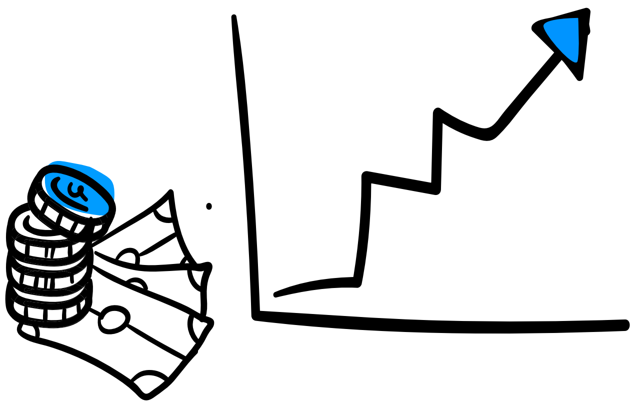
Hellas Direct®

SFCR

Solvency and Financial Condition Report



Year ended 31 December 2023

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Executive Summary

HD Insurance Limited ("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 sells insurance direct to the customer through its website and customer service centre located in Athens. In April 2019 the Company commenced the distribution of insurance policies through insurance intermediaries.

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

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

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

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

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

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

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

Material changes to business and performance

During 2023, gross written premiums grew by 264% year on year with the growth driven by the excellent performance of the Romanian branch. The Company closed the year with a portfolio of 247,806 cars in Greece and 431,357 cars in Romania, representing net portfolio growth of 114%. The loss ratio for the year increased from 54% to 64%. Loss ratios have begun ticking upwards across all channels, reflecting no lockdowns in 2023, and the effect of price softening. Average claims frequency in 2023 was 8.3% compared to 7.9% in 2022.

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.

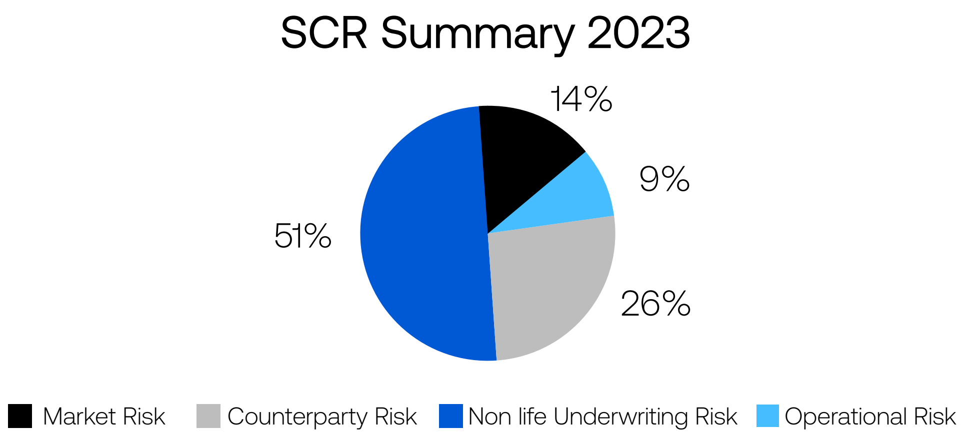
No material changes have occurred during 2023 regarding the system of governance other than the implementation of various structural and procedural enhancements.

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 2023 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 2023 is estimated at €28.2m and is covered by €53.5m of eligible own funds resulting in a Solvency coverage ratio of 190%.

	Total €	Tier 1 - unrestricted €
Ordinary share capital	1,786,448	1,786,448
Share premium account related to ordinary share capital	63,874,260	63,874,260
Reconciliation reserve	-12,169,805	-12,169,805
Total basic own funds after adjustments	53,490,903	53,490,903

	€
Total eligible own funds to meet the SCR/ MCR	53,490,903
SCR	28,800,961
MCR	12,498,456
Ratio of Eligible own funds to SCR	**190%**
Ratio of Eligible own funds to MCR	**428%**

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.

Operational readiness and possible implications due to economic crisis (war in Ukraine, the Middle East and Covid-19).

Despite continuing uncertainty across Europe generated by the ongoing war in Ukraine, the lingering impact of the Covid-19 pandemic and the start of conflict in the Middle East, Greece's economic recovery remained robust in 2023, with economic output up 2.4% compared to 2022, driven by strong tourist arrivals and increased domestic demand. The outlook for 2024 is for accelerated growth, with the government's final budget predicting economic output up 2.9%, partly bolstered by the expected receipt of EU funds and increased foreign direct investment following its recent elevation to investment grade status. Economic conditions in Romania have weakened, with preliminary estimates suggesting that real GDP growth declined to 1.9% in 2023. Forecasts for 2024 are more positive, however, with major infrastructure spending expected to support activity while exports recover due to better international conditions and falling inflation. Cyprus's economy is estimated to have grown by 2.2% in 2023, spurred by domestic demand, strong private consumption, growing employment, and rising wages. The construction sector is buoyed by government incentives and foreign investment, while tourism has rebounded from both the pandemic and the impacts of geopolitical tensions, although there has been a negative effect on the export of services. Looking ahead, the economy is expected to continue growing by 2.6% in 2024.

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 higher cost of fuel is expected to reduce the usage of personal vehicles even further, with a resulting reduction in claims frequencies and hence loss ratios. Conversely, there is a risk that if fuel costs rise above a certain level, consumers will opt for public transport, potentially giving up their cars with a knock-on impact on the Company's sales.

Global supply chain pressures have resulted in shortages of vehicle spare parts and hence an increase in the cost of repairs. The effect is most strongly felt in newer cars, with values over EUR7K, and hence has a relatively limited impact on the Company's portfolio.

An ongoing decline in the number of large bodily injuries claims has been noted over the last five years, as a result of safer driving following various government initiatives.
Affordability is expected to continue to be a big issue for consumers over the next few years. The Company's lower-cost products ensure that it is well positioned to attract customers wanting to make savings wherever possible as a result of the cost of living crisis.

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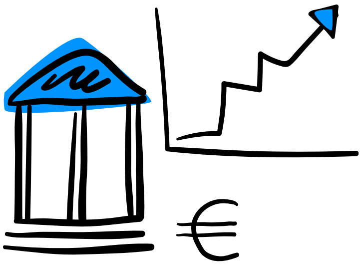
1.

