



SOLVENCY AND FINANCIAL CONDITION REPORT

YEAR ENDED 31 DECEMBER 2025

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Executive Summary

HD Insurance PLC (“Hellas Direct”) is a general insurance company established in 2011, incorporated in Cyprus and regulated by the Cyprus Superintendent of Insurance. The Company underwrites motor vehicle insurance for all regions in Greece and Romania. The Company also underwrites residential property insurance in both Greece and Cyprus. Hellas Direct changed its name from HD Insurance Ltd to HD Insurance PLC on the 14th June 2024.

Hellas Direct sells insurance direct to the customer through its website and customer service centre located in Athens. In April 2019 the Company commenced the distribution of insurance policies through insurance intermediaries.

Since September 2014, Hellas Direct has operated a branch in Greece. Prior to establishing a branch, insurance services in Greece were provided under EU “Freedom of Services” legislation.

In October 2022, the Company obtained regulatory approval to passport its motor insurance licence to Romania. In early November 2022, it commenced selling MTPL insurance via its Romanian branch.

During 2022, the Company acquired 34% of the share capital of 3P Insurance Agents I.K.E., a Greek insurance broker, and 40% of the share capital of MGA Alpha Protect SRL, a Romanian company established to manage HD’s portfolio in the country.

The Company sold its first insurance policy in August 2012, and since that date, has achieved rapid sales growth. As a scale-up, the Company is currently loss-making.

The Company has a wholly-owned subsidiary undertaking, HD 360 Limited, which was incorporated on 29th June 2016. The IT and analytics operations of HD Insurance Limited were transferred to its subsidiary on this date. The principal activity of HD 360 Limited is software development and data analytics. During 2022, HD 360 Limited established a branch in Greece.

On 31 January 2019, HD 360 Limited acquired 100% of the share capital of a Cypriot road assistance provider, N.T. Rescue Line Auto Services Ltd. This forms part of the Group’s long-term strategy to enter the wider mobility ecosystem.

This Solvency and Financial Condition Report (SFCR) has been prepared in order to satisfy the public disclosure requirements under the Delegated Regulations of the European Parliament. The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management. This report should assist the Company’s stakeholders, including the supervisory authorities, in their understanding of the capital position of HD Insurance PLC under Pillar I of Solvency II following its implementation on 1 January 2016.

Material changes to business and performance

During 2025, gross written premiums grew by 4.25% year on year. The Company closed the year with a portfolio of 615,472 cars in Greece and 701,298 cars in Romania.

System of Governance

The solvency and financial condition report includes the following information regarding the system of governance of the Company (as detailed in Section B of this report):

(a) the structure of the Company’s administrative, management, or supervisory body, providing a description of its main roles and responsibilities and a brief description of the segregation of responsibilities within this body, with particular reference to the relevant committees within it, as well as a description of the main roles and responsibilities of key management functions;

(b) any material changes in the system of governance that have taken place during the reporting period;

(c) information on the remuneration policy and practices regarding the administrative, management or supervisory body and, unless otherwise stated, employees, including:

(i) principles of the remuneration policy, with an explanation of the relative importance of the fixed and variable components of remuneration; and

(ii) information on the individual and collective performance criteria on which any entitlement to share options, shares or variable components of remuneration is based.

No material changes have occurred during 2025 regarding the system of governance other than the implementation of various structural and procedural enhancements.

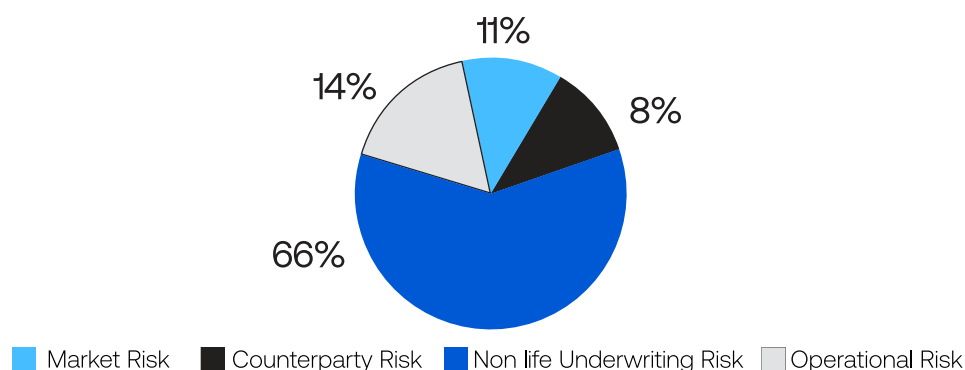
Risk profile

The risk profile of the Company is described in Section C of this report. The Board of Directors is responsible for the overall governance of the Company, and the Risk Management Committee is specifically responsible for risk governance.

The Company’s risk appetite is conservative. Where possible, the Company prefers to avoid unnecessary risk altogether; in cases where risk is inherent to the Company’s business (e.g. insurance risk, fraud risk), strong controls are put in place to mitigate it.

The Company uses the standard formula to calculate its Solvency Capital Requirement (“SCR”). The formula divides the SCR computation into several risk modules. The allocation of SCR as at 31 December 2025 was as follows:

SCR Summary 2025



Capital management

Effective capital management is essential for the Company to maintain the financial strength necessary to ensure financial stability even in stress scenarios, whilst securing commitments made to policyholders and other stakeholders.

The prudent deployment of capital by the Company must as far as possible meet the diverse expectations of all stakeholders:

- Clients: appropriate capitalisation to ensure client confidence;
- Financial analysts: evaluation of the Company's financial strength;
- Management (internal requirements): appropriate capital allocation to business segments to support strategy/growth; efficient capital structure to minimise cost of capital;
- Regulatory authorities: compliance with Minimum Capital Requirement and Solvency II compliance;
- Shareholders: maximise returns by optimising capital allocation and deployment.

Hellas Direct's strategic plans and budgets are prepared giving full consideration to their impact on the Company's risk profile and capital adequacy under Solvency II.

Solvency Capital Requirement at 31 December 2025 is estimated at €52.5m and is covered by €66.9m of eligible own funds resulting in a Solvency coverage ratio of 127%.

	Total €	Tier 1 - unrestricted €	Tier 2 €
Ordinary share capital	1,898,927	1,898,927	-
Share premium account related to ordinary share capital	94,475,704	74,809,681	19,666,023
Reconciliation reserve	(29,519,552)	(29,519,552)	-
Total basic own funds after adjustments	66,885,079	47,189,056	19,666,023
Total eligible own funds to meet the SCR	66,855,079	47,189,056	19,666,023
Total eligible own funds to meet the MCR	51,910,487	47,189,056	4,721,431
SCR	52,460,339		
MCR	23,607,153		
Ratio of Eligible own funds to SCR	127%		
Ratio of Eligible own funds to MCR	220%		

On 29th December 2023, the Company concluded an equity increase, raising additional primary Tier 1 capital of €20m in return for the issue of 2,881,845 ordinary shares at a premium of €6.87 per share. On the same date, the aggregate indebtedness of €22,491,023 related to the Mandatory Convertible Credit Facility which inceptioned on 31 December 2020 converted into 3,240,782 ordinary shares. A further 1,087,500 bonus shares were issued on the same date for zero consideration to the Company's Founders.

On 29th May 2024, the Company concluded an equity increase, raising additional primary Tier 1 capital of €10m in return for the issue of 1,440,922 ordinary shares at a premium of €6.87 per share. On 29 October 2024, the Company concluded another equity round by issuance of 158,501 new ordinary shares in the Company of nominal value €0.07 each at €6.94 per share (i.e. at a premium of EUR €6.87 per share) for a total subscription amount €1.1m, and the transfer of 489,914 existing ordinary shares in the Company of nominal value €0.07 each from the shareholders of the Company.

In June 2026, the company has successfully proceeded with the issuance of a Tier 2 bond for a total subscription amount €20m. The Company continues to actively manage capital in order to support the growth strategy and preserve appropriate solvency headroom. During 2026, the Company will consider capital actions including the potential issuance of additional Tier 2 subordinated debt and/or Tier 1 capital, subject to regulatory approvals, market conditions and Solvency II tiering limits.

Operational readiness and possible implications due to economic crisis (war in Ukraine, and the Middle East)

Despite persistent geopolitical tensions arising from the ongoing war in Ukraine and the conflict in the Middle East, Greece's economic performance exceeded expectations in 2025, with GDP growth reaching an estimated 3.1% compared to 2024. This robust expansion was underpinned by record-breaking tourist arrivals, sustained absorption of EU Recovery and Resilience Facility funds, accelerated infrastructure investments, and strengthening private consumption. The outlook for 2026 remains constructive, with preliminary forecasts projecting GDP growth of 2.8–3.0%, supported by continued foreign direct investment inflows, digital transformation initiatives, and Greece's enhanced credit profile following recent sovereign rating upgrades.

Economic momentum in Romania strengthened notably in 2025, with GDP growth reaching an estimated 3.2%, significantly outpacing the 2.5% recorded in 2024. This acceleration was driven by improved EU fund absorption rates, expansion in the manufacturing and services sectors, infrastructure modernization projects, and recovering household consumption amid declining inflation and wage growth. For 2026, economic growth is projected to moderate slightly to 2.8–3.0%, as the economy normalizes following the exceptional catch-up growth, though continued structural reforms and EU-funded investments are expected to provide ongoing support.

Cyprus maintained solid economic performance in 2025, with GDP expanding by 2.9%, supported by robust domestic demand, resilient tourism revenues, continued strength in professional services exports, and sustained construction activity driven by both residential and commercial projects. The labor market remained tight with low unemployment, supporting wage growth and consumer spending. Looking ahead to 2026, the Cypriot economy is forecast to grow by 2.6–2.8%, underpinned by ongoing diversification efforts in the services sector, digital infrastructure investments, and continued attractiveness to foreign direct investment in technology and financial services.

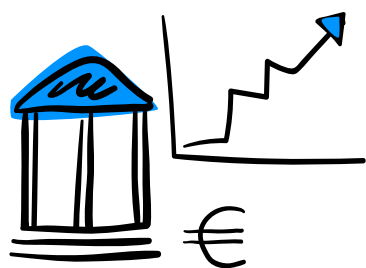
Impact on insurance production, reserving and investment portfolio

The macroeconomic outlook for insurers remains characterized by elevated uncertainty, driven by volatile geopolitical conditions, fluctuating financial markets, and evolving monetary policy stances across European central banks. While inflationary pressures have moderated from their 2022–2023 peaks, claims inflation—particularly in motor, property, and liability lines—continues to challenge profitability and requires ongoing vigilance in pricing and reserving practices. Interest rate volatility and credit spread movements continue to impact investment portfolio valuations.

The Company continues to mitigate its operating risk through strategic diversification of its activities across geographical markets and distribution channels, whilst ensuring optimal pricing through the deployment of sophisticated underwriting technology and advanced analytics. Credit risk remains well-controlled, supported by the insurance business model whereby customers pay premiums upfront in advance of coverage being extended. The Group monitors its credit risk exposure on a real-time basis through dedicated systems and processes.

Investment risk is managed through portfolio diversification across jurisdictions and asset classes, with emphasis on maintaining high credit quality counterparties wherever possible. The Group's Asset-Liability Management framework ensures appropriate matching of assets and liabilities while optimizing risk-adjusted returns.

While the operating environment presents ongoing challenges, the Company and the Group maintain strong capital positions, prudent risk management practices, and operational flexibility to adapt to evolving conditions. Management continues to take all necessary measures to ensure the sustainability and resilience of operations. However, the future trajectory of geopolitical developments and their economic consequences remain inherently uncertain, and actual outcomes may differ from current expectations and estimates.



A. Business and performance

A.1 Business

In June 2016, the Company established a wholly-owned subsidiary, HD 360 Limited, into which the tech operations of HD Insurance PLC were transferred. The subsidiary has taken over the group's IT development and data analytics operations, improving the capital efficiency of the group's insurance operations and providing enhanced optionality regarding the monetization of the group's technology investment to date.

In January 2019, HD 360 Limited acquired 100% of the share capital of N.T. Rescue Line Auto Services Limited, a Cypriot road assistance provider. This forms part of the Group's long term strategy to enter the wider mobility ecosystem.

During 2022, the Company established a branch in Romania, and its subsidiary, HD 360 Limited, established a branch in Greece. The Company also acquired 34% of the share capital of 3P Insurance Agents I.K.E., a Greek insurance broker, and 40% of the share capital

of MGA Alpha Protect SRL, a Romanian company established to manage HD's portfolio in the country.

The company is regulated by the Cyprus Superintendent of Insurance. Contact details are as follows:

Constantinos Kalopsidiotis,
Acting Superintendent of Insurance
Insurance Companies Control Service, PO Box 23364
Nicosia 1682, Cyprus

The contact details of the officers who directly supervise the company are as follows:

Sophocles Ioannides,
sioannides@mof.gov.cy
Tel:+357 22602908

The company's external auditor is KPMG. Contact details are as follows:

Constantinos Kallis,
Partner
KPMG Limited
14, Esperidon Str., 1087 Nicosia
D: +357 22209106 | M: +357 99667149 | T: +357 22209000 | F: +357 22513293
Email: Constantinos.kallis@kpmg.com.cy

The entities holding more than 10% of the company's share capital as at 31 December 2025 are detailed below:

Name	% Holding	Description
Portag 3 Ventures II Investments L.P.	14.52%	Institutional investor, Canada
Moulton Goodies Limited	10.43%	Jon Moulton family office, Guernsey

The remainder of the shares are widely spread between the remaining shareholders, with no one party holding more than 10%.

As the Company's share capital is spread as set out above there is no controlling or ultimate controlling party.

The Company holds a licence to transact the following non-life insurance lines of business ("LoB"):

Per "IFRS" Financial statements	Per Solvency II
Accident	Other motor insurance
Land Vehicle	Other motor insurance
Motor Vehicle Liability	Motor vehicle liability insurance
Legal Expenses	Legal expenses insurance
Assistance	Assistance
Property	Fire and other damage to property

Since February 2026, the Company no longer accepts new property insurance business in Cyprus. All policyholders with active coverage will continue to receive full service until their policies expire.

Since October 2022, the Company is licenced to conduct MTPL insurance business within Romania via EU freedom of establishment provisions.

A.2 Underwriting performance

The Company issued its first insurance policy on 7th August 2012.

The underwriting performance of Hellas Direct can be summarized as:

Motor Greece:

	2025€	2024€	2023€
Gross Written Premium	99,657,974	65,944,369	39,710,008
Net earned premium	71,044,997	51,735,090	37,465,234
Net claims incurred	(45,713,484)	(36,188,980)	(25,605,268)
Underwriting profit	25,331,513	15,546,110	11,859,966

Motor Romania:

	2025€	2024€
Gross Written Premium	164,482,896	188,134,730
Net earned premium	72,162,523	68,441,724
Net claims incurred	(54,778,870)	(48,267,636)
Underwriting profit	17,383,653	20,174,088

Property (Greece and Cyprus):

	2025	2024€
Gross Written Premium	2,082,505	1,297,662

1 Parent company (not consolidated)

The Company grew its top line revenue in the property line of business by 60% compared to 2024.

A.3 Investment performance

During 2022, the company commenced the implementation of its investment strategy and this continued during 2025.

