage ratio, as dictated by the risk appetite set by the Board of Directors.,
- Integrating sustainability risk criteria into the investment decision-making process,
- Guiding the Investment Department and other Company departments related to investment management and ensuring the adequacy of human resources for implementing the Committee's decisions.

**4.1.2 Risk Management Function**

Through the Risk Management Function, the establishment and implementation of the risk management system is ensured. Its main duties are:

- Enhancing risk awareness, developing and implementing appropriate methodology for managing the most significant risks to which the Company is or may be exposed. This methodology involves the identification, assessment, measurement, monitoring, mitigation, and reporting of these risks,
- Periodically evaluating the adequacy of the aforementioned methodology,
- Issuing policies for each risk category, reviewing them annually, and supervising their implementation,
- Depicting the Company's risk profile, defining and monitoring indicators for the early recognition and effective management of risks,
- periodically perform stress testing and scenario analysis assessments for the major risk exposures,
- Conducting the ORSA process at least once per year and whenever deemed necessary,
- Calculating and validating the calculations for determining the Solvency Capital Requirements and the Solvency Coverage Ratio,
- Evaluating risks involved in new services, products and/or processes,
- Evaluating risks involved in new investment placements in relation to the Solvency Capital Requirement,
- Participating in the crisis management team in case of a serious incident, preparing (and annually reviewing) the Business Continuity Policy as well as the Business Continuity Plan (including annual testing),
- Preparing, implementing, and monitoring projects in the field of Information Security to ensure alignment with the Company's risk appetite,
- Notifying the Risk Management, Asset-Liability and Investment Committee of any deviations in risk exposure from approved limits, submitting proposals for mitigation techniques depending on the nature of the risk, and monitoring the progress of implementing relevant action plans,
- Collecting data and submitting reports (periodically and/or "ad-hoc") to appropriately inform the Board of Directors, the Risk Management, Asset-Liability and Investment Committee, and Management regarding risk exposure and generally on risk-related matters,
- Conducting Risk and Control Self-Assessment exercises ("RCSA"), identifying and evaluating operational risk scenarios, assessing exposure to Fraud Risk ("FRA"), evaluating risk from business practices ("CRA"), assessing the business environment, monitoring Key Risk Indicators ("KRIs"), and managing operational risk events (identification, causal analysis, and recording of operational losses) in accordance with the approved operational risk management framework (methodologies, policies and/or procedures)
- Developing (and annually reviewing) a framework for outsourcing work to third parties and implementing a comprehensive program for managing operational risks related to the outsourcing of functions/activities, including: assessing the criticality of activities before outsourcing, evaluating risks in cloud computing service providers, annual assessment of outsourcing agreements related to critical activities ("ORA"), etc.,
- Participating in the Reinsurance Committee to contribute to the formation of a reinsurance program capable of managing portfolio risks.



**NOTES TO THE FINANCIAL STATEMENTS****4.2 Insurance risk**

The risk inherent in any insurance contract consists of the possibility that the insured event will occur and of the uncertainty of the amount of the resulting claim. Due to the nature of an insurance contract, the risk is random and could be evaluated but is unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and compensation exceed the carrying amount of the insurance liabilities. This could occur because the frequency or/and severity of claims and compensations are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits may vary from year to year from the level established using statistical techniques.

Experience shows that the larger a portfolio of similar insurance contracts, the lower the relative volatility of the expected outcome. Also, the more diversified a portfolio, the less likely it is to be affected by a change in a subset of the portfolio. The Company has developed a risk undertaking strategy aimed at diversifying the insurance risks it underwrites and achieving a sufficient volume of insured risks in each risk category to reduce the volatility of the expected outcome.

The factors that exacerbate the insurance risk include the lack of diversification of the risk in terms of the type and amount of covered risk.

**4.2.1 Property and Casualty Insurance**

The Company operates almost in all insurance sectors related to losses and damages. The main activity comes from Fire insurance sector (including Earthquake and engineering sectors), Motor Liability, Land Vehicle and Other Losses, whose participation in written insurance premiums for 2024 amounted to 42,8%, 23,2%, 10,5% and 23,4% respectively (2023: 43,5%, 23,4%, 10,1% and 23,0%).

**4.2.1.1 Motor insurance**

Underwriting and pricing are critical risk mitigation mechanisms adopted in the insurance sector. Pricing is based on the use of multi-parameter models that aim at a more accurate risk assessment and more appropriate matching with the premium for each policyholder. The premiums charged are calculated in order to be able to cover the claims and expenses that will emerge from the Company portfolio, but also the capital and solvency requirements.

**(a) Frequency and severity of claims**

The frequency and severity of the claims contribute to the calculation of the risk premium and lead to its differentiation at each level of each parameter. These indicators are affected by the terms, limits and deductibles of coverages, the Company's underwriting policy, the selection of the appropriate reinsurance cover, the reserves policy as well as the processes and controls within the claims handling period.

Specifically, the frequency and the severity for claims as of 31 December is 13,7% and €982 respectively (2023: 13,5% and €990).

Third Party Liability limits that are imposed by law are €1,22 mil. per person for bodily injuries and €1,22 mil. per accident for material damages.

Reinsurance arrangements include excess of loss with a maximum underwriting limit for the Company in Motor Third Party Liability amounting to €50,0 mil. per incident.

**(b) Sources of uncertainty in the estimation of future claim payments**

Insurance policies cover damages if the date of the event falls within the policy period, even if the claim or damage is discovered after the policy expires (always in accordance with current legislation). Damages that occurred within the policy period and were reported after the policy expired are part of the Company's liabilities and need to be estimated. Furthermore, some of the compensations related to motor third-party liability are subject to legal resolution, with the possibility that pending cases remain outstanding for a long time, thus introducing further uncertainty into future estimates of the cost of compensations.

The estimated cost includes the cost of the claim as well as the cost of claims administration. The reserves for outstanding claims for which the Company is considered responsible consist of the following categories: reserve for reported claims, reserve for the incurred but not reported claims (IBNR) and reserve for losses reported but not sufficiently reserved (IBNeR). The estimation for the last two mentioned categories is performed based on actuarial statistical methods. Finally, on those reserves, one more category is added for the Unallocated Loss Adjustment Expenses.

**(c) Process used to decide on assumptions**

The selection of the development ratios for assessing the adequacy of reserves and future payments is made on a best-estimate basis.

**NOTES TO THE FINANCIAL STATEMENTS**

Ratio that significantly deviate from the average are excluded from the final selection, especially if their application leads to lower-than-expected estimates. For the Motor Third Party Liability class, a specific method is selected with the aim of creating the most reliable reserve estimates possible.

On a quarterly basis, the Company estimates the present value of future cash flows for the obligation from incurred claims. For the estimation of cash flows for settlement, various actuarial methods are used on claims data, such as "Chain Ladder" and "Bornhuetter Ferguson". Both of these methods use the development of claims from previous years to estimate the final cost of claims per accident year.

**(d) Changes in assumptions and sensitivity analysis**

The ratio used for the estimation of cash flows for claims incurred is given by the product of development factors which are subject to sensitivity analysis below.

In case of an increase in the product of development factors by 10,0%, the insurance contract liabilities increase by € 5.371 thousand (31 December 2023: € 4.353 thousand). In case of a reduction in the product of development factors by 10,0%, the insurance contract liabilities decrease by € 5.490 thousand (31 December 2023: € 4.457 thousand).

31/12/2024 <i>(amounts in € thousand)</i>	Change	Impact on:		
		Insurance contract liabilities	Profit before tax	Equity

Product of development factors	+10%	5.371	(5.371)	(4.189)
Product of development factors	-10%	(5.490)	5.490	4.282

31/12/2023 <i>(amounts in € thousand)</i>	Change	Impact on:		
		Insurance contract liabilities	Profit before tax	Equity

Product of development factors	+10%	4.353	(4.353)	(3.395)
Product of development factors	-10%	(4.457)	4.457	3.476

The above sensitivity analysis calculates the impact on the insurance contract liabilities gross of reinsurance.

**4.2.1.2 Property insurance**

The Company offers products for individuals and small businesses, as well as customized coverage for commercial and industrial risks. Insurance coverage is typically provided on an annual basis, and the Company reserves the right to reprice upon renewal.

In designing its products, the Company follows a comprehensive process of risk assessment, pricing, and management. Premiums include the cost of reinsurance, the risk underwriting premium—which covers both the expected losses arising from the Company's portfolio and the related capital requirements—as well as a reasonable profit margin.

**(a) Frequency and severity of claims**

The retail products range from basic fire covers to full packages, including covers such as water perils, short circuit, malicious damages, terrorism acts, debris removals, other expenses, civil liability, and earthquake.

The Company monitors the portfolio per package regularly, especially the loss ratio.

Regarding the large commercial and industrial risks, the Company offers comprehensive multi-risk coverage on a tailored basis. Appropriate underwriting procedures are in place, taking into consideration criteria such as nature of risk, quality of risk, fire and theft protection measures, geographical location, earthquake accumulation, building construction type and construction year, deductibles, sub-limits for certain categories of covers and loss history.

The underwriting process for insurance programs considers several key factors: risk categorization, implemented risk mitigation measures, and the sum insured.

The Company enters into reinsurance agreements with reliable reinsurers to offset catastrophic risks.

The frequency and amount of claims depend to some degree on underwriting rules. The application of deductible amounts to specific risks helps address primarily the increased frequency and secondarily the increased severity.

Claims are classified into three main categories as follows:

**NOTES TO THE FINANCIAL STATEMENTS**

- small claims, for which the Company monitors the evolution of frequency and average cost and adjusts its pricing policy,
- large claims, for which the Company examines a more long-term period to calculate the frequency, and
- catastrophe cases, i.e., events that may significantly affect a large number of insurance policies such as an earthquake, for which the Company analyzes the portfolio to assess the annual cost and determine the amount to be ceded through reinsurance contracts and the amount of premiums.

The management of insurance risks also includes setting maximum levels of risk accumulation and maximum loss amounts per risk or event that will affect the Company's results. Any excess amounts in both cases are subject to reinsurance cession through reinsurance agreements or optional cessions.

In Greece, earthquake is considered the most likely catastrophic risk. Consequently, the Company carefully examines concentration risk, purchases reinsurance coverage, and charges different premiums per seismic zone.

The following table analyzes the concentration of risk in the Company's portfolio by geographical area for 31 December 2024 and 31 December 2023 (regarding earthquake risk).

Geographical region (amounts in € thousand)	Total insured funds as at 31/12/2024	Total insured funds as at 31/12/2023
	(Gross)	(Gross)
Attica and Central Greece	13.631.017	12.325.232
Rest of Greece	15.577.249	14.004.921
<b>Total</b>	<b>29.208.266</b>	<b>26.330.153</b>

The Company is covered by excessive reinsurance contracts for catastrophic events for the amount exceeding € 10 million (2023: € 10 million) per loss and up to € 490 million. The total (maximum) limit has increased from the previous year by € 40 million (2023: € 450 million).

**(b) Sources of uncertainty in the estimation of future claim payments**

The main uncertainties in estimating future payments are as follows:

- The final cost of repair or replacement of damaged assets, and/or any residual value of salvaged items (which impacts the final loss borne by the Company).
- in case of judicial resolution of the dispute, the interpretation of the terms of the insurance contract and the facts which the court will adopt.
- in case of judicial resolution of the dispute, the time until the payment of any compensation to be awarded for the purpose of calculating interest on overdue amount.

The estimated cost of claims also includes the cost of claims administration. The reserves for outstanding claims consist of the following categories: reserve for reported claims, reserve for the incurred but not reported claims (IBNR) and reserve for losses reported but not sufficiently reserved (IBNR). Finally on those reserves, one more category is added for the Unallocated Loss Adjustment Expenses.

**(c) Process used to decide on assumptions**

The selection of the development factors for estimating the future cash flows and future payments is made on a best-estimate basis.

Development factors that deviate significantly from the average are excluded from the final selection.

The non-attribitional claims are monitored separately in order to avoid biases on claims projections from random events with a low probability of recurring. In cases where there is no sufficient data that can be used for statistical analysis then similar risk categories are grouped together.

On a quarterly basis the Company carries out analysis of the gross claims reserves using the actuarial methods above mentioned.

**(d) Change in assumptions and sensitivity analysis**

The ratio used for the estimation of future cash flows for claims incurred is given by the product of development factors which are subject to sensitivity analysis.

**NOTES TO THE FINANCIAL STATEMENTS**

In case of an increase in the product of development factors by 10,0%, the insurance contract liabilities increase by € 1.996 thousand (31 December 2023: € 1.907 thousand). In case of a reduction in the product of development factors by 10,0%, the insurance contract liabilities decrease by € 2.045 thousand (31 December 2023: € 1.936 thousand).

<b>31/12/2024</b>		<b>Impact on:</b>		
<i>(amounts in € thousand)</i>	<b>Change</b>	<b>Insurance contract liabilities</b>	<b>Profit before tax</b>	<b>Equity</b>
Product of development factors	+10%	1.996	(1.996)	(1.557)
Product of development factors	-10%	(2.045)	2.045	1.595

<b>31/12/2023</b>		<b>Impact on:</b>		
<i>(amounts in € thousand)</i>	<b>Change</b>	<b>Insurance contract liabilities</b>	<b>Profit before tax</b>	<b>Equity</b>
Product of development factors	+10%	1.907	(1.907)	(1.487)
Product of development factors	-10%	(1.936)	1.936	1.510

The above sensitivity analysis calculates the impact on the insurance contract liabilities gross of reinsurance.

**4.3 Financial Risks**

Financial risk management is crucial part of the Company's risk management framework on daily basis. Management, aiming to maintain the stability and continuity of its operations, places high priority on the goal of implementing and continuously improving an effective risk management framework to minimize potential negative effects on the Company's financial results.