Business and Performance



1.1

Business

HD Insurance Limited is a Cyprus incorporated and regulated non-life insurance undertaking. The Company is a private limited liability company. The Company has one wholly-owned subsidiary, HD 360 Limited, whose principal activity is software development and data analysis.
In January 2019, HD 360 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:

Pangratios Vanezis, Partner
KPMG LTD
Esperidon 14, CY1087 Nicosia, Cyprus
pangratios.vanezis@kpmg.com.cy
Tel +357 22209000

The entities holding more than 10% of the company's share capital as at 31 December 2023 are detailed below:

Name	% Holding	Description
Portag 3 Ventures II Investments L.P.	15.87%	Institutional investor, Canada
Moulton Goodies Limited	11.4%	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

	2023(€)	2022(€)	2021 (€)
Gross Written Premium	42,438,954	37,605,451	31,723,281
Net earned premium	37,465,234	25,266,308	16,301,044
Net claims incurred	(25,605,268)	(15,843,225)	(8,117,856)
Underwriting profit	11,859,966	9,423,083	8,183,189

Motor Romania

	2023 (€)	2022 (€)
Gross Written Premium	111,500,369	4,540,732
Net earned premium	24,356,608	182,244
Net claims incurred	(14,186,312)	(151,361)
Underwriting profit	10,170,296	30,883

Property (Greece and Cyprus)

2023	Total (€)	greece (€)	cyprus (€)
GWP	626,982	545,010	81,971
Net earned premium	12,193	17,329	(5,136)
2022	**Total (€)**	**greece (€)**	**cyprus (€)**
GWP	339,477	265,483	73,994
Net earned premium	80,143	83,216	(3,073)

The Company grew its top line revenue in the property line of business by 85% compared to 2022. The property portfolio is too small to draw meaningful conclusions regarding loss ratios.

1.3

Investment Performance

During 2022, the company commenced the implementation of its investment strategy and this continued during 2023.
The allocation of the cash and investment portfolio as at 31st December 2023 was as follows:

	2023 (€)
Cash at bank (current accounts and term deposits)	38,531,076
Investment in bonds and mutual funds	1,585,845
Investment in money market funds and treasury bills	50,709,551
Investment in shares	6,506

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

	2023 (€)	2022 (€)
Interest income	690,576	44,194
Interest expense	(10,465)	(6,108)
Fair value gains/(losses)	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.

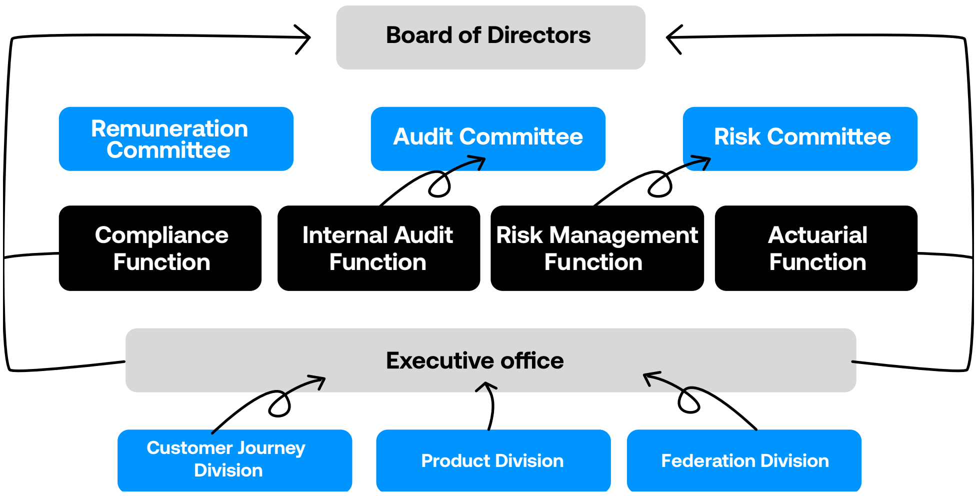
2.

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 2023 were as follows:

- Adam Felesky (Chairman)
- Hélène Falchier (Non-executive Director)
- Jeremy Downward (Non-executive Director)
- Sofia Maroudia (Independent Non-executive Director)
- Emilios Markou (Executive Director)
- Alexis Pantazis (Executive Director)
- Xanthos Vrachas (Independent Non-executive Director)
- Nicky Goulimis (Independent Non-executive Director)
- Levan Shalamberidze (Non-executive Director)
- Werner Robert Genieser (appointed 18th January 2024)

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 Mrs Hélène Falchier and comprises all the Company's 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 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
- the Company requires Board approval to enter into any agreements which are outside the

Company's normal course of business or in excess of the limits/in relation to reserved matters defined in the Shareholder and Noteholder Agreement and Articles of Association

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.

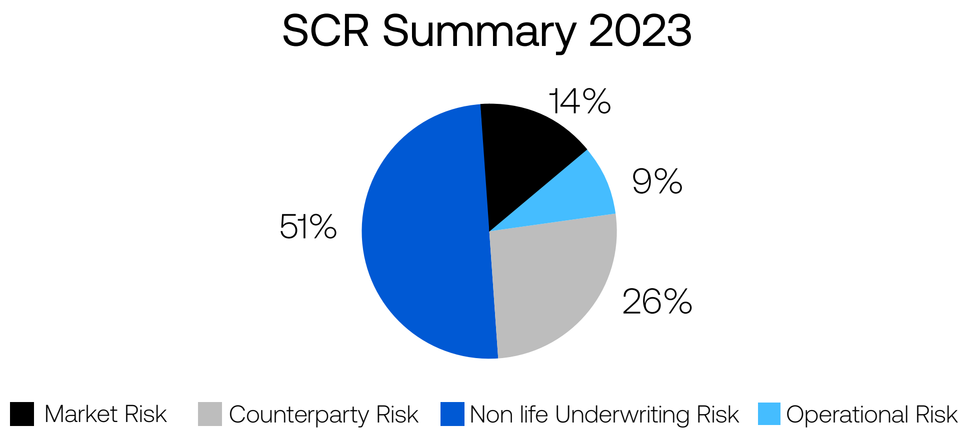
Communication with regulatory authorities & other external stakeholders
The decision to outsource one of the Company’s critical functions, or changes in any outsourcing arrangements, must be notified to the supervisory authorities in a timely manner (which is defined as at least 6 weeks in advance of 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 2023 was as follows:



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

The risk categories and their ratings are summarised below:

Risk category per SII	Specific risks included within the category	Overall risk rating level	Risk rating 2023	Risk rating 2022
Market Risk	Investments, interest rate & currency risk	Medium	5.6	4.8
Concentration risk	Concentration in individual exposure	Medium	5.0	6.0
Credit risk	Counterparty default, subsidiary default, uncollectable claims recoverables	Medium	8.8	9.3
Insurance risk	Underwriting risk: policy violation, pricing & competition, renewal rates, reinsurance, loss ratios, fraudulent claims	Medium	8.2	7.4

Risk category per SII	Specific risks included within the category	Overall risk rating level	Risk rating 2023	Risk rating 2022
Insurance risk	Catastrophe risk	**Medium**	8.0	4.0
Liquidity risk	Liquidity risk	**Low**	6.0	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	6.4
Political risk	Political, geopolitical and economic risk, capital controls effect	**Medium**	6.5	8
Overall risk rating		**Medium**	**6.9**	**6.8**

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.

