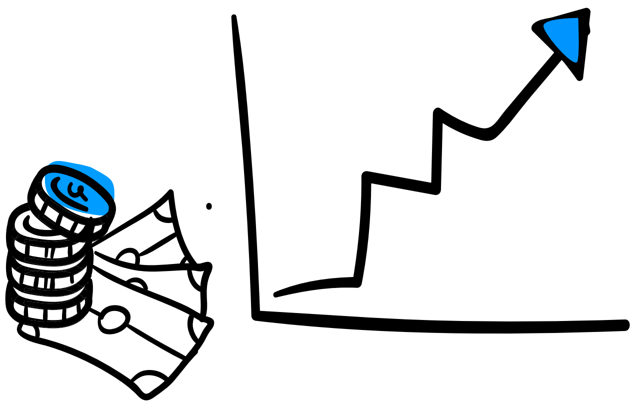
Hellas Direct®

SFCR

Solvency and Financial Condition Report



Year ended 31 December 2024

Contents

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 PLC 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 Ltd under Pillar I of Solvency II following its implementation on 1 January 2016.

Material changes to business and performance

During 2024, gross written premiums grew by 63% year on year with the growth driven by the excellent performance of the Romanian branch. The Company closed the year with a portfolio of 541,786 cars in Greece and 842,400 cars in Romania, representing net portfolio growth of 104%.

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.

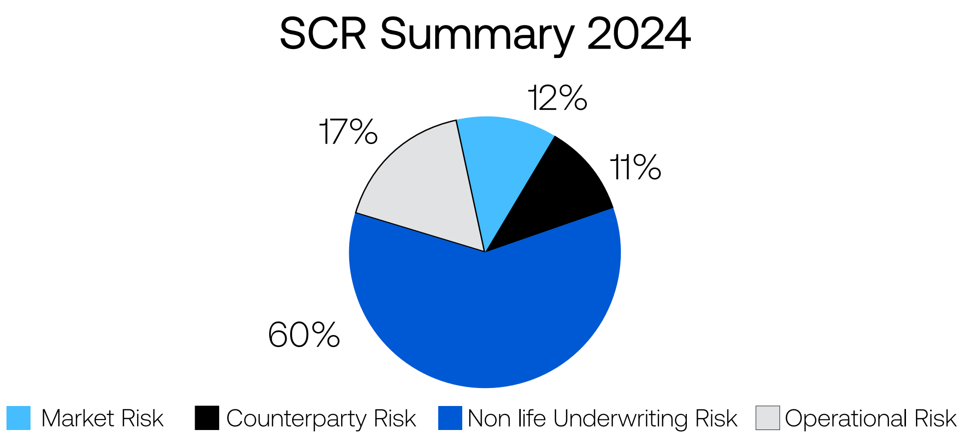
No material changes have occurred during 2023 regarding the system of governance other than the implementation of various structural and procedural enhancements.

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 2024 was as follows:



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 2024 is estimated at €45.2m and is covered by €65.5m of eligible own funds resulting in a Solvency coverage ratio of 145%.

	Total €	Tier 1 - unrestricted €
Ordinary share capital	1,898,408	1,898,408
Share premium account related to ordinary share capital	74,792,752	74,792,752
Reconciliation reserve	(11,241,201)	(11,241,201)
Total basic own funds after adjustments	65,449,959	65,449,959

	€
Total eligible own funds to meet the SCR/ MCR	65,449,959
SCR	45,197,228
MCR	20,338,752
Ratio of Eligible own funds to SCR	**145%**
Ratio of Eligible own funds to MCR	**322%**

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 incepted 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.

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

Despite continuing uncertainty across Europe generated by the ongoing war in Ukraine and the conflict in the Middle East, Greece's economic recovery remained strong in 2024, with economic output estimated to have increased by 2.9% compared to 2023, driven by robust tourist arrivals, resilient domestic demand, and inflows of EU funds. The outlook for 2025 is optimistic, with the government's latest budget predicting GDP growth of 3.1%, supported by foreign direct investment, infrastructure projects, and continued fiscal stability following the country's investment-grade status. Economic conditions in Romania have improved, following a sluggish 1.9% growth in 2023. Preliminary estimates suggest GDP growth rebounded to 2.5% in 2024, driven by major infrastructure investments, strengthening exports amid a more favorable global trade environment, and declining inflation. For 2025, further acceleration is expected, supported by higher EU fund absorption and a recovery in private consumption. Cyprus sustained moderate economic growth in 2024, with GDP rising by 2.6%, supported by domestic demand, strong private consumption, growing employment, and wage increases. The construction sector remains buoyant due to government incentives and foreign investment, while the tourism industry has maintained its post-pandemic momentum, despite some challenges in external service exports. Looking ahead, the Cypriot economy is projected to grow by 2.8% in 2025, benefiting from continued labor market improvements, rising disposable income, and an expanding services sector.

Impact on insurance production, reserving and investment portfolio

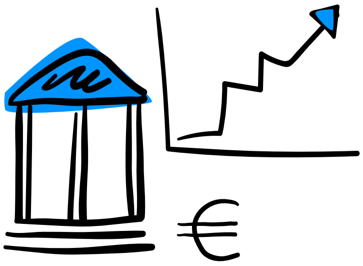
Challenging geopolitics, volatility in financial markets and a lack of clarity around future interest rate movements mean that the macroeconomic outlook for insurers is highly uncertain. Claims inflation and pricing practices remain a challenge.

The Company seeks to mitigate its operating risk via diversifying its activities both in terms of geographical and distribution channel diversification, whilst ensuring optimal pricing via the use of its sophisticated underwriting technology. Credit risk is mitigated by the fact that insurance customers pay upfront in advance of insurance cover being extended to them. The Group monitors its credit risk on a real-time basis. The Company seeks to diversify its investments in terms of jurisdiction and asset class. The Group ensures that wherever possible, its counterparties have high credit ratings.

This operating environment may have a significant impact on the Company's and the Group's operations and financial position. Management is taking all possible measures to ensure sustainability of the Company's and the Group's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

1.

Business and Performance



1.1

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

George Hadjizorzis
ghadjizorzis@mof.gov.cy
Tel:+357 22602908

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

Constantinos Kallis
Partner
KPMG LTD
Esperidon 14, CY1087 Nicosia, Cyprus
Constantinos.kallis@kpmg.com.cy
Tel +357 22209000

The entities holding more than 10% of the company's share capital as at 31 December 2024 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

Currently, only the property lines of business are transacted in Cyprus.

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

1.2

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

	2024(€)	2023€)	2022(€)
Gross Written Premium	62,099,724	39,710,008	37,605,451
Net earned premium	51,722,164	37,465,234	25,266,308
Net claims incurred	(34,241,750)	(25,605,268)	(15,843,225)
Underwriting profit	17,480,414	11,859,966	9,423,083

Motor Romania

	2024 (€)	2023 (€)
Gross Written Premium	188,134,730	111,500,369
Net earned premium	84,980,350	24,356,608
Net claims incurred	(44,988,946)	(14,186,312)
Underwriting profit	39,991,404	10,170,296

Property (Greece and Cyprus)

2024	Total (€)	Greece (€)	Cyprus (€)
Gross Written Premium	1,144,478	1,047,761	96,717
Net earned premium	130,412	124,021	6,392
2023	**Total (€)**	**Greece (€)**	**Cyprus (€)**
GWP	626,982	545,010	81,971
Net earned premium	12,193	17,329	(5,136)

[1] *Parent company (not consolidated)*

The Company grew its top line revenue in the property line of business by 82.50% compared to 2023.