The Company systematically monitors the following risks resulting from the structure of its asset portfolio: credit risk, market risk and liquidity risk.

**4.3.1 Credit risk**

The Company's credit risk relates to the counterparty risk of default that may arise and cause financial loss to the Company by failing to meet its financial obligations due to the deterioration of its financial position. The Company manages individual exposures as well as credit risk concentrations.

**Credit risk concentration**

The main counterparties posing a high concentration of risk to the Company are reinsurers and debt issuers. The adopted risk management framework defines specific credit rating standards for counterparties and limits on concentration. As of 31 December 2024 and 31 December 2023, the Company's exposure did not exceed the applicable limits for these counterparties.

The Company's credit risk exposure is primarily associated with balance sheet items. While certain off-balance sheet items also present credit risk exposure, this exposure is immaterial and largely mitigated by collateral. This collateral serves to protect the Company against credit risk stemming primarily from other receivables.

The maximum credit risk exposure, excluding the impact of any collateral or other credit enhancements, is detailed below:

<b>Maximum Exposure</b>		
<i>(amounts in € thousand)</i>	<b>31/12/2024</b>	<b>31/12/2023</b>
Financial assets at FVTPL <sup>(1)</sup>	152.850	136.240
Financial assets at amortised cost	1.818	1.818
Insurance contract assets	867	673
Reinsurance contract assets	11.014	14.439
Other receivables <sup>(2)</sup>	3.656	3.984
Cash and cash equivalents	8.132	12.564
<b>Total financial assets bearing credit risk</b>	<b>178.337</b>	<b>169.718</b>

<sup>(1)</sup> From the line item "Financial assets at FVTPL" of the above table, equities have been excluded with total amount of € 19.532 thousand as at 31 December 2024 (2023 € 16.355 thousand), as they have no credit risk exposure.

<sup>(2)</sup> The "Other receivables" amount above includes both "Other receivables" and "Income tax receivables".

**NOTES TO THE FINANCIAL STATEMENTS**

As of 31 December 2024 and 31 December 2023, the Company has not exposure to credit risk arising from derivative financial instruments.

The main areas in which the Company is exposed to credit risk are:

**Credit risk related to debt securities:**

Credit risk arising from debt securities relates to the inability of the issuer to meet its obligation to repay the face value of a bond at its maturity and settlement. In the context of the Company's Financial Risk Management Framework, credit ratings assigned by independent certified external rating agencies are used as a primary criterion for the evaluation of the credit risk entailed in investments in debt securities. The applicable limits regarding the government debt securities as well as the corporate securities, which the Company has in its portfolio, are described in the current Risk Management Policy.

The following table shows the credit risk exposure on debt securities including interest accrued, by issuer credit rating, industry and geographical area:

<b>Government Bonds and Treasury Bills</b>				
<i>(amounts in € thousand)</i>	<b>Rating</b>	<b>31/12/2024</b>	<b>Rating</b>	<b>31/12/2023</b>
	<b>Fitch</b>		<b>Fitch</b>	
Greece	BBB-	81.183	BBB-	80.494
Germany	AAA	37.830	AAA	18.973
Brazil	BB	4.022	BB	5.303
<b>Total</b>		<b>123.036</b>		<b>104.771</b>
<b>Corporate Bonds</b>				
<i>(amounts in € thousand)</i>	<b>Rating</b>	<b>31/12/2024</b>	<b>Rating</b>	<b>31/12/2023</b>
	<b>Fitch</b>		<b>Fitch</b>	
Non-financial industry (Banks)	BB-	-	BB-	2.070
Non-financial industry (Other commercial companies)	BB+	-	BB+	797
<b>Total</b>		<b>-</b>		<b>2.867</b>

As of 31 December 2024 and 31 December 2023, the largest concentration within the Company's debt securities portfolio was in European government bonds, representing 96,7% and 92,4% respectively of the total bond portfolio, and 73,1% and 66,0% respectively of total financial assets (including cash and cash equivalents).

Specifically regarding the risk stemming from Greek government debt securities, the Company's exposure amounted to € 81.183 thousand (49,9% of total financial assets, including the cash and cash equivalents) and € 80.494 thousand (53,4% of total financial assets, including the cash and cash equivalents) as of 31 December 2024 and 31 December 2023, respectively.

**Credit risk related to reinsurance assets:**

As part of its overall risk management strategy, the Company mitigates insurance risk through proportional, non-proportional, and facultative reinsurance agreements. Although these agreements address insurance risk, the receivables from reinsurers expose the Company to potential credit risk.

Reinsurance contracts are reviewed annually by the Company (or earlier, in exceptional circumstances) to ensure adequate protection levels and the financial strength of the reinsurers. Strict criteria govern the selection of reinsurers, all of whom must maintain high credit ratings from recognized rating agencies.

The Company applies the minimum acceptable rating levels on reinsurers who support the reinsurance contracts, and therefore, reinsurers that are rated below A- by Standard & Poor's or equivalent rating by other rating agencies (AM Best, Fitch), are not acceptable. A temporary exception to this rule could be made for the reinsurers with whom the Company has a long successful cooperation and while they were assigned an A- or higher credit rating at the inception of the reinsurance contract, they were downgraded during the term of the contract.

The Company's reinsurance strategy employs a diversified mix of reinsurers to ensure appropriate coverage. As of 31 December 2024, credit risk exposure from reinsurance receivables with the three largest reinsurers represented 56,7% (2023: 50,3%). However, given the high credit ratings and recognized solvency of these reinsurers, management does not anticipate losses from default.

**NOTES TO THE FINANCIAL STATEMENTS**

The rating of the reinsurance companies per line of business for 2024 and 2023 is given below.

2024 RATING					
Line of Business	A+	A	A-	AA-	AA
Property	61,0%	39,0%	0,0%	0,0%	0,0%
Catastrophe	26,0%	19,3%	1,4%	51,8%	1,5%
Motor	40,0%	25,0%	0,0%	35,0%	0,0%
Engineering	61,0%	39,0%	0,0%	0,0%	0,0%
Cargo	30,0%	40,0%	0,0%	30,0%	0,0%
Accident /TPL	35,0%	40,0%	25,0%	0,0%	0,0%
2023 RATING					
Line of Business	A+	A	A-	AA-	AA
Property	51,0%	41,0%	0,0%	8,0%	0,0%
Catastrophe	21,5%	21,2%	2,7%	54,6%	0,0%
Motor	35,0%	25,0%	0,0%	40,0%	0,0%
Engineering	51,0%	41,0%	0,0%	8,0%	0,0%
Cargo	25,0%	40,0%	0,0%	35,0%	0,0%
Accident /TPL	35,0%	35,0%	25,0%	0,0%	0,0%

**Credit risk related to premium receivables:**

The Company's credit risk exposure related to premium receivables primarily stems from independent agents, brokers, and other intermediaries. This risk arises when intermediaries collect premiums from clients before remitting them to the Company. The Company employs policies and procedures to manage and monitor credit risk from intermediaries, focusing on daily monitoring of larger balances and tracking exposure limits. Furthermore, the Company has established a pre-selection process and mitigates risk through careful counterparty selection. Overdue but non-impaired receivables are considered unsecured, except for certain receivables covered by collateral. The Company prepares internal reports on overdue but non-impaired receivables and strives to maintain the balance of overdue receivables as low as possible, while also considering customer satisfaction.

**Credit risk related to cash and cash equivalents**

As of 31 December 2024 and 31 December 2023, cash and cash equivalents held with the Eurobank group amounted to € 2.919 thousand and € 4.062 thousand, respectively.

**Financial assets per credit rating**

The following table presents financial assets by credit rating category as at 31 December 2024 and 31 December 2023:

31/12/2024 (amounts in € thousand)	FVTPL Portfolio <sup>(1)</sup>	Financial assets at amortised cost	Insurance contract assets	Reinsurance contract assets	Other receivables <sup>(2)</sup>	Cash & cash equivalent	Total
AAA	37.830	-	-	-	-	-	37.830
AA	-	-	-	-	-	670	670
AA+	-	-	-	-	-	-	-
AA-	-	-	-	973	-	-	973
A+	-	-	-	9.640	-	-	9.640
A	-	-	-	211	-	-	211
A-	-	-	-	-	-	-	-
BBB	-	-	-	-	-	4.443	4.443
BBB-	81.183	-	-	-	-	3.017	84.200
BB+	-	-	-	-	-	-	-
BB	4.022	-	-	-	-	-	4.022
B++	-	-	-	-	-	-	-
BB-	-	-	-	-	-	-	-
Non rating	29.814	1.818	867	190	3.656	2	36.347
<b>Total</b>	<b>152.850</b>	<b>1.818</b>	<b>867</b>	<b>11.014</b>	<b>3.656</b>	<b>8.132</b>	<b>178,337</b>

## NOTES TO THE FINANCIAL STATEMENTS

31/12/2023 (amounts in € thousand)	FVTPL Portfolio <sup>(1)</sup>	Financial assets at amortised cost	Insurance contract assets	Reinsurance contract assets	Other receivables <sup>(2)</sup>	Cash & cash equivalent	Total
AAA	18.973	-	-	-	-	-	18.973
AA	-	-	-	5	-	696	701
AA+	-	-	-	(15)	-	-	(15)
AA-	-	-	-	5.749	-	-	5.749
A+	-	-	-	6.084	-	-	6.084
A	-	-	-	1.982	-	-	1.982
A-	-	-	-	72	-	-	72
BBB	-	-	-	-	-	-	-
BBB-	80.494	-	-	-	-	-	80.494
BB+	797	-	-	-	-	-	797
BB	5.303	-	-	-	-	6.551	11.854
B++	-	-	-	1	-	-	1
BB-	2.070	-	-	-	-	5.314	7.385
Non rating	28.602	1.818	673	561	3.983	2	35.640
<b>Total</b>	<b>136.240</b>	<b>1.818</b>	<b>673</b>	<b>14.439</b>	<b>3.984</b>	<b>12.563</b>	<b>169.718</b>

<sup>(1)</sup> In the 'FVTPL portfolio' line item, the amount classified as 'Non Rating' mainly relates to mutual funds

<sup>(2)</sup> The line item 'Other receivables' above includes the items 'Other receivables' and 'Income tax receivables' from statement of financial position

## Expected Credit Losses ("ECL")

The tables below set out the Company's portfolio of financial investments subject to impairment, namely loans and cash and cash equivalent measured at amortized cost, broken down by class of financial investments.

31/12/2024  (amounts in € thousand)	Stage 1		Stage 2		Total	
	Gross Carrying Amount before provision	12- month ECLs	Gross Carrying Amount before provision	Lifetime ECLs	Gross Carrying Amount before provision	ECLs allowance
<b>Financial assets at amortised cost</b>						
Commerical mortgage loans	1.821	(3)	-	-	1.821	(3)
<b>Total</b>	<b>1.821</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>1.821</b>	<b>(3)</b>
<b>Cash and cash equivalents</b>	<b>8.132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.132</b>	<b>-</b>
31/12/2023  (amounts in € thousand)	Stage 1		Stage 2		Total	
	Gross Carrying Amount before provision	12- month ECLs	Gross Carrying Amount before provision	Lifetime ECLs	Gross Carrying Amount before provision	ECLs allowance
<b>Financial assets at amortised cost</b>						
Commerical mortgage loans	1.821	(3)	-	-	1.821	(3)
<b>Total</b>	<b>1.821</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>1.821</b>	<b>(3)</b>
<b>Cash and cash equivalents</b>	<b>12.564</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.564</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS**

The movement of the expected credit losses is as follows:

From 01/01 to 31/12/2024	Stage 1		Stage 2		Total	
	Gross Carrying Amount before provision	12-month ECLs	Gross Carrying Amount before provision	Lifetime ECLs	Gross Carrying Amount before provision	ECLs Allowance
<i>(amounts in € thousand)</i>						
<b>Financial assets at amortised cost</b>						
<b>Balance at 1 January 2024</b>	<b>1.821</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>1.821</b>	<b>(3)</b>
Remeasurements	-	-	-	-	-	-
<b>Total impairment charge for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December 2024</b>	<b>1.821</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>1.821</b>	<b>(3)</b>

From 01/01 to 31/12/2023	Stage 1		Stage 2		Total	
	Gross Carrying Amount before provision	12-month ECLs	Gross Carrying Amount before provision	Lifetime ECLs	Gross Carrying Amount before provision	ECLs Allowance
<i>(amounts in € thousand)</i>						
<b>Financial assets at amortised cost</b>						
<b>Balance at 1 January 2023</b>	<b>1.828</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>1.828</b>	<b>(3)</b>
Remeasurements	(6)	(1)	-	-	(6)	(1)
<b>Total impairment charge for the period</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Balance at 31 December 2023</b>	<b>1.821</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>1.821</b>	<b>(3)</b>

Furthermore, as of 31 December 2024 the Company has calculated expected credit losses (ECL) of € 9 thousand (31 December 2023: € 12 thousand) in relation to loans and advances to agents and insurance brokers of a total value of € 480 thousand (31 December 2023: € 528 thousand), which are categorized in Stage 2.

#### 4.3.2 Market risk

Market risk is the risk associated with the Company's balance sheet positions where the value or cash flow depends on financial markets. Drivers affected by market fluctuations include interest rates, equity market prices, currency exchange rates and inflation.

Based on the structure of the Company's investment portfolio, market risk mainly relates to interest rate risk, equity risk, foreign currency exchange rate risk and credit risk.

It is noted that, in order to monitor market risk, the Company applies the Value at Risk (VAR) methodology and monitors its asset portfolio valuation on a continuous basis. At the same time, the Company carries out stress tests and sensitivity analyses on a regular basis in line with the current investment portfolio structure, the strategy and the current market conditions.

