wefox Insurance AG

Annual Report 2024

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Vaduz, Liechtenstein

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Management Report

2024 has been an important year for wefox Insurance AG with a major change in its strategic target landscape. Wefox Group communicated in June 2024 that Insurance would no longer be part of the group's core business. As a result of this decision one key focus of wefox Insurance AG business activities in 2024 was the preparation and execution of disposal of selected portfolios and markets that were not in line with the company's future risk appetite anymore and a full sale of the insurance company.

The year in summary developed as follows:

- Gross Written Premiums increased in 2024 vs. 2023 (+9%) despite activities to withdraw from non-core products and markets.
- Our Short-Term Absence product in Switzerland remains the major contributor of premiums for wefox Insurance AG and with premiums doubling vs. previous year.
- In Germany, the e-bike product was discontinued as the end of August as result of the strategic reorientation of the insurance company.
- In Poland, the focus was on increasing profitability over volume, which led to a reduction in GWP of EUR 7 million versus 2023.
- Overall loss ratio improvements from 79% to 70%

The top line growth is the result of the following actions and events:

- Short-Term Absence premiums more than doubled in 2024 in Switzerland with EUR 241 million vs. 113 million, being by far the strongest product and remaining in the center of the strategic focus. wefox Insurance AG launched the Short-Term Absence group daily sickness insurance at the end of 2021 in cooperation with an external partner. Short-Term Absence is a well-established and FINMA-regulated B2B insurance product in Switzerland which allows companies to cover the cost of employee salaries during sick leaves.
- E-bike business in Germany showed a negative premium of EUR –23 million vs. 42m million 2023. The negative premium amount is driven by the cancellation of unearned premiums of the multiyear contracts as a consequence of the decision to discontinue the business at the end of August 2024.
- Business in Poland decreased from EUR 48 million to 41 million. This reduction is a consequence of the focus on more profitable business, which was achieved through continuous price increases and a more selective underwriting approach. Furthermore, the decision was taken to sell the Polish book of business at the end of 2024. The transaction was successfully closed on March 28th 2025.
- The runoff-books, which consist of the businesses not in focus anymore in Germany, Italy and Switzerland, reduced their premiums to EUR –0.3 million from EUR 34 million. The sale of these products was stopped in the previous year already. The negative premium is due to cancellations of active contracts.

wefox Insurance recorded operating expenses of EUR 23 million in 2024, a decrease of 27% vs. 2023. Commission expenses grew by 11% to EUR 19 million, while personnel expenses decreased by 7% to EUR 5 million and expenses for shared services decreased by 79% to EUR 1 million.

The costs for insurance claims increased to EUR 152 million in 2024 vs. EUR 130 million, which is reflective of the substantial increase in business volume. In 2024, wefox Insurance AG was not exposed to material claims from natural catastrophes.

As a result, wefox Insurance AG recorded a loss of EUR 25 million for the financial year 2024.

2024 was a key year for the company. While the focus of operations at the beginning of the year was on optimizing the existing business and to further increase efficiency and reduce costs, the parent company's decision to no longer consider the insurance company as part of the core business changed the focus to actively restructuring the entire insurance business. The termination of the German e-bike business was the first step; in parallel, the sale of the Polish book and the transfer of the remaining legacy risks were driven forward to prepare for the sale of the company. The results of this transformation will become visible as early as the second half of 2025, when the carrier will be operating with the focused offering under a new ownership structure.

Vaduz, 07.04.2025

wefox Insurance AG

Chairman of the Board of Directors	Chief Executive Officer
Dr. Alexander Ospelt	Peter Huber