1.3

Investment Performance

During 2022, the company commenced the implementation of its investment strategy and this continued during 2023 and 2024.

The allocation of the cash and investment portfolio as at 31st December 2024 was as follows:

	2024 (€)
Cash at bank (current accounts and term deposits)	14,266,281
Investment in bonds and mutual funds	40,567,198
Investment in money market funds and treasury bills	89,774,717
Investment in shares	8,933

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

	2024 (€)	2023 (€)	2022 (€)
Interest income	430,680	690,576	44,194
Interest expense	(1,524)	(10,465)	(6,108)
Fair value gains/(losses)	4,051,272	1,710,236	43,862

1.4

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.

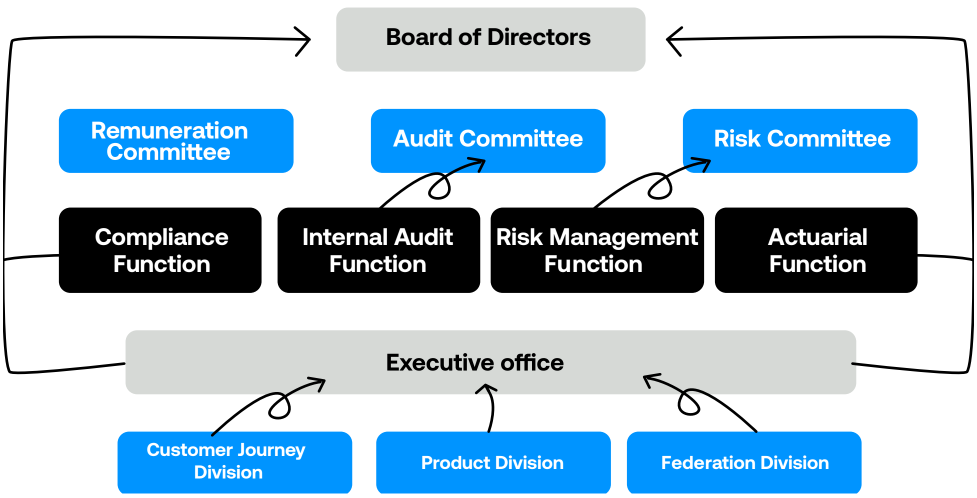
2.

System of Governance

2.1

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 2024 were as follows:

- Panos Kyriakopoulos *(Chairman)*
- Adam Felesky *(Former Chairman)*
- Hélène Falchier *(Non-executive Director)*
- Jeremy Downward *(Non-executive Director)*
- Levan Shalamberidze *(Non-executive Director)*
- Robert Genieser *(Non-executive Director)*
- Sofia Maroudia *(Independent Non-executive Director)*
- Nicky Goulimis *(Independent Non-executive Director)*
- Xanthos Vrachas *(Independent Non-executive Director)*
- Emilios 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. This committee is headed by Sofia Maroudia and comprises two independent directors and the Chairman of the Board.

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:

- Executive Office
- Product Division
- Federation Division
- 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

2.2

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.

2.3

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:

- Promote a risk awareness culture within the Company.
- Coordinate, review and control risk management tasks.
- Ensure that risks identified and monitored encompass all types of risk that can threaten the Company operationally and financially.
- Measurement and assessment of the overall risk situation, including early identification of potential future risks.
- Choose the models, tools and ratios for the identification, evaluation, measurement and monitoring of risks to which the Company is exposed.
- Ensure that the risk mitigation measures, processes and procedures are adequate in order to maintain risk within the guidelines and parameters set by the Board.
- Assist line management in communicating the potential risks relating to their areas of responsibility to the CEOs and the Board.
- Establish early warning systems in case of breaches of the Company's risk appetite or risk tolerance levels.
- Monitor the development of the Company's risk profile over time.
- Maintain and update the Risk Register.
- Reporting to the Board on the risk exposure of the Company.
- Ensure ongoing communication with the CEOs and the Board to keep them updated on risk management.
- Provide appropriate information to the internal audit function in order to assess the adequacy, implementation and effectiveness of the risk management function.
- Producing guidelines for the development of strategies and processes for identifying, monitoring, managing and reporting risks by the line managers.
- Prepares the ORSA report, in close cooperation with the Actuarial and Finance Functions.
- Annual updates of all risk management related policies.
- Assessment and management of Operational Risk, as described in the Operational Risk Management Policy.

- Carry out an annual risk assessment of all risks faced by the Company, as described in the Risk Assessment Procedures Manual documented in the Annual Risk Assessment programme.

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. Monitoring and review of the risks identified
5. 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.

2.4

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 of the second half of 2022 was carried out in January and February 2023 and the report was distributed to and approved by the Audit Committee on 13th March 2023.

The internal audit of the first half of 2023 was carried out during 2023 and was approved by the Audit Committee on 20th November 2023. The internal audit of the second half of 2023 was carried out in the first quarter of 2024 and was approved by the Audit Committee on 26th March 2024.

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 an annual Compliance Report which is submitted to the Board of Directors, along with a half-yearly compliance summary.

During 2022, the Compliance Function was outsourced to one of the Company's lawyers, Agni Livera LLC.

2.5

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 Financial Controller 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.

2.6

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 policyholders
- 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).

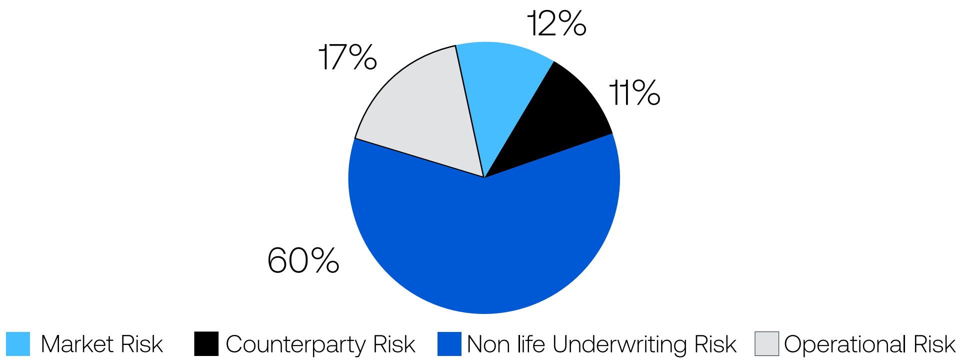
3. Risk Profile

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 2024 was as follows:

SCR Summary 2024



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 2024	Risk rating 2023
Market Risk	Investments, interest rate & currency risk	**Medium**	5.6	5.6
Concentration risk	Concentration in individual exposure	**Medium**	5.0	5.0
Credit risk	Counterparty default, subsidiary default, uncollectable claims recoverables	**Medium**	6.6	8.8
Insurance risk	Underwriting risk: policy violation, pricing & competition, renewal rates, reinsurance, loss ratios, fraudulent claims	**Medium**	8.0	8.2

Risk category per SII	Specific risks included within the category	Overall risk rating level	Risk rating 2024	Risk rating 2023
Insurance risk	Catastrophe risk	**Low**	4.0	8.0
Liquidity risk	Liquidity risk	**Low**	4.0	6.0
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	**Medium**	6.3	6.3
Political risk	Political, geopolitical and economic risk, capital controls effect	**Medium**	6.5	6.5
Overall risk rating		**Medium**	**6.0**	**6.9**

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.