Specifically the market risks to which the Company is exposed to are the following:

##### (a) Interest rate risk

Fluctuations in current market interest rates, may potentially affect both the cash flows and the fair value of the Company's investment placements. Interest rate risk on cash flows relates to future fluctuation of cash flows of an investment due to changes in market interest rates. Respectively, interest rate risk in fair value relates to fluctuation of the fair value of an investment as a result of changes in market interest rates. As a result of such changes in interest rates, the Company's return on investments may increase or decrease.



**NOTES TO THE FINANCIAL STATEMENTS****Analysis of interest bearing financial assets per average effective interest rate:**

<b>31/12/2024</b>				
<i>(amounts in € thousand)</i>				
	<b>0 – 3 %</b>	<b>3 – 6 %</b>	<b>6 – 10%</b>	<b>Total</b>
Financial assets at FVTPL	87.457	31.556	4.022	123.036
Financial assets at amortised cost	-	1.818	-	1.818
Cash and cash equivalents	8.132	-	-	8.132
<b>Total</b>	<b>95.590</b>	<b>33.374</b>	<b>4.022</b>	<b>132.986</b>

<b>31/12/2023</b>				
<i>(amounts in € thousand)</i>				
	<b>0 – 3 %</b>	<b>3 – 6 %</b>	<b>6 – 10%</b>	<b>Total</b>
Financial assets at FVTPL	68.505	33.831	5.303	107.638
Financial assets at amortised cost	-	1.818	-	1.818
Cash and cash equivalents	12.564	-	-	12.564
<b>Total</b>	<b>81.069</b>	<b>35.649</b>	<b>5.303</b>	<b>122.020</b>

**Analysis of interest bearing financial assets by type of interest rate:**

<i>(amounts in € thousand)</i>	<b>31/12/2024</b>			<b>31/12/2023</b>		
	<b>Fixed rate</b>	<b>Floating Rate</b>	<b>Total</b>	<b>Fixed rate</b>	<b>Floating Rate</b>	<b>Total</b>
Financial assets at FVTPL	123.036	-	123.036	105.568	2.070	107.638
Financial assets at amortised cost	1.818	-	1.818	1.818	-	1.818
Cash and cash equivalents	8.132	-	8.132	12.564	-	12.564
<b>Total</b>	<b>132.986</b>	<b>-</b>	<b>132.986</b>	<b>119.950</b>	<b>2.070</b>	<b>122.020</b>

**(b) Equity risk**

The Company is exposed to equity risks resulting from price fluctuations on equity securities (shares) and equity mutual funds held.

As part of its overall risk management process, the Company manages and monitors its equity risk and applies limits as expressed in established policies.

As of 31 December 2024, the Company's total equity risk exposure as a percentage of total investments was 18,1% (31 December 2023: 18,1%), summarized below:

<b>% of Investment portfolio under management</b>		
	<b>31/12/2024</b>	<b>31/12/2023</b>
Exposure to listed securities	18,1%	18,1%
<b>Total exposure to Equities and Mutual Funds Risks</b>	<b>18,1%</b>	<b>18,1%</b>

**Sensitivity analysis**

The sensitivity analysis of the shares portfolio to the prices variances as 31 December 2024 και 31 December 2023, has as below:

<i>(amounts in € thousands)</i>	<b>Change</b>	<b>Impact Equity</b>	
		<b>31/12/2024</b>	<b>31/12/2023</b>
Prices variances	+10%	2.208	2.041
Prices variances	-10%	(2.208)	(2.041)

**NOTES TO THE FINANCIAL STATEMENTS****(c) Currency risk**

Based on Company's risk management framework, foreign currency risk is continuously monitored and managed on an ongoing basis.

The Company has limited exposure to currency risk, since it does not enter in significant trading and investment activities in foreign currencies. The Company, assessing the risk it assumes on a case-by-case basis, uses hedging products against foreign currency risk.

The Company's overall exposures to foreign currency risk at 31 December 2024 amounted to 5,0% (31 December 2023: 5,5%) and is not considered significant.

<b>31/12/2024</b>							
<i>(amounts in € thousand)</i>							
	<b>EUR</b>	<b>USD</b>	<b>RON</b>	<b>GBP</b>	<b>CAD</b>	<b>BRL</b>	<b>Total</b>
<b>ASSETS</b>							
Financial assets at FVTPL	168.064	10	255	-	31	4.022	172.382
Financial assets at amortised cost	1.818	-	-	-	-	-	1.818
Investment in subsidiary	-	-	7.513	-	-	-	7.513
Insurance contract Assets	867	-	-	-	-	-	867
Reinsurance contract assets	11.014	-	-	-	-	-	11.014
Cash and cash equivalents	8.074	57	-	1	-	-	8.132
Other assets	33.744	-	-	-	-	-	33.744
<b>Total assets</b>	<b>223.581</b>	<b>68</b>	<b>7.768</b>	<b>1</b>	<b>31</b>	<b>4.022</b>	<b>235.471</b>
<b>LIABILITIES</b>							
Insurance contract liabilities	106.311	-	-	-	-	-	106.311
Reinsurance contract liabilities	3.029	-	-	-	-	-	3.029
Other liabilities	18.905	-	-	-	-	-	18.905
<b>Total Liabilities</b>	<b>128.245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128.245</b>
<b>Total Equity</b>	<b>95.336</b>	<b>68</b>	<b>7.768</b>	<b>1</b>	<b>31</b>	<b>4.022</b>	<b>107.226</b>

<b>31/12/2023</b>							
<i>(amounts in € thousand)</i>							
	<b>EUR</b>	<b>USD</b>	<b>RON</b>	<b>GBP</b>	<b>CAD</b>	<b>BRL</b>	<b>Total</b>
<b>ASSETS</b>							
Financial assets at FVTPL	147.012	9	271	-	-	5.303	152.595
Financial assets at amortised cost	1.818	-	-	-	-	-	1.818
Investment in subsidiary	-	-	6.560	-	-	-	6.560
Insurance contract Assets	673	-	-	-	-	-	673
Reinsurance contract assets	14.439	-	-	-	-	-	14.439
Cash and cash equivalents	12.545	18	-	1	-	-	12.564
Other assets	33.085	-	-	-	-	-	33.085
<b>Total assets</b>	<b>209.751</b>	<b>28</b>	<b>6.831</b>	<b>1</b>	<b>-</b>	<b>5.303</b>	<b>221.734</b>
<b>LIABILITIES</b>							
Insurance contract liabilities	108.092	-	-	-	-	-	108.092
Reinsurance contract liabilities	2.667	-	-	-	-	-	2.667
Other liabilities	15.458	-	-	-	-	-	15.458
<b>Total Liabilities</b>	<b>126.217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126.217</b>
<b>Total Equity</b>	<b>83.354</b>	<b>28</b>	<b>6.831</b>	<b>1</b>	<b>-</b>	<b>5.303</b>	<b>95.517</b>

**NOTES TO THE FINANCIAL STATEMENTS****(d) VaR methodology summary**

VaR methodology is used for measuring financial risk by estimating the potential negative change in the market value of the portfolio within a specified timeframe ("holding period") and probability of occurrence ("confidence level"), if positions remain unchanged for the chosen holding period. The VaR calculated by the Company and used for internal risk measurement and control purposes, is based on a confidence level of 99,0% and a 10 days holding period, using the Monte Carlo (full repricing) simulation method.

VaR models are designed to measure market risk under normal market conditions. It is assumed that any changes occurring in the risk factors affecting the normal market environment will follow a normal distribution. Historical movements in prices of risk factors are considered in measuring the risk, while the exponentially weighted moving average (EWMA) estimation is used to apply weights in historical market data.

Since VaR is an integral part of the monitoring system of market risk, VaR limits have been established and are being followed. Nevertheless, the use of this method does not prevent losses beyond these limits in case of extreme market movements.

**VaR of financial assets**

(amounts in € mil.)

**Total VaR**

31/12/2024	31/12/2023
3,6	3,4

Monte Carlo VaR and its use by the Company give rise to a number of limitations, for instance 99,0% VaR means that in 1,0% of cases the loss is expected to be greater than the VaR amount.

The Company monitors VaR. In addition, the Company monitors investment portfolio returns and undertakes sensitivity analysis as well as stress tests, based on the significance of the exposure and the conditions prevailing in the economic environment.

**4.3.3 Liquidity risk**

Liquidity risk relates to the Company's ability to fulfill its financial obligations when these become due..

In order for the Company to effectively manage liquidity risk, it has established, recorded and followed a set of documents consisting of the Liquidity Risk Management Policy and a specific implementation directive..

Specific principles govern these documents and ensure effective liquidity management, primarily achieved through maintaining sufficient cash and cash equivalents, and highly liquid financial assets readily convertible to meet operational needs. Furthermore, the Company monitors the timing of cash inflows and outflows, for both assets and liabilities.

The monitoring includes cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

**(a) Non-derivative cash flows**

The tables below present, at the reporting date, the cash flows payable by the Company under non-derivative financial liabilities based on their contractual maturities. The amounts mentioned are the contractual undiscounted cash flows, except for the insurance reserves, which are presented with their expected cash flows.

The Company manages liquidity risk according to the estimated undiscounted cash flows. Liabilities in foreign currency have been translated into euro based on the current foreign currency exchange rates.

31/12/2024	Carrying Value	0-1 months	1-3 months	3-12 months	> year	Total
<b>Financial liabilities</b>						
(amounts in € thousand)						
Agents and insurance brokers	3.411	246	3.108	-	57	3.411
Other creditors	1.670	52	1.618	-	-	1.670
Payable surrenders and claims settlement	36	-	-	36	-	36
Lease liabilities	2.037	62	124	559	1.436	2.181
Provisions and other liabilities	3.739	-	27	1.531	2.181	3.739
<b>Total financial liabilities</b>	<b>10.893</b>	<b>360</b>	<b>4.877</b>	<b>2.126</b>	<b>3.674</b>	<b>11.306</b>

## NOTES TO THE FINANCIAL STATEMENTS

31/12/2023	Carrying Value	0-1 months	1-3 months	3-12 months	> year	Total
<b>Financial liabilities</b>						
<i>(amounts in € thousand)</i>						
Agents and Insurance brokers	2.756	290	2.413	-	54	<b>2.756</b>
Other creditors	1.524	53	1.471	-	-	<b>1.524</b>
Payable surrenders and claims settlement	36	-	-	-	36	<b>36</b>
Lease liabilities	2.380	57	115	510	1.926	<b>2.608</b>
Provisions and other liabilities	3.232	-	83	295	2.854	<b>3.232</b>
<b>Total financial liabilities</b>	<b>9.928</b>	<b>400</b>	<b>4.082</b>	<b>805</b>	<b>4.870</b>	<b>10.157</b>

**Maturity analysis of insurance liabilities (expected future cash flows)**

The following tables provide an analysis of the remaining contractual undiscounted cash flows, excluding adjustments for non-financial risk, as of 31 December 2024 and 31 December 2023, for liabilities arising from insurance contracts.

31/12/2024	Carrying Value	0-1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
<i>(amounts in € thousand)</i>							
<b>Property &amp; casualty insurance contracts liabilities</b>							
<b>P&amp;C – PAA</b>							
Liabilities for remaining coverage	21.075	3.691	12.895	3.162	1.327	-	<b>21.075</b>
Liabilities for incurred claims	82.381	48.040	24.282	10.140	3.967	-	<b>86.429</b>
<b>Property &amp; casualty insurance contracts liabilities</b>	<b>103.456</b>	<b>51.731</b>	<b>37.177</b>	<b>13.302</b>	<b>5.294</b>	<b>-</b>	<b>107.504</b>

31/12/2023	Carrying Value	0-1 year	1-3 years	3-5 years	5-10 years	>10 years	Total
<i>(amounts in € thousand)</i>							
<b>Property &amp; casualty insurance contracts liabilities</b>							
<b>P&amp;C – PAA</b>							
Liabilities for remaining coverage	18.681	3.459	11.492	2.626	1.104	-	<b>18.681</b>
Liabilities for incurred claims	86.877	58.656	21.906	8.422	3.183	-	<b>92.166</b>
<b>Property &amp; casualty insurance contracts liabilities</b>	<b>105.557</b>	<b>62.114</b>	<b>33.397</b>	<b>11.049</b>	<b>4.287</b>	<b>-</b>	<b>110.847</b>

**(b) Asset Liabilities Matching (ALM)**

The Company's risk management framework for the monitoring and management of the future cash flows and liquidity has been developed to achieve long-term investment returns in excess of its obligations for the insurance contracts.

On a regular basis, numerous reports for the structure of the investment portfolio, classes of assets and liabilities at Company level are produced and circulated to the Company's key management personnel including the a Risk, Asset-Liability and Investment Management Committee.

The principal technique of the Company for management of the risks arising from the assets and liabilities positions, is to continuously monitor the maturities and expected cash flows of assets and liabilities and to take the appropriate investment decisions to confront any risks arising from potential positions mismatching.