The allocation of the cash and investment portfolio as at 31st December 2025 was as follows:

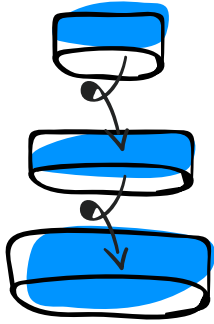
	2025€
Cash at bank (current accounts and term deposits)	15,904,171
Investment in bonds and mutual funds	62,147,240
Investment in money market funds and treasury bills	98,214,475
Investment in shares	15,419

The income and expenses related to these investments in each year were as follows:

	2025€	2024€	2023€
Interest income	588,963	430,680	690,576
Interest expense	(1,364,495)	(1,524)	(10,465)
Fair value gains/(losses)	4,737,145	4,051,272	1,710,236

A.4 Performance of other activities

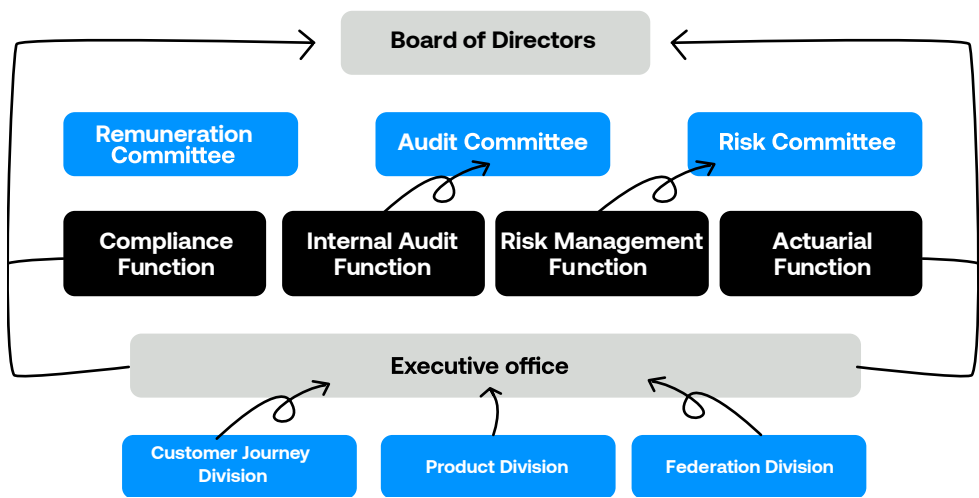
The Company continues to invest in technology and innovation, enabling it to easily diversify both its distribution channels and geographical reach.



B. System of governance

B.1 General Information on the system of governance

The current governance structure of Hellas Direct is as per the below diagram:



Responsibilities of the Board

The Board of Directors has responsibility for the overall stewardship of the Company, and for setting the highest possible standards for the Company’s business conduct – ‘tone at the top’. The Board’s key objectives are to oversee the conduct of the business of the Company, to create and preserve long-term shareholder value and to safeguard the interests of the policyholders. The Board should also ensure that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. As part of its duties, the Board also takes into consideration the legitimate interests of the Company’s other stakeholders, such as employees, suppliers and the various government authorities in the jurisdictions in which the Company operates.

The current governance arrangements are as follows:

- The minimum number of Directors is five.
- There is no maximum number of Directors.
- The Board of Directors meets at least 6 times per year, at intervals of at least once every 10 weeks.

The members of the Board of Directors as at 31st December 2025 were as follows:

- Panos Kyriakopoulos (Chairman)
- Adam Felesky (Non-executive Director)
- Hélène Falchier (Non-executive Director)
- Jeremy Downward (Non-executive Director)
- Levan Shalamberidze (Non-executive Director)
- Robert Genieser (Non-executive Director)
- Pedro Miguel Weiss (Non-executive Director)
- Nicky Goulimis (Independent Non-executive Director)
- Xanthos Vrachas (Independent Non-executive Director)
- Emiliios Markou (Executive Director)
- Alexis Pantazis (Executive Director)

Other Committees

The Directors delegate such of their powers as are considered appropriate to the following committees of the Board:

- **Audit Committee.** Consists of at least two Directors, both of whom should be non-executives. The composition of the committee should ensure that there is a majority of independent directors. The audit committee meets at least once a year to approve the annual financial statements. The audit committee also meets with respect to the internal audit function of the Company.

This committee is headed by Xanthos Vrachas, an independent director with appropriate finance/insurance qualifications and experience. The members of the committee include both the other independent directors, plus a representative from IFC. As a result of legislation which was passed in Cyprus in May 2017, in relation to EU corporate governance legislation affecting public interest entities, the Chairman of the Audit Committee is required to be both independent and to have an accounting or auditing qualification or experience.

- **Remuneration Committee.** Consists of at least two Directors, both of whom should be non-executives. The remuneration committee meets on an as-needed basis, to discuss and approve the salaries of the Executive Directors.

- **Risk Committee.** Is headed by Hélène Falchier and comprises three other non-executive directors. Meetings are held on an as-needed basis.

Organizational structure of the Company

The operational functions of the Company have been split into the following departments, each of which has its own manager, and has been assigned to the oversight of one of the Executive Directors:

1. Executive Office
2. Product Division
3. Federation Division
4. Customer Journey Division

Conflicts of interest and segregation of duties

Appropriate controls around conflict of interest and segregation of duties have been put in place. For instance:

- invoice approval limits have been put in place for each function. Amounts in excess of the agreed limits must be approved for payment by the Executive Directors
- all invoice and claims payments are made by the finance function; each payment run is reviewed and approved by the CFO/VPs of finance before payments are made
- there is segregation of duties within the online payments systems in bank: one person inputs the payment whilst a different person authorises

Senior Management and Committee oversight and control

The Board of Directors is responsible for overseeing and monitoring the performance of senior management during its regular meetings.

A high-level breakdown of the responsibilities of the board committees is as follows:

Committee	Role & responsibilities
Audit	To oversee the financial reporting and disclosure process; overseeing the work of the Internal Audit function; monitoring choice of accounting policies and principles
Remuneration	To determine the appropriate level of remuneration for executive directors and other senior management
Risk	To assist the Board in its oversight of the Company's risk governance structure, risk management and risk assessment processes and policies, risk tolerance, capital liquidity and funding management

B.2 Fit and proper requirements

The Board is keen to ensure high standards of integrity, as well as appropriate levels of qualifications, knowledge and skills from those who are in key positions of responsibility within the Company.

The Company has established procedures that must be followed in order to ensure that the Directors, Senior Managers or persons who hold other key functions such as the appointed auditors or other key service providers of the Company are 'fit and proper'.

The Fit and Proper policy of the Company establishes procedures to ensure that the professional qualifications, knowledge and experience of those in positions of responsibility ("Responsible Persons") are adequate to enable sound and prudent management ("fit") and that the individuals themselves are of good repute and integrity ("proper"). The position of each Responsible Person is assessed on a case by case basis in order to determine whether notification to the supervisory authorities of their fitness and propriety or otherwise is required.

The Company's Fit and Proper procedures focus on ensuring that:

- A complete fit and proper assessment is prepared on an annual basis and upon appointment/hiring of Responsible People.
- Determining the matters that will be considered before deciding whether a person is fit and proper to be a Senior Manager
- Include an assessment of the person's professional and formal qualifications, knowledge and relevant experience within the insurance sector, other financial sectors or other businesses and whether these are adequate to enable sound and prudent management.
- Include an assessment of that person's honesty and financial soundness based on evidence regarding their character, personal behaviour and business conduct including any criminal, financial and regulatory aspects relevant for the purpose of the assessment.
- Take account of the respective duties allocated to that person and, where relevant, the insurance, financial, accounting, actuarial and management skills of that person.

The Company's board and senior management should collectively possess an appropriate level of knowledge about at least:

- a) Insurance and financial markets;
- b) Business strategy and business models;

- c) System of governance;
- d) Financial and actuarial analysis;
- e) Regulatory framework and requirements.

On an ongoing basis, the Company will provide training to the members of the Board of Directors in order to ensure that they are fully updated regarding the legal and regulatory environment in which the Company operates, specifically with regards to Solvency II. Such training sessions will take place on an as needed basis.

If a person is found not to be fit and proper, and the post in question is that of a Director, the person must immediately vacate the directorship (if already in place) or withdraw his/her candidacy for directorship.

If the person in question is a senior manager, the Executive Directors will, whilst having regard for the terms and conditions of that person's employment contract, either re-deploy the individual to a more suitable role, or terminate their employment with the Company.

B.3 Risk management system including the own risk and solvency assessment

The Risk Management function is part of the overall ERM framework of the Company and it is the responsibility of the Board of Directors to maintain an effective ERM within the Company. The Risk Committee oversees the role and the effectiveness of the Risk Management Function, which consists primarily of the Executive Directors and the finance team.

The role of the Risk Management Function is to ensure that the Board's decisions on risk appetite and risk tolerance limits are embedded in the day-to-day operations of the Company, specifically ensuring that:

- All risk management activities, business planning and actions are undertaken within the risk appetite
- No tolerance level is deliberately breached without prior reference to the Board
- Any inadvertent or unavoidable tolerance level breach is reported to the Board immediately

The Risk Management Function is responsible for monitoring the risk profile of the Company and for providing the Board with sufficient information to allow it to make informed decisions regarding the Company's risk appetite and risk tolerance limits.

The core responsibilities of the Risk Management Function comprise the following:

- Coordinate, review and control risk management tasks.
- Ensure that risks identified encompass all types of risk that can threaten the Company operationally and financially.
- Identifying potential risks that could affect the company, including underwriting risks, market risks, credit risks, operational risks, and compliance risks.
- Identifying new and evolving risks, such as cyber threats, climate change, or changes in regulatory landscapes.
- Evaluating existing controls and safeguards to reduce identified risks and recommend any changes.
- Conducting at least an annual risk assessment to evaluate the likelihood and impact of these risks.
- Prepare ad-hoc risk assessments as required by the Risk Committee or the BOD.
- Maintain and update the Risk Matrix.
- Prepares the ORSA report, in close cooperation with the Actuarial and Finance Functions.
- Coordinating with internal audit, compliance, and actuarial teams to align risk management practices with business operations.
- Promote a risk awareness culture within the Company.
- Ensuring employees understand their roles in managing risk and making risk-conscious decisions.
- Proactively advising management on risk trends and potential strategic adjustments.
- Reporting to the Risk Management Committee of the Board on the risk exposure of the Company.
- Provide appropriate information to the internal audit to assess the adequacy, implementation and effectiveness of the risk management function.
- Update the risk management policy on a timely manner.

The Risk Management Function carries out an annual Risk assessment in order to evaluate the risks to which the company is exposed and assess the controls that are in place in order to mitigate the risks. The methodology followed is as follows:

1. Risk identification
2. Risk assessment and evaluation
3. Identification of control measures to mitigate risks
4. Evaluation of existing controls and their effectiveness
5. Monitoring and review of the risks identified
6. Recording the results of the risk assessment and reporting to the Board of Directors

The role of the Risk Management Function is not limited to identifying, measuring, monitoring, managing and reporting of the specific risks identified for the calculation of the SCR. The Risk Assessment process, carried out annually, is oriented towards identifying, evaluating and recording all the risks that could negatively impact the financial results, business operations or reputation of the Company and its subsidiary and prevent them from achieving their business objectives.

The Risk Management Function ensures that the Company's operational risk management system focuses on proactive measures in order to ensure business continuity as well as the accuracy of information used internally and reported externally, a competent and well-informed staff, and its adherence to established rules and procedures as well as on security arrangements to protect the physical and IT infrastructure of the Company.

B.4 Internal control system

Internal audit is an independent, objective assurance activity which should bring a systematic, disciplined approach to evaluating and improving the effectiveness of the risk management, control and governance processes.

The role of the internal audit function is to provide extra value to the Company and this is achieved through improving the efficiency and effectiveness of the internal procedures and controls, ensuring compliance and confirming that resources and assets are economically acquired and adequately protected.

Due to the small size of the Company, there is currently no internal audit function. The Company has engaged Baker Tilly Cyprus to cover this function.

All the Company's activities are subject to internal audit and the key responsibilities of the internal audit function are as follows:

- to evaluate and provide reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the Company's objectives and goals to be met
- to report risk management issues and internal controls deficiencies identified directly to the audit committee and provide recommendations for improving the Company's operations, in terms of both efficient and effective performance
- evaluate information security and associated risk exposures
- evaluate regulatory compliance
- evaluate the organisation's readiness in case of business interruption
- maintain open communication with management and the audit committee
- provide support to the Company's anti-fraud programs.

The Company has its own 'Internal Audit Charter' that defines the scope and purpose of the Internal Audit, the roles and responsibilities of the Internal Auditors, their independence and their authorities and describes the main procedures to be followed.

The internal auditor reports directly to the Audit Committee.

The internal audit in relation to the first-half of the year ended 31 December 2025 was carried out by Baker Tilly Cyprus during Q3 2025. It was structured and performed as per the guidelines and responsibilities set out in the Charter and was approved by the Audit Committee on 15th November 2023.

Compliance Function role

The Compliance Function is responsible for risk control in respect of compliance risk. Compliance risk is defined as the risk of incurring legal or regulatory sanctions, significant financial loss or damage to reputation resulting from the company's failure to comply with laws or regulations.

The Company's Compliance policy is explained in detail in the Compliance Manual along with the procedures and specific requirements for its implementation. Policies, procedures, responsibilities and controls have been established in order to ensure that the Company and its employees are in compliance at all times with the applicable laws and regulations and the system of internal controls of the Company.

The Compliance Function reports directly to the Board of Directors and its principal role is to identify, assess, monitor and report the potential risks of non-compliance with the external laws and regulations and the system of internal controls established by the Company. In this respect, the Function is responsible for the screening of projected revisions and changes in the legislation and the regulatory environment of the Company, assessing their impact and ensuring full compliance by the Company.

In addition, the Company has a Compliance Plan to ensure that the systematic procedures which have been developed by the Company in order to ensure compliance with legal and regulatory requirements are being carried out.

The Company's Compliance Plan is focused on the following high-risk areas, expanding its scope into other areas as and when they are identified as potential high-risk areas:

- Non-compliance with legal and regulatory obligations, including the risk of impairment of company's compliance with regulatory obligations due to failure of outsourced functions.
- Non-compliance with the established system of internal controls
- Exposure to fraudulent activities either related to insurance claims or related to employees' behaviour at work.
- Non-compliance with tax and accounting regulations.

The legal and regulatory framework within which the Company operates is categorised into the following two areas:

- Regulations governing the insurance activities of the company. These regulations include the Solvency II framework, reporting requirements set by the national regulatory authorities, in Cyprus, Greece, Romania and capital requirements.
- Other laws governing company's operations in Cyprus, Greece and Romania. These include the Companies' law, the Income Tax law, the VAT law, the Social Insurance Law and data protection laws.

The objective of the Company is to be in compliance at all times with all external legal and regulatory requirements.

The Compliance Function specifically sets the actions to be taken by the Company in order to fulfil its obligations and ensure compliance in its agreements with suppliers, promotional activities, complaints from clients, in case of conflict of interest, money laundering, public interest disclosure and in the protection of sensitive and important data.

The Compliance Function prepares both a half-year and an annual Compliance Report, which are submitted to the Board of Directors. The half year report for 2025 was presented to the audit committee on 20th October 2025. The Compliance Function is outsourced to one of the Company's lawyers, Agni Livera LLC.

B.5 Actuarial function

The Actuarial Function consists of a team of people from the Finance and Analytics departments that have actuarial, mathematical and data analysis qualifications and is supported by an external firm of actuaries, Cronje & Yiannas Actuaries & Consultants Ltd. The Head

of the Actuarial Function is the CFO of the Company.

The role of the Actuarial Function falls into three main areas:

- Coordination and monitoring of the evaluation of technical provisions, including methodology, assumptions and data
- Reporting
- Supporting the Risk Management Function

Members of the Actuarial Function must have a clear understanding of the individual model components, their interdependencies and the way the model depicts and takes account of the resultant diversification effects in the calculation of technical provisions.

Information on technical provisions submitted to internal or external parties by the Actuarial Function, shall include at least a reasoned analysis on the reliability and adequacy of their calculation and on the sources and the degree of uncertainty of the estimate of the technical provisions.

The Actuarial Function reports directly to the Board of Directors. The Actuarial Report is prepared on an annual basis covering the results of the underwriting activity, the effectiveness of the underwriting strategy, an analysis of the external environment, a review of the reinsurance agreements and an assessment of the technical provisions and capital requirements.