3.1

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.

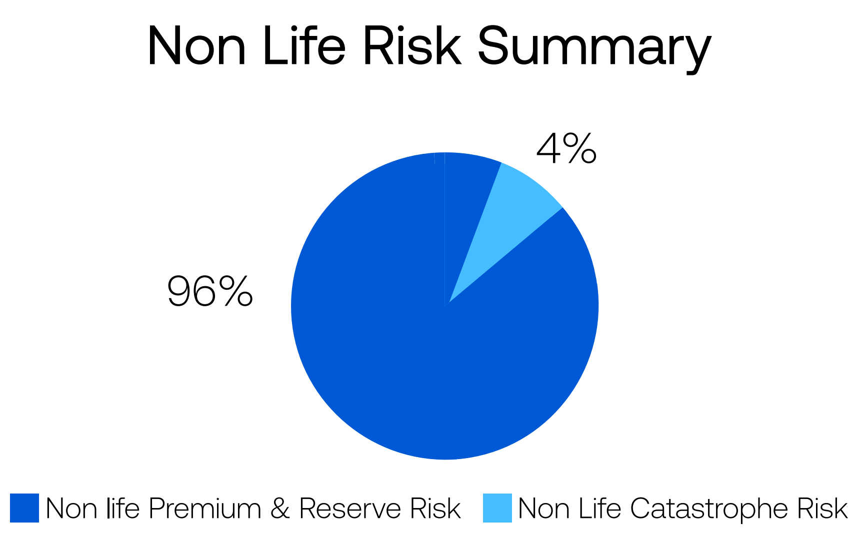
Non-life underwriting risk also includes the risk resulting from uncertainty included in assumptions about exercise of policyholder options like renewal or termination options.

The class "Insurance Risk" encompasses the following risk categories, as per the Company's Risk Register:

Risk category	Risk level	Risk rating 2024	Risk rating 2023
Policy violation	Medium	6	6
Pricing & competition	Medium	8	8
Policy lapses	Medium	6	6
Reinsurance	Medium	8	8
Loss ratios	High	12	12
Reserving	High	12	12
Fraudulent claims	Medium	6	8
Large claims	Medium	8	8
Ageing of Claims	Medium	6	6
Catastrophic natural phenomena	Low	4	8
Climate Risk	Medium	8	n/a
Overall risk rating	**Medium**	**7.6**	**8.2**

Non-Life Underwriting risk represents 60% 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 2024 was as follows:



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 covers	Property covers – Cyprus and Greece	Romania Motor covers
Third Party Liability	Fire	Third Party Liability
Collision with uninsured	Electrical	Direct Settlement
Accident care	Earthquake	
Road assistance	Natural Phenomena	
Glass	Collision Damage	
Legal protection	Malicious Damages	
Personal accident	Third Party Liability	
Fire	Water Damages	
Natural phenomena	Personal Accident	
Theft	Glass Covers	
Own damages	Legal Protection	
Loss of documents	Home Assistance	
Key Loss Protection	Accidental Damages	
	Theft	
	Earth Movement	
	Rent Loss	
	Owner Third Party	
	Fees and Expenses	
	Technical Support	
	Solar Heater Damages	
	Building Loan Protection	
	Photovolatics	

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 company has in place reinsurance arrangements with reputable highly rated reinsurance companies.

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.

The retention percentages of the Quota Share/Surplus Share level of the treaties contribute towards the company maintaining its Underwriting & Reserving SCR within the stated risk appetite limits.

The reinsurers have long term credit ratings of at least BBB+, again within the Company's stated counterparty risk appetite. In conclusion, the company's reinsurance agreements satisfy the company's stated risk appetite.

The Company is party to two sets of 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.

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 managed 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, was covered by a 60% Quota Share treaty with Munich Re. The current Motor quota share treaty that was signed in 2022 was cancelled as at 31/12/2023, and a new one-year quota share treaty was signed with the same basic specifications and updated estimated gross written premiums for the year of coverage. The reinsurers sharing the treaty have also changed and they are now as follows:

- **Munich Re: 50%**
- **Swiss Re: 25%**
- **Allianz Se: 17.5%**
- **MS Amlin: 7.50%**

Property Insurance - Quota share reinsurance: 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 are shared in the same proportion. The Earthquake risk is 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 ratio reduced from 85% to 75%. The tariff for the Earthquake risks is reduced to 0.40 per mille for both Greece and Cyprus. The reinsurers sharing the treaty have also changed and they are now 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.

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. 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).

HD Motor Insurance Romania - Excess of loss reinsurance: HD Motor Insurance Romania - Excess of loss reinsurance: An excess of loss treaty is in place with Swiss Re, Munich Re, Allianz Se and MS Amlin AG. This treaty covers losses in excess of €600K for any one event.

Property Insurance – Excess of loss reinsurance: As from 1st July 2022 the Company has a Catastrophe Excess of Loss insurance with Munich Re for losses in excess of €100,000 up to the limit of €1,000,000. The Excess of Loss policy renewed on 1st July 2023 with Swiss Re under the same terms. As from 1st July 2024, the excess of loss limit increased to €11,000,000 and the excess to €250,000.

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. 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 the 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.

On the asset side, management's risk appetite is again very conservative. With the exception of immaterial trading balances such as deposits, prepayments and physical fixed assets (computers, desks etc), the Company's entire asset base is made up of cash and bons. Management strategy is to keep the asset base liquid and risk-free. The cash generated in Greece and Romania is used to cover claims payments and the cost of the Company's operations in Greece and Romania. The needs of the Cyprus cost base are covered by the transfer of cash from the UK and Greece on an as-needed basis, until such point as the Company's operations in Cyprus become cash-generative.

Risk Profiles – Underwriting – Greece

The underwriting models and procedures followed by the Company in order to determine the price of each policy are based on various key drivers that are appropriate for each insurance sector. Car age, value and power to weight ratio, driver's age, claims history and post code are major pricing factors in the motor line of business, whilst location, year of build, the value of the building and its contents are major pricing factors for property underwriting.

The vehicle value insured is limited to €75K per vehicle and the property value insured is limited to €1.5m. The average sum insured per vehicle is currently €5.673.