The following table summarizes the estimated amounts and time horizon of cash flows arising from the Company's financial assets and liabilities, as of 31 December 2024 and 31 December 2023 respectively:

**NOTES TO THE FINANCIAL STATEMENTS****31/12/2024****Financial assets***(amounts in € thousand)*

Carrying value and cash flows arising from assets:

**Financial assets at FVTPL**

	Carrying Value	0-1 year	1-2 years	2-3 years	3-4 years	>4 years	Total
Listed equity securities	19.277	19.277	-	-	-	-	19.277
Unlisted shares and mutual funds	30.069	30.069	-	-	-	-	30.069
Listed bonds:							-
– Fixed rate	123.036	66.309	48.712	7.119	4.155	-	126.295
– Floating rate	-	-	-	-	-	-	-

**Financial assets at amortised cost**

Unlisted securities

– Fixed rate	1.818	107	1.907	-	-	-	2.014
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**Cash and cash equivalents**

	8.132	8.132	-	-	-	-	8.132
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**Total**

	182.333	123.895	50.619	7.119	4.155	-	185.788
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**31/12/2023****Financial assets***(amounts in € thousand)*

Carrying value and cash flows arising from assets:

**Financial assets at FVTPL**

	Carrying Value	0-1 year	1-2 years	2-3 years	3-4 years	>4 years	Total
Listed equity securities	16.084	16.084	-	-	-	-	16.084
Unlisted shares and mutual funds	28.873	28.873	-	-	-	-	28.873
Listed bonds:							
– Fixed rate	105.568	21.709	28.390	48.795	7.994	4.155	111.043
– Floating rate	2.070	88	2.088	-	-	-	2.175

**Financial assets at amortised cost**

Unlisted securities

– Fixed rate	1.818	107	107	1.907	-	-	2.121
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**Cash and cash equivalents**

	12.564	12.564	-	-	-	-	12.564
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**Total**

	166.977	79.424	30.584	50.702	7.994	4.155	172.860
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**31/12/2024***(amounts in € thousand)***Insurance contract liabilities**

Carrying Value	0-1 years	1-2 years	2-3 years	3-4 years	>4 years	Total
<b>Expected cash flows (undiscounted)</b>						
103.456	51.731	24.108	13.069	8.235	10.361	107.504

**31/12/2023***(amounts in € thousand)***Insurance contract liabilities**

Carrying Value	0-1 years	1-2 years	2-3 years	3-4 years	>4 years	Total
<b>Expected cash flows (undiscounted)</b>						
105.557	62.114	22.218	11.179	6.947	8.388	110.847

The tables above do not incorporate any assumption of reinvestment of cash flows from financial assets upon maturity. Equities are included in the 0-1 year maturity bucket given their readily marketable nature as publicly traded securities.

## NOTES TO THE FINANCIAL STATEMENTS

### (c) Current and non-current assets and liabilities

The tables below summarises the expected utilisation or settlement of assets and liabilities for the years ended 31 December 2024 and 31 December 2023, respectively.

	31/12/2024			31/12/2023		
	Current	Non Current	Total	Current	Non Current	Total
<i>(amounts in € thousand)</i>						
<b>ASSETS</b>						
Investments in financial assets:						
Financial assets at amortised cost	-	1.818	1.818	-	1.818	1.818
Financial assets at FVTPL	114.459	57.923	172.382	64.727	87.868	152.595
Investment in subsidiary	-	7.513	7.513	-	6.560	6.560
Insurance contract assets	417	450	867	343	330	673
Reinsurance contract assets	9.750	1.264	11.014	13.161	1.278	14.439
Cash and cash equivalents	8.132	-	8.132	12.564	-	12.564
Other assets	4.242	29.502	33.744	2.606	30.479	33.085
<b>Total assets</b>	<b>137.001</b>	<b>98.470</b>	<b>235.741</b>	<b>93.401</b>	<b>128.333</b>	<b>221.734</b>
<b>LIABILITIES</b>						
Insurance contract liabilities	51.158	55.153	106.311	55.113	52.979	108.092
Reinsurance contract liabilities	2.681	348	3.029	2.431	236	2.667
Other liabilities	8.508	10.398	18.905	6.343	9.115	15.457
<b>Total Liabilities</b>	<b>62.347</b>	<b>65.899</b>	<b>128.245</b>	<b>63.887</b>	<b>62.330</b>	<b>126.217</b>
<b>Total equity</b>	<b>74.654</b>	<b>32.572</b>	<b>107.226</b>	<b>29.514</b>	<b>66.003</b>	<b>95.517</b>

### 4.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems and/or external events. It is inherent in every function and business activity of the Company. An effective System towards management of operational risk is required in order to identify, assess and quantify exposures, identify manifestations of operational risk events, determine tolerance limits and, where necessary, to reduce the exposure to acceptable levels.

Considering the nature, scale, and complexity of its operations, the Company has established a robust Operational Risk Management Framework encompassing methodologies, governance principles, policies, and procedures for the effective identification, assessment, management, monitoring, and reporting of risks (both current and potential). This framework is integrated into decision-making processes and corporate culture (operational risk awareness), and is complemented by a programme to continuously enhance risk awareness across all personnel.

The Company's Operational Risk Management Framework incorporates methodologies for: Risk Control Self-Assessment, scenario analysis, assessment of the business environment (internal and external), Fraud Risk Assessment (FRA), assessment of risks associated with outsourcing operational activities/functions to third parties (materiality assessment, outsourcing agreement review, cloud service provider assessment, etc.), conduct risk assessment, and management of operational risk events (operational losses). These methodologies are detailed in relevant documents and policies.

### 4.5 Capital adequacy

The Company's capital management strategy prioritizes ensuring adequate capitalisation at all times in accordance with the Solvency II regulatory framework, while simultaneously maximising shareholder returns within the Company's overall risk appetite and tolerance limits.

Solvency II, effective from 1st January 2016, is the new operational and supervisory framework of insurance and reinsurance undertakings active in the European Union (EU) and the European Economic Area (EEA). Solvency II framework's requirements are based on the Directive 2009/138/EC of the European Parliament and the Council, as amended by the Directive 2014/51/EU (Omnibus II).

In addition, Commission Delegation Regulation (EU) 2015/35 of 10 October 2014, supplementing Directive 2009/138 / EC of the European Parliament and of the Council on the taking up and pursuit of insurance and reinsurance activities (Solvency II), is followed, and its subsequent amendments. In Greece, the Directive 2009/138/EC was integrated into the Greek legislation with Law 4364/05.02.2016.

A specialized IT infrastructure has been developed for the implementation and compliance with the requirements of the three pillars of the supervisory framework.

**NOTES TO THE FINANCIAL STATEMENTS**

The level of capital adequacy of the Company is regularly monitored based on the current regulatory framework and also on the internal policies and procedures which have been approved in relation to the risk management, the own risk and solvency assessment (ORSA) and the capital management. In the context of monitoring the solvency capital position of the Company, Management has determined the desired relationship between the own funds and the solvency capital requirement (SCR), as it arises from its risk appetite.

The calculation of the Solvency Capital Requirement (SCR), the Minimum Capital Requirement (MCR) as well as the eligible own funds of the Company are being performed on a quarterly basis as provided for in the supervisory framework. The results of those calculations are submitted to the Supervising Authority. Estimates of SCR and eligible Equity are made on a continuous basis, depending on the company's circumstances.

Furthermore, the Company conducts stress testing or sensitivity analyses using scenarios reflecting the negative impact of unexpected changes in both the macroeconomic and internal environments to assess the resilience of its future capital position.

It is noted that as of 31 December 2024 and 31 December 2023, the Company's eligible own funds exceeded the Solvency Capital Requirement (SCR).

In the table below the SCR ratio is presented.

**Solvency II ratio**

	31/12/2024	31/12/2023
Eligible Own Funds ( <i>amounts in € thousand</i> )	77.813	67.202
Solvency Capital Requirement ( <i>amounts in € thousand</i> )	52.404	53.037
Minimum Capital Requirement ( <i>amounts in € thousand</i> )	13.106	13.259
Solvency II ratio (Eligible Own Funds/SCR)	148%	127%
Solvency II Ratio (Eligible Own Funds/MCR)	594%	507%

The Solvency Capital Requirement (SCR) covers the underwriting, market, counterparty default, and operational risks as follows:

**SCR allocated per risk**

<i>(amounts in € thousand)</i>	31/12/2024	31/12/2023
Market risk	17.599	17.794
Counterparty default risk	6.709	5.336
Health underwriting risk	393	313
Non-life underwriting risk	37.903	39.246
<b>Total BSCR (before diversification)</b>	<b>62.603</b>	<b>62.690</b>
Diversification Effect	(13.175)	(12.738)
<b>Total BSCR (after diversification)</b>	<b>49.428</b>	<b>49.952</b>
Operational risk	2.976	3.085
<b>Total Solvency II SCR</b>	<b>52.404</b>	<b>53.037</b>

**4.6 Fair values of financial assets and liabilities****(a) Financial assets measured at fair value.:**

Traded financial assets, derivatives and other transactions undertaken for trading purposes, financial assets measured at fair value through other comprehensive income ("hold to collect" and "sell business model"), and financial assets and liabilities measured at fair value through profit or loss are valued at fair value based on market prices when available. Where market prices are unavailable, fair values are estimated using valuation techniques (see notes 2.8 and 3.3).

All financial instruments measured at fair value are categorized at the end of each reporting period in accordance with the fair value hierarchy prescribed by IFRS 13, based on whether their valuation is based on observable or unobservable inputs. Observable inputs are market data from independent sources, while unobservable inputs reflect the Company's own market assumptions. This results in the following hierarchy:

**I. Level 1:** Quoted prices (unadjusted) in active markets for identical financial instruments. These prices should be readily and regularly available from an exchange or active index / market and should represent actual and regularly occurring market transactions on an arm's length basis. This level includes listed equity shares and debt securities on exchange markets.

## NOTES TO THE FINANCIAL STATEMENTS

**II. Level 2:** Financial instruments valued using valuation techniques incorporating the following data: (i) quoted prices in active markets for identical assets, (ii) observable prices for similar instruments in less liquid markets, (iii) non-quoted data that is directly or indirectly observable, primarily interest rates and yield curves observed at regular intervals, foreign exchange forward rates, equity prices, credit spreads, and implied volatility obtained from internationally recognized market data providers, and (iv) potentially unobservable inputs that are not material to the overall fair value measurement.

These valuation techniques maximize the use of observable market data where available, minimizing reliance on entity-specific estimates. If all significant inputs required to determine the fair value of a financial instrument are observable, the instrument is classified as Level 2. If one or more significant inputs are not based on observable market data, the instrument is classified as Level 3. No changes have been made to the valuation techniques compared to previous years. Level 2 financial instruments primarily comprise of less liquid debt securities and mutual fund units.

**III. Level 3:** Financial instruments valued using valuation techniques that rely on significant unobservable inputs. This level primarily includes investments in unlisted equities and unlisted mutual fund units.

The valuation methods used for financial instruments classified as level 3 include:

- the income approach (discounted cash flow method, "income approach") and the market approach (comparable transactions, "market approach") for unlisted debt instruments and
- the adjusted net asset value approach (adjusted net asset value) for unlisted equities.

The following table presents the Company's financial assets and liabilities carried at fair value and their classification according to the fair value hierarchy levels of IFRS 13.

**31/12/2024**

(amounts in € thousand)

**Financial assets**

Financial assets at fair value through profit or loss

**Total financial assets**

Level 1	Level 2	Level 3	Total
142.313	12.660	17.409	172.382
<b>142.313</b>	<b>12.660</b>	<b>17.409</b>	<b>172.382</b>

**31/12/2023**

(amounts in € thousand)

**Financial assets**

Financial assets at fair value through profit or loss

**Total financial assets**

Level 1	Level 2	Level 3	Total
123.722	11.528	17.345	152.595
<b>123.722</b>	<b>11.528</b>	<b>17.345</b>	<b>152.595</b>

The change in the value of financial instruments classified as Level 1 from € 123.722 thousand as of 31 December 2023 to € 142.313 thousand as of 31 December 2024 is attributable to improved valuations. No transfers between Levels 1, 2 and 3 occurred during the years ended 31 December 2024 and 31 December 2023.

The analysis of the significant unobservable inputs relates to underlying assets of the mutual fund that included in the Level 3 per valuation technique and the sensitivity analysis of the unobservable inputs for the years ended 31 December 2024 and 31 December 2023, respectively, is presented in the below tables:

31/12/2024						
(amounts in thousand)						
Category of assets	Valuation technique	Unobservable input	Negative change	Positive change	Negative change to valuation	Positive change to valuation
Loans	DCF	Credit spread	-1%	+1%	83	(66)
Loans	Other	Credit spread	-1%	+1%	-	(25)
Equities	NAV	NAV	-10%	+10%	(153)	153



## NOTES TO THE FINANCIAL STATEMENTS

31/12/2023						
(amounts in thousand)						
Category of assets	Valuation technique	Unobservable input	Negative change	Positive change	Negative change to valuation	Positive change to valuation
Loans	DCF	Credit spread	-1%	+1%	5	(18)
Loans	Other	Credit spread	-2%	+2%	-	(62)
Loans	Recent Transaction Price	Credit spread	-2%	+2%	93	(135)
Equities	NAV	NAV	-10%	+10%	(1)	1

**(b) Financial assets not measured at fair value:**

The assumptions and methodologies used for the calculation of the fair value of financial instruments not measured at fair value are consistent with those used to calculate the fair values of financial instruments measured at fair value. The fair value of the financial assets at amortized cost is determined using quoted market prices. If quoted market prices are not available, the fair value is calculated on the basis of bond prices that have similar credit characteristics, maturity and yield or discounted cash flows.

The financial assets measured at amortized cost have been classified at Level 3 of Fair value hierarchy and their carrying value approaches their fair value.

**NOTE 5: PROPERTY, PLANT AND EQUIPMENT**

(amounts in € thousand)

**Acquisition cost:**

	Leasehold Improvements	Vehicles	Furniture and Other Equipment	Total
Balance at 1 January 2024	66	3	1.930	1.999
Additions, improvements	98	-	697	795
Balance at 31 December 2024	164	3	2.627	2.794
<b><u>Accumulated Depreciation:</u></b>				
Balance at 1 January 2024	(50)	(3)	(1.791)	(1.843)
Depreciation charge	(21)	-	(99)	(120)
Balance at 31 December 2024	(71)	(3)	(1.889)	(1.963)
Net Book Value at 31 December 2024	93	-	738	830

(amounts in € thousand)

**Acquisition cost:**

	Leasehold Improvements	Vehicles	Furniture and Other Equipment	Total
Balance at 1 January 2023	66	3	1.907	1.975
Additions, improvements	-	-	23	23
Balance at 31 December 2023	66	3	1.930	1.999
<b><u>Accumulated Depreciation:</u></b>				
Balance at 1 January 2023	(46)	(3)	(1.680)	(1.729)
Depreciation charge	(4)	-	(111)	(115)
Balance at 31 December 2023	(50)	(3)	(1.791)	(1.843)
Net Book Value at 31 December 2023	16	-	139	155

On 31 December 2024 and 31 December 2023 there were no capital commitments for property, plant and equipment.