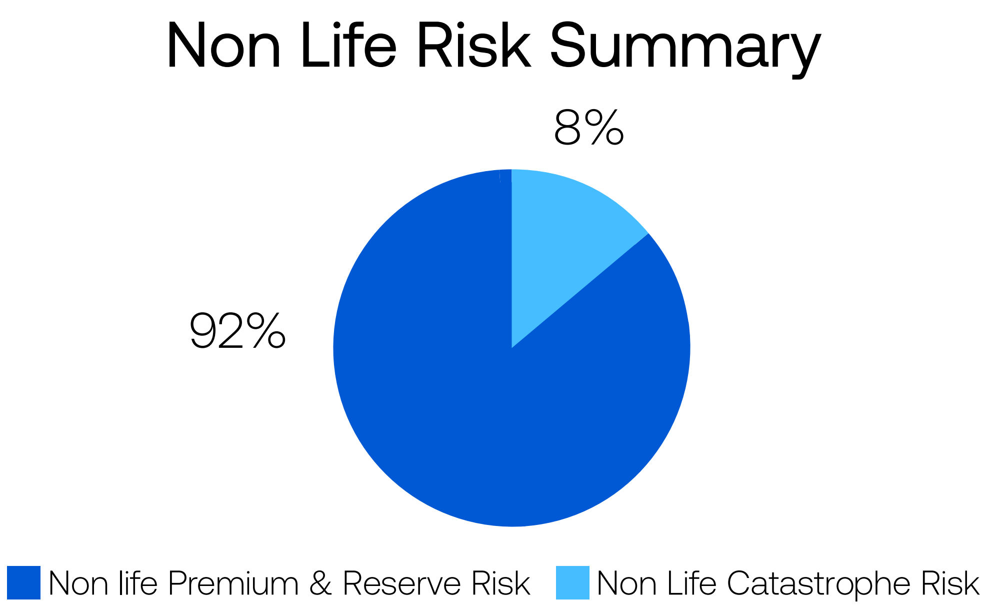
Non-life underwriting risk also includes the risk resulting from uncertainty included in assumptions about exercise of policyholder options like renewal or termination options.

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

Risk category	Risk level	Risk rating 2023	Risk rating 2022
Policy violation	Low	6	4
Pricing & competition	Medium	8	6
Policy lapses	Medium	6	6
Reinsurance	Medium	8	8
Loss ratios	High	12	10
Reserving	High	12	9
Fraudulent claims	Medium	8	9
Large claims	Medium	8	12
Ageing of Claims	Medium	6	6
Catastrophic natural phenomena	Low	8	4
Overall risk rating	**Medium**	**8.2**	**7.4**

Non-Life Underwriting risk represents 51% 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 2023 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 Replacement	Accidental Damages	
Excess	Theft	
Total Loss	Earth Movement	
Side-view mirrors	Rent Loss	

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

Property Insurance - Quota share reinsurance: A quota share treaty is in place with Swiss Reinsurance Company Limited (100% of the treaty) ceding 85% of all premiums and claims, with the exception of legal claims, home assistance and personal accident. Expenses are shared in the same proportion.

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.

Greece Motor Insurance (direct/aggregators) [in run-off]: Quota share reinsurance: Since 1 July 2019 and for policies written up to 30 June 2021, a quota share treaty was in place with Swiss Reinsurance Company Limited (100% of the treaty) ceding 50% of all premiums and claims, except for Personal Accident and Legal Protection for which reinsurance ceding 37.5% and the exemption of Accident Care and Road Assistance with no ceding. From 1 July 2021, the quota share treaty was not renewed for all covers of HD motor insurance and this (and the previous 50% quota share with Munich Re) is now in run-off.

Romania Motor Insurance - Quota share reinsurance: the underwriting of the Romanian branch, which commenced in November 2022, is covered by a 60% Quota Share treaty with Munich Re.

Non - Proportional Reinsurance Treaties

HD Motor Insurance Greece - Excess of loss reinsurance: An excess of loss treaty is in place with Swiss Re, Munich Re, Hannover Re, Liberty Mutual and QBE Reinsurance. 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: An excess of loss treaty is in place with Swiss Re, Munich Re and Hannover Re. This treaty covers losses in excess of €600K for any one event.

Property Insurance – Excess of loss reinsurance: For any policies underwritten after 1st of November 2021, a catastrophe excess of loss treaty is in place with Munich Re for any losses over €100,000 up to €1 million on the net retention (i.e., €900,000 insurance layer).

The Company uses reinsurance to protect against claims volatility. Each class of business has its own reinsurance treaty and facultative reinsurance is used if a risk falls outside the reinsurance treaties and the Company's risk appetite. A detailed analysis is undertaken on an annual basis to assess the most appropriate reinsurance structure in accordance to the business, capital and risk strategies of the Company. The Actuarial function issues an opinion on the reinsurance arrangements on an annual basis. The credit rating and the financial position of the key reinsurance counterparties are reviewed on a quarterly basis so that corrective action is taken in the event of deterioration in their financial quality.

Management understanding of the risk profile
The Company's management continuously monitors its risk exposure in the following ways:

Direct digital portfolio

- All policies are purchased direct by the consumer over the internet, which means that detailed information regarding the vehicles and drivers insured are available for management information and monitoring purposes in real time at the touch of a button

- The Company has a Strategic Intelligence Unit which has developed a Business Intelligence system which can be used to track developments in the market, to monitor loss ratios and to update risk factors etc.
- Detailed claims data is kept by the Company and all claims in excess of €20K are reviewed on a case-by-case basis by the Executive Directors and the claims firm committee.
- Monthly claims reporting data is summarised 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.

Brokins MGA portfolio (in run-off)

- All covers with the exception of Accident Care, Road Assistance, Car Replacement and other ancillary covers are reinsured with Munich Re. Ceding rates on the Quota Share treaty are as follows: UY1 – 90%, UY2 – 85%, UY3 – 70%, UY4 – 70%. The Company's liability is limited to €1m per event and in aggregate under the quota share treaty.
- For any amounts in excess of €1m, the Company is party to an Excess of Loss treaty for the period to 31.12.2021. The Excess of Loss treaty is backed by four Reinsurance Companies where Swiss Re participates at 50% and Hannover Re, Liberty Mutual and QBE Europe covers the remaining 50% participation in the treaty.
- The Company is entitled to reinsurance commissions of between 25% and 30% (depending on cover and underwriting year) calculated on the original gross premiums ceded.
- Accident Care and Road Assistance are fully reinsured with Intersallonika (Mapfre until 30.06.2022). A fixed fee is paid per policy according to the type of the vehicle insured and Intersallonika assumes the entire risk of claims in this category.
- As of 1st November 2021, the Company is underwriting Legal Protection insurance in relation to the Brokins distribution channel: this was previously underwritten by Arag. Loss ratios for this cover are very low so management expects this to improve the overall loss ratio for this distribution channel.