In this respect, and in compliance with the laws and regulations, the Actuarial Function must express an opinion on the Company's overall underwriting policy and on the adequacy of the reinsurance arrangements of the Company.

The Actuarial Function is responsible for supporting the Risk Management Function in respect of the calculation and modelling of underwriting risks, and also in respect of the methodology used to calculate own funds and capital requirements.

Along with the Risk Management Function, it will contribute to the preparation of the ORSA report by confirming that the technical provisions have been calculated in accordance with Solvency II requirements.

B.6 Outsourcing

Outsourcing is defined as an arrangement of any form between the Company and a service provider whereby the service provider performs a process, a service or an activity which would otherwise be performed by the Company itself.

Solvency II allows the outsourcing of any task or function to an external service provider. The company has outsourced its internal audit function. The outsourced service provider is located in Cyprus.

Before outsourcing any of the Company's critical functions, management must assess and ensure that the outsourcing of the function will not lead to:

- Material impairment of the quality of the system of governance
- An undue increase in the operational risk
- Impairment of the ability of the supervisory authorities to monitor the Company's compliance with its obligations
- Continuous and satisfactory service to policyholders being undermined

The outsourcing of any critical function to an external provider should be approved by the Company's Board of Directors.

Choice of outsourcing provider

The Board of Directors has the responsibility for ensuring that appropriate due diligence has taken place prior to the commencement of any outsourcing arrangement. The Board also has the responsibility for approving the written contracts between the Company and the service provider.

Appropriate due diligence includes the following:

- An assessment of the service provider's ability, capacity and authorisation required by law to carry out the relevant function
- An assessment of any conflicts of interest
- The service provider's adherence to data protection and other laws
- Whether the agreement with the service provider would undermine the safety and confidentiality of information relating to the company and its policyholders
- An assessment of the adequacy of the financial resources of the service provider and the qualifications of its staff
- The putting in place of adequate contingency plans in the case of business interruption on the part of the service provider
- A named person at the service provider must satisfy the "fit & proper" requirements applicable to the function being outsourced

In all cases where the entirety or an element of any key function is outsourced, a written agreement must be put in place setting out the respective rights and obligations of both the Company and the service provider.

Duties and responsibilities of both parties

The written agreement which shall be concluded between the Company and the service provider should cover the following matters:

- The duties & responsibilities of both parties
- The service provider's commitment to comply with all applicable laws and regulations
- The service provider's obligation to disclose any development which may materially affect its ability to fulfil its obligations under the terms of the agreement
- Provision of a notice period for the termination of the contract which is sufficiently long to enable the Company to make alternative arrangements
- The Company should be in the position to terminate the agreement without detriment to the continuity or quality of its provision of services to policyholders
- The Company has the right to be informed about the service provider's performance of its functions, and also to issue general guidelines and individual instructions relating to the outsourced activities
- The service provider shall protect any confidential information relating to the Company and its stakeholders
- The Company, its external auditor and the supervisory authority may have access to the service provider's information and business premises and can address questions directly to the service provider
- The terms & conditions under which the service provider may sub-outsource any of the outsourced activities
- The fees to be charged in respect of the services provided

Reporting and monitoring arrangements

The Company must appoint an internal member of staff to continue to be responsible for the function involved. The person concerned must be named in a written document and will be required to verify performance of the outsourced task and the quality of the service provider's work.

The internal function head should ensure on a continuous basis that:

- The service provider's risk management and internal control systems are fit for purpose
- The service provider has the appropriate financial resources and appropriately trained and qualified staff to perform the outsourced services
- The outsourcing of the relevant activities is not adversely affecting the provision of continuous and satisfactory services to policy-holders
- The service provider has adequate contingency plans in place to deal with emergency situations or business disruptions
- The service provider complies with data protection regulations.

The internal function head should report to the Board of Directors (relevant committee) on a timely basis regarding any issues that may arise with regards to the outsourced function.

Termination and transition arrangements

The Company will ensure that any agreements with service providers for the outsourcing of key functions will include appropriate termination clauses. In the event of termination by the service provider, the notice period should be sufficiently long in order to enable the Company make other arrangements and either find an alternative service provider or take the function in-house. It is suggested that this notice period should not be shorter than 3 months.

Communication with regulatory authorities & other external stakeholders

The decision to outsource one of the Company's critical functions, or changes in any outsourcing arrangements, must be notified to the supervisory authorities in a timely manner (which is defined as at least 6 weeks in advance of the commencement of such arrangements).

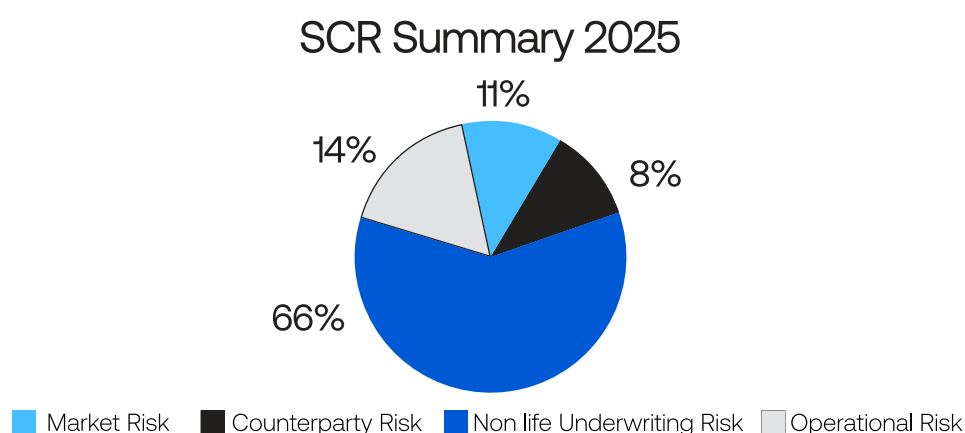


C. Risk profile

The Company aims to maintain sufficient available capital to cover all risks faced by the Company and to satisfy regulatory capital requirements at all times.

The Solvency Capital Requirement ("SCR") represents the capital that needs to be held to ensure that the Company will meet its insurance obligations with certain probability. The Company applies the standard SCR formula as provided by the European Insurance and Occupational Pensions Authority ("EIOPA").

The SCR is divided into modules and sub-modules and the summary of the SCR (before diversification) for the year ended 31 December 2025 was as follows:



Non-Life Underwriting risk and Counterparty Default risk are the main components of the Company's SCR. Non-Life underwriting risks include premium, reserve and catastrophic events which are mitigated through adequate reinsurance covers that are in place.

The risk categories and their ratings are summarised below:

Risk category per SII	Specific risks included within the category	Overall risk rating level	Risk rating 2025	Risk rating 2024
Market Risk	Investments, interest rate & currency risk	Medium	5.6	5.6
Concentration risk	Concentration in individual exposure	Medium	6.0	5.0
Credit risk	Counterparty default, subsidiary default, uncollectable claims recoverables	Medium	7.5	6.6
Insurance risk	Underwriting risk: policy violation, pricing & competition, renewal rates, reinsurance, loss ratios, fraudulent claims, climate risk	Medium	7.5	8.0
Insurance risk	Catastrophe risk	Low	4.0	4.0
Liquidity risk	Liquidity risk	Low	4.0	4.0
Business risk	Strategic risk, competitive risk, available capital	Medium	8.0	8.0
Operational risk	Social media risk, people and culture, brand dilution, health and safety, physical assets, business continuity, key man risk & staff turnover, model risk, design & implementation of new systems, compliance risk, IT & cybersecurity risk, DORA	Medium	6.6	6.3
Political risk	Political, geopolitical and economic risk, capital controls effect	Medium	6.5	6.5
Overall risk rating		Medium	6.2	6.0

The way in which the ratings are derived can be seen in the Risk Register. The ratings buckets are as follows:

LOW	1-4
MEDIUM	5-8
HIGH	9-12
CRITICAL	15-25

The particulars of each risk area are documented below.

C.1 Insurance/ underwriting risk

Non-life underwriting risk is the risk arising from non-life insurance obligations, in relation to the perils covered and the processes used in the conduct of business.

Non-life underwriting risk also includes the risk resulting from uncertainty included in assumptions about exercise of policyholder options like renewal or termination options.

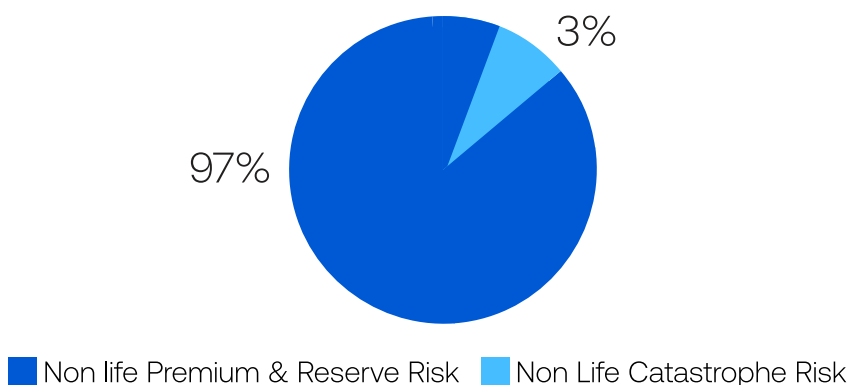
The class “Insurance Risk” encompasses the following risk categories, as per the Company’s Risk Register:

Risk category	Risk level	Risk Rating 2025	Risk Rating 2024
Policy violation	Medium	6	6
Pricing & competition	Medium	8	8
Policy lapses	Medium	6	6
Reinsurance	Medium	8	8
Loss ratios	High	9	12
Reserving	High	12	12
Fraudulent claims	Medium	6	6
Large claims	Medium	6	8
Ageing of Claims	Medium	6	6
Catastrophic natural phenomena	Low	4	8
Climate Risk	Medium	8	8
Overall risk rating	Medium	7.2	7.6

Non-Life Underwriting risk represents 66% of the Company’s SCR. Underwriting risk is divided in two sub modules, Premium and Reserve Risk and Catastrophe Risk.

Non-life risk summary as at 31 December 2025 was as follows:

Non Life Risk Summary



Non-life premium and reserve risk combines a treatment for the two main sources of underwriting risk, premium risk and reserve risk. The Company has a low exposure to underwriting risk, consistent with its documented risk appetite.

Its calculation of provisions complies with regulatory and actuarial professional guidance.

Additionally, as a result of its comprehensive reinsurance agreement any exposure to large losses, either through a single event or accumulation of losses is limited.

The limitation of exposure to large losses means that the Company can continue writing new business subject to its availability of capital and is not at a level that will hinder the Company from achieving its growth targets.

The main business of the Company is the underwriting of private motor vehicle insurance. The Company underwrites motor insurance in Greece, and as of November 2022, in Romania. Since 2018, the Company has also been underwriting residential property insurance in both Greece and Cyprus.

The Company offers cover for the following risks:

Greece Motor Insurance

Third Party Liability
Collision with uninsured
Accident care
Road assistance
Glass
Legal protection
Personal accident
Fire
Natural phenomena
Natural phenomena mandate
Theft
Own damages
Loss of documents
Key Loss protection
Drunken driver
Direct Settlement

Property Insurance

Fire
Electrical
Earthquake
Natural Phenomena
Collision Damage
Malicious Damages
Third Party Liability
Water Damages
Personal Accident
Glass Covers
Legal Protection
Home Assistance
Accidental Damages
Theft
Earth Movement
Rent Loss
Owner Third Party
Fees and Expenses
Technical Support
Solar Heater Damages
Building Loan Protection
Photovoltaics

Romania Motor

Third Party Liability
Direct Settlement
Road Assistance

The risk profile of both the motor vehicle and property insurance businesses is intrinsically short-tail, and historically has had very low levels of reporting delays.

Reinsurance – Overview

The reinsurance programme was significantly updated in 2025 and remains aligned with the Company's risk appetite. All reinsurers are highly rated (minimum BBB+), diversified and placed across multiple layers. The treaties adequately protect the company from the catastrophic scenarios required under the standard formula Solvency Capital Requirement calculation of Solvency II. The current reinsurance structure of the Company consists of both Proportional and non – Proportional reinsurance treaties as follows.

Proportional Reinsurance Treaties

Greece Motor Insurance (direct/aggregators) [in run-off]: The reinsurance arrangements for the Company's Greek digital direct and aggregator motor vehicle portfolio have evolved over time, as described below.

- All covers with the exception of Accident Care, Road Assistance and Legal Protection were reinsured with Munich Re via a 50% quota share treaty, from start of business until 30 June 2017. 50% of the premiums were ceded to Munich in return for Munich covering 50% of all losses incurred in the reinsured covers. Munich is currently running off open claims made on policies written up to 30 June 2017.
- From 1 July 2017 to 30 June 2019, Personal Accident was not reinsured.
- From 1 July 2017 to 30 June 2019, the Company was party to a new 50% quota share treaty with Swiss Re and Maiden Re (70% and 30% respectively) whereby 50% of all premiums with the exception of Road Assistance, Accident Care, Legal Protection and Personal Accident were ceded to the reinsurers in return for the reinsurers covering 50% of all losses incurred in the reinsured categories.
- As of 1st July 2019, Swiss Re renewed the above Quota Share for a further 2 years, and Maiden Re withdrew from the treaty. All terms and conditions remained the same, with the exception of Personal Accident and Legal Protection: these were previously not reinsured; from 1st July 2019, the Company ceded 50% of the 75% of its these premiums, in addition to 50% of its other premiums (excluding Road Assistance and Accident Care), in return for Swiss Re covering 50% of 75% of claims received on these policies. At 30th June 2021, this treaty came up for renewal, and given the low loss ratio environment experienced over recent years, the Company decided not to reinsure this portfolio. As a result, policies underwritten via the direct and aggregator channels from 1st July 2021 are no longer reinsured under a quota share arrangement. The reinsurers will continue to cover claims incurred on policies underwritten until 30th June 2021.
- Legal Protection was fully reinsured with Arag until October 2015, with a fixed fee being paid per policy and Arag assuming the entire risk of claims in this category. As of October 2015, the Company took this cover in-house without the benefit of reinsurance. Arag continues to run off claims on policies written prior to October 2015. As mentioned above, from 1st July 2019, the Company reinsured its Legal Protection business under the Swiss Re quota share. As of 1st July 2021, this is now not reinsured.

Greece Motor Insurance – As from 01.01.2025, the Company entered into a 20% reinsurance agreement with Munich Re and Swiss Re (sharing 15% and 5% respectively). The new treaty reinsures all covers with the exception of Road Assistance and Accident care.

Brokers – Quota share reinsurance [in run-off]: A quota share treaty was in place with Munich Reinsurance Company Limited (100% of the treaty) ceding 70% of all premiums and claims from 1 January 2021, 85% over 2020 and 90% for 2019, except for legal claims, personal accident, accident care, road assistance and some small ancillary covers (mirror damage, loss of documents, key replacement, etc.). This quota share agreement was not renewed from 2023 onwards and is now in run-off.

Accident Care and Road Assistance were fully reinsured with Mapfre until April 2018. As of 1st April 2018, Accident Care is now man-

aged entirely in-house. Road Assistance continued to be reinsured with Mapfre until 30.06.2022. As from 01.07.2022 Road Assistance is reinsured with Intersalonika. A fixed fee is paid per policy and Intersalonika assumes the entire risk of claims in this category.

Romania Motor Insurance - Quota share reinsurance: the underwriting of the Romanian branch, which commenced in November 2022, are as follows:

Initially the underwriting was covered by a 60% Quota Share treaty with Munich Re until 31.12.2023. The Motor quota share treaty that was signed in 2022 was cancelled as at 31.12.2023.

From 01.01.2024 – 31.12.2024 a new one-year quota share treaty was signed with the same basic specifications with Munich Re, Swiss Re, Allianz Se and MS Amlin sharing the treaty.