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 6: RIGHT OF USE ASSETS AND LEASE LIABILITIES

*(amounts in € thousand)***Acquisition cost:**

	Buildings	Vehicles	Other Equipment	Total
Balance at 1 January 2024	4.526	282	99	4.907
Additions	100	118	-	218
Reductions	-	(9)	-	(9)
Modifications	68	-	-	68
Balance at 31 December 2024	4.694	390	99	5.183

**Accumulated Depreciation:**

Balance at 1 January 2024	(2.495)	(184)	(92)	(2.771)
Depreciation charge	(558)	(51)	(2)	(611)
Reductions	-	7	-	7
Balance at 31 December 2024	(3.053)	(227)	(94)	(3.374)

**Net Book Value at 31 December 2024**

1.641	162	5	1.809
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*(amounts in € thousand)***Acquisition cost:**

	Buildings	Vehicles	Other Equipment	Total
Balance at 1 January 2023	4.440	222	92	4.753
Additions	5	60	8	73
Modifications	81	-	-	81
Balance at 31 December 2023	4.526	282	99	4.907

**Accumulated Depreciation:**

Balance at 1 January 2023	(1.968)	(142)	(91)	(2.201)
Depreciation charge	(526)	(42)	(1)	(570)
Balance at 31 December 2023	(2.495)	(184)	(92)	(2.771)

**Net Book Value at 31 December 2023**

2.031	98	7	2.136
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The analysis of lease liabilities in short-term and long-term is as follows:

*(amounts in € thousand)*

	31/12/2024	31/12/2023
Short-term lease liabilities	664	581
Long-term lease liabilities	1.373	1.800
<b>Total lease liabilities</b>	<b>2.037</b>	<b>2.380</b>

Additionally, lease liabilities are due as follows:

*(amounts in € thousand)*

	31/12/2024	31/12/2023
Within a year	664	581
Within the second year	685	600
From 3 to 5 years	687	1.200
<b>Total lease liabilities</b>	<b>2.037</b>	<b>2.380</b>

**NOTES TO THE FINANCIAL STATEMENTS**

The amounts recognized by the Company in the income statement for the years 2024 and 2023 relating to leases, are as follows:

<i>(amounts in € thousand)</i>	From 01/01 to 31/12/2024	From 01/01 to 31/12/2023
Depreciation charge of right of use assets	(611)	(570)
Interest expense on lease liabilities	(110)	(129)
Expenses related to short-term leases and non-lease components	(55)	(55)
Variable lease expenses not included the measurement of lease liabilities	(1)	(3)
<b>Total</b>	<b>(776)</b>	<b>(755)</b>

**NOTE 7: INVESTMENT PROPERTIES**

*(amounts in € thousand)*

**Acquisition cost:**

**Balance at 1 January 2024**

**Balance at 31 December 2024**

**Accumulated Depreciation:**

**Balance at 1 January 2024**

Depreciation charge

**Balance at 31 December 2024**

**Net book value at 31 December 2024**

Investment properties- Land	Investment properties - Buildings	Total
312	797	1.109
312	797	1.109
-	(416)	(416)
-	(17)	(17)
-	(434)	(434)
312	363	675

*(amounts in € thousand)*

**Acquisition cost:**

Balance at 1 January 2023

**Balance at 31 December 2023**

**Accumulated Depreciation:**

**Balance at 1 January 2023**

Depreciation charge

**Balance at 31 December 2023**

**Net book value at 31 December 2023**

Investment properties- Land	Investment properties - Buildings	Total
312	797	1.109
312	797	1.109
-	(399)	(399)
-	(17)	(17)
-	(416)	(416)
312	381	692

Fair value assessments of real estate investments were conducted by independent certified valuers as of 31 December 2024 and 31 December 2023.

During the year ended 31 December 2024, rental income amounting to € 76 thousand (2023: € 75 thousand) was recognized in the "Other Investment Income" of the Income Statement which relates to rentals from investments properties. As at 31 December 2024 and 31 December 2023, there were no capital commitments for investment properties.

The fair value of each category of real estate investment as of 31 December 2024, is presented in the table below. The main categories of real estate investments are defined based on the nature, characteristics, and risks inherent in those properties. The fair values of the Company's real estate investments are classified as Level 3 in the fair value hierarchy.

Property Description	Area	Carrying amount 31/12/2024	Carrying amount 31/12/2023	Fair Value 31/12/2024	Fair Value 31/12/2023
Commercial property 558 sq.m	Athens, 2-4 Sina Str.	631	646	997	974
Commercial property 111,68 sq.m	Thessaloniki, 7 Tantalou Str.	45	46	97	62
<b>Total</b>		<b>675</b>	<b>692</b>	<b>1.094</b>	<b>1.036</b>

The key methods used for the fair value measurement of the investment properties is the income approach (income capitalization/discounted cash flow method) and the market approach (comparable transactions), which can also be combined, depending on the category of the property under valuation.

**NOTES TO THE FINANCIAL STATEMENTS**

The discounted cash flow method is used for the fair value measurement of commercial investment properties. The fair value is calculated through an estimate of the future cash flows, using specific assumptions for risks and rewards associated to the properties (operating income and expenses, vacancy rates, income growth), including the residual value that the property is expected to have at the end of the discount period. For the calculation of the present value of these cash flows, an appropriate discount rate is used.

According to the income capitalization approach, which is also used for commercial investment properties, the fair value of the property is the result of dividing net operating income produced by the respective property with the discount rate (yield rate).

The market approach is used for residential, commercial properties and land. The fair value is estimated based on data of comparable transactions, either by analyzing the transactions of similar properties, or by using prices following appropriate adjustments.

**NOTE 8: INTANGIBLE ASSETS**

(amounts in € thousand)

**Acquisition cost:**

**Balance at 1 January 2024**

Additions and improvements

**Balance at 31 December 2024**

**Amortization:**

**Balance at 1 January 2024**

Amortization charge

**Balance at 31 December 2024**

**Net Book value at 31 December 2024**

Software	Goodwill	Total
10.899	22.056	32.955
2.037	-	2.037
12.937	22.056	34.993
(6.837)	-	(6.837)
(1.382)	-	(1.382)
(8.219)	-	(8.219)
4.717	22.056	26.774

(amounts in € thousand)

**Acquisition cost:**

**Balance at 1 January 2023**

Additions, improvements

**Balance at 31 December 2023**

**Amortization:**

**Balance at 1 January 2023**

Amortization charge

**Balance at 31 December 2023**

**Net Book value at 31 December 2023**

Software	Goodwill	Total
9.449	22.056	31.505
1.451	-	1.451
10.899	22.056	32.955
(5.592)	-	(5.592)
(1.245)	-	(1.245)
(6.837)	-	(6.837)
4.062	22.056	26.118

Software purchases and improvements relate to the development and implementation of enhancements to existing applications as well as new investments in software technologies.

Goodwill represents the difference between the acquisition cost and the fair value of the net assets acquired during the acquisition and merger of the company Activa Insurance S.A.

**Impairment test**

The goodwill arising from business combinations was allocated, at the acquisition date, to a cash-generating unit (CGU) expected to benefit from the combination. The Company annually assesses any indication of impairment of goodwill, in accordance with the accounting policy presented in Note 2.6(i). As of 31 December 2024 and 31 December 2023, no indication of impairment existed. The recoverable amount of the CGU is determined using value in use calculations. These calculations utilise cash flow projections based on three-year business plans approved by management. Specific assumptions regarding operational activity and market conditions are used for cash flow projections from year four to five. Cash flows beyond the first five year (in perpetuity) are estimated using the growth rate detailed below.

Key assumptions underlying the value in use calculations relate to discount rates, growth rates, and cash flow projections based on growth in gross written premiums. Management estimates cash flows based on historical experience, actual performance, and market growth expectations. Individual components of the calculation (risk-free rate, market risk premium, country risk, and beta

**NOTES TO THE FINANCIAL STATEMENTS**

factor) are sourced from external information providers. Growth rates are based on either internal or external forecasts and do not exceed the average long-term growth rate for the relevant markets.

The key assumptions used in the value in use calculations for 2024 and 2023 are as follows:

	2024	2023
Discount factor (before tax)	11%	12%
Growth rate	2%	2%

**NOTE 9: INVESTMENTS IN SUBSIDIARIES**

	31/12/2024	31/12/2023
Carrying amount ( <i>amounts € thousand</i> )	7.513	6.560
Percentage holding	95,29%	95,29%
Subsidiary	EUROLIFE FFH ASIGURARI GENERALE S.A.	EUROLIFE FFH ASIGURARI GENERALE S.A.
Country of incorporation	Romania	Romania
Line of business	General insurance	General insurance

The movement of investments is as follows:

( <i>amounts € thousand</i> )	2024	2023
<b>Balance at 1 January</b>	<b>6.560</b>	<b>6.560</b>
Share capital increase	953	-
<b>Balance at 31 December</b>	<b>7.513</b>	<b>6.560</b>

According to 8 April 2024 decision of the Extraordinary Shareholders General Meeting of the subsidiary Eurolife FFH Asigurari Generale S.A., the subsidiary proceeded to an increase of share capital by € 999 thousand (RON 4.967 thousand) by issuing 3.514 new shares at a nominal value of € 285 (RON 1.413,6), which was covered by its shareholders, Eurolife FFH General Insurance S.A. (with a percentage of 95,3%) and Eurolife FFH Life Insurance S.A. (with a percentage of 4,7%). After the increase, the share capital of the subsidiary company Eurolife FFH Asigurari Generale S.A. amounts to € 7.779 thousand (RON 32.141 thousand).

As of 31 December 2024, the Company assessed that there were indications of impairment for the investment in the subsidiary company 'Eurolife FFH Asigurari Generale S.A.' and an impairment test was conducted. The key estimates used by management regard the future cash flows based on the business plan of the said investment, its long-term growth rate, and the discount rate.

The recoverable amount of the mentioned investment for the year ended 31 December 2024, was calculated as the higher of fair value less costs to sell and value in use. The fair value was calculated based on the discounted cash flow approach ('income approach'). For the subsidiary company Eurolife FFH Asigurari Generale S.A., no impairment loss was identified during the current financial year.

**NOTE 10: DEFERRED TAX**

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

**NOTES TO THE FINANCIAL STATEMENTS**

The amounts and movement in deferred tax assets and liabilities for the year are as follows:

(amounts in € thousand)

**Valuation of Investments**

Changes in fair value of financial assets measured at fair value through P&L

(3.509) (759) - (4.267)

Expected credit losses of financial assets measured at fair value at amortised cost

1 - - 1

**Insurance Provisions**

Revaluation of insurance technical provisions

(4.562) (288) - (4.850)

Revaluation of reinsurance recoverables

1.789 153 - 1.942

**Various Provisions**

Provisions for pensions and other post-employment benefits

81 5 9 94

Provision for staff leaving indemnities

27 (8) - 19

Provision for other doubtful and disputed receivables

517 (24) - 493

Other temporary differences

54 - - 54

**Foreign exchange differences of Investments**

Changes in fair value due to exchange differences

(11) 180 - 169

**Tangible and intangible assets**

Revaluation of depreciation of tangible and intangible assets

15 7 - 22

**Recoverable Tax Losses**

Recoverable Tax Losses

1.557 (1.557) - -

**Total Deferred Tax Liabilities**

(4.041) (2.292) (9) (6.325)

(amounts in € thousand)

**Valuation of Investments**

Changes in fair value of financial assets measured at fair value through P&L

(893) (2.616) - (3.509)

Expected credit losses of financial assets measured at fair value at amortised cost

1 - - 1

Changes in fair value of financial assets at amortised cost

(3) 3 - -

**Insurance Provisions**

Revaluation of insurance technical provisions

(4.256) (305) - (4.562)

Revaluation of reinsurance recoverables

1.637 152 - 1.789

**Various Provisions**

Provisions for pensions and other post-employment benefits

80 3 (2) 81

Provision for staff leaving indemnities

41 (14) - 27

Provision for other doubtful and disputed receivables

558 (40) - 517

Other temporary differences

44 10 - 54

**Foreign exchange differences of Investments**

Changes in fair value due to exchange differences

(52) 42 - (11)

**Tangible and intangible assets**

Revaluation of depreciation of tangible and intangible assets

(2) 16 - 15

**Recoverable Tax Losses**

Recoverable Tax Losses

- 1.557 - 1.557

**Total Deerrred Tax Liabilities**

(2.845) (1.193) (2) (4.041)

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 11: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(amounts in € thousand)

	31/12/2024	31/12/2023
Greek government bonds	80.156	79.468
Other government bonds	3.818	5.057
Corporate bonds	-	2.795
Other treasury bills	37.830	18.973
Equities	19.532	16.355
Mutual funds	29.814	28.602
<b>Subtotal</b>	<b>171.151</b>	<b>151.250</b>
Accrued interest	1.231	1.345
<b>Total Financial Assets at Fair Value Through Profit or Loss</b>	<b>172.382</b>	<b>152.595</b>

Movement in Financial Assets at Fair Value Through Profit or Loss (FVTPL) is as follows:

	2024	2023
<b>Balance at 1 January</b>	<b>152.595</b>	<b>124.325</b>
Additions	77.691	85.897
Sales / Liquidations	(62.452)	(71.321)
Bonds amortization	2.046	1.774
Foreign exchange differences	(817)	(190)
Changes in fair value	3.433	11.654
Changes in accrued interest	(114)	456
<b>Balance at 31 December</b>	<b>172.382</b>	<b>152.595</b>

## NOTE 12: FINANCIAL ASSETS AT AMORTISED COST

(amounts in € thousand)

	31/12/2024	31/12/2023
<b>Loans</b>		
Commercial mortgage Loans	1.797	1.797
Accrued interest	21	21
<b>Total Financial Assets at Amortized Cost</b>	<b>1.818</b>	<b>1.818</b>

Movement in Financial Assets at Amortized Cost is as follows:

(amounts in € thousand)

	2024	2023
<b>Balance at 1 January</b>	<b>1.818</b>	<b>1.825</b>
Loans amortization	-	(12)
Changes in accrued interest	-	5
Changes in expected credit losses	-	(1)
<b>Balance at 31 December</b>	<b>1.818</b>	<b>1.818</b>

In October 2020, the Company granted mortgage loans, with a floating interest rate, of a total nominal value of € 3.600 thousand to foreign property management companies. The duration of the loans is three years with the right of extension. During 2021, a loan with a nominal value of € 1.800 thousand was repaid. During 2023 a modification was performed on the loan terms and the extension up to 20 September 2026 was granted. The fair value of the mortgage properties as of 31 December 2024 amounts to € 3.182 thousand (31 December 2023: € 3.109 thousand).