As at 31.12.2024 541,786 (2023: 305,474) cars were insured in 1,407 different postcodes (2023: 1,400) and the highest concentration of risk in any one postcode was 1.10% in Chania, Crete (2023: 0.86% 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 31.12.2024 only 2.97% of insured drivers were aged 30 & under (2023: 2.92%).

Pre-insurance checks are run at the time of purchase, especially in the digital portfolio, where information is retrieved directly for cars registered prior to 2013, the claims history and any gaps in the insurance of the vehicle are checked through YSAE. The same checks run for the Brokerage and Aggregator sales in Greece. Underwriting pre-insurance checks run for all motor vehicles of €25k above. Geolocation technology is also used in the pricing mechanism for property insurance: this has been developed by the Company to identify and price high-risk areas.

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

Romanian law defines to a large extent the underwriting that the Company can do in the country. The Company is obliged to offer prices to all clients who request them. It is also obliged to take its share of vehicles from the Insurance Association high risk pool in proportion to the number of insurance companies operating in Romania. The Company endeavours to control the risks it underwrites via its pricing and claims management.

Risk Profiles – Claims

Claims are managed in the same way across the Company's Greek portfolios – both the digital and broker lines.

The Company is focussed on maintaining loss ratios at acceptable levels whilst balancing the need for growth. A monitoring system is in place, comparing the actual LR vs the predicted LR. It has internal procedures for the fast closure of claims, especially of low value claims where liability is undisputed, in order to reduce reserving and adverse development risks. The largest claims are assessed on a claim-by-claim basis in biweekly meetings which are attended by the Executive Directors. Professional advice from lawyers, doctors, accident experts, etc is obtained as necessary. Claims which have been open for long periods of time remain open due to factors that are outside the control of the Company.

As an insurer, the Company has an inherent risk of fraudulent claims. For this reason it has fraud detection procedures and systems in place in order to ensure that any fraudulent claims are identified and rejected before proceeding to the payment stage. The Company is in the process of acquiring a new system for the screening of claims against fraud. This will enhance the detection of fraudulent claims at very early stages. The Company maintains black lists of motor vehicles, drivers and garages. Blacklisted motor vehicles and drivers cannot renew or purchase new policies.

Comparison with risk appetite

The risks taken by the Company is sufficiently reinsured. With the exception of the Greek Motor business line the rest of the business lines are reinsured with quota share agreements.

In the Motor insurance Greece, the Company has only Excess of Loss agreements covering losses in excess of €1 million for any one event. Natural Phenomena are only covered under the first layer of the current excess of loss treaty to the maximum of €4.

The property portfolio is well reinsured, with the Company's maximum exposure per claim capped at €375,000 for the reinsured covers. On an aggregate basis, the Company is exposed on the property side if its aggregate claims from one natural peril loss event exceed €69 million. The Company is also exposed if its losses in relation to terrorism claims exceed €9 million per event and per year. The Company retains only 25% of the losses incurred on the reinsured covers with reinsurers covering the remaining 75% of all losses. The maximum exposure per claim cannot exceed €375,000 for the reinsured covers.

In addition to the quota share reinsurance agreement the Company has in place a Property Catastrophe Excess of Loss Program with Swiss Re in order to minimise the retained risk arising from Catastrophic events. The limit of this agreement is €11m in excess of €250K for any ultimate loss or series of losses arising out of one event.

The Motor Insurance Romania is also well reinsured. The Company sells only MTPL cover which is reinsured with Munich Re via a 60% quota share treaty from start of business. There is also a Motor excess of loss reinsurance contract in Romania covering losses in excess of €600k.

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% - 10% for motor Romania insurance. • Current reinsurance structure applied	Decrease in overall SCR ratio by 20% to 30% 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 although they can have a major effect on the company mainly as regards liquidity and the operations. For this reason, it maintains XOL reinsurance agreements in Motor that reduce the exposure of the Company in Greece to €1 million per event and in Romania to €600k. In property the Company maintains a quota share agreement where the exposure of the Company is capped at €375K per claim and a Catastrophe XOL agreement covering losses in excess of €250k.

Summary of outcomes from risk register

Similar to insurance risk, the Company's reinsurance policy limits exposure to the effects of a catastrophic event.

Any risk arises from the timing mismatch of claims repayment and recovering finance from the reinsurer is low as the Company maintains a large amount of cash reserves to meet claims from such an event as they fall due.

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. The company monitors the frequency and the effects of natural phenomena in Greece and Cyprus, mainly storms, hails and floods, and provides the management with detailed analysis on the location, frequency and loss ratios and evaluates any patterns in order to adjust the premium where necessary.

In Romania, the Company offers only TPL covers and therefore any losses arising from a catastrophic event would be minimal.

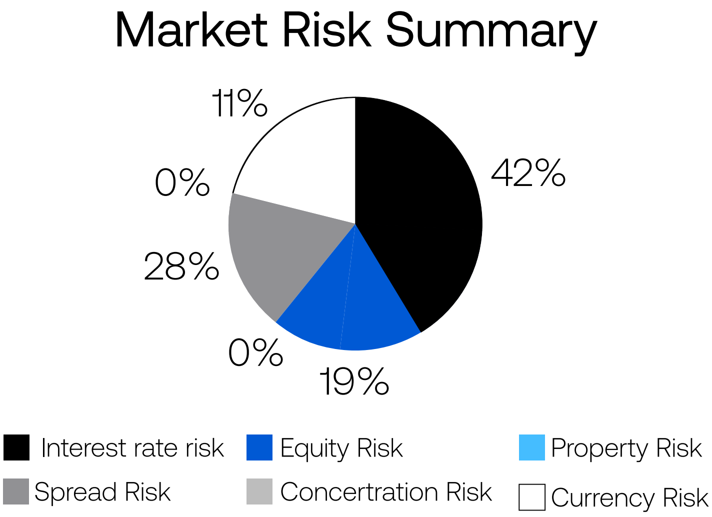
3.2

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 12% of the total SCR (before diversification).

Interest Rate 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.

3.3

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.

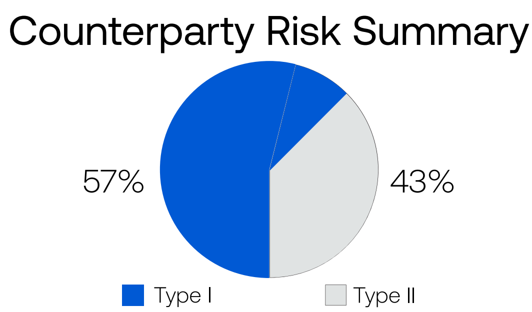
Due to its move away from the direct-to-consumer business model where it receives all premium in advance for the whole period of the insurance contracts, the Company's exposure to type 2 receivables has increased over the last years. As at the date of this report, the majority of the exposure comes from 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 2024 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.

3.4
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.