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.

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 – Digital Portfolio

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 €5,761.

As at 31.12.2023, 241,516 cars (2022: 220,524) were insured in 1,400 different postcodes in Greece (2022: 1,363) and the highest concentration of risk in any one postcode was 0.86% in Chania, Crete (2022: 0.90% in Kerkira, Ionian Islands).

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 31.12.2023 2.92% of insured drivers were aged 30 & under (31.12.2022: 2.2%).

The Company's systems are updated with databases providing information on the technical characteristics of cars or details about the location of properties. The information is automatically retrieved at the time of the purchase of a policy, preventing customers from entering wrong information regarding the cars or the properties to be insured. 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 – Brokins MGA Portfolio

The average sum insured per vehicle is currently €4,697 for cars, €1,833 for taxi and €3,776 for trucks (2022: €4,543 for cars, €532 for taxi and €3,462 for trucks).

As at 31.12.2023, 6,290 cars were insured (31.12.2022: 96,609) in 942 different postcodes (31.12.2022: 1,121) and the highest concentration of risk in any one postcode was 11.91% in Thessaloniki, Central Macedonia (31.12.2022: 4.3% in Rhodes).

As of 31.12.2023, 3.19% of insured drivers were aged 30 & under (31.12.2022: 3.10%).

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.

Comparison with risk appetite

As mentioned in the Executive Summary, the risks taken by the Company are extensively reinsured. Due to this, the Company's maximum exposure per motor claim from direct motor insurance policies commencing up to 30/06/2021, is capped at €500K, with the exception of losses due to terrorism, or to natural phenomena >€4m, which are excluded from the Company's reinsurance programme. For direct insurance policies commencing from 01/07/2021 onwards the maximum exposure per motor claim is capped at €1 million due to the termination of the quota share arrangement.

The property portfolio is also well reinsured, with the Company's maximum exposure per claim capped at €225,000 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 €20 million. The

Company is also exposed if its losses in relation to terrorism claims exceed €3 million per event and per year. In addition to the quota share reinsurance agreement the Company has in place a Property Catastrophe Excess of Loss Program with Munich Re in order to minimise the retained risk arising from Catastrophic events. The limit of this agreement is €900k in excess of €100K for any ultimate loss or series of losses arising out of one event. The maximum exposure per claim cannot exceed €225,000 for the reinsured covers. The Company retains only 15% of the losses incurred on the reinsured covers with Swiss Re covering the remaining 85% of all losses.

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

CAT 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 exposure to catastrophe risk is hence very low, consistent with the Company's aversion to such risks.

The covers offered by the Company to its clients are fully aligned with its reinsurance cover, with the exception of terrorism and losses due to natural phenomena with a value of >€4m. In the Property line of business, reinsurance limits for natural phenomena are €20m per event and €3m per event and per annum for terrorism. Management decided to continue to offer these covers, as the probability of catastrophic loss arising from such events is considered to be low.

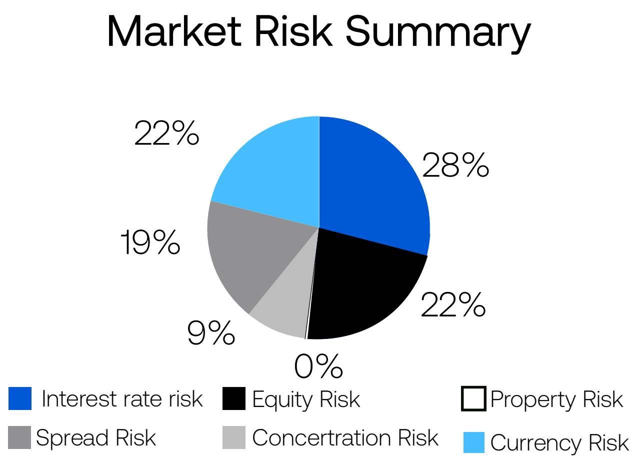
3.2

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 9% of the total SCR (before diversification).

Interest Rate Risk



Interest rate risk exists for all assets and liabilities which are sensitive to changes in the term structure of interest rates or interest rate volatility. The Company is only exposed to reinsurance recoverable amounts arising from the best estimates of technical provisions.

Equity Risk
Equity risk arises from the level or volatility of market prices for equities. Exposure to equity risk refers to all assets and liabilities whose value is sensitive to changes in equity prices. The Company's exposure to equity risk is mainly relating to three strategic participations in associated companies.

Spread Risk
Spread risk results from the sensitivity of the value 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. The Company's exposure to spread risk is relating to its exposure in fixed term deposits and bond securities.

Concentration Risk
The scope of the concentration risk sub-module extends to assets considered in the equity, spread risk and property risk sub-modules, and excludes assets covered by the counterparty default risk module in order to avoid any overlap between both elements of the standard calculation of the SCR. Exposure to concentration risk increased in 2023 compared to 2022 due to the implementation of the investment strategy during the last quarter of the year.

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

The Credit Risk (counterparty default risk) module reflects possible losses due to unexpected default of the counterparties and debtors of undertakings over the forthcoming twelve months.
The scope of the counterparty default risk module includes risk-mitigating contracts, such as reinsurance arrangements and receivables from intermediaries, as well as any other credit exposures which are not covered in the spread risk sub-module.

Exposures included in the Counterparty default module are analyses as follows:

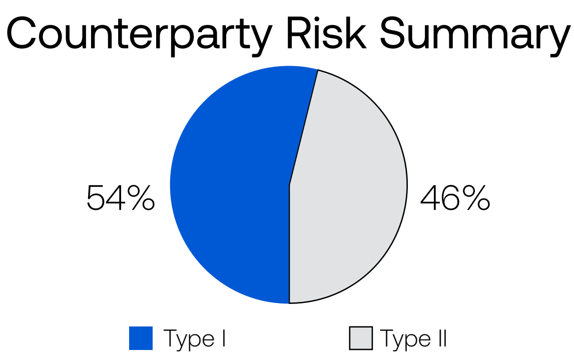
- Type 1 exposures which include cash deposits at bank and reinsurance recoverable balances.
- Type 2 exposures which include the exposures which are usually diversified and where the counterparty is likely to be unrated.