As of 01.01.2025, the QS agreement was renewed for 60% ceding shared accross Munich Re, Swiss Re, Allianz SE, MS Amlin, Hannover Re and VIG Re, with Munich Re being the Leading reinsurer:

- Munich Re: 40%
- MS Amlin: 7.50%
- Hannover Re: 4.10%
- VIG Re: 3.40%
- Swiss Re: 25%
- Allianz Se: 20%

Property Insurance - Quota share reinsurance[in run-off]: A quota share treaty was in place with Swiss Reinsurance Company Limited (100% of the treaty) ceding 85% of all premiums and claims for all policies written up to 30 June 2024, with the exception of legal claims, home assistance and personal accident. Expenses shared in the same proportion. The Earthquake risk was reinsured under the same treaty, via a tariff of 0.48 per mille for Greece (0.35 per mille until 30.06.2022) and 0.48 per mille for Cyprus, based on the sum assured.

The property quota share treaty has been changed for policies written after 1 July 2024 and the ceding ratio reduced from 85% to 75%. The tariff for the Earthquake risks was reduced to 0.40 per mille for both Greece and Cyprus. The reinsurers sharing the treaty have also changed as follows:

- Swiss Re: 45%
- R+V Versicherung AG: 25%
- Eqos Re: 15%
- Oman Re: 5%
- VIG Re: 10%

The maximum exposure per claim cannot exceed €375,000 for the reinsured covers. On an aggregate basis, SR covers for natural perils losses up to €30 million and the remaining reinsurers for losses up to €39 million. The total sum recoverable from acts of terrorism is €9m per event and in the aggregate.

The Company after assessing the profitability of the overall Property portfolios, made a decision not to renew the Quota Share on its expiry date, 30.06.2025. The Quota Share agreement was replaced by a per Risk XOL agreement explained below.

Non - Proportional Reinsurance Treaties

HD Motor Insurance Greece - Excess of loss reinsurance: An excess of loss treaty is in place with Swiss Re. This treaty covers losses in excess of €1 million for any one event and up to €100 million. It is noted that Natural Phenomena are only covered under the first layer of the current excess of loss treaty (€1 million to €4 million per Loss occurrence).

HD Motor Insurance Romania - Excess of loss reinsurance: An excess of loss treaty is in place with Axis Re, Munich Re, Deutsche Ruckversicherung AG, Hannover Re and Swiss Re. The treaty covers losses in excess of €700K for any one event.

Property Insurance – Excess of loss reinsurance: The Company had a Catastrophe Excess of Loss insurance with Swiss Re for the period 01.07.2024 – 30.06.2025 covering for losses in excess of €250,000 and up to the limit of €11,000,000. The Excess of Loss policy renewed for the period 01.07.2025 – 31.12.2025, covering for losses in excess of €1m. and up to €49m., with a panel of Reinsurers as follow, with VIG Re being the leading Reinsurer:

- VIG RE: 25%
- ALLIANZ SE RE: 30%
- SWISS RE: 27.50%
- Eqos Re: 10%
- KOREAN Re: 7.50%

Property Insurance – Per Risk Excess of loss reinsurance: As from 01.07.2025, the Company entered into a per Risk Excess of Loss reinsurance agreement covering for Losses in excess of €500,000 and up to €1,500,000 for any one Loss and any one Risk.

Management understanding of the risk profile

Management believes that the Company's risk profile is well understood and is appropriate for the nature of the business. Due to the sophisticated IT infrastructure and pricing algorithm developed by the Company, very granular information is available for analysis on a real-time basis, which enables the management team to keep abreast of developments in the insured portfolio and the wider macro-economic environment.

Monthly claims reporting data is summarized by the actuarial team and a detailed report tracking KPIs such as claims frequencies, cost per type of claim, claims delays etc. The report is provided to the Executive Directors and the Board. The claims team aims to close claims in a fast and efficient manner. The Company believes that this enhances customer experience and the Company's reputation, reduces the SCR requirements due to high claims reserves, and reduces exposure to adverse developments in claims that remain open for extended periods.

The Company's management team keeps the performance of its reinsurance arrangements under constant review. The Directors monitor in particular the impact of the quota share arrangements on the results of the Company, in order to assess whether the % of

ceding should be decreased or increased, or whether there are any other changes to the terms which could be beneficial to the Company, particularly with respect to ceding commission rates.

The Excess of Loss policies improved the Company’s capital efficiency, as well as mitigating the exposure to the risk of negative impact from catastrophic events.

Risk Profiles – Underwriting – Greece

The Company underwrites Motor insurance in Greece and Romania and Property insurance in Greece and Cyprus. The underwriting framework incorporates advanced rating models based on vehicle characteristics, geography, driver profile, claims history, property features and geolocation-based risk mapping. The Company continues to target low-risk driver groups and excludes high-risk vehicle types and high power-to-weight ratios. The vehicle value insured is limited to €75K per vehicle and the property value insured is limited to €1.5m for the building and €150k for the content. The average sum insured per vehicle is currently €6,462.

As at 31.12.2025, 600,513 policies (31.12.2024: 541,786) were insured in 1,443 different postcodes (2024: 1,407) and the highest concentration of risk in any one postcode was 1.13% in Chania, Crete (2024: 1.10% in Chania, Crete).

The Company does not insure cars with a power to weight ratio of higher than 20% and specific types of cars are also not insured at all, mainly sports cars. In terms of driver age group, the Company again targets drivers in age groups which are proven to be statistically less likely to report a claim. As of 31.12.2025 only 2.41% of insured drivers were aged 30 & under (31.12.2024: 2.97%).

Pre-insurance checks are performed systematically across all channels, including, vehicle characteristics, checks for insurance gaps, claims history, checks against blacklists and pre-insurance inspections for high-value vehicles. Underwriting pre-insurance checks run for all motor vehicles of €25k and above. For Property, pricing incorporates climate-risk factors, flood and hail exposure, building characteristics and construction year.

The Company can instantly freeze specific postcodes, precluding clients in areas affected by natural phenomena, fire or other catastrophic events from obtaining prices and purchasing a policy. The Company can also send weather alert messages to its clients to warn them of bad weather conditions.

Risk Profiles – Underwriting – Romania

In Romania, underwriting flexibility is restricted by legislation requiring insurers to accept all risks and provide quotations to any applicant. Risk control is achieved primarily through pricing segmentation, claims management, monitoring competition and reinsurance.

Pricing is monitored daily and adjusted frequently based on real-time claims performance, competitor analysis and inflationary trends. The Company continues to use multi-factor models incorporating inflation, repair-cost trends, climate-related claims, reinsurance costs and overheads.

Risk Profiles – Claims

Claims are managed in the same way across the Company’s Greek portfolios. Claims management in all Greek Motor portfolios follows uniform policies, supported by in-house accident care and a dedicated fast-track channel for SAP1 claims. The Company continued investing in automation and efficiency in 2025:

- Bdeo, an AI-based claims assessment tool, was rolled out on a pilot basis, reducing assessment time and facilitating faster cash settlements.
- FRISS, a real-time automated fraud-screening system, is being implemented to enhance early fraud detection.

Large claims (including bodily injury and complex litigation cases) are reviewed bi-weekly by the Firm Claims Committee with Executive Director participation, and professional advice is obtained from medical, legal and accident experts as necessary.

In 2024, the Claim management in Romania has been brought internally and claims handling is 100% performed by HD staff following the same procedures and practices as in Greece. The repair shop Network and Friss have also been in Romania in 2025.

The ageing of claims has improved significantly. In Greece, only 9% of Motor claims outstanding at 31.12.2025 relate to accident years up to 2022, although these account for 16.7% of the Motor reserve as they relate largely to bodily injury and litigation cases. In Romania, 89% of outstanding claims relate to 2024–2025, confirming that most claims are settled rapidly; only 11% relate to 2022–2023, representing 9% of reserves. In general, claims which have been open for long periods of time remain open due to factors that are outside the control of the Company, such as in case of long litigation procedures or long rehabilitation.

Stress Testing and sensitivity analysis

As part of the ORSA process the Company carries out stress and scenario testing for the material underwriting risks to which is exposed to.

Stress-testing is the process of determining the ability of the Company to withstand plausible severe adverse conditions. As implied by the definition given above, stress-testing is designed to identify and quantify potential vulnerabilities which the Company’s operations and asset portfolio might have.

A summary of the relevant stress and scenario testing is as follows:

Scenario	Description/ Assumptions	Impact	Conclusions
High loss ratio in Romania	• Increase in gross loss ratio by 5% for motor Romania insurance. • Current reinsurance structure applied	• Decrease in overall SCR ratio by 15% to 25% during the budgeted period	• Reassessment of the reinsurance structure • Review and reassessment of the pricing model and policies

CATASTROPHE RISK

Under the non-life underwriting risk module, catastrophe risk is defined in the Solvency II Framework Directive (Directive 2009/138/EC) as: “the risk of loss, or of adverse change in the value of insurance liabilities, resulting from significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events.”

The Company’s assumption is that catastrophic events are exceptionally rare however their occurrence could have a material impact, primarily on liquidity and operational continuity.

Summary of outcomes from risk register

An inherent risk of the Company assessed to Low as it is restricted mainly to catastrophic events such as earthquake, terrorism attacks and other natural phenomena which are rare to incur. The broader hazards caused from adverse weather conditions and natural phenomena, like floods, hurricanes and fires are assessed in a separate risk.

It general, it is difficult to estimate the potential losses of a catastrophic event, either in terms of incidents, magnitude, number of claims or the size of claims. For this reason the Company focus on mitigation actions rather than precise quantitative loss estimation.

To limit exposure to catastrophic losses, the Company maintains robust Excess of Loss (XOL) reinsurance arrangements with highly rated reinsurers:

- Motor Greece: XOL cover applies for losses exceeding €1 million and up to €4 million per event.
- Motor Romania (TPL only): XOL cover applies for losses exceeding €700k.
- Property:
 1. Per Risk XOL covering losses above €500k for any loss/event, covering terrorism only.
 2. Catastrophe XOL covering losses above €1 million and up to €49 million, covering both terrorism and earthquake.

In Property, the maximum sum assured is €1,500,000 for the building and €150,000 for the content, with deductibles applied to earthquake-related claims.

Liquidity risk arising from timing differences between claim payments and reinsurance recoveries remains low given the Company’s highly liquid asset base and strong cash buffers (cash and term deposits concentrated in Greece and Romania).

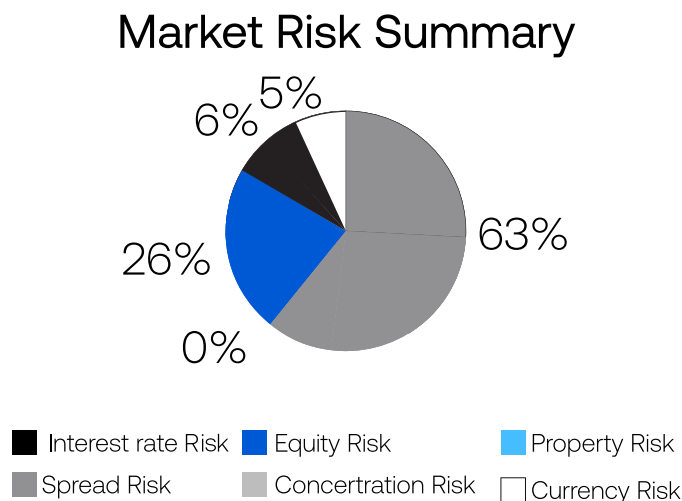
Minimum liquidity buffers are calibrated via scenario analysis and reverse stress test. The results of these tests demonstrate that, under a severe-but-plausible scenarios, the Company can continue to meet its obligations over the ORSA planning horizon without breaching its internal liquidity limits.

C.2 Market risk

Market risk arises from the level or volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates, immovable property prices and exchange rates.

The Company has been successful in limiting its exposure to market risk to a low level, representing 8% of the total SCR (before diversification).

Market Risk



The Company uses the Solvency II definitions to define the following distinct categories of market risk in its investment activities:

- **Interest rate risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the term structure of interest rates, or in the volatility of interest rates
- **Equity risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of equities. This risk arises from investment to stocks or stock indices.
- **Currency risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of currency exchange rates
- **Property risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of real estate
- **Spread risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure
- **Concentration risk:** additional risks to an insurance or reinsurance undertaking stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers.

Other Risks

The Company has also been successful in substantially matching the currency of its cash inflow and outflow, thus limiting its exposure to adverse foreign exchange movements.

The Company has no exposure to property risk as well.

C.3 Credit risk

Summary of outcomes from risk register

Credit risk has been assessed as Medium. Credit risk includes counterparty default risk, which reflects the probability of loss, or of adverse change in the Company’s financial situation, resulting from fluctuations in the credit standing of counterparties and any debtors to which the Company is exposed.

The scope of the counterparty default risk module in the SCR calculation includes risk-mitigating contracts, such as reinsurance arrangements, securitisations and derivatives, and receivables from intermediaries, as well as any other credit exposures which are not covered in the spread risk sub-module.

Under Solvency II there is a differentiation between type 1 and type 2 exposures, and a different treatment according to their characteristics has to be applied.

The Company has exposure to type 1 exposures which relate to cash at bank and risk-mitigation contracts including reinsurance arrangements.

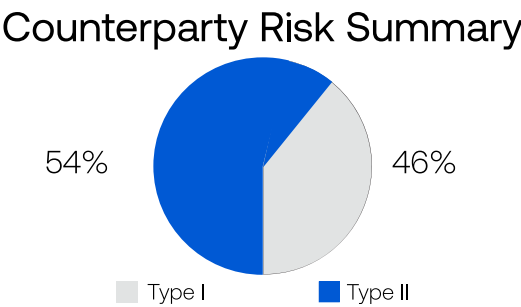
Due to its move away from the direct-to-consumer business model where it receives all premium in advance for the whole period of the insurance contracts, the Company’s exposure to type 2 receivables has increased over the last years. As at the date of this report, the majority of the exposure comes from broker receivables in Romania and Greece as well as from claims recoverables, loans and other receivable balances due from its subsidiaries, HD 360 Limited and Rescue Line.

The Company’s exposure to type 2 risk decreased mainly due to the reduction of the Intercompany balance with the subsidiary company, HD360 Limited. In March 2023 the company discontinued its fronting relationship with Brokins and the amount receivable from Brokins was fully received during the first quarter of 2024 which reduced the exposure to Type 2 risks.

The main drivers of counterparty default risk are the following:

- Cash at bank
- Reinsurance recoverables
- Claims recoverables
- Receivables due from subsidiaries
- Receivables from Brokers

The summary of the Counterparty risk as at 31 December 2025 was as follows:



Capital requirement for Type 1 exposures mainly arises from cash deposits with financial institutions.

The high capital requirement for Type II exposure arises from a specific related party receivable balance and insurance receivable from one insurance intermediary.

In terms of concentration risk inherited by these Type II exposures the Company is currently assessing various scenarios to minimise this exposure. It is believed that exposure to Type II counterparties will be moderated in the near future.

Stress Testing and sensitivity analysis

During the ORSA process, the Company assessed the credit risk exposure to the specific related party to which is exposed to and the results are summarised as follows:

Scenario	Description/ Assumptions	Impact	Conclusions
Recoverability of receivable balance from related parties	Write off of 20% of the receivable balance outstanding due to inability to pay	Decrease in overall SCR ratio by 4%	Minimal impact on the SCR ratio

The management of the Company believes that the probability that this scenario will materialise over the three-year horizon is small. In the case that this risk crystallises the management of the Company provides assurance that it will take actions that will guarantee the solvency position of HD Insurance.

C.4 Liquidity risk

Summary of outcomes from risk register

Liquidity risk has been assessed as Low. Due to the fact that the Company's assets are held almost exclusively in cash with highly creditworthy banks, government T-Bills and well rated Money Market Funds, the Company has a limited exposure to liquidity risk. The extensive reinsurance arrangements also mean that the probability of needing an amount of cash in excess of reserves held at any one point is very low.