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 13: REINSURANCE CONTRACT ASSETS

The following table provides a summary of the reinsurance contracts held by asset and liability positions and measurement model.

	31/12/2024	31/12/2023
(amounts in € thousand)	Premium Allocation Approach	Premium Allocation Approach
<b>Property &amp; Casualty reinsurance contracts held</b>		
Reinsurance contracts assets	11.014	14.439
Reinsurance contracts liabilities	(3.029)	(2.667)
<b>Net reinsurance contracts</b>	<b>7.986</b>	<b>11.771</b>
Motor segment	(384)	(675)
Real estate segment	5.017	9.646
Other segments	3.352	2.800
<b>Net reinsurance contracts</b>	<b>7.986</b>	<b>11.771</b>

## Property &amp; Casualty reinsurance contracts held under Premium Allocation Approach - current year

From 01/01 to 31/12/2024

(amounts in € thousand)

Reinsurance contract assets as at 01/01/2024

Reinsurance contract liabilities as at 01/01/2024

**Net reinsurance contracts as at 01/01/2024**

**Allocation of reinsurance premiums**

**Amounts recoverable from reinsurers**

Amounts recoverable for claims and other expenses incurred in the period

Changes to recoveries of incurred claims that relate to past service

**Net income or expense from reinsurance contracts held**

**Reinsurance finance income**

**Effect of changes in the risk of reinsurers non-performance**

**Total changes in the income statement**

**Cash flows**

Premiums paid

Amount received

**Total Cash Outflows / (Inflows)**

Reinsurance Investment components

**Net reinsurance contracts as at 31/12/2024**

Reinsurance contract assets as at 31/12/2024

Reinsurance contract liabilities as at 31/12/2024

**Net reinsurance contracts as at 31/12/2024**

Assets for remaining coverage		Amounts recoverable on incurred claims		Total
Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
1.127	-	13.150	161	14.439
(2.638)	-	(29)	-	(2.667)
(1.511)	-	13.121	161	11.771
(21.323)	-	-	-	(21.323)
-	-	1.232	8	1.240
-	-	(2.532)	(57)	(2.589)
-	-	(1.300)	(49)	(1.349)
(21.323)	-	(1.300)	(49)	(22.672)
-	-	229	3	232
-	-	2	-	2
(21.323)	-	(1.069)	(46)	(22.438)
21.154	-	-	-	21.154
-	-	(2.502)	-	(2.502)
21.154	-	(2.502)	-	18.652
(304)	-	304	-	-
(1.984)	-	9.854	115	7.986
923	-	9.976	115	11.014
(2.908)	-	(121)	-	(3.029)
(1.984)	-	9.854	115	7.986



**NOTES TO THE FINANCIAL STATEMENTS**
**Property & Casualty reinsurance contracts held under Premium Allocation Approach - prior year**

From 01/01 to 31/12/2023

(amounts in € thousand)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contract assets as at 01/01/2023	1.016	-	9.711	123	10.850
Reinsurance contract liabilities as at 01/01/2023	(2.991)	-	(38)	-	(3.029)
<b>Net reinsurance contracts as at 01/01/2023</b>	<b>(1.976)</b>	<b>-</b>	<b>9.673</b>	<b>123</b>	<b>7.821</b>
<b>Allocation of reinsurance premiums</b>	<b>(17.550)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17.550)</b>
<b>Amounts recoverable from reinsurers</b>					
Amounts recoverable for claims and other expenses incurred in the period	-	-	4.883	55	4.938
Changes to recoveries of incurred claims that relate to past service	-	-	(1.214)	(22)	(1.237)
	-	-	3.669	32	3.701
<b>Net income or expense from reinsurance contracts held</b>	<b>(17.550)</b>	<b>-</b>	<b>4.378</b>	<b>32</b>	<b>(13.848)</b>
<b>Reinsurance finance income</b>	<b>-</b>	<b>-</b>	<b>437</b>	<b>6</b>	<b>443</b>
<b>Effect of changes in the risk of reinsurers non-performance</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>
<b>Total changes in the income statement</b>	<b>(17.550)</b>	<b>-</b>	<b>4.104</b>	<b>38</b>	<b>(13.407)</b>
<b>Cash flows</b>					
Premiums paid	18.014	-	-	-	18.014
Amount received	-	-	(657)	-	(657)
<b>Total Cash Outflows / (Inflows)</b>	<b>18.014</b>	<b>-</b>	<b>(657)</b>	<b>-</b>	<b>17.358</b>
<b>Net reinsurance contracts as at 31/12/2023</b>	<b>(1.511)</b>	<b>-</b>	<b>13.121</b>	<b>161</b>	<b>11.771</b>
Reinsurance contract assets as at 31/12/2023	1.127	-	13.150	161	14.439
Reinsurance contract liabilities as at 31/12/2023	(2.638)	-	(29)	-	(2.667)
<b>Net reinsurance contracts as at 31/12/2023</b>	<b>(1.511)</b>	<b>-</b>	<b>13.121</b>	<b>161</b>	<b>11.771</b>

**NOTE 14: OTHER RECEIVABLES**

(amounts in € thousand)

	31/12/2024	31/12/2023
Loans and advances to agents and brokers	422	447
Provisions for doubtful debts from agents and brokers	(9)	(12)
Prepaid Expenses	810	939
Other Receivables	1.218	1.459
<b>Total</b>	<b>2.441</b>	<b>2.833</b>

**NOTE 15: CASH AND CASH EQUIVALENTS**

(amounts in € thousand)

	31/12/2024	31/12/2023
Cash on hand	2	2
Deposits on demand	1.950	2.762
Time deposits	6.180	9.800
<b>Total cash and cash equivalents</b>	<b>8.132</b>	<b>12.564</b>

Time deposits did not exceed 90 days in duration. The weighted average effective interest rate on term deposits during the year was 2,03% (2023: 1,60%).

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 16: SHARE CAPITAL**

The total number of issued and fully paid ordinary shares is 293.583 with a nominal value of € 61,53 per share (31 December 2023: 212.322 ordinary shares with a nominal value of € 61,53 per share). All shares are held by the sole shareholder, "Eurolife FFH Insurance Group Holdings S.A.". The Company does not have any share option schemes.

	31/12/2024	31/12/2023
Number of Ordinary Shares (Units)	293.583	212.322
Paid-up (amounts in € thousand)	18.064	13.064
<b>Share Capital (amounts in € thousand)</b>	<b>18.064</b>	<b>13.064</b>

The movement of share capital is as follows:

(amounts in € thousand)	2024	2023
<b>Balance at 1 January</b>	<b>13.064</b>	<b>3.064</b>
Share capital increase	5.000	10.000
<b>Balance at 31 December</b>	<b>18.064</b>	<b>13.064</b>

Based on the decision of the extraordinary Shareholders' General Meeting dated at 22 December 2023, the share capital increased by € 10.000 thousand by contribution in cash covered by Eurolife FFH Insurance Group S.A. and the issuance of 162.522 new ordinary shares with a nominal value of €61,53 each. The share capital of the Company after the share capital increase amounts to € 13.064 thousand.

Following the decision of the extraordinary Shareholders' General Meeting on November 18, 2024, the share capital increased by €5.000 thousand through a cash contribution by Eurolife FFH Insurance Group Holdings S.A. and the issuance of 81.261 new ordinary shares with a nominal value of € 61,53 each. The Company's share capital after the increase amounts to € 18.064 thousand.

**NOTE 17: RESERVES AND PRIOR YEARS' RETAINED EARNINGS**

(amounts in € thousand)

	Statutory Reserve	Special Reserves	Reserve for Post-employment Benefit obligations	Prior years' retained earnings	Total
<b>Balance at 1 January 2024</b>	<b>12.257</b>	<b>18.484</b>	<b>(29)</b>	<b>48.706</b>	<b>79.418</b>
Transfer of prior period profits	-	397	-	2.638	3.035
Expenses of share capital increase	-	-	-	(15)	(15)
Remeasurement of defined benefit obligation	-	-	(30)	-	(30)
<b>Balance at 31 December 2024</b>	<b>12.257</b>	<b>18.881</b>	<b>(60)</b>	<b>51.329</b>	<b>82.407</b>

(amounts in € thousand)

	Statutory Reserve	Special Reserves	Reserve for Post-employment Benefit obligations	Prior years' retained earnings	Total
<b>Balance at 1 January 2023</b>	<b>12.257</b>	<b>15.903</b>	<b>(38)</b>	<b>45.751</b>	<b>73.872</b>
Transfer of prior period profits	-	2.583	-	2.985	5.567
Expenses of share capital increase	-	-	-	(30)	(30)
Remeasurement of defined benefit obligation	-	-	8	-	8
<b>Balance at 31 December 2023</b>	<b>12.257</b>	<b>18.484</b>	<b>(29)</b>	<b>48.706</b>	<b>79.418</b>

The statutory reserve has been formed based on the provisions of laws and cannot be distributed to the shareholders of the Company.

The special reserves are reserves that have been formed under special laws that either are not distributable or will be taxed in case of distribution according to the applicable income tax rate at the date of distribution.

The reserve for employee benefits includes reserves from actuarial gains or losses on employee termination liabilities, together with the corresponding deferred tax. The reserve from actuarial gains or losses has been formed in accordance with the provisions of IAS 19 (revised) and cannot be distributed.

**NOTES TO THE FINANCIAL STATEMENTS**

Prior years' retained earnings arise from previous years' profit after General Shareholders' Meeting decisions. These reserves arising from profits of previous years can be distributed to shareholders upon decision of General Shareholders' Meeting without additional tax charge.

**NOTE 18: INSURANCE CONTRACT LIABILITIES**

Presented below is a summary table detailing the assets and liabilities associated with insurance contracts, segmented by the applied measurement model.

(amounts in € thousand)

**Property & Casualty insurance contracts issued**

	31/12/2024	31/12/2023
	Premium Allocation Approach	Premium Allocation Approach
Insurance contracts assets	(867)	(673)
Insurance contracts liabilities	106.311	108.092
<b>Net insurance contracts</b>	<b>105.445</b>	<b>107.419</b>
Motor segment	69.109	63.190
Property segment	27.567	36.121
Other segment	8.769	8.108
<b>Net insurance contracts</b>	<b>105.445</b>	<b>107.419</b>

**Property and Casualty Insurance contracts issued under Premium Allocation Approach - current year**

From 01/01 to 31/12/2024

(amounts in € thousand)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total Premium Allocation approach
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract liabilities as at 01/01/2024	19.372	120	86.738	1.862	108.092
Insurance contract assets as at 01/01/2024	(812)	-	139	-	(673)
<b>Net Insurance Contract Liability as at 01/01/2024</b>	<b>18.560</b>	<b>120</b>	<b>86.877</b>	<b>1.862</b>	<b>107.419</b>
<b>Insurance revenue</b>	(86.384)	-	-	-	<b>(86.384)</b>
<b>Insurance service expenses</b>					
Incurred claims	-	-	33.029	580	33.609
Other attributable expenses	-	-	12.184	-	12.184
Amortisation of insurance acquisition cash flows	22.486	-	-	-	22.486
Changes to liabilities for incurred claims	-	-	(9.643)	(505)	(10.148)
Reversals of losses on onerous contracts	-	(79)	-	-	(79)
	<b>22.486</b>	<b>(79)</b>	<b>35.570</b>	<b>75</b>	<b>58.052</b>
<b>Insurance service result</b>	<b>(63.898)</b>	<b>(79)</b>	<b>35.570</b>	<b>75</b>	<b>(28.332)</b>
<b>Insurance finance expenses</b>	-	-	<b>2.409</b>	<b>51</b>	<b>2.459</b>
<b>Total changes in the income statement</b>	<b>(63.898)</b>	<b>(79)</b>	<b>37.980</b>	<b>126</b>	<b>(25.872)</b>
<b>Cash flows</b>					
Premiums received	105.045	-	-	-	105.045
Payments of Claims and Other Insurance Expenses.	-	-	(42.731)	-	(42.731)
Insurance acquisition cash flows	(38.417)	-	-	-	(38.417)
<b>Total Cash Inflows / (Outflows)</b>	<b>66.627</b>	<b>-</b>	<b>(42.731)</b>	<b>-</b>	<b>23.896</b>
Investment components	(257)	-	257	-	-
Other movements	2	-	-	-	2
<b>Net insurance contracts as at 31/12/2024</b>	<b>21.034</b>	<b>40</b>	<b>82.382</b>	<b>1.988</b>	<b>105.445</b>
Insurance contract liabilities as at 31/12/2024	22.072	40	82.214	1.987	106.311
Insurance contract assets as at 31/12/2024	(1.037)	-	168	1	(867)
<b>Net insurance contracts as at 31/12/2024</b>	<b>21.034</b>	<b>40</b>	<b>82.382</b>	<b>1.988</b>	<b>105.445</b>