3.5
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 2024	Risk rating 2023
IT & cybersecurity	Medium	7.0	6.8
Social media risk	Medium	4	6
Human Resources	Low	6	4
Key man risk & Staff turnover	Medium	6	6
Health and Safety	Low	6	4
Physical assets	Medium	6	6
Brand Dilution / Centralised Business Functions	Low	4	4
Business continuity	Medium	8	8
Model risk	Medium	6	6
Design and Imple-mentation of new systems/programs	Medium	6	6
Compliance risk	Medium	6.5	6.8
Overall Risk	**Medium**	**6.0**	**6.3**

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 (2023: 99.999%), better than the limit set of 98%
- The Company's website has been available 99.999% of the time (2023: 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 45% for Romania:

Country and Distribution Channel	Renewal rate YTD 31.12.2024
Motor Greece Direct	83%
Motor Greece Aggregators	74%
Motor Greece Brokers	75%
Motor Romania	47%
Property Greece	68%
Property Cyprus	85%

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 31.12.2024	Capital requirement €
SCR - Operational risk - Premiums	8,919,850
SCR - Operational risk - Provisions	5,394,830
SCR - Operational risk (maximum of the above)	8,919,850

3.6

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.

3.7

Business Rsk

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 2024	Risk rating 2023
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.

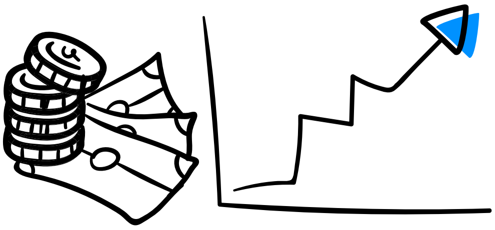
The Company has the capacity to monitor its pricing and adjust it depending on its loss ratio experience, competition and customer needs in order to remain competitive and profitable.

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.

4.

Valuation for Solvency Purposes



4.1

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 2024:

	Solvency II Balance Sheet		Financial Statements ("IFRS")	
Name of Asset	**Value - €**	**Valuation Methodology**	**Value - €**	**Valuation Methodology**
Plant and equipment	867,940	Same as IFRS	867,940	Cost less accumulated depreciation (IAS 16) Management assumes cost model to be representative of fair value as at year end.
Right-of-use assets	7,336,667	Same as IFRS - net of basis against relevant liability	7,336,667	Valued as per IFRS 16
Intangible assets	-	Valed at zero	104,218	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	1,942,135	Same as IFRS	1,942,135	As per IAS 28
Financial assets at fair value through profit or loss	130,550,848	Same as IFRS	130,550,848	Fair value (IFRS 9)
Financial assets at amortised costs	1,104,757	Same as IFRS	1,104,757	Amortised cost (IFRS 9)
Other non-financial assets	12,577,644	Same as IFRS	12,577,644	Amortised cost less impairment (IFRS 9)
Loan receivable	2,589,184	Same as IFRS	2,589,184	Amortised cost less impairment (IFRS 9)
Receivables	20,814,004	Same as IFRS	20,616,138	Amortised cost less impairment (IFRS 9)
Reinsurance contract assets	73,662,905	Cash flow basis (Best estimates)	79,589,451	Share of insurance contract liabilities - IFRS 17
Cash and cash equivalents	13,162,748	Same as IFRS	13,166,281	Fair value (IFRS 9)
Total	**267,541,270**		**273,377,701**	

4.2

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 2024:

	Gross provisions Discounted - €	Reinsurance provisions discounted - €	Net provisions discounted - €
"Third Party Liability" Cover	46,415,012	1,443,527	44,971,485
"Other" Cover	4,633,572	(65,897)	4,699,469
"Legal" Cover	343,209	2,217	340,992
Direct - Motor Insurance Total	**51,391,792**	**1,379,846**	**50,011,946**
Cyprus	85,864	53,058	32,806
Greece	701,578	399,978	301,600
Property Insurance Total	**787,442**	**453,036**	**334,406**
"Third Party Liability" Cover	8,150,914	5,380,299	2,770,615
"Other Ceded"	(3,364)	7,399	(10,764)
"Retained"	34,463	-	34,463
Brokins Insurance Total	**8,182,013**	**5,387,699**	**2,794,315**
"Third Party Liability" Cover	119,466,426	66,442,324	53,024,101
Romania Insurance Total	**119,466,426**	**66,442,324**	**53,024,101**
Total	**179,827,673**	**73,663,905**	**106,164,768**

Summary of the risk margin as at 31st December 2024:

	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	Legal expenses insurance	Total
Risk margin	4,586,090	186,964	9,243	16,014	**4,798,311**

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 a suitable loading, the historic ALAE are analysed 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 categorisation 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.

4.3

Other liabilities

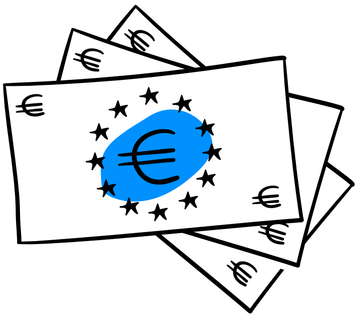
Other liabilities include short term trading balances arising from the Company's ordinary activities. These are recognised as liabilities in the Solvency II and IFRS balance sheets and are valued based on the expected value of resources required to settle the liability over the lifetime of that liability.

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 - €
Reinsurance payables	2,477,346	Same as per IFRS	-
Payables	11,546,964	Same as IFRS	8,944,333
Derivative financial liability	2,793,662	Valed at zero	2,793,662
Any other liabilities, not elsewhere shown	7,350,472	Same as IFRS	-
Lease liabilities	7,350,472	Same as IFRS	7,350,472
Employee benefit obligations	6,464	Same as IFRS	6,464
Total	**31,525,380**		**19,094,931**

5. Capital Management



5.1 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 €65,449,959 as at 31st December 2024.

Total assets according to the Solvency II valuation amounted to € 276,499,333. Cash and cash equivalents and fixed term deposits amounted to € 15,046,271.

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 €
Ordinary share capital	1,898,408	1,898,408
Share premium account related to ordinary share capital	63,874,260	74,792,752
Reconciliation reserve	(11,241,201)	(11,241,201)
Total basic own funds after adjustments	65,449,959	65,449,959

	€
Total eligible own funds to meet the SCR/ MCR	65,449,959
SCR	45,197,228
MCR	20,338,752
Ratio of Eligible own funds to SCR	145%
Ratio of Eligible own funds to MCR	322%

The Company's solvency level at 31 December 2024 was **145%.**

5.2

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	2024 Solvency Capital Requirements - €	2023 Solvency Capital Requirements - €
Interest rate risk	3,180,068	1,371,784
Equity risk	1,485,122	1,066,826
Spread risk	2,114,628	929,141
Currency Risk	823,390	1,088,518
Concentration risk	-	438,429
Diversification within Market Risk module	(1,568,522)	(1,965,520)
Total capital requirement for Market Risk	**6,034,686**	**2,929,177**
Type I	2,536,441	4,285,299
Type II	3,397,071	5,067,016
Diversification within Counterparty Risk module	(374,885)	(599,661)
Total capital requirement for Counterparty Risk	**5,558,626**	**8,752,654**
Non-Life Premium and Reserve Risk	30,717,360	16,415,758
Non-Life Lapse Risk	-	-
Non-Life Catastrophe Risk	1,315,181	1,353,971
Diversification within Non-Life Risk module	(960,281)	(963,997)
Total capital requirement for Non-Life Risk	**31,072,260**	**16,805,463**
Diversification within modules	(6,338,194)	(4,989,695)
Basic Solvency Capital Requirements	**36,277,377**	**23,497,598**
Operational Risk	**8,919,850**	**4,703,363**
Total Solvency Capital Requirements	**45,197,228**	**28,200,961**
Loss Absorbing Capacity	**-**	**-**
Net Solvency Capital Requirements	**45,197,228**	**28,200,961**
Minimum Capital Requirements	**20,338,752**	**12,498,456**
Total Own Funds	**65,449,959**	**53,490,903**
Total Tier 1 - Unrestricted	65,449,959	53,490,903
Eligible Own Funds for SCR	65,449,959	53,490,903
SCR Ratio (%)	**145**	**190**
MCR Ratio (%)	**322**	**428**