C.5 Operational risk

Summary of outcomes from risk register

Operational Risk, which has been assessed as Medium overall, comprises the following sub-categories, as per the Risk Register:

Risk category	Risk level	Risk Rating 2025	Risk Rating 2024
IT & cybersecurity	Medium	8	7.0
Social media risk	Medium	4	4
Human Resources	Low	6	6
Key man risk & Staff turnover	Medium	6	6
Health and Safety	Low	6	6
Physical assets	Medium	8	6
Brand Dilution / Centralised Business Functions	Low	4	4
Business continuity	Medium	8	8
Model risk	Medium	6	6
Design and Implementation of new systems/programs	Medium	6	6
Compliance risk	Medium	7	6.5
Overall risk rating	Medium	6.2	6.0

The main areas of operational risk which could be of concern are as follows:

- Downtime of its data storage systems and cloud based IT services could result in reputational damage
- Destruction or loss of sensitive or important data would expose the company to reputational and compliance risk
- Cybersecurity around handling of privacy issues, breaches of which could lead to reputational risk.
- Cybersecurity around failure to prevent cyber attacks (e.g. ransomware attacks) that can disrupt the operations of the Company
- Reputational risk stemming from the decision to reject some prospective policyholders such as those with vehicles which have values above the acceptable limit

Comparison with risk appetite

Operational risk is inherent in the Company's activities. In mitigation, the Company has an appropriate infrastructure of people, systems and procedures in place to ensure that it keeps reputational risk and operational risk very low.

On the specific risks documented in the risk register:

- The Company's call centre has been available 99.999% of the time (2024: 99.999%), better than the limit set of 98%
- The Company's website has been available 99.999% of the time (2024: 99.999%), better than the limit set of 98%
- The current customer retention rates are as follows, better than the limit set at 70% for Greece and 35% for Romania:

Country and Distribution Channel	Renewal rate YTD 31.12.2025
Motor Greece Direct	81%
Motor Greece Aggregators	74%
Motor Greece Brokers	79%
Motor Romania	38%
Property Greece	69%
Property Cyprus	86%

Under Solvency II, Operational Risk is the risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events. Operational risk should include legal risks, as well as risks arising from strategic decisions. The operational risk module is designed to address operational risks to the extent that these have not been explicitly covered in other risk modules. Using the standard formula the Solvency Capital Risk as at date, was calculated as follows:

As at 31.12.2025**Capital requirement €**

SCR - Operational risk - Premiums	8,193,061
SCR - Operational risk - Provisions	6,751,983
SCR - Operational risk (maximum of the above)	8,193,061

C.6 Reputational risk

A factor that would render the Company's business model unviable is reputational damage.

Reputational Risk is the risk of potential loss to the Company through deterioration of its reputation or standing due to a negative perception of the Company's image among customers, counterparties, shareholders and supervisory bodies

In order to minimise the risk of reputational damage, the Company has internal procedures and practices in place to ensure that staff are well trained and competent. The main aim is to provide the best service to clients and avoid any actions that can cause reputational damage to the Company and lead to financial losses. The same applies to the people managing the Company's online media. Management is committed to protecting and maintaining the Company's positive image and safeguarding shareholder value.

C.7 Business risk

Summary of outcomes from the risk register

Business Risk comprises the following sub-categories, as per the Risk Register:

Risk category	Risk level	Risk rating 2025	Risk rating 2024
Strategic risk	Medium	8	8
Competitive risk	Medium	8	8
SCR/Available Capital risk	Medium	8	8
Overall risk level	Medium	8	8

The overall risk level for this category has been assessed as Medium, mainly due to the fact that as a loss-making scale-up, the Company still faces uncertainty regarding the success of its strategies, and also its capital levels. The main source of business risk faced by the Company relates to the possibility of not having sufficient available assets to meet the Capital Requirement (either MCR or SCR), which would result in regulator action and reputational damage. "Competitive risk" is the risk of the Company not earning the targeted market share from its competitors; "Strategic risk" comprises the risk of the Company making a value-destructive acquisition and the risk that the Company's strategy is ill-judged or poorly implemented.

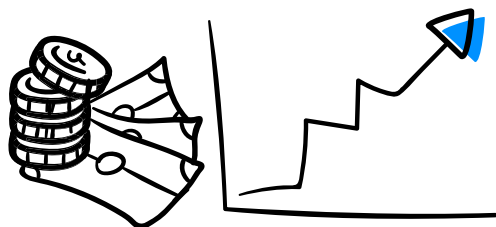
The Company's management assesses, on a continuous basis, opportunities that may arise during this volatile economic period regarding potential acquisitions of insurance portfolios/entities. This dynamic capital modelling can be used to help the Company's management make well-informed decisions about strategic and capital risk management. The Company now shifts its focus from market penetration into profitable growth, with 2024 closing in a profitable position.

The company invests in the development of systems, databases and procedures that in the short run, can enhance the Company's sales without a commensurate increase in costs.

The Company has the capacity to monitor its pricing and adjust it depending on its loss ratio experience, competition and customer needs in order to remain competitive and profitable.

Comparison with risk appetite

The Company's management recognises the materiality of the business risk faced by the Company, and took steps in 2016 to slow the depletion of capital by spinning out non-core operations (IT and analytics) into a separate statutory entity, HD 360 Limited. This was further mitigated in 2023 with the drawdown of a further EUR7.5m of funding from the EIB directly into HD 360 Limited, thus removing the requirement for the insurance company to support the cashflow needs of its subsidiary. In 2025, the financial restructuring of HD360 aims to enable the Company to support its own working capital needs while at the same time maintain the positive results of the Group at consolidated level.



D. Valuation for solvency purposes

D.1 Assets

The primary objective for valuation requires an economic, market-consistent approach to the valuation of assets and liabilities. According to the risk-based approach of Solvency II, when valuing balance sheet items on an economic basis, undertakings need to consider the risks that arise from a particular balance sheet item, using assumptions that market participants would use in valuing the asset or the liability.

The default reference framework for valuing assets and liabilities, other than technical provisions, should be, unless otherwise stated, the international financial reporting and accounting standards as adopted by the European Commission.

If those standards allow for more than one valuation method, only valuation methods that are consistent with Article 75 of Directive 2009/138/EC shall be used. In most cases those international financial reporting standards, herein referred to as “IFRSs”, are considered to provide a valuation consistent with principles of Solvency II.

Also, the IFRSs’ accounting bases, such as the definitions of assets and liabilities as well as the recognition and derecognition criteria, are applicable as the default accounting framework, unless otherwise stated.

On this basis, the following hierarchy of high level principles for valuation of assets and liabilities should be used in the valuation of the Solvency II balance sheet:

- i. Quoted market prices in active markets for the same or similar assets or liabilities.
- ii. Where the use of quoted market prices for the same assets or liabilities is not possible, quoted market prices in active markets for similar assets and liabilities with adjustments to reflect differences shall be used.
- iii. If there are no quoted market prices in active markets available, should use mark-to-model techniques, which are alternative valuation techniques that must be benchmarked, extrapolated or otherwise calculated as far as possible from a market input.
- iv. Must make maximum use of relevant observable inputs and market inputs and rely as little as possible on undertaking-specific inputs, minimising the use of unobservable inputs.

Description of valuation bases, methods and main assumptions as at 31 December 2025:

	Solvency II Balance Sheet		Financial Statements (“IFRS”)	
Name of Asset	Value - €	Valuation Methodology	Value - €	Valuation Methodology
Plant and equipment	785,991	Same as IFRS	785,991	Cost less accumulated depreciation (IAS 16) Management assumes cost model to be representative of fair value as at year end.
Right-of-use assets	6,549,472	Same as IFRS - net of basis against relevant liability	6,549,472	Valued as per IFRS 16
Intangible assets	-	Valued at zero	285,734	Cost less accumulated amortisation and impairment losses (IAS 38).
Investment in subsidiary	2,932,438	Same as IFRS	2,932,438	Fair value (IAS 27)
Investment in associates	1,857,770	Same as IFRS	1,857,770	As per IAS 28
Financial assets at fair value through profit or loss	160,361,715	Same as IFRS	160,577,134	Fair value (IFRS 9)
Financial assets at amortised costs	1,204,562	Same as IFRS	1,204,562	Amortised cost (IFRS 9)
Other non-financial assets	13,263,910	Same as IFRS	13,263,910	Amortised cost less impairment (IFRS 9)
Loan receivable	2,440,559	Same as IFRS	2,440,559	Amortised cost less impairment (IFRS 9)
Receivables	26,346,363	Same as IFRS - Reclassification differences	23,577,881	Amortised cost less impairment (IFRS 9))
Reinsurance contract assets	93,947,797	Cash flow basis (Best estimates)	112,801,342	Share of insurance contract liabilities - IFRS 17
Cash and cash equivalents	16,901,949	Same as IFRS - Reclassification differences	14,704,171	Fair value (IFRS 9)
Total	326,592,526		340,980,964	

D.2 Technical provisions

Technical provisions correspond to the current amount which the Company would have to pay if it were to transfer its insurance obligations immediately to another undertaking. The value of technical provisions is equal to the sum of a best estimate and a risk margin.

The Actuarial Function is responsible for the calculation of Technical provisions according to Solvency II Regulation and Cyprus Insurance Law.

The Company segments the insurance obligations by line of business which represent homogeneous risk groups, when calculating technical provisions.

Technical Provisions consist of the best estimates of claims provisions, the best estimates of premium provisions and the risk margin.

The risk margin is a part of technical provisions in order to ensure that the value of technical provisions is equivalent to the amount that insurance undertakings would be expected to require in order to take over and meet the insurance obligations.

Summary of technical provisions as at 31st December 2025:

	Gross Provisions Discounted - €	Reinsurance Provisions Discounted - €	Net Provisions Discounted - €
"Third Party Liability" Cover	70,260,160	9,045,371	61,214,789
"Other" Cover	7,057,836	1,212,051	5,845,786
"Legal" Cover	436,083	45,656	390,427
Direct - Motor Insurance Total	77,754,078	10,303,078	67,451,001
Cyprus	217,018	109,441	107,577
Greece	1,140,709	(89,619)	1,230,328
Property Insurance Total	1,357,727	19,822	1,337,905
"Third Party Liability" Cover	7,550,608	4,903,963	2,646,645
"Other Ceded"	(9,281)	5,650	(14,931)
"Retained"	19,073	0	19,073
Brokins Insurance Total	7,560,400	4,909,613	2,650,787
"Third Party Liability" Cover	138,393,892	78,715,284	59,678,607
Romania Insurance Total	138,393,892	78,715,284	59,678,607
Total	225,066,097	93,947,797	131,118,300

Summary of the risk margin as at 31st December 2025:

	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	Legal expenses insurance	Total
Risk margin	5,194,165	829,792	21,106	13,369	6,058,433

Claims Provision

The claims provision is the discounted best estimate of all future cash flows (claims payments, expenses and future premiums) relating to claim events prior to the Reporting date.

This section provides an overview and the methodology for calculating the following elements of the claims cost:

- Outstanding Claims
- Incurred But Not Reported Claims («IBNR»)
- Incurred But Not Enough Reported Claims ("IBNER")
- Allocated Loss Adjustment Expenses («ALAE»)
- Unallocated Loss Adjustment Expenses ("ULAE")

Outstanding Claims (Reported But Not Settled)

Outstanding Claims relate to the claims provision for claims that, at the Reporting date, have been reported but not yet settled.

The amount of outstanding claims cost for each reported but not settled claim was set equal to the case reserve for the claim before adding an allowance for both IBNR and IBNER.

Incurred But Not Enough Report ("IBNER")

An IBNER reserve is calculated for claims that have been reported at the reporting date, but the outstanding estimate reserve set by the Company will not be adequate to cover the expected ultimate loss. Conversely, a negative IBNER reserve would indicate that the expected ultimate loss would be lower than the outstanding estimate reserve set by the Company as at the reporting date.

Incurred But Not Reported Claims (“IBNR”)

Incurred But Not Reported Claims relate to the claims provision for claims that, at the Reporting Date, have been incurred but not yet reported.

Allocated Loss Adjustment Expenses («ALAE»)

Allocated Loss Adjustment Expense are expenses that can be attributed to the settlement of an individual claim. The costs can occur either when the claim is reported, processed or finally settled. The claims provision must include an allowance for ALAE in respect of both outstanding and IBNR claims.

The ALAE for the Company includes:

- Claims assessor fees
- Medical fees
- Other expenses that can be directly attributed to each claim
- Administration expense payable to Friendly Settlement for all «Own Blame» claims
- Administration expense reimbursement receivable from Friendly Settlement

The ALAE are calculated as loading on the claims cost for both outstanding and IBNR claims. In order to derive suitable loading, the historic ALAE are analyzed for closed and open claims. Analysis was also carried out by type of claim (bodily injury, damage, glass etc.) and size of claim. However, given the limited data available, this categorization did not yield robust results and aggregation at cover level was retained.

Reinsurance Claims Provision

The Reinsurance Claims Provision is the discounted best estimate of all future cash flows (claims payments, expenses and future premiums) relating to claim events prior to the Reporting Date due from and payable to the reinsurance providers.

In the case of the reinsurance claims provision, the quota share agreement means that the quota share reinsurance partners reimburse the Company for a proportion of all claims costs.

Reinsurer Counterparty Default

Allowance for counterparty default of the reinsurer was made in the reinsurance claims and premium provisions using the following simplification with parameters consistent with the Solvency Capital Requirement calculation for the reinsurer default in respect of receivables.

Given the very low probability of default and relatively short duration of the cash flows, this adjustment had a limited impact on the provisions.

Premium Provision

The premium provision is the discounted best estimate of all future cash flows (claims payments, expenses and future premiums) relating to claim events after the Reporting date in respect of policies in force at the Reporting date.

This section provides an overview and the methodology for calculating the following elements of the claims provision:

- Future Claims Cost
- Allocated Loss Adjustment Expenses («ALAE»)
- Policy Cancellations
- Unallocated Loss Adjustment Expenses (“ULAE”)

The impact of the cancellation of policies before the expiration of the contracts is also being considered and explicit allowance for policy lapses is recognised for this year onwards.

Future Claims Cost

The future claims cost is the reserve in respect of claims from unexpired periods of risk.

Allocated Loss Adjustment Expenses («ALAE»)

Allocated Loss Adjustment Expenses are expenses that can be attributed to the settlement of an individual claim. The costs can occur either when the claim is reported, processed or finally settled. The claims provision must include an allowance for ALAE in respect of both outstanding and IBNR claims.

The ALAE for the Company includes:

- Claims assessor fees
- Medical fees
- Other expenses that can be directly attributed to each claim
- Administration expense payable to Friendly Settlement for all «Own Blame» claims
- Administration expense reimbursement receivable from Friendly Settlement

Reinsurance Premium Provision

In the case of the reinsurance premium provision, the quota share agreement means that the quota share reinsurance partners reimburse the Company for a proportion of all claims costs.

Expenses

The technical provisions should allow for all future expenses that will be incurred in servicing existing insurance obligations. These expenses include:

- Overheads
- Administrative expenses (incl. salaries, rent, IT costs and management)
- Claims management expenses

All acquisition expenses and provisional reinsurance ceding commission income are recognised on the payment of the premium by the client. Since premiums are received in advance of the contract start, acquisition expenses have been excluded altogether from this assessment. In this section, the other expenses are considered.

D.3 Other liabilities

Other liabilities include short term trading balances arising from the Company's ordinary activities. These are recognised as liabilities in the Solvency II and IFRS balance sheets and are valued based on the expected value of resources required to settle the liability over the lifetime of that liability.

No difference arises in the valuation bases, methods and main assumptions between Solvency II and IFRS Financial statements other than reclassification differences as described in the following table.