The Company is exposed to a low level of credit risk due to the fact that the majority of its counterparties (banks and reinsurers) have excellent credit ratings.
The Company has committed to holding the majority of its assets in banks rated A by international rating agencies and which hence have a low probability of default.

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

Due to its direct to consumer business model and the fact that it receives all premium in advance for the whole period of the insurance contracts (for the direct and aggregator channels), the Company's exposure to type 2 receivables comes mainly from claims recoverables, intercompany balances due from its subsidiaries, HD 360 and Rescue Line and premium receivables from its brokerage partners.

The summary of the Counterparty risk as at 31 December 2023 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 14%	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

Due to the fact that the Company's assets are all held in highly creditworthy banks and money market instruments, 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.

As at the year end, the majority of the Company's assets were held as instant access cash accounts and money market instruments with the remainder being fixed assets for use in the business and working capital balances such as prepayments, deposits and amounts due from reinsurers.

3.5
Operational Risk

The Company has some sources of operational risk as detailed below.

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

Risk category	Risk level	Risk rating 2023	Risk rating 2022
IT & cybersecurity	Medium	6.8	8
Social media risk	Medium	6	6
Human Resources	Low	4	4
Key man risk & Staff turnover	Medium	6	6
Health and Safety	Low	4	4
Physical assets	Low	6	6
Brand Dilution / Centralised Business Functions	Medium	4	4
Business continuity	Medium	8	6
Model risk	Low	6	6
Design and Imple-mentation of new systems/programs	Medium	6	6
Compliance risk	Medium	6.8	6.6
Overall Risk	**Medium**	**6.3**	**6.4**

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 (2022: 99.999%), better than the limit set of 98%
- The Company's website has been available 99.999% of the time (2022: 99.999%), better than the limit set of 98%
- The current customer retention rate is 77% (2022: 76%), better than the limit set of 75%. The customer retention rate of digital motor reached 86%, the overall retention is affected though by the lower rates coming from Aggregator and Brokerage sales.

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 31.12.2023	Capital requirement €
SCR - Operational risk - Premiums	4,703,363
SCR - Operational risk - Provisions	2,730,196
SCR - Operational risk (maximum of the above)	4,703,363

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

Business Risk comprises the following sub-categories:

Risk category	Risk level	Risk rating 2023	Risk rating 2022
Strategic Risk	Medium	8	8
Competitive Risk	Medium	8	8
SCR / Available Capital Risk	Medium	8	8
Overall Risk Level	**Medium**	**8**	**8**

"Competitive risk" is the risk of the Company not earning the targeted market share from its competitors in the direct motor insurance market segment; "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 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. 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. This ensured that the Company's solvency coverage ratio remains at comfortable levels.

"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.

Despite the challenges of the pandemic and the economic fall-out from the conflicts in Ukraine and latterly the Middle East, the Company has achieved significant growth in 2023, due to the rapid growth of its Romanian branch. Loss ratios rose in Greece as a result of inflationary pressures but remained benign overall due to low loss ratios in Romania.

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's market share in Greece is estimated at around 5%, up from 4.1% in 2022, despite a flat market, indicating that the Company is gaining market share from incumbents. HD is now a top 7 player in the Greek insurance market, with an estimated 13% market share of online. Over 80% of the Greek market remains offline, however, and one of the Company's key goals for 2024 is to grow its presence in the offline channel. In Romania the company has achieved rapid growth and currently has a market share estimated at just over 5%.

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

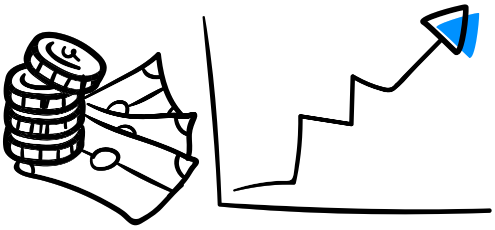
Comparison with risk appetite

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, thus removing the requirement for the insurance company to support the cashflow needs of its subsidiary.

This risk has been reviewed in more detail in the stress tests performed for the purposes of the ORSA as follows:

Scenario	Description/ Assumptions	Impact	Conclusions
• Yearly motor premium growth is lower relative to the 3-year budget	• Yearly premium growth is 13%, 22% and 28% lower compared to 3-year budgeted period	• Decrease in overall SCR ratio by maximum 2% over the budgeted period	•Review and reassessment of the pricing model and policies •Control over overhead and capital expenditure

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 2023:

	Solvency II Balance Sheet		Financial Statements ("IFRS")	
Name of Asset	**Value - €**	**Valuation Methodology**	**Value - €**	**Valuation Methodology**
Plant and equipment	120,206	Same as IFRS	120,206	Cost less accumulated depreciation (IAS 16) Management assumes cost model to be representative of fair value as at year end.
Right-of-use assets	439,263	Same as IFRS - net of basis against relevant liability	521,011	Valued as per IFRS 16
Intangible assets	0	Valed at zero	29,845	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	1,760,571	Same as IFRS	1,760,571	As per IAS 28
Financial assets at fair value through profit or loss	52,522,930	Same as IFRS	52,522,930	Fair value (IFRS 9)
Financial assets at amortised costs	3,212,260	Same as IFRS	3,212,260	Amortised cost (IFRS 9)
Other non-financial assets	15,631,173	Same as IFRS	15,631,173	Fair value (IFRS 9)
Loan receivable	1,220,403	Same as IFRS	1,220,403	Fair value (IFRS 9)
Receivables	21,134,462	Same as IFRS	11,938,804	Fair value (IFRS 9)
Reinsurance contract assets	38,143,841	Cash flow basis (Best estimates)	39,839,189	Share of insurance contract liabilities - IFRS 17
Cash and cash equivalents	36,416,591	Same as IFRS	35,318,639	Fair value (IFRS 9)
Total	**173,534,138**		**165,047,468**	

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 2023:

	Gross provisions Discounted - €	Reinsurance provisions discounted - €	Net provisions discounted - €
"Third Party Liability" Cover	26,189,548	1,860,617	24,328,932
"Other" Cover	2,869,314	(32,385)	2,901,699
"Legal" Cover	228,816	4,133	224,683
Direct - Motor Insurance Total	**29,287,678**	**1,832,365**	**27,455,313**
Cyprus	63,662	47,697	15,965
Greece	513,420	397,919	115,501
Property Insurance Total	**577,082**	**445,616**	**131,466**
"Third Party Liability" Cover	9,237,722	6,514,943	2,722,779
"Other Ceded"	95,210	65,404	29,806
"Retained"	88,671	0	88,671
Brokins Insurance Total	**9,421,603**	**6,580,347**	**2,841,256**
"Third Party Liability" Cover	49,628,515	28,054,410	21,574,106
Romania Insurance Total	**51,720,159**	**29,285,513**	**22,434,647**
Total	**91,006,523**	**38,143,841**	**52,862,682**