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 2024:

As at 31st December 2024:	€
SCR	45,197,228
Absolute floor of the MCR	4,000,000
Minimum Capital Requirement	20,338,752

5.3

Differences between the standard formula and any internal model used

The Company uses the standard formula.

5.4

Non-compliance

The Company was fully compliant with the Minimum Capital Requirement throughout 2024.

5.5

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.

Appendix I

Balance sheet

S.02.01.02		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	0
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	8.204.607
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	97.484.624
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	5.074.573
Equities	**R0100**	8.933
Equities - listed	**R0110**	8.933
Equities - unlisted	**R0120**	0
Bonds	**R0130**	91.287.102
Government Bonds	**R0140**	91.287.102
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	39.054.813
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	1.114.015
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**	73.662.905
Non-life and health similar to non-life	**R0280**	73.662.905
Non-life excluding health	**R0290**	73.662.905
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**	4.925.070
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	38.071.044
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**	15.046.271
Any other assets, not elsewhere shown	**R0420**	0
Total assets	**R0500**	276.449.333
Liabilities		
Technical provisions – non-life	**R0510**	184.625.984
Technical provisions – non-life (excluding health)	**R0520**	185.625.984
Technical provisions calculated as a whole	**R0530**	0
Best Estimate	**R0540**	179.827.673
Risk margin	**R0550**	4.798.311
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**	
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**	2.477.346
Payables (trade, not insurance)	**R0840**	16.545.572
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**	7.350.472
Total liabilities	**R0900**	210.999.374
Excess of assets over liabilities	**R1000**	65.449.959

Appendix II

Premiums, Claims and Expenses by Line of Business

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**

		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Premiums written									
Gross - Direct Business	R0110				213.557.370	8.748.018	0	1.247.342	22.725
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140				103.755.359	151.251	0	1.150.882	20.972
Net	R0200				109.802.011	8.596.767	0	96.460	1.753
Premiums earned									
Gross - Direct Business	R0210				175.717.770	7.080.344	0	891.296	13.912
Gross - Proportional reinsurance accepted	R0220				0	0	0	0	0
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240				85.357.756	142.194	0	915.804	14.297
Net	R0300				90.360.014	6.938.150	0	-24.508	-385
Claims incurred									
Gross - Direct Business	R0310				143.919.134	5.867.240	0	290.066	0
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340				67.222.527	-14.141	0	237.560	0
Net	R0400				76.696.607	5.881.381	0	52.506	0
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	R0550				33.629.147	3.171.285	0	237.892	4.334
Other expenses	R1200								
Total expenses	R1300								

Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)** (continued); Line of Business for: **accepted non-proportional reinsurance**

		Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written										
Gross - Direct Business	R0110	0	450.380	31.343.362	7.564					255.376.761
Gross - Proportional reinsurance accepted	R0120									0
Gross - Non-proportional reinsurance accepted	R0130									0
Reinsurers' share	R0140	0	7.441	4.043.801	7.125	0	0	0	0	109.136.831
Net	R0200	0	442.939	27.299.561	439	0	0	0	0	146.239.930
Premiums earned										
Gross - Direct Business	R0210	0	378.817	25.859.803	1.708					209.943.650
Gross - Proportional reinsurance accepted	R0220	0	0	0	0					0
Gross - Non-proportional reinsurance accepted	R0230									0
Reinsurers' share	R0240	0	7.165	3.334.394	1.827	0	0	0	0	89.773.438
Net	R0300	0	371.652	22.525.408	-119	0	0	0	0	120.170.212
Claims incurred										
Gross - Direct Business	R0310	0	502.543	0	0					150.578.983
Gross - Proportional reinsurance accepted	R0320									0
Gross - Non-proportional reinsurance accepted	R0330									0
Reinsurers' share	R0340	0	2.573	0	0	0	0	0	0	67.448.519
Net	R0400	0	499.970	0	0	0	0	0	0	83.130.464
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	R0550		159.828	11.362.427	1.443	0	0	0	0	48.566.355
Other expenses	R1200									
Total expenses	R1300									

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	C0070
	R0010							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	67.145.314	255.376.761					322.522.075
Gross - Proportional reinsurance accepted	R0120	0	0					0
Gross - Non-proportional reinsurance accepted	R0130	0	0					0
Reinsurers' share	R0140	5.725.562	109.136.831					114.862.393
Net	R0200	61.419.751	146.239.930					207.659.682
Premiums earned								0
Gross - Direct Business	R0210	56.503.391	209.943.650					266.447.041
Gross - Proportional reinsurance accepted	R0220	0	0					0
Gross - Non-proportional reinsurance accepted	R0230	0	0					0
Reinsurers' share	R0240	4.770.358	89.773.438					94.543.796
Net	R0300	51.733.033	120.170.212					171.903.245
Claims incurred								0
Gross - Direct Business	R0310	39.426.704	150.578.983					190.005.686
Gross - Proportional reinsurance accepted	R0320	0	0					0
Gross - Non-proportional reinsurance accepted	R0330	0	0					0
Reinsurers' share	R0340	1.290.703	67.448.519					68.739.222
Net	R0400	38.136.001	83.130.464					121.266.465
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	R0550	24.153.287	48.969.852					73.123.139
Other expenses	R1200							
Total expenses	R1300	24.153.287	48.969.852					73.123.139