Description of valuation bases, methods and main assumptions:

Liability	Value as per Solvency II - €	Valuation Methodology	Value as per IFRS Financial Statements - €
Insurance contract liabilities	231,124,530	Share of insurance contract liabilities - IFRS 17 vs Cash flow basis (Best estimates) as per SII	242,903,916
Payables	18,337,591	Same as IFRS - Reclassification differences	11,807,573
Tier 2 bond	-	Classified as equity Tier 2 component under SII	19,666,023
Tax liability	480,805		480,805
Derivative financial liability	2,793,662	Same as IFRS	2,793,662
Lease liabilities	6,981,276	Same as IFRS	6,981,276
Employee benefit obligations	19,581	Same as IFRS	19,581
Total	259,737,445		284,652,836



E. Capital management

E.1 Own funds

According to Solvency II, Company's capital is defined as own funds. The Company has four components of own funds, all of which are tier 1 basic own funds; ordinary share capital, share premium, convertible debt and retained earnings. Capital of the highest quality is categorised as Tier 1 and capital of lower quality is categorised either as Tier 2 or Tier 3.

The Company has developed a capital planning process which is performed through a collaboration between the finance department and the capital management and risk management functions of the Company. The finance department is responsible for preparing Company's budget based on the business plan set by the management of the Company, which is then approved by the Board of Directors. The risk management function is responsible for assessing the risks inherent in the Company's operations, the Company's business plan and its assets in order to mitigate excess risks.

The capital management function takes into account financial projections, forecasted own funds and solvency capital and the forecast future solvency position in order to ensure that the Company will be able to execute its business plan, finance new growth opportunities and protect Company's economic viability.

Total available own funds to meet the Solvency Capital Requirement (SCR) amounted to €52,460,339 as at 31st December 2025.

Total assets according to the Solvency II valuation amounted to € 326,592,526. Cash and cash equivalents and fixed term deposits amounted to € 18,115,936.

The structure and quality of basic own funds is driven by the Company's investment strategy which aims for minimum risk position and the liquidity management strategy driven by Solvency II considerations.

	Total	Tier 1 - unrestricted	Tier 2
	€	€	€
Ordinary share capital	1,898,927	1,898,927	-
Share premium account related to ordinary share capital	94,475,704	74,809,681	19,666,023
Reconciliation reserve	(29,519,552)	(29,519,552)	-
Total basic own funds after adjustments	66,885,079	47,189,056	19,666,023
Total eligible own funds to meet the SCR	66,855,079	47,189,056	19,666,023
Total eligible own funds to meet the MCR	51,910,487	47,189,056	4,721,431
SCR	52,460,339		
MCR	23,607,153		
Ratio of Eligible own funds to SCR	127%		
Ratio of Eligible own funds to MCR	220%		

The Company's solvency level at 31 December 2025 was **127%**.

The Company continues to actively manage capital in order to support the growth strategy and preserve appropriate solvency headroom. During 2026, the Company will consider capital actions including the potential issuance of additional Tier 2 subordinated debt and/or Tier 1 capital, subject to regulatory approvals, market conditions and Solvency II tiering limits

E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Company calculates the Solvency Capital Requirement (SCR) according to the standard formula.

Through the risk assessment exercise, the Company's management determines which risks are material and for which it is committed to assign additional capital.

Those risks not captured or not considered under the quantification analysis of Solvency II and the standard formula are still assessed by the Company's management and then if found to be significant, appropriate measures are put into place to reduce the Company's exposure to those risks.

A summary of the Solvency Capital Requirement (SCR) can be found in the following table:

Risk Type	2025 Solvency Capital Requirements - €	2024 Solvency Capital Requirements - €
Interest rate risk	357,085	3,180,068
Equity risk	1,469,164	1,485,122
Spread risk	3,591,024	2,114,628
Currency Risk	282,000	823,390
Concentration risk	-	-
Diversification within Market Risk module	(806,577)	(1,568,522)
Total capital requirement for Market Risk	4,892,696	6,034,686
Type I	3,272,478	2,536,441
Type II	3,783,912	3,397,071
Diversification within Counterparty Risk module	(453,265)	(374,885)

Total capital requirement for Counterparty Risk	6,603,125	5,558,626
Non-Life Premium and Reserve Risk	38,660,873	30,717,360
Non-Life Lapse Risk	-	-
Non-Life Catastrophe Risk	1,358,295	1,315,181
Diversification within Non-Life Risk module	(996,553)	(960,281)
Total capital requirement for Non-Life Risk	39,022,616	31,072,260
Diversification within modules	(6,251,158)	(6,338,194)
Basic Solvency Capital Requirements	44,267,278	36,277,377
Operational Risk	8,193,061	8,919,850
Total Solvency Capital Requirements	52,460,339	45,197,228
Loss Absorbing Capacity	-	-
Net Solvency Capital Requirements	52,460,339	45,197,228
Minimum Capital Requirements	23,607,153	20,338,752
Total Own Funds	66,855,079	65,449,959
Total Tier 1 - Unrestricted	47,189,056	65,449,959
Total Tier 2	19,666,023	-
Eligible Own Funds for SCR	66,855,079	65,449,959
SCR Ratio (%)	127	145
MCR Ratio (%)	220	322

Minimum Capital Requirement

The Minimum Capital Requirement of the Company equals the relevant absolute floor as defined for its business lines i.e. €4,000,000.
Summary of the Minimum Capital Requirement at 31st December 2025:

As at 31st December 2025:	€
SCR	52,460,339
Absolute floor of the MCR	4,000,000
Minimum Capital Requirement	23,607,153

E.3 Differences between the standard formula and any internal model used

The Company uses the standard formula.

E.4 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The Company was fully compliant with the Minimum Capital Requirement throughout 2025.

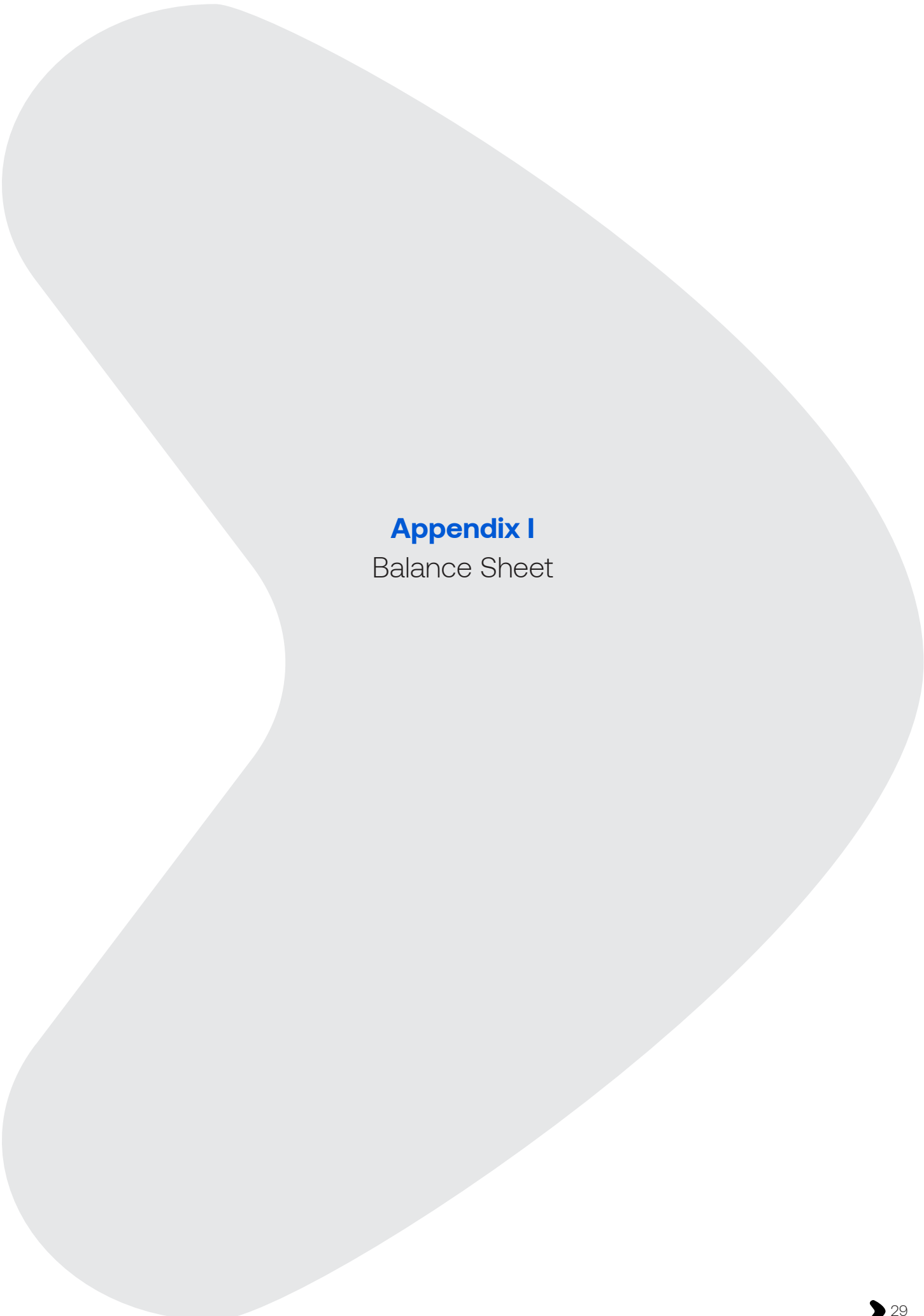
E.6 Any other information

Capital planning is performed in collaboration between the finance department and the Risk Management function of the company.

The finance department is responsible for preparing Company's budget based on the business plan set by the management of the Company, which is then approved by the Board of Directors.

The Risk Management function is responsible for assessing the risks inherent in the Company's operations, the Company's business plan and its asset in order to mitigate excess risks.

Capital planning encompasses financial projections, forecasted own funds and solvency capital and the forecast future solvency position in order to ensure that the Company will be able to execute its business plan.

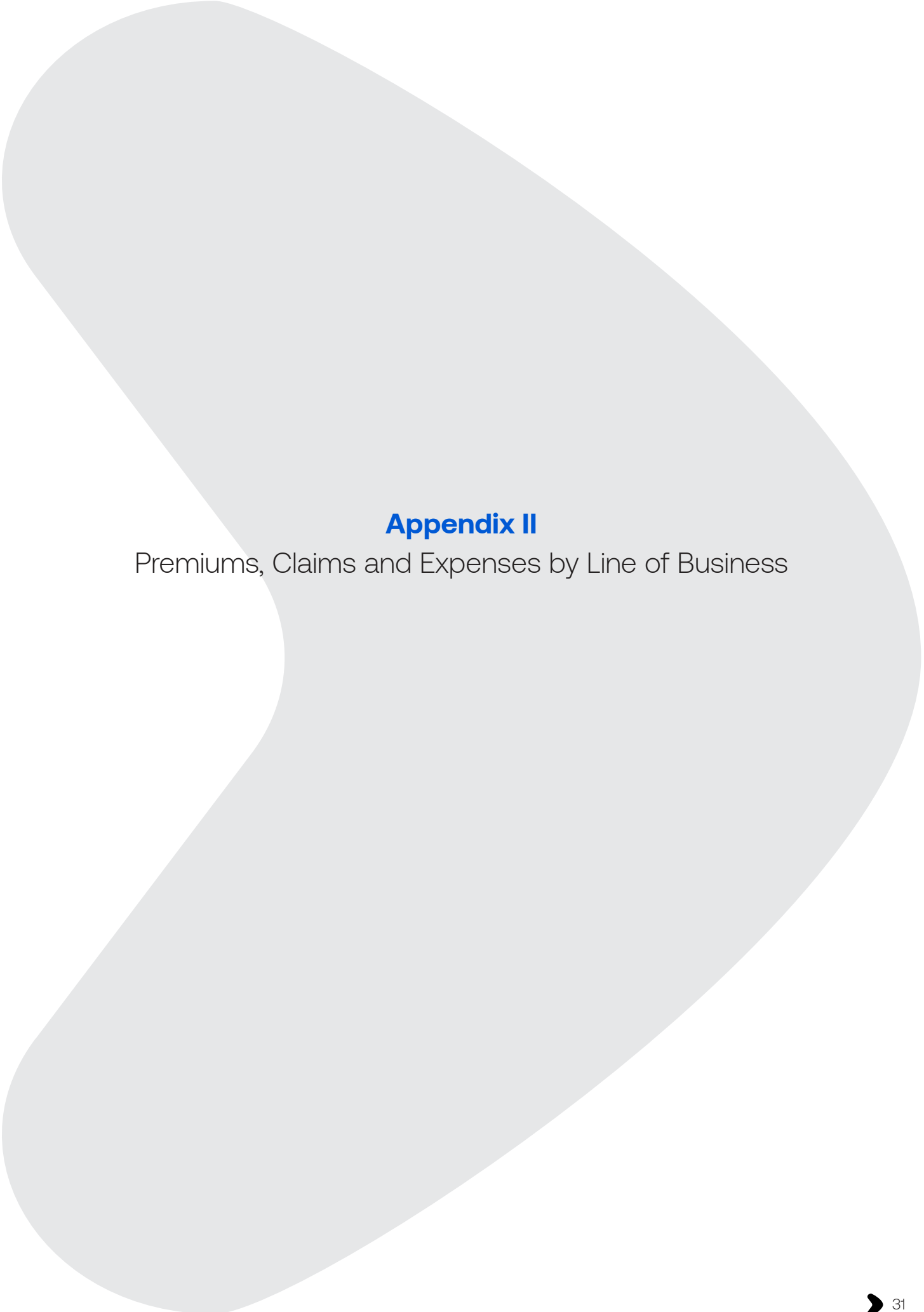
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Appendix I

Balance Sheet

Annex I
S.02.01.02
Balance sheet

	Solvency II value
	C0010
Assets	
Intangible assets	R0030 0
Deferred tax assets	R0040 0
Pension benefit surplus	R0050 0
Property, plant & equipment held for own use	R0060 7,335,464
Investments (other than assets held for index-linked and unit-linked contracts)	R0070 166,581,358
Property (other than for own use)	R0080 0
Holdings in related undertakings, including participations	R0090 4,990,208
Equities	R0100 15,419
Equities - listed	R0110 15,419
Equities - unlisted	R0120 0
Bonds	R0130 114,615,851
Government Bonds	R0140 103,631,264
Corporate Bonds	R0150 10,984,587
Structured notes	R0160 0
Collateralised securities	R0170 0
Collective Investments Undertakings	R0180 45,745,865
Derivatives	R0190 0
Deposits other than cash equivalents	R0200 1,214,015
Other investments	R0210 0
Assets held for index-linked and unit-linked contracts	R0220 0
Loans and mortgages	R0230 0
Loans on policies	R0240 0
Loans and mortgages to individuals	R0250 0
Other loans and mortgages	R0260 0
Reinsurance recoverables from:	R0270 93,947,797
Non-life and health similar to non-life	R0280 93,947,797
Non-life excluding health	R0290 93,947,797
Health similar to non-life	R0300 0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310 0
Health similar to life	R0320 0
Life excluding health and index-linked and unit-linked	R0330 0
Life index-linked and unit-linked	R0340 0
Deposits to cedants	R0350 0
Insurance and intermediaries receivables	R0360 3,815,116
Reinsurance receivables	R0370 0
Receivables (trade, not insurance)	R0380 38,010,842
Own shares (held directly)	R0390 0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400 0
Cash and cash equivalents	R0410 16,901,949
Any other assets, not elsewhere shown	R0420 0
Total assets	R0500 326,592,526
Liabilities	
Technical provisions – non-life	R0510 231,124,530
Technical provisions – non-life (excluding health)	R0520 231,124,530
Technical provisions calculated as a whole	R0530 0
Best Estimate	R0540 225,066,097
Risk margin	R0550 6,058,433
Technical provisions - health (similar to non-life)	R0560
Technical provisions calculated as a whole	R0570
Best Estimate	R0580
Risk margin	R0590
Technical provisions - life (excluding index-linked and unit-linked)	R0600
Technical provisions - health (similar to life)	R0610
Technical provisions calculated as a whole	R0620
Best Estimate	R0630
Risk margin	R0640
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650
Technical provisions calculated as a whole	R0660
Best Estimate	R0670
Risk margin	R0680
Technical provisions – index-linked and unit-linked	R0690
Technical provisions calculated as a whole	R0700
Best Estimate	R0710
Risk margin	R0720
Contingent liabilities	R0740 0
Provisions other than technical provisions	R0750
Pension benefit obligations	R0760
Deposits from reinsurers	R0770
Deferred tax liabilities	R0780
Derivatives	R0790
Debts owed to credit institutions	R0800
Financial liabilities other than debts owed to credit institutions	R0810
Insurance & intermediaries payables	R0820
Reinsurance payables	R0830 2,450,084
Payables (trade, not insurance)	R0840 19,181,554
Subordinated liabilities	R0850 0
Subordinated liabilities not in Basic Own Funds	R0860 0
Subordinated liabilities in Basic Own Funds	R0870 0
Any other liabilities, not elsewhere shown	R0880 6,981,276
Total liabilities	R0900 259,737,445
Excess of assets over liabilities	R1000 66,855,081