## NOTES TO THE FINANCIAL STATEMENTS

## Property and Casualty Insurance contracts issued under Premium Allocation Approach - prior year

From 01/01 to 31/12/2023

(amounts in € thousand)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total Premium Allocation approach
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract liabilities as at 01/01/2023	15.335	25	67.883	1.575	84.817
Insurance contract assets as at 01/01/2023	(433)	2	202	1	(228)
<b>Net Insurance Contract Liability as at 01/01/2023</b>	<b>14.902</b>	<b>27</b>	<b>68.085</b>	<b>1.575</b>	<b>84.589</b>
<b>Insurance revenue</b>	<b>(75.858)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(75.858)</b>
<b>Insurance service expenses</b>					
Incurrd claims	-	-	40.841	619	41.459
Other attributable expenses	-	-	11.410	-	11.410
Amortisation of insurance acquisition cash flows	19.509	-	-	-	19.509
Changes to liabilities for incurred claims	-	-	(2.974)	(386)	(3.361)
Losses on onerous contracts	-	93	-	-	93
	<b>19.509</b>	<b>93</b>	<b>49.277</b>	<b>232</b>	<b>69.110</b>
<b>Insurance service result</b>	<b>(56.349)</b>	<b>93</b>	<b>49.277</b>	<b>232</b>	<b>(6.748)</b>
<b>Insurance finance expenses</b>	<b>-</b>	<b>-</b>	<b>2.409</b>	<b>55</b>	<b>2.464</b>
<b>Total changes in the income statement</b>	<b>(56.349)</b>	<b>93</b>	<b>51.686</b>	<b>287</b>	<b>(4.284)</b>
<b>Cash flows</b>					
Premiums received	93.301	-	-	-	93.301
Claims and other expenses paid	-	-	(33.097)	-	(33.097)
Insurance acquisition cash flows	(33.090)	-	-	-	(33.090)
<b>Total Cash Inflows / (Outflows)</b>	<b>60.211</b>	<b>-</b>	<b>(33.097)</b>	<b>-</b>	<b>27.114</b>
Investment components	(203)	-	203	-	-
<b>Net insurance contracts as at 31/12/2023</b>	<b>18.561</b>	<b>120</b>	<b>86.877</b>	<b>1.862</b>	<b>107.420</b>
Insurance contract liabilities as at 31/12/2023	19.372	120	86.738	1.862	108.092
Insurance contract assets as at 31/12/2023	(812)	-	139	-	(673)
<b>Net insurance contracts as at 31/12/2023</b>	<b>18.560</b>	<b>120</b>	<b>86.877</b>	<b>1.862</b>	<b>107.419</b>

**NOTES TO THE FINANCIAL STATEMENTS****Property & Casualty Development of Insurance Losses, measured under the PAA model - Gross of Reinsurance**

Accident Year	<2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
<b>Cumulative Claims Paid</b>												
At the end of Accident Year		3.465	4.790	6.049	7.608	6.539	6.283	6.349	7.533	10.443	9.633	
1 year after		5.450	8.013	9.567	16.403	10.897	11.961	10.361	13.072	23.343		
2 years after		5.819	8.801	10.147	17.070	11.692	13.297	11.848	16.315			
3 years after		5.992	9.848	11.194	17.634	12.520	14.065	13.533				
4 years after		6.145	10.040	11.462	18.359	13.453	14.438					
5 years after		6.262	10.214	11.806	19.067	14.091						
6 years after		6.481	10.704	12.097	19.650							
7 years after		7.214	10.839	12.208								
8 years after		7.336	11.467									
9 years after		7.363										
<b>Cumulative Claims Paid</b>	<b>189.092</b>	<b>7.363</b>	<b>11.467</b>	<b>12.208</b>	<b>19.650</b>	<b>14.091</b>	<b>14.438</b>	<b>13.533</b>	<b>16.315</b>	<b>23.343</b>	<b>9.633</b>	<b>331.133</b>

Accident Year	<2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
<b>Cumulative Claims Incurred</b>												
At the end of Accident Year		10.846	15.496	18.398	27.252	20.692	20.060	20.777	27.441	43.232	33.580	
1 year after		10.909	16.040	18.728	28.058	20.646	20.565	21.863	29.515	44.381		
2 years after		10.759	16.394	18.341	27.917	20.808	20.801	21.889	29.230			
3 years after		10.744	15.874	17.999	27.289	20.873	20.558	22.470				
4 years after		10.558	15.217	16.863	26.463	21.050	20.277					
5 years after		8.640	12.822	13.443	22.621	16.523						
6 years after		8.467	12.283	13.281	21.542							
7 years after		8.007	12.272	12.757								
8 years after		8.051	12.159									
9 years after		7.963										
<b>Cumulative Claims Incurred</b>	<b>197.568</b>	<b>7.963</b>	<b>12.159</b>	<b>12.757</b>	<b>21.542</b>	<b>16.523</b>	<b>20.277</b>	<b>22.470</b>	<b>29.230</b>	<b>44.381</b>	<b>33.580</b>	<b>418.449</b>

	<2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Case Reserves	8.476	599	692	550	1.892	2.432	5.839	8.937	12.915	21.038	23.946	<b>87.316</b>
Other reserves												<b>(812)</b>
Liabilities for incurred claims ( <i>Undiscounted</i> )												<b>86.504</b>
Effect of Discounting of PVFCF												<b>(4.123)</b>
Estimates of PVFCF ( <i>Discounted</i> )												<b>82.381</b>
Non-Financial Risk Adjustment ( <i>Discounted</i> )												<b>1.988</b>
Liability for Incurred Claims												<b>84.369</b>

The line of the Other reserves in the table above includes the IBNR reserves, the ULAE reserves and the reserves for inwards reinsurance.

**NOTE 19: EMPLOYEE BENEFITS**

The Company recognizes a liability for post-employment benefits for its employees entitled to a lump-sum payment based on years of service and salary level at retirement, provided they remain employed until the statutory retirement age under Greek labor law. Company policy dictates that compensation is paid only upon retirement, with the employer's obligation amortized over the final 16 years of service. Post-employment benefit obligations typically expose the Company to actuarial risks, including interest rate and salary risks. Consequently, a decrease in the discount rate used to calculate the present value of estimated future cash outflows, or an increase in future salaries, would increase the post-employment benefit obligation.

**NOTES TO THE FINANCIAL STATEMENTS***(amounts in € thousand)***Movement of provision for staff leaving indemnities****Balance at 1 January**

Employer-paid benefits

Total expense recognized in the income statement

Actuarial (gains) recognized in equity

**Balance at 31 December***(amounts in € thousand)***Amounts recognized in the income statement**

Current service cost

Net interest

Curtailments / settlements / terminations

**Total expense in income statement**

	2024	2023
<b>Balance at 1 January</b>	<b>366</b>	<b>365</b>
Employer-paid benefits	(91)	(237)
Total expense recognized in the income statement	113	249
Actuarial (gains) recognized in equity	39	(11)
<b>Balance at 31 December</b>	<b>427</b>	<b>366</b>

	From 01/01 to 31/12/2024	From 01/01 to 31/12/2023
Current service cost	46	46
Net interest	14	11
Curtailments / settlements / terminations	53	193
<b>Total expense in income statement</b>	<b>113</b>	<b>249</b>

The present value of employee benefit obligations arising from termination of employment depends on factors determined on an actuarial basis, using a range of assumptions as presented in the table below.

The key assumptions used in determining the net cost of employee benefit obligations arising from termination of employment include the discount rate and future salary increases. Any changes in these assumptions will affect the carrying amount of the obligation.

The Company determines the appropriate discount rate to be used in calculating the present value of estimated employee benefit obligations arising from termination of employment at the end of each year. In determining the appropriate discount rate, the Company uses the interest rates of high-quality corporate bonds. The currency and maturity terms of the bonds used are consistent with the currency and estimated duration of the employee benefit obligations. The salary increase assumption is determined by evaluating the Company's annual salary growth trends.

Other assumptions regarding employee benefit obligations arising from termination of employment, such as changes in the inflation rate, are partly based on prevailing market conditions.

**Actuarial assumptions**

Discount rate

Future salary increases

Inflation

Expected remaining service life (years)

	2024	2023
Discount rate	3,00%	3,80%
Future salary increases	2,00% to 3,00%	2,25% to 3,00%
Inflation	2,00%	2,25%
Expected remaining service life (years)	5,2	5,6

The sensitivity analysis based on reasonably possible changes in key actuarial assumptions as of 31 December 2024, is as follows:

- An increase/(decrease) in the discount rate by 0,5%/(0,5%) would result in a (decrease)/increase in employee benefit obligations of (€ 8,5) thousand / € 9,0 thousand.
- An increase/(decrease) in future salary increases by 0,5%/(0,5%) would result in an increase/(decrease) in employee benefit obligations of € 9,0 thousand / (€ 8,5) thousand.

**NOTE 20: PROVISIONS AND OTHER LIABILITIES***(amounts in € thousand)*

Agents and brokers

Taxes

Social security

Other Creditors

Provisions

Other liabilities

**Total provisions and other liabilities**

	31/12/2024	31/12/2023
Agents and brokers	3.411	2.756
Taxes	603	512
Social security	658	610
Other Creditors	1.670	1.524
Provisions	1.509	1.422
Other liabilities	2.265	1.846
<b>Total provisions and other liabilities</b>	<b>10.117</b>	<b>8.671</b>

The line item 'provisions' in the table above includes the provision for unaudited tax years as well as other provisions formed.

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 21: NET INSURANCE SERVICE RESULT

## Analysis of net insurance result by segment

(amounts in € thousand)

From 01/01 to 31/12/2024

## Insurance revenue from contracts measured under PAA

Incurred claims and benefits

Other attributable expenses

Amortisation of insurance acquisition costs

Changes in incurred claims and benefits that relate to past service

Reversals of losses of onerous contracts

## Insurance Service Expenses

## Insurance Service Result from insurance contracts

## Allocation of reinsurance premiums for contracts measured under PAA

## Amounts recoverable from reinsurers

Amounts recoverable for claims and other expenses incurred in the period

Changes in amounts recoverable arising from changes in liability for incurred claims

## Allocation recoverable from reinsurers

## Net income or expense from reinsurance contracts held

## Insurance Service Result

Motor	Property	Other	Total
-------	----------	-------	-------

36.606	37.393	12.386	86.384
--------	--------	--------	--------

(29.359)	(3.120)	(1.130)	(33.609)
----------	---------	---------	----------

(4.936)	(5.071)	(2.177)	(12.184)
---------	---------	---------	----------

(9.739)	(8.965)	(3.781)	(22.486)
---------	---------	---------	----------

8.864	942	341	10.148
-------	-----	-----	--------

-	-	79	79
---	---	----	----

(35.170)	(16.214)	(6.667)	(58.052)
----------	----------	---------	----------

1.435	21.178	5.718	28.332
-------	--------	-------	--------

(3.642)	(13.513)	(4.168)	(21.323)
---------	----------	---------	----------

(4)	2.231	(987)	1.240
-----	-------	-------	-------

8	(4.658)	2.061	(2.589)
---	---------	-------	---------

4	(2.428)	1.074	(1.349)
---	---------	-------	---------

(3.638)	(15.940)	(3.094)	(22.672)
---------	----------	---------	----------

(2.203)	5.238	2.624	5.660
---------	-------	-------	-------

## Analysis of net insurance result by segment

(amounts in € thousand)

From 01/01 to 31/12/2023

## Insurance revenue from contracts measured under PAA

Incurred claims and benefits

Other attributable expenses

Amortisation of insurance acquisition costs

Changes in incurred claims and benefits that relate to past service

Losses on onerous contracts

## Insurance Service Expenses

## Insurance Service Result from insurance contracts

## Allocation of reinsurance premiums for contracts measured under PAA

## Amounts recoverable from reinsurers

Amounts recoverable for claims and other expenses incurred in the period

Changes in amounts recoverable arising from changes in liability for incurred claims

## Allocation recoverable from reinsurers

## Net income or expense from reinsurance contracts held

## Insurance Service Result

Motor	Property	Other	Total
-------	----------	-------	-------

31.846	33.924	10.088	75.858
--------	--------	--------	--------

(20.593)	(20.970)	103	(41.459)
----------	----------	-----	----------

(4.657)	(4.879)	(1.874)	(11.410)
---------	---------	---------	----------

(8.043)	(8.105)	(3.361)	(19.509)
---------	---------	---------	----------

1.669	1.700	(8)	3.361
-------	-------	-----	-------

-	-	(93)	(93)
---	---	------	------

(31.623)	(32.254)	(5.233)	(69.110)
----------	----------	---------	----------

222	1.670	4.855	6.748
-----	-------	-------	-------

(3.339)	(10.483)	(3.727)	(17.550)
---------	----------	---------	----------

(10)	5.159	(211)	4.938
------	-------	-------	-------

3	(1.292)	53	(1.237)
---	---------	----	---------

(8)	3.867	(158)	3.701
-----	-------	-------	-------

(3.347)	(6.616)	(3.885)	(13.848)
---------	---------	---------	----------

(3.125)	(4.946)	970	(7.101)
---------	---------	-----	---------

**NOTES TO THE FINANCIAL STATEMENTS**
**NOTE 22: NET INVESTMENT INCOME**

(amounts in € thousand)