Balance sheet

In EUR thousand		Notes	31.12.2024	31.12.2023
Assets				
A.	**Intangible assets**			
IV.	Other intangible assets	1)	827	1.521
Total intangible assets			**827**	**1.521**
B.	**Investments**			
III.	Other investments	2)	78	272
Total investments			**78**	**272**
D.	**Other accounts receivable**			
I.	Accounts receivable from direct insurance business			
	1. from policyholders			
	a) from affiliated companies		8.265	42.666
	c) from other policyholders		119.597	92.853
	Total amount	3)	127.862	135.519
II.	Accounts receivable on reinsurance business		50.357	13.226
III.	Other accounts receivable			
	a) from affiliated companies		393	1.047
	c) from other debtors		35	66
	Total amount	4)	428	1.112
E.	**Other assets**			
I.	Tangible assets (excluding land and buildings) and inventories	1)	3	4
II.	Cash at bank and in hand	5)	30.606	35.044
IV.	Other assets	6)	14	1
Total other assets			**30.623**	**35.049**
F.	**Prepayments and accrued income**			
III.	Other prepayments and accrued income	7)	11.967	10.782
Total prepayments and accrued income			**11.967**	**10.782**
Total assets			**222.141**	**197.481**

In EUR thousand		Notes	31.12.2024	31.12.2023
Capital, reserves and liabilities				
A.	**Capital and reserves**			
I.	Called-up capital		5.550	5.550
II.	Organisation fund		12.850	12.850
III.	Capital reserves		127.349	95.169
V.	Profit or loss brought forward		-99.178	-63.356
VI.	Profit or loss for the financial year		-24.831	-35.822
Total capital and reserves		8)	**21.739**	**14.390**
D.	**Technical provisions**	9)		
I.	Premiums brought forward			
	1. Gross amount		24.894	54.757
	2. Thereof: Share of reinsurers		-13.716	-50.495
	Net amount		11.177	4.262
III.	Provisions for unsettled insurance claims			
	1. Gross amount		137.062	121.022
	2. Thereof: Share of reinsurers		-20.275	-25.641
	Net amount		116.787	95.381
IV.	Provision for bonuses and rebates			
	1. Gross amount		39.644	27.571
	Net amount		39.644	27.571
V.	Equalisation provision		1.731	2.027
VI.	Other technical provisions			
	1. Gross amount		0	386
	2. Thereof: Share of reinsurers		0	-308
	Net amount		0	77
Total technical provisions		9)	**169.340**	**129.317**
F.	**Other provisions**			
II.	Tax provisions		365	7.451
III.	Other provisions		196	0
Total other provisions		10)	**561**	**7.451**
H.	**Other liabilities**			
I.	Liabilities from direct insurance business	11)	5.210	1.116
II.	Accounts payable on reinsurance business		21.840	42.320
V.	Other liabilities			
	1. Tax liabilities		104	137
	2. Social security liabilities		133	221
	3. Amounts owed to affiliated undertakings		0	0
	5. Other liabilities to other creditors		48	50
	Total amount		284	409
Total other liabilities			**27.334**	**43.845**
I.	**Accruals and deferred income**	12)	**3.166**	**2.477**
Total capital, reserves and liabilities			**222.141**	**197.481**

It is hereby confirmed that the sum of EUR 169’340 thousand (previous year: EUR 129’317 thousand) shown in the balance sheet under the item for actuarial provisions has been calculated in accordance with the provisions of the Liechtenstein Insurance Supervision Ordinance (“VersAV”).

Dario Santoro, Responsible Actuary

Income statement

In EUR thousand	Notes	2024	2023
I. Underwriting result for non-life insurance			
1. Premiums earned for own account			
a) Gross premiums written		259.043	236.896
b) Ceded reinsurance premiums		-11.929	-97.739
c) Change in gross premiums carried forward		40.477	12.851
d) Change in reinsurers, share of gross premiums carried forward		-36.774	24.511
Net amount	13)	250.817	176.518
4. Charges for insurance claims for own account			
aa) Gross amount		-195.259	-143.751
bb) Share of reinsurers		64.491	60.370
Net amount		-130.768	-83.381
b) Change in provisions for unsettled insurance claims			
aa) Gross amount		-15.502	-53.090
bb) Share of reinsurers		-5.682	6.451
Net amount		-21.185	-46.639
Total amount	13)	-151.953	-130.020
5. Changes in other net technical provisions		383	9.159
6. Expenses for bonuses and rebates		-98.907	-57.807
7. Expenses for insurance operations for own account			
a) Acquisition costs		-19.198	-17.284
b) Administrative expenses		-10.827	-18.070
c) Commission received and profit-sharing on retroceded business		6.746	3.588
Total amount	14)	-23.279	-31.766
8. Other technical expenses		-307	-4.701
9. Change in equalisation provisions		296	488
Total underwriting result for non-life insurance		**-22.949**	**-38.128**
III. Ordinary activities			
1. Result of the technical account for non-life insurance		-22.949	-38.128
3. Investment income	15)	130	1.256
5. Investment expenses	16)	-1.970	-1.020
7. Other income from ordinary business activities		0	0
8. Other expenses from ordinary business activities	17)	-1.175	-13
Result from ordinary activities		**-25.965**	**-37.905**
13. Tax on profit or loss		1.133	2.083
15. Profit or loss for the financial year		**-24.831**	**-35.822**