Appendix II

Premiums, Claims and Expenses by Line of Business

Appendix III

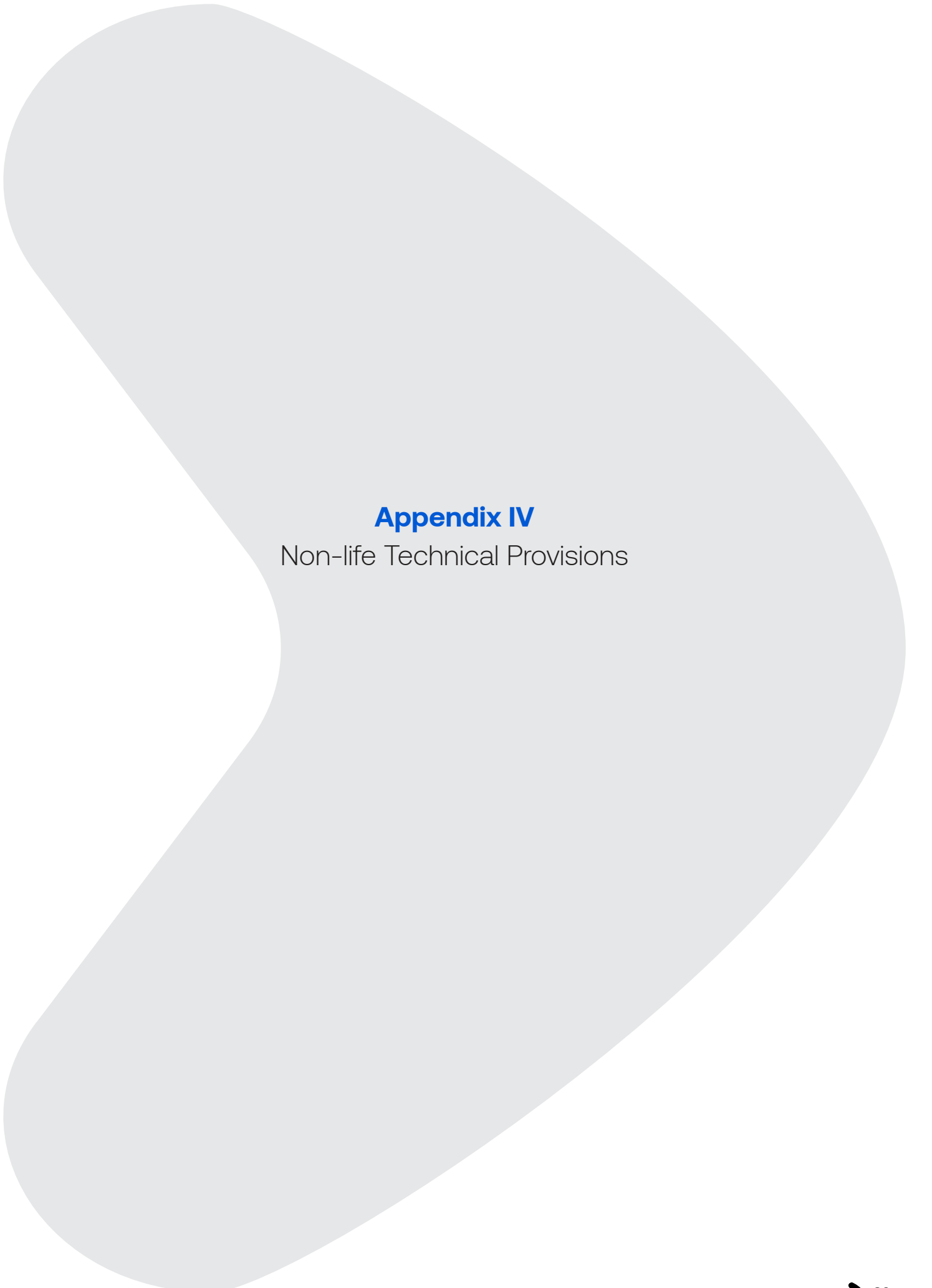
Premiums, Claims and Expenses by Country

Annex I
S.05.02.01
Premiums, claims and expenses by country

	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations						Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	
	R0010	C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	101,640,486	164,582,889					266,223,375
Gross - Proportional reinsurance accepted	R0120	0	0					0
Gross - Non-proportional reinsurance accepted	R0130	0	0					0
Reinsurers' share	R0140	24,749,880	100,016,946					124,766,826
Net	R0200	76,890,606	64,565,943					141,456,549
Premiums earned								
Gross - Direct Business	R0210	88,561,457	171,668,497					260,229,953
Gross - Proportional reinsurance accepted	R0220	0	0					0
Gross - Non-proportional reinsurance accepted	R0230	0	0					0
Reinsurers' share	R0240	17,547,251	99,517,493					117,064,744
Net	R0300	71,014,206	72,151,004					143,165,209
Claims incurred								
Gross - Direct Business	R0310	55,730,008	123,334,949					179,064,957
Gross - Proportional reinsurance accepted	R0320	0	0					0
Gross - Non-proportional reinsurance accepted	R0330	0	0					0
Reinsurers' share	R0340	7,701,199	73,810,707					81,511,906
Net	R0400	48,028,810	49,524,241					97,553,051
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non-proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred								
Other expenses	R1200	37,389,215	32,580,231					69,969,446
Total expenses	R1300	37,389,215	32,580,231					69,969,446

Annex I
S.04.05.21
Premiums, claims and expenses by country

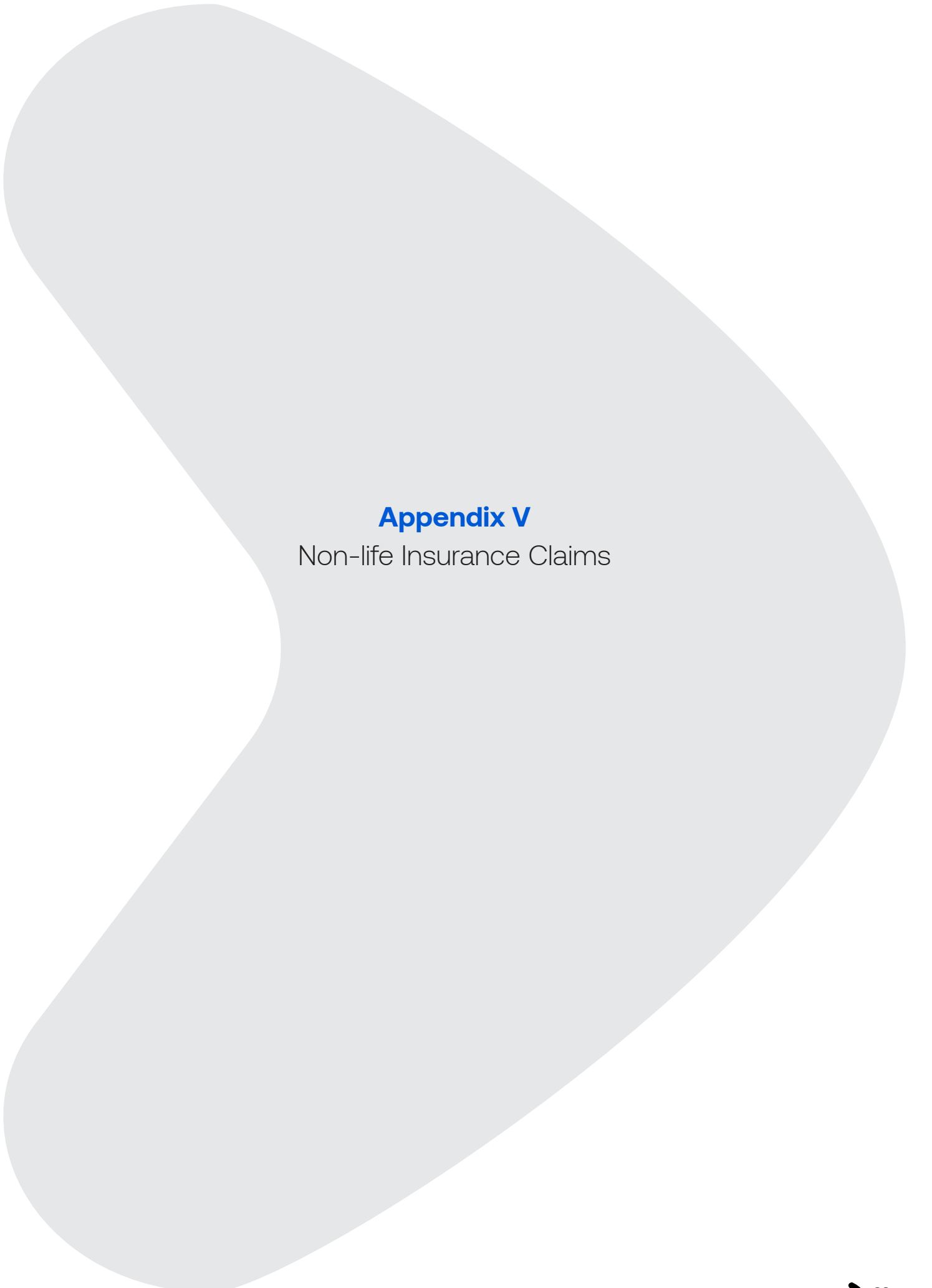
	Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations						Total Top 5 and home country
		C0010	C0020	C0020	C0020	C0020	C0020	
R0010	X	Romania		Cyprus				X
Premiums written (gross)								
Gross - Direct Business	R0020	101,640,486	164,486,171	96,717				266,223,375
Gross - Proportional reinsurance accepted	R0021	0	0	0				0
Gross - Non-proportional reinsurance accepted	R0022	0	0	0				0
Premiums earned (gross)								
Gross - Direct Business	R0030	88,561,457	171,578,836	89,660				260,229,953
Gross - Proportional reinsurance accepted	R0031	0	0	0				0
Gross - Non-proportional reinsurance accepted	R0032	0	0	0				0
Claims incurred (gross)								
Gross - Direct Business	R0040	55,730,008	123,303,599	31,350				179,064,957
Gross - Proportional reinsurance accepted	R0041	0	0	0				0
Gross - Non-proportional reinsurance accepted	R0042	0	0	0				0
Expenses incurred (gross)								
Gross - Direct Business	R0050	24,134,841	45,816,159	18,446				69,969,446
Gross - Proportional reinsurance accepted	R0051	0	0	0				
Gross - Non-proportional reinsurance accepted	R0052	0	0	0				0

A large, light gray, abstract shape with rounded corners and a central cutout, resembling a stylized letter 'P' or a modern logo, occupies the background of the page.

Appendix IV

Non-life Technical Provisions

Direct business and accepted proportional reinsurance													Accepted non-proportional reinsurance				Total Non-Life obligation
Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportion al health reinsurance e	Non-proportion al casualty reinsurance e	Non-proportion al marine, aviation and transport reinsurance e	Non-proportion al property reinsurance e					
Technical provisions calculated as a whole																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																	
R0010																	
R0050																	
Technical provisions calculated as a sum of BE and RM																	
Best estimate																	
Premium provisions																	
Gross																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
R0060																	
76,020,148																	
4,311,624																	
481,637																	
0																	
134,768																	
0																	
80,948,177																	
Premium provisions																	
Gross																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
R0140																	
34,187,402																	
746,862																	
-534,258																	
0																	
21,628																	
0																	
34,421,634																	
Net Best Estimate of Premium Provisions																	
R0150																	
41,832,746																	
3,564,762																	
1,015,896																	
0																	
113,140																	
0																	
46,626,543																	
Claims provisions																	
Gross																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
R0160																	
140,184,512																	
2,756,004																	
876,089																	
0																	
301,315																	
0																	
144,117,920																	
Net Best Estimate of Claims Provisions																	
R0240																	
58,477,217																	
470,839																	
554,080																	
0																	
24,028																	
0																	
59,526,163																	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default																	
R0250																	
81,707,295																	
2,285,165																	
322,010																	
0																	
277,287																	
0																	
84,591,757																	
Net Best Estimate of Claims Provisions																	
R0260																	
216,204,660																	
7,067,628																	
1,357,727																	
0																	
436,083																	
0																	
225,066,087																	
Total Best estimate - gross																	
R0270																	
123,540,041																	
5,849,928																	
1,337,905																	
0																	
390,427																	
0																	
131,118,300																	
Total Best estimate - net																	
R0280																	
5,194,165																	
829,792																	
21,106																	
0																	
13,369																	
0																	
6,058,433																	
Risk margin																	
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole																	
R0290																	
Best estimate																	
R0300																	
Best estimate																	
R0310																	
Risk margin																	
Technical provisions - total																	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total																	
R0320																	
221,398,825																	
7,897,421																	
0																	
1,378,833																	
0																	
449,452																	
0																	
231,124,530																	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total																	
R0330																	
92,664,619																	
1,217,701																	
0																	
19,822																	
0																	
45,656																	
0																	
93,947,797																	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total																	
R0340																	
128,734,206																	
6,679,720																	
0																	
1,356,012																	
0																	
403,796																	
0																	
0																	
0																	
137,176,733																	

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Appendix V

Non-life Insurance Claims

Annex I
S.19.0121
Non-life insurance claims
Total Non-Life Business

Accident y	Gross Claims Paid (non-cumulative) (absolute amount)
1	1000
2	1000
3	1000
4	1000
5	1000
6	1000
7	1000
8	1000
9	1000
10	1000
11	1000
12	1000
13	1000
14	1000
15	1000
16	1000
17	1000
18	1000
19	1000
20	1000
21	1000
22	1000
23	1000
24	1000
25	1000
26	1000
27	1000
28	1000
29	1000
30	1000
31	1000
32	1000
33	1000
34	1000
35	1000
36	1000
37	1000
38	1000
39	1000
40	1000
41	1000
42	1000
43	1000
44	1000
45	1000
46	1000
47	1000
48	1000
49	1000
50	1000
51	1000
52	1000
53	1000
54	1000
55	1000
56	1000
57	1000
58	1000
59	1000
60	1000
61	1000
62	1000
63	1000
64	1000
65	1000
66	1000
67	1000
68	1000
69	1000
70	1000
71	1000
72	1000
73	1000
74	1000
75	1000
76	1000
77	1000
78	1000
79	1000
80	1000
81	1000
82	1000
83	1000
84	1000
85	1000
86	1000
87	1000
88	1000
89	1000
90	1000
91	1000
92	1000
93	1000
94	1000
95	1000
96	1000
97	1000
98	1000
99	1000
100	1000

Gross Claims Paid (non-cumulative)
(absolute amount)