**Interests and dividends**

	From 01/01 to 31/12/2024	From 01/01 to 31/12/2023
Equities and mutual funds at FVTPL	1.627	325
Debt securities at FVTPL	3.885	3.699
Debt securities at amortised cost	107	96
Cash and cash equivalents	194	101
<b>Total</b>	<b>5.813</b>	<b>4.222</b>

**Net gains on financial assets at FVTPL**

Realised losses from mutual funds	(47)	-
Realised gains from debt securities	-	400
Unrealised gains from equities	3.154	5.788
Unrealised gains from mutual funds	1.303	3.741
Unrealised gains / (losses) from debt securities	(1.025)	2.125
Unrealised losses from foreign exchange differences	(817)	(190)
<b>Total</b>	<b>2.568</b>	<b>11.864</b>

**Change in credit impairment on financial assets at amortised cost**

Provisions for credit risk impairment	-	(1)
<b>Total</b>	<b>-</b>	<b>(1)</b>

Other Investment Income

	107	122
<b>Total net investment income</b>	<b>8.488</b>	<b>16.207</b>

**NOTE 23: NET INSURANCE FINANCE INCOME / (EXPENSES)**

(amounts in € thousand)

**Finance expenses from insurance contracts issued**

Accrued interest	(2.750)	(743)
Effect of changes in interest rates and other financial assumptions	292	(1.721)
<b>Total finance expenses from insurance contracts</b>	<b>(2.459)</b>	<b>(2.464)</b>

Out of which:

Amounts recognized in profit or loss	(2.459)	(2.464)
	<b>(2.459)</b>	<b>(2.464)</b>

**Finance income from reinsurance contracts**

Accrued interest	361	82
Effect of changes in interest rates and other financial assumptions	(129)	360
Changes in risk non-performance reinsurer	2	(1)
<b>Total finance income from insurance contracts</b>	<b>234</b>	<b>441</b>

Out of which:

Amounts recognized in profit or loss	234	441
	<b>234</b>	<b>441</b>

**Net insurance finance expenses**

Out of which:		
Amounts recognized in profit or loss	(2.225)	(2.023)
<b>Total net insurance finance expenses</b>	<b>(2.225)</b>	<b>(2.023)</b>



## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 24: INSURANCE SERVICE EXPENSES AND OTHER OPERATING COSTS

## From 01/01 to 31/12/2024

(amounts in € thousand)

	Expenses attributed to insurance acquisition cash flows	Other attributable expenses	Other operating expenses	Total
Commissions and fees	(16.025)	-	-	(16.025)
Employee expenses	(3.524)	(6.008)	(38)	(9.570)
Claims adjustment expenses	-	(906)	-	(906)
Depreciation	(613)	(1.174)	(199)	(1.987)
Audit, legal and other professional fees	(5)	(376)	(697)	(1.078)
Advertising expenses	(254)	(179)	(510)	(943)
Lease expenses	(20)	(37)	-	(57)
Administrative expenses	(1.605)	(2.405)	(396)	(4.406)
Other expenses	(441)	(1.098)	(766)	(2.305)
<b>Total expenses</b>	<b>(22.486)</b>	<b>(12.184)</b>	<b>(2.607)</b>	<b>(37.277)</b>

## From 01/01 to 31/12/2023

(amounts in € thousand)

	Expenses attributed to insurance acquisition cash flows	Other attributable expenses	Other operating expenses	Total
Commissions and fees	(13.199)	-	(29)	(13.228)
Employee expenses	(3.401)	(5.606)	(35)	(9.042)
Claims adjustment expenses	-	(960)	-	(960)
Depreciation	(654)	(1.101)	(142)	(1.897)
Audit, legal and other professional fees	(7)	(344)	(783)	(1.134)
Advertising expenses	(329)	(177)	(727)	(1.234)
Lease expenses	(20)	(37)	-	(57)
Administrative expenses	(1.499)	(2.188)	(349)	(4.035)
Other expenses	(399)	(997)	(729)	(2.125)
<b>Total expenses</b>	<b>(19.509)</b>	<b>(11.410)</b>	<b>(2.793)</b>	<b>(33.712)</b>

The average number of employees of the Company in 2024 was 163 (2023: 161).

On 30 December 2021, the Boards of Directors of the companies of the Eurolife FFH Group decided the establishment of the Professional Insurance Fund of Eurolife FFH Group Companies and Partners N.P.I.D. (the "Fund"), through which all employees of the Company are eligible to participate as members and for which the Company pays the employer's contributions. Additionally, insurance intermediaries with a valid cooperation agreement with the Company are eligible to participate in the Fund. The Company, during the first 5 years, covers the Fund's expenses, on a pro rata basis.

**External Auditors**

The fees to the independent auditors are included in other operating expenses. In 2024, the Company received the relevant services from the audit firm "KPMG", while in 2023, the respective services were provided by "PricewaterhouseCoopers". The fees relating to audit and other services for the years 2024 and 2023 are analyzed as follows:

(amounts in € thousand)

	From 01/01 to 31/12/2024	From 01/01 to 31/12/2023
Statutory Audit	(84)	(87)
Tax audit-article 65a, Article 4987/2022	(30)	(25)
Other audit related services	(30)	(35)
Non audit services	(3)	(4)
<b>Total</b>	<b>(147)</b>	<b>(151)</b>

## NOTES TO THE FINANCIAL STATEMENTS

## NOTE 25: INCOME TAX EXPENSE

(amounts in € thousand)

**Current income tax**

Current tax on profits for the year

(174)

-

Adjustment on previous years' income tax and other adjustments

(95)

(62)

**Total current income tax****(269)****(62)****Deferred tax**

Increase in deferred tax assets

301

1.684

Increase in deferred tax liabilities

(2.593)

(2.878)

**Total deferred tax expense****(2.292)****(1.193)****Total income tax****(2.562)****(1.255)**

According to the provisions of article 120 of Law 4799/2021 (Government Gazette A 78) which entered into force in May 2021 and amended article 58 of Law 4172/2013, profits made by legal entities conducting business activities and legal entities in Greece that hold double-entry books, excluding credit institutions, are taxed at a rate of 22% (2023: 22%) for the 2021 tax year onwards.

The tax on the Company's profit before tax using the applicable income tax rates, is analyzed below:

(amounts in € thousand)

Profit before tax

9.316

4.290

**9.316****4.290**

Income tax at applicable tax rate ( 22%)

(2.049)

(944)

**Tax effect of amounts which are not deductible in calculating taxable income:**

Non tax deductible expenses

(429)

(258)

Income not subject to tax

12

8

Adjustment in previous years' income tax and other adjustments

(95)

(62)

**Total income tax****(2.562)****(1.255)****Effective tax rate****27,5%****29,3%**

## NOTE 26: RELATED PARTY TRANSACTIONS

The Company is controlled by Eurolife FFH Insurance Group Holdings S.A. (thereafter "Eurolife FFH Insurance Group") which owns 100% of its share capital. Eurobank, a bank domiciled in Athens and listed on the Athens Stock Exchange, was the ultimate parent of the Company until 4th of August 2016 and owned 100% of the share capital of Eurolife FFH Insurance Group.

On 4 August 2016, the disposal of 80% of the share capital of Eurolife FFH Insurance Group was completed and control of Eurolife FFH Insurance Group was transferred to Costa Luxembourg Holding S.à r.l, while Eurobank retained the remaining 20% of the share capital of the Company and consequently has significant influence. The new parent company of Eurolife FFH Insurance Group is domiciled in Luxembourg and is now wholly owned by Colonnade Finance S.àrl.

All transactions with related parties are conducted in the normal course of business and on arm's length basis. The volume of the transactions with the related parties and the balances at year end are shown in the tables below, in which, due to materiality, transactions with Eurobank are presented separately:

**NOTES TO THE FINANCIAL STATEMENTS**
*(amounts in € thousand)*
**Related Party Eurobank**

Deposits on demand & time deposits  
Insurance operations<sup>1</sup>  
Investment operations  
Other transactions

**Total**

31/12/2024	From 01/01 to 31/12/2024		
Receivables	Payables	Revenue	Expenses
2.919	-	100	-
5	2.224	1.943	5.476
-	-	-	-
-	-	-	321
<b>2.924</b>	<b>2.224</b>	<b>2.043</b>	<b>5.797</b>

*(amounts in € thousand)*
**Other Related Parties**

Deposits on demand & time deposits  
Insurance operations<sup>1</sup>  
Investment operations  
Other transactions

**Total**

31/12/2024	From 01/01 to 31/12/2024		
Receivables	Payables	Revenue	Expenses
11	-	-	-
4	454	276	1.066
1	-	-	402
17	43	170	1.068
<b>33</b>	<b>496</b>	<b>446</b>	<b>2.536</b>

**Transactions with key management personnel <sup>2</sup>**
**Remuneration and benefits of key management personnel**

-	4	40	4
-	-	-	673

*(amounts in € thousand)*
**Related Party Eurobank**

Deposits on demand & time deposits  
Insurance operations<sup>1</sup>  
Investment operations  
Other transactions

**Total**

31/12/2023	From 01/01 to 31/12/2023		
Receivables	Payables	Revenue	Expenses
4.062	-	78	-
30	1.721	1.820	4.477
-	-	-	-
-	-	-	275
<b>4.092</b>	<b>1.721</b>	<b>1.897</b>	<b>4.752</b>

*(amounts in € thousand)*
**Other Related Parties**

Deposits on demand & time deposits  
Insurance operations<sup>1</sup>  
Investment operations  
Other transactions

**Total**

31/12/2023	From 01/01 to 31/12/2023		
Receivables	Payables	Revenue	Expenses
10	-	-	-
5	419	416	1.001
-	-	-	361
20	104	192	1.054
<b>36</b>	<b>523</b>	<b>608</b>	<b>2.416</b>

**Transactions with key management personnel <sup>2</sup>**
**Remuneration and benefits of key management personnel**

-	4	36	6
-	-	-	1.026

<sup>1</sup> Revenues and receivables from Insurance operations mainly include the balances from the insurance premium transactions collected by the Company, while expenses and liabilities mainly include the balances from the transactions of commissions, over-commissions and bonuses paid by the Company to partners.

<sup>2</sup> Transactions with members of Management are within the normal course of insurance business and mainly include premiums and commissions received and paid by the Company.

The above table does not include the dividend distributions made by the Company to its shareholder during the fiscal years 2024 and 2023, which are described in detail in Note 28 'Dividends'.

As of 31 December 2024 and 31 December 2023, there were no loan receivables from members of Management. In addition, the Company held investments in bonds, mutual funds, and shares issued by related parties. Specifically, as of 31 December 2024, the fair value of these bonds amounted to € 0 thousand (31 December 2023: € 1.999 thousand), the mutual funds amounted to € 28.224 thousand (31 December 2023: € 26.258 thousand), and the shares amounted to € 10.069 thousand (31 December 2023: € 7.248 thousand).

**NOTES TO THE FINANCIAL STATEMENTS****NOTE 27: COMMITMENTS AND CONTINGENT LIABILITIES****Legal issues**

There are no pending litigations against the Company or other contingent liabilities and commitments as at 31 December 2024 which may materially affect the financial position of the Company.

**Unaudited tax years**

In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within five years as from the end of the fiscal year within which the relevant tax return should have been submitted. Therefore, based on the above as a general rule, the Company has 6 unaudited tax years.

For fiscal years beginning on or after 1 January 2016, and in accordance with Law 4987/2022, Greek companies whose annual financial statements are subject to statutory audit may, on an optional basis, obtain an annual tax compliance certificate.

The aforementioned certificate is issued following a relevant tax audit conducted by the statutory auditor or audit firm that audits the annual financial statements. The Company will continue to obtain this certificate.

According to Greek tax legislation, companies that have obtained tax compliance certificates without qualifications for violations of tax legislation for the last six unaudited fiscal years are not exempt from the imposition of additional taxes and penalties by the Greek tax authorities following the completion of a tax audit.

In light of the above, as of 31 December 2024, the right of the Greek State to impose taxes for fiscal years up to and including 2018 has, in principle, lapsed for the Company.

Furthermore, on 29 August 2024, the Company was notified by the competent Audit Center of a partial on-site audit order for the fiscal year 2023. The audit was completed on 4 February 2025 with no findings of tax discrepancies.

The Company has obtained a tax compliance certificate without qualifications for the fiscal years 2016–2023. For the fiscal year 2024, the tax audit within the framework of the tax compliance certificate is in progress. Upon its completion, the Company's Management does not expect any significant tax liabilities to arise beyond those already recorded and reflected in the financial statements.

Due to the existence of unaudited tax years, it is possible that additional taxes and penalties may be imposed, the amounts of which cannot be accurately determined at this time. However, it is estimated that any such amounts would not have a material impact on the Company's Statement of Financial Position, as the Company recognizes provisions for additional taxes and penalties that may arise from future tax audits.

**NOTE 28: DIVIDENDS**

Dividends are accounted for after they have been ratified by the Annual Shareholders' General Meeting.

The Annual Ordinary General Meeting of the Company's shareholder resolved not to distribute dividends for the fiscal years ended 31 December 2024 and 31 December 2023.

**NOTE 29: EVENTS AFTER THE REPORTING DATE**

In the first quarter of 2025, the USA announced and implemented a series of tariff measures initially against Canada, Mexico, and China, and subsequently against steel and aluminum exports from the EU. As expected, all these economies responded with corresponding countermeasures. The US tariff burdens did not have a significant impact on the activity, capital position, and valuations of the Company's investment portfolios, as the initial sharp fluctuations triggered in the stock markets by the related announcement have subsided. Although financial conditions have improved, they remain vulnerable to negative developments that could impair global economic prospects. Management closely monitors developments and periodically assesses the potential impacts on the Company's operations and financial position.

There are no other significant subsequent events requiring disclosure.