Appendix IV

Non-life Technical Provisions

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance									Accepted non-proportional reinsurance				
		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-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010														
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	R0050														
Technical provisions calculated as a sum of BE and RM															
Best estimate															
Premium provisions															
Gross	R0060	75.189.809	2.831.274		327.367	0	0	115.655	0	0					78.464.105
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	31.437.206	-90.768		77.312	0	0	-4.911	0						31.418.838
Net Best Estimate of Premium Provisions	R0150	43.752.603	2.922.043		250.055	0	0	120.566	0						47.045.266
Claims provisions															
Gross	R0160	98.842.543	1.833.396		460.075	0	0	227.554	0	0	0	0	0	0	101.363.568
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	41.828.945	32.270		375.724	0	0	7.128	0	0	0	0	0	0	42.244.067
Net Best Estimate of Claims Provisions	R0250	57.013.599	1.801.126		84.351	0	0	220.425	0	0	0	0	0	0	59.119.501
Total Best estimate - gross	R0260	174.032.352	4.664.671	0	787.442	0	0	343.209	0	0	0	0	0	0	179.827.673
Total Best estimate - net	R0270	100.766.202	4.723.169	0	334.406	0	0	340.992	0	0	0	0	0	0	106.164.768
Risk margin	R0280	4.586.090	186.964	0	9.243	0	0	16.014	0	0	0	0	0	0	4.798.311
Amount of the transitional on Technical Provisions															
Technical Provisions calculated as a whole	R0290														
Best estimate	R0300														
Risk margin	R0310														
Technical provisions - total															
Technical provisions - total	R0320	178.618.442	4.851.635	0	796.685	0	0	359.223	0	0	0	0	0	0	184.625.984
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	73.266.150	-58.498	0	453.036	0	0	2.217	0	0	0	0	0	0	73.662.905
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	105.352.292	4.910.133	0	343.649	0	0	357.005	0	0	0	0	0	0	110.963.079

Appendix V

Non-life Insurance Claims

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Motor vehicle liability insurance

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Prior	R0100												
N-11	R0140	160.461	108.977	-12.186	1.858	0	71.197	3.510	-839	0	0	326	
N-10	R0150	929.534	-8.601	179.404	87	17.827	15.898	20.720	-404	864	-190	509	
N-9	R0160	858.048	568.252	21.602	9.904	28.274	21.655	-4.636	3.486	190	414		
N-8	R0170	1.479.736	523.231	390.967	269.856	36.758	173.735	25.305	19.664	12.211			
N-7	R0180	1.828.284	852.306	628.573	93.390	8.705	146.995	185.672	158.180				
N-6	R0190	2.295.131	798.231	505.950	408.042	160.003	119.690	182.164					
N-5	R0200	3.021.541	1.672.425	797.072	345.834	347.229	197.855						
N-4	R0210	4.730.417	2.246.318	947.978	1.170.310	1.901.522							
N-3	R0220	5.500.752	3.352.660	1.104.077	1.004.582								
N-2	R0230	7.116.754	3.734.329	825.975									
N-1	R0240	28.439.473	19.113.647										
N	R0250	62.412.303											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0140	0	333304,47
	R0150	509	1.155.648
	R0160	414	1.507.189
	R0170	12.211	2.931.464
	R0180	158.180	3.902.106
	R0190	182.164	4.469.212
	R0200	197.855	6.381.958
	R0210	1.901.522	10.996.545
	R0220	1.004.582	10.962.072
	R0230	825.975	11.677.058
	R0240	19.113.647	47.553.120
	R0250	62.412.303	62.412.303
Total	R0260	85.809.363	164.281.978

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Prior	R0100												
N-11	R0140	0	0	0	0	0	0	0	0	0	0	0	
N-10	R0150	0	0	0	0	0	0	0	0	0	0	0	
N-9	R0160	0	0	0	0	0	0	3.255	0	0	0		
N-8	R0170	22.892	0	11.719	0	0	0	0	0	0			
N-7	R0180	248.971	0	0	0	0	0	0	0				
N-6	R0190	16.811	0	0	0	0	0	0					
N-5	R0200	774.169	0	5.280	397	0	3.653						
N-4	R0210	3.474.975	107.584	24.812	0	0							
N-3	R0220	4.079.651	70.019	29.949	74.222								
N-2	R0230	7.733.817	98.170	27.378									
N-1	R0240	18.696.787	4.645.280										
N	R0250	70.426.919											

		Year end (discounted data)
		C0360
	R0100	
	R0140	0
	R0150	0
	R0160	3.255
	R0170	34.611
	R0180	248.971
	R0190	16.811
	R0200	783.499
	R0210	3.607.371
	R0220	4.253.842
	R0230	7.859.365
	R0240	23.342.067
	R0250	70.426.919
Total	R0260	110.576.711

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Other motor insurance

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Prior	R0100												
N-12	R0130	0	422										
N-11	R0140	133.466	45.079	0	0	-1.674	0	0	0	0	0	0	0
N-10	R0150	253.212	106.632	0	0	0	1.402	500	0	0	0	0	
N-9	R0160	438.999	123.999	1.709	1.700	-942	0	0	0	0	0		
N-8	R0170	845.875	189.867	-1.480	250	1.100	558	0	0	0			
N-7	R0180	755.169	194.592	5.185	3.003	0	-1.938	0	-503				
N-6	R0190	1.258.862	165.707	13.237	2.041	-3.465	1.044	0					
N-5	R0200	2.041.118	600.661	31.338	27.699	913	2.040						
N-4	R0210	1.925.937	490.013	14.788	-3.330	21.090							
N-3	R0220	1.897.107	476.826	8.130	-30.405								
N-2	R0230	2.398.587	716.855	10.703									
N-1	R0240	3.254.703	618.961										
N	R0250	4.017.389											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0130	422	422
	R0140	176.871	176.871
	R0150	361.746	361.746
	R0160	565.465	565.465
	R0170	1.036.169	1.036.169
	R0180	955.509	955.509
	R0190	1.437.426	1.437.426
	R0200	2.703.770	2.703.770
	R0210	2.448.498	2.448.498
	R0220	2.351.657	2.351.657
	R0230	3.126.145	3.126.145
	R0240	3.873.664	3.873.664
	R0250	4.017.389	4.017.389
Total	R0260	23.054.731	23.054.731

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Prior	R0100												
N-12	R0130	0	0	0	0	0	0	0	0	0	0	0	0
N-11	R0140	0	0	0	0	0	0	0	0	0	0	0	0
N-10	R0150	0	0	0	0	0	0	0	0	0	0	0	
N-9	R0160	0	0	0	0	0	0	0	0	0	0		
N-8	R0170	0	0	0	0	0	0	0	0	0			
N-7	R0180	0	0	0	0	0	0	0	0				
N-6	R0190	5.560	0	0	0	0	0	0					
N-5	R0200	7.839	0	0	0	0	0						
N-4	R0210	34.150	0	0	0	0							
N-3	R0220	17.122	0	0	0								
N-2	R0230	33.612	0	0									
N-1	R0240	192.427	1.408										
N	R0250	1.569.489											

		Year end (discounted data)
		C0360
	R0100	
	R0130	0
	R0140	0
	R0150	0
	R0160	0
	R0170	0
	R0180	0
	R0190	5.560
	R0200	7.839
	R0210	34.150
	R0220	17.122
	R0230	33.612
	R0240	193.836
	R0250	1.569.489
Total	R0260	1.861.608