Summary of the risk margin as at 31st December 2023:

	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	Legal expenses insurance	Total
Risk margin	2,440,565	187,594	10,836	31,888	**2,670,883**

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 as 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

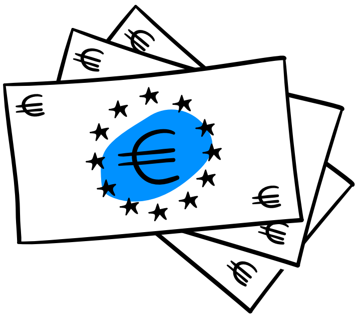
Other liabilities include short term trading balances arising from the Company's ordinary activities. These are recognised as liabilities in the Solvency II and IFRS balance sheets and are valued based on the expected value of resources required to settle the liability over the lifetime of that liability.
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	11,048,115	Same as per IFRS	0
Payables	11,546,964	Same as IFRS	10,296,207
Derivative financial liability	2,793,662	Valed at zero	2,793,662
Any other liabilities, not elsewhere shown	445,676		0
Lease liabilities	527,424	Same as IFRS	527,424
Employee benefit obligations	3,989	Same as IFRS	3,989
Total	**26,365,830**		**13,621,282**

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 €28,200,961 as at 31st December 2023.

Total assets according to the Solvency II valuation amounted to € 173,534,137. Cash and cash equivalents and fixed term deposits amounted to € 36,416,591.

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	1,786,448	1,786,448
Share premium account related to ordinary share capital	63,874,260	63,874,260
Reconciliation reserve	-12,169,805	-12,169,805
Total basic own funds after adjustments	53,490,903	53,490,903

	€
Total eligible own funds to meet the SCR/ MCR	53,490,903
SCR	28,800,961
MCR	12,498,456
Ratio of Eligible own funds to SCR	190%
Ratio of Eligible own funds to MCR	428%

The Company's solvency level at 31 December 2023 was **190%.**

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.

Risk Type	2023 Solvency Capital Requirements - €	2022 Solvency Capital Requirements - €
Interest rate risk	1,371,784	587,107
Equity risk	1,066,826	738,154
Spread risk	929,141	544,127
Currency Risk	1,088,518	627,112
Concentration risk	438,429	965,103
Diversification within Market Risk module	-1,965,520	-1,538,333
Total capital requirement for Market Risk	**2,929,177**	**1,923,269**
Type I	4,285,299	2,615,093
Type II	5,067,016	3,178,082
Diversification within Counterparty Risk module	-599,661	-370,502
Total capital requirement for Counterparty Risk	**8,752,654**	**5,422,674**
Non-Life Premium and Reserve Risk	16,415,758	7,352,002
Non-Life Lapse Risk	-	-
Non-Life Catastrophe Risk	1,353,971	1,546,480
Diversification within Non-Life Risk module	-963,997	-1,016,325
Total capital requirement for Non-Life Risk	**16,805,463**	**7,882,157**
Diversification within modules	-4,989,695	-2,949,276
Basic Solvency Capital Requirements	**23,497,598**	**12,278,824**
Operational Risk	**4,703,363**	**1,118,311**
Total Solvency Capital Requirements	**28,200,961**	**13,397,135**
Loss Absorbing Capacity	**-**	**-**
Net Solvency Capital Requirements	**28,200,961**	**13,397,135**
Minimum Capital Requirements	**12,498,456**	**4,449,222**
Total Own Funds	**53,490,903**	**28,036,081**
Total Tier 1 - Unrestricted	53,490,903	28,036,081
Eligible Own Funds for SCR	53,490,903	28,036,081
SCR Ratio (%)	**190**	**209**
MCR Ratio (%)	**428**	**630**

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 2023:

As at 31st December 2023:	€
SCR	28,200,961
Absolute floor of the MCR	4,000,000
Minimum Capital Requirement	12,498,456

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 2023.

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

Annex I
S.02.01.02
Balance sheet

		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**	559.469
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	60.808.315
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	4.874.639
Equities	**R0100**	6.506
Equities - listed	**R0110**	6.506
Equities - unlisted	**R0120**	0
Bonds	**R0130**	38.733.124
Government Bonds	**R0140**	38.733.124
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	13.562.272
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	3.631.774
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**	38.143.841
Non-life and health similar to non-life	**R0280**	38.143.841
Non-life excluding health	**R0290**	38.143.841
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**	5.220.061
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	32.385.860
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**	36.416.591
Any other assets, not elsewhere shown	**R0420**	0
Total assets	**R0500**	173.534.138
Liabilities		
Technical provisions – non-life	**R0510**	93.677.405
Technical provisions – non-life (excluding health)	**R0520**	93.677.405
Technical provisions calculated as a whole	**R0530**	0
Best Estimate	**R0540**	91.006.523
Risk margin	**R0550**	2.670.883
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**	11.048.115
Payables (trade, not insurance)	**R0840**	14.872.039
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**	445.676
Total liabilities	**R0900**	120.043.235
Excess of assets over liabilities	**R1000**	53.490.902

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)**												Line of Business for: **accepted non-proportional reinsurance**				Total
		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	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**				128.799.682	5.012.849	0	598.154	11.038	0	352.033	19.787.003	5.546					154.566.304
Gross - Proportional reinsurance accepted	**R0120**																	0
Gross - Non-proportional reinsurance accepted	**R0130**																	0
Reinsurers' share	**R0140**				63.295.449	116.620	0	603.253	11.135	0	6.456	2.365.368	5.686	0	0	0	0	66.403.966
Net	**R0200**				65.504.233	4.896.229	0	-5.099	-97	0	345.577	17.421.636	-140	0	0	0	0	88.162.338
Premiums earned																		
Gross - Direct Business	**R0210**				78.386.475	5.331.556	0	441.719	7.245	0	597.350	17.366.601	1.521					102.132.468
Gross - Proportional reinsurance accepted	**R0220**																	0
Gross - Non-proportional reinsurance accepted	**R0230**																	0
Reinsurers' share	**R0240**				37.461.114	685.894	0	438.314	7.188	0	153.606	2.158.515	1.648	0	0	0	0	40.906.279
Net	**R0300**				40.925.361	4.645.662	0	3.405	57	0	443.745	15.208.086	-128	0	0	0	0	61.226.189
Claims incurred																		
Gross - Direct Business	**R0310**				59.607.131	4.581.697	0	264.644	0	0	778.827	0	0					65.232.299
Gross - Proportional reinsurance accepted	**R0320**																	0
Gross - Non-proportional reinsurance accepted	**R0330**																	0
Reinsurers' share	**R0340**				22.798.239	307.649	0	224.947	0	0	-590	0	0	0	0	0	0	23.330.245
Net	**R0400**				36.808.892	4.274.048	0	39.697	0	0	779.417	0	0	0	0	0	0	41.902.054
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**				20.494.412	2.189.183	0	100.631	1.857	0	150.450	8.641.267	933	0	0	0	0	31.578.733
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	42.983.964	111.582.340					154.566.304
Gross - Proportional reinsurance accepted	R0120	0	0					0
Gross - Non-proportional reinsurance accepted	R0130	0	0					0
Reinsurers' share	R0140	3.428.722	62.975.244					66.403.966
Net	R0200	39.555.242	48.607.096					88.162.338
Premiums earned								0
Gross - Direct Business	R0210	42.269.156	59.863.311					102.132.468
Gross - Proportional reinsurance accepted	R0220	0	0					0
Gross - Non-proportional reinsurance accepted	R0230	0	0					0
Reinsurers' share	R0240	5.394.439	35.511.840					40.906.279
Net	R0300	36.874.717	24.351.471					61.226.189
Claims incurred								0
Gross - Direct Business	R0310	31.145.761	34.086.538					65.232.299
Gross - Proportional reinsurance accepted	R0320	0	0					0
Gross - Non-proportional reinsurance accepted	R0330	0	0					0
Reinsurers' share	R0340	3.435.066	19.895.179					23.330.245
Net	R0400	27.710.695	14.191.359					41.902.054
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	18.639.179	13.193.425					31.832.604
Other expenses	R1200							
Total expenses	R1300	18.639.179	13.193.425					31.832.604