Development year

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Accident year / Underwriting year													2010	Motor vehicle liability insurance
Gross Claims Paid (non-cumulative)														
(Excludes Amounts)														
Year	0	1	2	3	4	5	6	7	8	9	10	11		
P102	SR002	SR002	SR002	SR002	SR002	SR002	SR002	SR002	SR002	SR002	SR002	SR002		
M102	SR002	100.401	100.977	-17.106	1.839	0	71.197	3.513	-83.9	0	37.0	0		
M11	SR002	329.534	-8.001	179.464	87	17.627	15.898	207.20	-46.4	594	-1.90	50.9	0	
M11	SR002	329.534	50.252	20.002	30.354	80.264	71.955	4.636	3.696	12.21	0	0	0	
M11	SR002	329.534	50.252	20.002	30.354	80.264	71.955	4.636	3.696	12.21	0	0	0	
M7	SR002	1,621,261	616,201	626,673	93,330	87,05	144,093	165,677	154,100	159,216	0	0	0	
N4	SR002	3,021,541	1,074,245	707,702	345,834	3,472,250	119,003	222,045	24,007	0	0	0	0	
N4	SR002	3,021,541	1,074,245	707,702	345,834	3,472,250	119,003	222,045	24,007	0	0	0	0	
N4	SR002	3,021,541	1,074,245	707,702	345,834	3,472,250	119,003	222,045	24,007	0	0	0	0	
N2	SR002	2,505,762	3,324,001	1,164,077	1,004,545	689,212	0	0	0	0	0	0	0	
N2	SR002	2,505,762	3,324,001	1,164,077	1,004,545	689,212	0	0	0	0	0	0	0	
N2	SR002	2,505,762	3,324,001	1,164,077	1,004,545	689,212	0	0	0	0	0	0	0	
N	SR002	42,170,280	9,113,947	5,476,771	1,727,206	0	0	0	0	0	0	0	0	
N	SR002	42,170,280	9,113,947	5,476,771	1,727,206	0	0	0	0	0	0	0	0	

Total

	CR176	CR190
PO103		333.94
PO140	0	11556.68
PO156	2,200	1,550.98
PO160	411	3,873.87
PO177	156.916	4,609.027
PO188	24.007	4,409.212
PO199	222.585	6,601.546
PO200	1,064.587	12,001.123
PO210	669.214	13,661.263
PO220	1,072.308	13,661.263
PO234	5,475.771	53,079.002
PO240	42,018.790	105,031.029
PO250	81,863.619	81,863.619
PO260	13,790.191	13,790.191

[illegible]

	CR176	CR190
PO103		333.94
PO140	0	11556.68
PO156	2,200	1,550.98
PO160	411	3,873.87
PO177	156.916	4,609.027
PO188	24.007	4,409.212
PO199	222.585	6,601.546
PO200	1,064.587	12,001.123
PO210	669.214	13,661.263
PO220	1,072.308	13,661.263
PO234	5,475.771	53,079.002
PO240	42,018.790	105,031.029
PO250	81,863.619	81,863.619
PO260	13,790.191	13,790.191

[illegible]

	CR176	CR190
PO103		333.94
PO140	0	11556.68
PO156	2,200	1,550.98
PO160	411	3,873.87
PO177	156.916	4,609.027
PO188	24.007	4,409.212
PO199	222.585	6,601.546
PO200	1,064.587	12,001.123
PO210	669.214	13,661.263
PO220	1,072.308	13,661.263
PO234	5,475.771	53,079.002
PO240	42,018.790	105,031.029
PO250	81,863.619	81,863.619
PO260	13,790.191	13,790.191

[illegible]

Annex I
S.18.61.21
Non-life insurance claims
S.18.61.21.1
Total Non-Life Business

Accident year / Underwriting year	2010
	Other under insurance

Gross Claims Paid (non-cumulative)
(absolute amount)

Year	Development year										
	0	1	2	3	4	5	6	7	8	9	10
Payer	RO100	CO100	CO100	CO100	CO100	CO100	CO100	CO100	CO100	CO100	CO100
N-13	0	427.7	0	0	0	0	0	0	0	0	0
N-12	RO130	133,466	46,079	0	-1,674	0	0	0	0	0	0
N-11	RO140	2,532,212	106,632	0	1402	500	0	0	0	0	0
N-10	RO150	436,959	123,999	1,709	1,709	-942	0	0	0	0	0
N-9	RO160	8,458,676	189,897	-1,485	200	1,100	536	0	0	0	0
N-8	RO170	3,447,472	3,370	3,370	3,370	-3,370	0	0	0	0	0
N-7	RO180	1,258,862	166,707	13,237	2,041	-3,465	1,844	0	0	0	0
N-6	RO190	2,041,118	690,661	31,338	27,669	913	2,040	0	0	0	0
N-5	RO200	1,592,937	496,013	14,788	-33,005	21,090	232	0	0	0	0
N-4	RO210	1,897,107	479,606	8,130	-38,005	17,76	0	0	0	0	0
N-3	RO220	3,254,703	618,961	-33,867	-39,80	0	0	0	0	0	0
N-2	RO240	4,017,389	1,381,101	0	0	0	0	0	0	0	0
N-1	RO250	6,552,122	0	0	0	0	0	0	0	0	0
Total											

In Current
year

RO140	CO170
RO130	427.7
RO150	176,871
RO140	361,746
RO160	956,465
RO160	1,006,199
RO170	1,437,876
RO180	1,437,876
RO190	2,703,770
RO200	2,448,730
RO210	2,593,433
RO220	3,830,767
RO240	5,410,490
RO250	6,552,122
Total	30,957,891

Sum of
current
(cumulative
€)

RO180	CO180
RO170	176,871
RO140	361,746
RO160	956,465
RO160	1,006,199
RO170	1,437,876
RO180	1,437,876
RO190	2,703,770
RO200	2,448,730
RO210	2,593,433
RO220	3,830,767
RO240	5,410,490
RO250	6,552,122
Total	30,957,891

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year	Development year										
	0	1	2	3	4	5	6	7	8	9	10
Payer	RO100	CO100	CO100	CO100	CO100	CO100	CO100	CO100	CO100	CO100	CO100
N-13	RO130	0	0	0	0	0	0	0	0	0	0
N-12	RO130	0	0	0	0	0	0	0	0	0	0
N-11	RO140	0	0	0	0	0	0	0	0	0	0
N-10	RO150	0	0	0	0	0	0	0	0	0	0
N-9	RO160	0	0	0	0	0	0	0	0	0	0
N-8	RO160	0	0	0	0	0	0	0	0	0	0
N-7	RO160	5,470	0	0	0	0	0	0	0	0	0
N-6	RO190	5,835	0	0	0	0	0	0	0	0	0
N-5	RO200	27,055	0	0	0	0	0	0	0	0	0
N-4	RO210	12,518	0	0	0	0	0	0	0	0	0
N-3	RO220	71,108	0	0	0	0	0	0	0	0	0
N-2	RO240	367,718	4,814	0	0	0	0	0	0	0	0
N-1	RO250	2,259,054	0	0	0	0	0	0	0	0	0
Total											

Year end
(discount
d (base))

RO100	CO180
RO130	0
RO140	0
RO150	0
RO160	0
RO160	5,470
RO190	5,835
RO200	27,055
RO210	12,518
RO220	71,108
RO240	372,531
RO250	2,259,054

Annex I
S.18.01.21
Non-life insurance claims
S.18.01.21
Total Non-Life Business

Accident year / Underwriting year	
2010	Legal insurance

Gross Claims Paid (non-cumulative)
(absolute amount)

Year	Development year											In Current year
	0	1	2	3	4	5	6	7	8	9	10	11
Prior	RO100	CO010	CO020	CO030	CO040	CO050	CO060	CO070	CO080	CO090	CO100	CO110
N-12	RO120	0	0	0	21.185	0	43.4	0	-1000	0	0	0
N-11	RO110	0	0	0	0	0	0	0	0	0	0	0
N-10	RO100	0	0	0	0	0	0	0	0	0	0	0
N-9	RO160	0	968	986	2.070	7.38	36.2	-714	-350	403	150	165
N-8	RO160	9.304	23.401	17.953	9.389	4.440	-1.2	2.164	-650	100	0	0
N-7	RO170	0	0	0	0	0	0	0	0	0	0	0
N-6	RO170	0	0	0	0	0	0	0	0	0	0	0
N-5	RO180	25.314	30.085	3.664	9.055	11.308	3.917	8.113	0	0	0	0
N-4	RO200	33.553	30.414	11.404	8.349	7.347	0	0	0	0	0	0
N-3	RO210	0	0	0	0	0	0	0	0	0	0	0
N-2	RO230	72.702	80.216	39.132	0	0	0	0	0	0	0	0
N-1	RO250	62.115	87.706	0	0	0	0	0	0	0	0	0
Total	RO250	62.115	87.706	0	0	0	0	0	0	0	0	0

Total RO250 62.115

Sum of years (cumulative e)	
CO180	255.36
	-1.0000
	3.9331
	66.8222
	59.375
	70.363
	91.985
	101.200
	95.509
	181.572
	202.571
	144.668
	64.715
	1.081.985

Appendix VI

Own Funds

Annex I
S.23.01.01
Own funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

Ordinary share capital (gross of own shares)
Share premium account related to ordinary share capital
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
Subordinated mutual member accounts
Surplus funds
Preference shares
Share premium account related to preference shares
Reconciliation reserve
Subordinated liabilities
An amount equal to the value of net deferred tax assets
Other own fund items approved by the supervisory authority as basic own funds not specified above

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand

Unpaid and uncalled preference shares callable on demand
A legally binding commitment to subscribe and pay for subordinated liabilities on demand
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

Total available own funds to meet the SCR
Total available own funds to meet the MCR
Total eligible own funds to meet the SCR
Total eligible own funds to meet the MCR

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

Excess of assets over liabilities
Own shares (held directly and indirectly)
Foreseeable dividends, distributions and charges
Other basic own fund items
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

Expected profits

Expected profits included in future premiums (EPIFP) - Life business
Expected profits included in future premiums (EPIFP) - Non- life business

Total Expected profits included in future premiums (EPIFP)

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	1,898,927	1,898,927			
R0030	94,475,704	74,809,681			
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	-29,519,552	-29,519,552			
R0140					
R0160					
R0180					
R0220					
R0230					
R0290	66,855,079	47,189,056		19,666,023	
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					
R0400					
R0500	66,855,079	47,189,056		19,666,023	
R0510	66,855,079	47,189,056		19,666,023	
R0540	66,855,079	47,189,056		19,666,023	
R0550	51,910,487	47,189,056		4,721,431	
R0580	52,460,339				
R0600	23,607,153				
R0620	127.44%				
R0640	219.89%				

C0060

R0700	66,855,079	
R0710	0	
R0720	0	
R0730	96,374,631	
R0740	0	
R0760	-29,519,552	
R0770		
R0780		
R0790		

Appendix VII

Solvency Capital Requirement -
for undertakings on Standard Formula

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

Market risk
Counterparty default risk
Life underwriting risk
Health underwriting risk
Non-life underwriting risk
Diversification
Intangible asset risk
Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk
Loss-absorbing capacity of technical provisions
Loss-absorbing capacity of deferred taxes
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC
Solvency Capital Requirement excluding capital add-on
Capital add-on already set
Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module
Total amount of Notional Solvency Capital Requirements for remaining part
Total amount of Notional Solvency Capital Requirements for ring fenced funds

Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios

Diversification effects due to RFF nSCR aggregation for article 304

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0100
R0010	4,892,696		
R0020	6,603,125		
R0030	0		
R0040	0		
R0050	39,022,616		
R0060	-6,251,158		
R0070	0		
R0100	44,267,278		
	C0100		
R0130	8,193,061		
R0140	0		
R0150	0		
R0160	0		
R0200	52,460,339		
R0210	0		
R0220	52,460,339		
R0400			
R0410			
R0420			
R0430			
R0440			

Appendix VIII

Minimum Capital Requirements - Only Life
or Only non-life Insurance or Reinsurance Activity

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
Linear formula component for non-life insurance and reinsurance obligations

	C0010		
MCR _{NL} Result	R0010	23,881,477	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	123,540,041	97,524,910
Other motor insurance and proportional reinsurance	R0060	5,849,928	11,550,369
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	1,337,905	669,396
General liability insurance and proportional reinsurance	R0090	0	19,064
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	390,427	435,205
Assistance and proportional reinsurance	R0120	0	31,253,573
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	3,508
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

	C0040		
MCR _L Result	R0200		
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation

	C0070
Linear MCR	R0300 23,881,477
SCR	R0310 52,460,339
MCR cap	R0320 23,607,153
MCR floor	R0330 13,115,085
Combined MCR	R0340 23,607,153
Absolute floor of the MCR	R0350 4,000,000
	C0070
Minimum Capital Requirement	R0400 23,607,153

Appendix IX

Independent Auditor's Report

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS
OF HD INSURANCE PLC**

Report on the Audit of the relevant elements of the Solvency and Financial Condition Report

Opinion

We have audited the following Solvency II Quantitative Reporting Templates ("QRTs") contained in Annex I to Commission Implementing Regulation (EU) No 2023/895 of 04 April 2023, laying down implementing technical standards for the application of Directive 2009/138/EC of the European Parliament and the Council with regard to the procedures, formats and templates for the disclosure by insurance and reinsurance undertakings of their report on their solvency and financial condition and repealing Implementing Regulation (EU) 2015/2452 ("the Report") of HD Insurance PLC (the "Company"), prepared as at 31 December 2025:

- S.02.01.02 - Balance sheet
- S.17.01.02 - Non-Life Technical Provisions
- S.23.01.01 - Own funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

The above QRTs are collectively referred to for the remainder of this report as "the relevant QRTs of the Solvency and Financial Condition Report".

In our opinion, the information in the relevant QRTs of the Solvency and Financial Condition Report as at 31 December 2025 is prepared, in all material respects, in accordance with the Insurance and Reinsurance Services and other Related Issues Law of 2016 as amended, the Commission Delegated Regulation (EU) 2015/35 as amended, the Commission Delegated Regulation (EU) 2016/467, the relevant EU Commission's Implementing Regulations and the relevant Orders of the Superintendent of Insurance (collectively "the Framework").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “*Auditor's Responsibilities for the Audit of the relevant QRTs of the Solvency and Financial Condition Report*” 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 (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the relevant QRTs of the Solvency and Financial Condition Report in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the “Valuation for solvency purposes” and “Capital Management” sections of the Solvency and Financial Condition Report, which describe the basis of preparation. The Solvency and Financial Condition Report is prepared in compliance with the Framework, and therefore in accordance with a special purpose financial reporting framework. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

The Board of Directors is responsible for the Other information. The Other information comprises certain narrative sections and certain QRTs of the Solvency and Financial Condition Report as listed below:

Narrative sections:

- Business and performance
- Valuation for solvency purposes
- Capital management

QRTs (contained in Annex I to Commission Implementing Regulation (EU) No 2023/895 of 04 April 2023):

- S.05.01.02 - Premiums, claims and expenses by line of business
- S.19.01.21 - Non-Life insurance claims

Our opinion on the relevant QRTs of the Solvency and Financial Condition Report does not cover the Other information listed above and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Solvency and Financial Condition Report, our responsibility is to read the Other information and, in doing so, consider whether the Other information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, 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 for the Solvency and Financial Condition Report

The Board of Directors is responsible for the preparation of the Solvency and Financial Condition Report in accordance with the Framework.

The Board of Directors is also responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

In preparing the Solvency and Financial Condition Report, 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 Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the relevant QRTs of the Solvency and Financial Condition Report

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

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

- Identify and assess the risks of material misstatement of the relevant QRTs of the Solvency and Financial Condition Report, 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 the basis of preparation used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Auditor's Responsibilities for the Audit of the relevant QRTs of the Solvency and Financial Condition Report (cont.)

- 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 auditor's report to the related disclosures in the Solvency and Financial Condition Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Other Matter

Our report is intended solely for the Board of Directors of the Company and should not be used by any other parties. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

07 April 2026



HD Insurance PLC is regulated by the Cyprus Insurance Companies Control Service.
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