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Legal expenses insurance

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Prior	R0100												
N-11	R0140	0	0	0	211,96	0	43,4	0	0	0	0	0	0
N-10	R0150	0	0	0	0	0	0	0	-1.000	0	0	0	
N-9	R0160	0	968	966	2.005	738	362	-714	0	-700	150		
N-8	R0170	9.324	23.401	17.953	9.399	4.440	-12	2.164	-350	403			
N-7	R0180	12.287	35.555	8.529	598	2.423	3.880	-3.301	95				
N-6	R0190	16.731	35.945	7.574	711	4.058	4.631	-162					
N-5	R0200	25.314	30.085	3.564	9.055	11.338	3.917						
N-4	R0210	33.593	30.414	11.494	8.349	7.347							
N-3	R0220	23.958	38.194	20.598	9.819								
N-2	R0230	57.191	67.004	43.826									
N-1	R0240	72.702	90.736										
N	R0250	57.600											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0140		255
	R0150	0	-1.000
	R0160	150	3.776
	R0170	403	66.722
	R0180	95	60.065
	R0190	-162	69.488
	R0200	3.917	83.273
	R0210	7.347	91.197
	R0220	9.819	92.569
	R0230	43.826	168.021
	R0240	90.736	163.438
	R0250	57.600	57.600
Total	R0260	213.731	855.404

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	
Prior	R0100													R0100
N-11	R0140	0	0	0	0	0	0	0	0	0	0	0		R0140
N-10	R0150	0	0	0	0	0	0	0	0	0	0	0		R0150
N-9	R0160	0	0	0	0	0	0	0	0	0	0			R0160
N-8	R0170	0	0	0	0	0	0	0	0	0				R0170
N-7	R0180	761	0	0	0	0	0	0	0					R0180
N-6	R0190	2.106	0	0	0	0	0	0						R0190
N-5	R0200	8.234	0	0	0	0	0							R0200
N-4	R0210	7.959	0	0	0	0								R0210
N-3	R0220	9.556	0	0	0									R0220
N-2	R0230	33.711	1.209	0										R0230
N-1	R0240	74.288	400											R0240
N	R0250	95.397												R0250
													Total	R0260

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Fire and other damage to property insurance

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120
Prior	R0100												
N-11	R0140	0	0	0	0	0	0	0	0	0	0	0	
N-10	R0150	0	0	0	0	0	0	0	0	0	0	0	
N-9	R0160	0	0	0	0	0	0	0	0	0	0		
N-8	R0170	0	0	0	0	0	0	0	0	0			
N-7	R0180	0	0	0	0	0	0	0	0				
N-6	R0190	1421,71	3670,43	0	0	0	0	0					
N-5	R0200	9.727	4.758	0	1.972	0	0						
N-4	R0210	12.090	7.056	2.475	0	0							
N-3	R0220	250.291	5.610	1.545	136								
N-2	R0230	31.082	1.050	0									
N-1	R0240	63.037	28.039										
N	R0250	95.476											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0140		
	R0150	0	
	R0160	0	0
	R0170	0	0
	R0180	0	0
	R0190	0	5.092
	R0200	0	16.457
	R0210	0	21.621
	R0220	136	257.582
	R0230	0	32.132
	R0240	28.039	91.075
	R0250	95.476	95.476
Total	R0260	123.651	519.435

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		01		23		45		67		89		10	11	
		C0010C	0020	C0030C	0040	C0050C	0060	C0070C	0080	C0090C	0100	C0110	C0120	
PriorR	0100													R0100
N-11	R0140	00000000000												R0140
N-10	R0150	00000000000												R0150
N-9R	0160	000000000									0			R0160
N-8R	0170	000000000												R0170
N-7R	0180	00000000												R0180
N-6R	0190	000000						0						R0190
N-5R	0200	000000												R0200
N-4R	0210	1.2520		00		0								R0210
N-3R	0220	0000												R0220
N-2R	0230	32.048	1.2520											R0230
N-1R	0240	92.637	626											R0240
NR	0250	337.376												R0250
													TotalR	0260

Appendix VI

Own Funds

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
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)	**R0010**	1.898.408	1.898.408			
Share premium account related to ordinary share capital	**R0030**	74.792.752	74.792.752			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	-11.241.201	-11.241.201			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
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	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	65.449.959	65.449.959			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	65.449.959	65.449.959			
Total available own funds to meet the MCR	**R0510**	65.449.959	65.449.959			
Total eligible own funds to meet the SCR	**R0540**	65.449.959	65.449.959			
Total eligible own funds to meet the MCR	**R0550**	65.449.959	65.449.959			
SCR	**R0580**	45.197.228				
MCR	**R0600**	20.338.752				
Ratio of Eligible own funds to SCR	**R0620**	144,81%				
Ratio of Eligible own funds to MCR	**R0640**	321,80%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	65.449.959	
Own shares (held directly and indirectly)	**R0710**	0	
Foreseeable dividends, distributions and charges	**R0720**	0	
Other basic own fund items	**R0730**	76.691.159	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0	
Reconciliation reserve	**R0760**	-11.241.201	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**		
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**		
Total Expected profits included in future premiums (EPIFP)	**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

		Gross solvency capital requirement
		C0110
Market risk	**R0010**	6.034.686
Counterparty default risk	**R0020**	5.558.626
Life underwriting risk	**R0030**	0
Health underwriting risk	**R0040**	0
Non-life underwriting risk	**R0050**	31.072.260
Diversification	**R0060**	-6.388.194
Intangible asset risk	**R0070**	0
Basic Solvency Capital Requirement	**R0100**	36.277.377

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	8.919.850
Loss-absorbing capacity of technical provisions	**R0140**	0
Loss-absorbing capacity of deferred taxes	**R0150**	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	0
Solvency Capital Requirement excluding capital add-on	**R0200**	45.197.228
Capital add-on already set	**R0210**	0
Solvency capital requirement	**R0220**	45.197.228
Other information on SCR		-
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**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**	22.312.674

		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**	100.766.202	109.799.925
Other motor insurance and proportional reinsurance	**R0060**	4.723.169	8.595.146
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	0	0
Fire and other damage to property insurance and proportional reinsurance	**R0080**	334.406	96.385
General liability insurance and proportional reinsurance	**R0090**	0	1.759
Credit and suretyship insurance and proportional reinsurance	**R0100**	0	0
Legal expenses insurance and proportional reinsurance	**R0110**	340.992	442.964
Assistance and proportional reinsurance	**R0120**	0	27.303.311
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	0	440
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**	22.312.674
SCR	**R0310**	45.197.228
MCR cap	**R0320**	20.338.752
MCR floor	**R0330**	11.299.307
Combined MCR	**R0340**	20.338.752
Absolute floor of the MCR	**R0350**	4.000.000
		C0070
Minimum Capital Requirement	**R0400**	20.338.752

Appendix IX

Independent Auditor's Report

KPMG

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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)2023/895 of 4 April 2023, of HD INSURANCE PLC (the "Company"), prepared as at 31 December 2024:

- 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", as attached.

In our opinion, the information in the relevant QRTs of the Solvency and Financial Condition Report as at 31 December 2024 is prepared, in all material respects, in accordance with the Insurance and Reinsurance Services and other Related Issues Law of 2016, the Commission Delegated Regulation (EU) 2015/35, 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").

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KPMG

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' Code of Ethics for Professional Accountants (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
- System of governance
- Risk profile
- Valuation for solvency purposes
- Capital management

QRTs (contained in Annex I to Commission Implementing Regulation (EU)2023/895 of 4 April 2023:

- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- 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

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

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

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

7 April 2025