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**	42.365.399	1.828.538	0	216.260	0	0	80.439	0	0					44.490.636
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	18.576.846	-59.920	0	142.892	0	0	-3.363	0						18.656.455
Net Best Estimate of Premium Provisions	**R0150**	23.788.553	1.888.457	0	73.369	0	0	83.802	0						25.834.181
Claims provisions															
Gross	**R0160**	44.782.031	1.224.657	0	360.822	0	0	148.378	0	0	0	0	0	0	46.515.887
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	19.084.227	92.939	0	302.724	0	0	7.496	0	0	0	0	0	0	19.487.386
Net Best Estimate of Claims Provisions	**R0250**	25.697.804	1.131.718	0	58.097	0	0	140.882	0	0	0	0	0	0	27.028.501
Total Best estimate - gross	**R0260**	87.147.430	3.053.195	0	577.082	0	0	228.816	0	0	0	0	0	0	91.006.523
Total Best estimate - net	**R0270**	49.486.357	3.020.176	0	131.466	0	0	224.683	0	0	0	0	0	0	52.862.682
Risk margin	**R0280**	2.440.565	187.594	0	10.836	0	0	31.888	0	0	0	0	0	0	2.670.883
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**	89.587.994	3.240.789	0	587.918	0	0	260.705	0	0	0	0	0	0	93.677.405
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	37.661.073	33.019	0	445.616	0	0	4.133	0	0	0	0	0	0	38.143.841
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	51.926.921	3.207.770	0	142.301	0	0	256.572	0	0	0	0	0	0	55.533.564

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	0	0	0	0	0	0	0	0	0	0	0	
N-10	R0150	160.461	108.977	-12.186	1.858	0	71.197	3.510	-839	0	0	326	
N-9	R0160	929.534	-8.601	179.404	87	17.827	15.898	20.720	-404	864	-190		
N-8	R0170	858.048	568.252	21.602	9.904	28.274	21.655	-4.636	3.486	190			
N-7	R0180	1.479.736	523.231	390.967	269.856	36.758	173.735	25.305	19.664				
N-6	R0190	1.828.284	852.306	628.573	93.390	8.705	146.995	185.672					
N-5	R0200	2.295.131	798.231	505.950	408.042	160.003	119.690						
N-4	R0210	3.021.541	1.672.425	797.072	345.834	347.229							
N-3	R0220	4.730.417	2.246.318	947.978	1.170.310								
N-2	R0230	5.500.752	3.352.660	1.104.077									
N-1	R0240	7.116.754	3.734.329										
N	R0250	28.439.473											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0140		
	R0150	326	333.304
	R0160	-190	1.155.139
	R0170	190	1.506.775
	R0180	19.664	2.919.252
	R0190	185.672	3.743.926
	R0200	119.690	4.287.048
	R0210	347.229	6.184.102
	R0220	1.170.310	9.095.023
	R0230	1.104.077	9.957.489
	R0240	3.734.329	10.851.083
	R0250	28.439.473	28.439.473
Total	R0260	35.120.772	78.472.615

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	2.883	0	0	0		
N-8	R0170	0	0	0	0	0	0	0	0	0			
N-7	R0180	16.905	0	10.378	0	0	0	0	0				
N-6	R0190	293.224	0	0	0	0	0	0					
N-5	R0200	198.655	0	0	0	0	0						
N-4	R0210	805.946	10.794	4.676	37.956	0							
N-3	R0220	4.123.832	118.395	22.781	0								
N-2	R0230	4.411.841	76.005	35.979									
N-1	R0240	7.408.762	93.141										
N	R0250	30.407.344											

		Year end (discounted data)
		C0360
	R0100	
	R0140	0
	R0150	0
	R0160	2.685
	R0170	0
	R0180	25.413
	R0190	273.114
	R0200	185.031
	R0210	800.433
	R0220	3.972.498
	R0230	4.213.564
	R0240	6.987.395
	R0250	28.321.898
Total	R0260	44.782.030

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-11	R0140	0	422	0	0	0	0	0	0	0	0	0	0
N-10	R0150	133.466	45.079	0	0	-1.674	0	0	0	0	0	0	
N-9	R0160	253.212	106.632	0	0	0	1.402	500	0	0	0		
N-8	R0170	438.999	123.999	1.709	1.700	-942	0	0	0	0			
N-7	R0180	845.875	189.867	-1.480	250	1.100	558	0	0				
N-6	R0190	755.169	194.592	5.185	3.003	0	-1.938	0					
N-5	R0200	1.258.862	165.707	13.237	2.041	-3.465	1.044						
N-4	R0210	2.041.118	600.661	31.338	27.699	913							
N-3	R0220	1.925.937	490.013	14.788	-3.330								
N-2	R0230	1.897.107	476.826	8.130									
N-1	R0240	2.398.587	716.855										
N	R0250	3.254.703											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0140	422	422
	R0150	176.871	176.871
	R0160	361.746	361.746
	R0170	565.465	565.465
	R0180	1.036.170	1.036.170
	R0190	956.011	956.011
	R0200	1.437.426	1.437.426
	R0210	2.701.729	2.701.729
	R0220	2.427.408	2.427.408
	R0230	2.382.063	2.382.063
	R0240	3.115.442	3.115.442
	R0250	3.254.703	3.254.703
Total	R0260	18.415.456	18.415.456

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	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	0	0	0	0	0	0	0					
N-5	R0200	5.912	0	0	0	0	0						
N-4	R0210	8.291	0	0	0	0							
N-3	R0220	53.595	0	0	0								
N-2	R0230	17.513	0	0									
N-1	R0240	98.299	0										
N	R0250	978.339											

		Year end (discounted data)
		C0360
	R0100	
	R0140	
	R0150	
	R0160	0
	R0170	0
	R0180	0
	R0190	0
	R0200	5.788
	R0210	8.118
	R0220	52.474
	R0230	17.147
	R0240	96.244
	R0250	957.886
Total	R0260	1.137.658

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	0	0	0	0	0	0	0	0	0
N-10	R0150	0	0	0	212	0	43	0	0	0	0	0	
N-9	R0160	0	0	0	0	0	0	0	-1.000	0	0		
N-8	R0170	0	968	966	2.005	738	362	-714	0	-700			
N-7	R0180	9.324	23.401	17.953	9.399	4.440	-12	2.164	-350				
N-6	R0190	12.287	35.555	8.529	598	2.423	3.880	-3.301					
N-5	R0200	16.731	35.945	7.574	711	4.058	4.631						
N-4	R0210	25.314	30.085	3.564	9.055	11.338							
N-3	R0220	33.593	30.414	11.494	8.349								
N-2	R0230	23.958	38.194	20.598									
N-1	R0240	57.191	67.004										
N	R0250	72.702											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0140		0
	R0150	0	255
	R0160	0	-1.000
	R0170	-700	3.625
	R0180	-350	66.319
	R0190	-3.301	59.971
	R0200	4.631	69.650
	R0210	11.338	79.356
	R0220	8.349	83.850
	R0230	20.598	82.750
	R0240	67.004	124.195
	R0250	72.702	72.702
Total	R0260	180.271	641.673

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	0	0	0	0		
N-8	R0170	0	0	0	0	0	0	0	0	0			
N-7	R0180	379	0	0	0	0	0	0	0				
N-6	R0190	1.280	0	95	0	0	0	0					
N-5	R0200	2.379	0	0	0	0	0						
N-4	R0210	9.935	142	0	0	0							
N-3	R0220	11.308	0	0	0								
N-2	R0230	19.213	0	0									
N-1	R0240	83.763	1.517										
N	R0250	112.304											

	R0100
	R0140
	R0150
	R0160
	R0170
	R0180
	R0190
	R0200
	R0210
	R0220
	R0230
	R0240
	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	0	0	0	0	0	0	0					
N-5	R0200	1.422	3.670	0	0	0	0						
N-4	R0210	9.727	2.368	1.972	0	0							
N-3	R0220	14.824	6.797	0	0								
N-2	R0230	269.035	6.117	2.045									
N-1	R0240	31.082	1.050										
N	R0250	66.178											

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0140		
	R0150	0	
	R0160	0	0
	R0170	0	0
	R0180	0	0
	R0190	0	0
	R0200	0	5.092
	R0210	0	14.067
	R0220	0	21.621
	R0230	2.045	277.196
	R0240	1.050	32.132
	R0250	66.178	66.178
Total	R0260	69.272	416.285

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	1.786.448	1.786.448			
Share premium account related to ordinary share capital	R0030	63.874.260	63.874.260			
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	-12.169.805	-12.169.805			
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	53.490.903	53.490.903			
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	53.490.903	53.490.903			
Total available own funds to meet the MCR	R0510	53.490.903	53.490.903			
Total eligible own funds to meet the SCR	R0540	53.490.903	53.490.903			
Total eligible own funds to meet the MCR	R0550	53.490.903	53.490.903			
SCR	R0580	28.200.961				
MCR	R0600	12.498.456				
Ratio of Eligible own funds to SCR	R0620	189,68%				
Ratio of Eligible own funds to MCR	R0640	427,98%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	53.490.903	
Own shares (held directly and indirectly)	R0710	0	
Foreseeable dividends, distributions and charges	R0720	0	
Other basic own fund items	R0730	65.660.708	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0	
Reconciliation reserve	R0760	-12.169.805	
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	USP	Simplifications
		C0110	**C0090**	**C0100**
Market risk	**R0010**	2.929.177		
Counterparty default risk	**R0020**	8.752.654		
Life underwriting risk	**R0030**	0		
Health underwriting risk	**R0040**	0		
Non-life underwriting risk	**R0050**	16.805.463		
Diversification	**R0060**	-4.989.695		
Intangible asset risk	**R0070**	0		
Basic Solvency Capital Requirement	**R0100**	23.497.598		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	4.703.363
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/E	**R0160**	0
Solvency Capital Requirement excluding capital add-on	**R0200**	28.200.961
Capital add-on already set	**R0210**	0
Solvency capital requirement	**R0220**	28.200.961
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	12.498.456

		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	49.486.357	65.504.233
Other motor insurance and proportional reinsurance	R0060	3.020.176	4.896.229
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	131.466	-5.099
General liability insurance and proportional reinsurance	R0090	0	-97
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	224.683	345.577
Assistance and proportional reinsurance	R0120	0	17.421.636
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	-140
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	12.498.456
SCR	R0310	28.200.961
MCR cap	R0320	12.690.432
MCR floor	R0330	7.050.240
Combined MCR	R0340	12.498.456
Absolute floor of the MCR	R0350	4.000.000
		C0070
Minimum Capital Requirement	R0400	12.498.456

Appendix IX
Independent Auditor’s Report

KPMG Limited
Chartered Accountants
14 Esperidon Street, 1087 Nicosia, Cyprus
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T: +357 22 209000, F: +357 22 678200

INDEPENDENT AUDITOR'S REPORT TO

THE BOARD OF DIRECTORS OF HD Insurance Limited

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

Opinion

We have audited the following Solvency II Quantitative Reporting Templates ("QRTs") contained in Annex I to Commission Implementing Regulation (EU) No 2015/2452 of 2 December 2015, of HD Insurance Limited (the "Company"), prepared as at 31 December 2023:

- S.02.01.01 - 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
- S.28.02.01 -Minimum Capital Requirement - Both life and only non-life insurance 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 2023 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").

Limassol
P.O. Box 50161, 3601

Larnaca
P.O. Box 40075, 6300

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) No 2015/2452 of 2 December 2015):

- 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 is a material misstatement of this Other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Solvency and Financial Condition Report

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

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

In preparing the Solvency and Financial Condition Report, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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

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

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

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

- Evaluate the appropriateness of the basis of preparation used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- 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

24 April 2024

Hellas
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