Notes

General accounting principles

Accounting and financial reporting

The annual financial statements are prepared in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR) of 20 January 1926, as amended on 1 July 2019, as well as the Insurance Supervision Act (ISA) of 12 June 2015, as amended on 1 August 2019, and the Insurance Supervision Ordinance (ISA) of 25 August 2015.

There are no deviations from the general valuation principles, accounting methods and accounting regulations according to PGR and VersAV.

The accounts are kept in EUR.

The balance sheet date for annual financial statements is 31st of December.

Going concern

The annual report was prepared on a going concern basis. The management has considered all risks and carries out continuous monitoring. Normal management of the company takes place.

Conversion of foreign currencies

The foreign exchange rates below were used to translate foreign currencies into euros on the balance sheet date.

Exchange rates foreign currencies as of balance sheet date:

per 31.12.2023	CHF	1.0000000	EUR	1.0756157
per 31.12.2023	PLN	1.0000000	EUR	0.2302151
per 31.12.2024	CHF	1.0000000	EUR	1.0655868
per 31.12.2024	PLN	1.0000000	EUR	0.2305101

Valuation methods

Accruals are booked for claims that have occurred up to the reporting date, which represent an estimate of all future payments and claims handling costs to be made for these claims. The methods used to calculate the technical provisions are based on recognized actuarial methods and the knowledge of the specialists responsible for settling claims. Among other aspects, the experiences of the past years as well as the expectations for the future are taken into account. As a rule, chain-ladder-procedures are used. If these are not suitable in exceptional cases, other recognized procedures can also be used. The provisions are shown gross and net, i.e. before and after share of the reinsurer.

Intangible assets include development services which correspond to the services invoiced at the time of capitalization. The balance sheet item is amortised on a straight-line basis over five years. Receivables from direct insurance business are carried at nominal value. Prepaid expenses and deferred charges are carried at nominal value.

Notes to the financial statement

1) Intangible and tangible fixed assets

Intangible assets correspond to capitalized external services for software development.

	Assets				Depreciation			Balance
EUR thousand	31/12/2023	Purchases	Disposals	31/12/2024	31/12/2023	2024	31/12/2024	31/12/2024
Intangible assets								
Development expenses	4'844	37	0	4'881	-3'323	-731	-4'054	827
Total intangible assets	4'844	37	0	4'881	-3'323	-731	-4'054	**827**
Tangible assets								
Furniture	9	0	0	9	-5	-1	-6	3
Equipment and IT	8	0	0	8	-8	0	-8	0
Total tangible assets	17	0	0	17	-12	-1	-13	**3**

2) Investments

In the reporting period no loans have been granted to brokers or other counterparts. An amount of EUR 162 thousand of loans have been recovered compared to previous year and no adjustment of the outstanding nominal value compared to the previous year's allowance has been booked.

A derivative in the form of an FX forward has been concluded at year end 2023 to minimize the risk of exchange rate losses on foreign currency holdings. This hedging contract has been kept at ZKB (Zürcher Kantonalbank) during the whole year 2024 and the closing balance is EUR -18 thousand (previous year: EUR 13)

3) Accounts receivable from direct insurance business

The receivables of EUR 127.862 thousand (previous year: 135.519 EUR thousand) correspond to the outstanding premium payments of the policyholders. Of this amount, EUR 86.342 thousand (previous year: 86.184 EUR thousand) was not yet due for payment as of the reporting date.

4) Other accounts receivable

This item includes prepayments for payable claims and receivables from other debtors related to premiums already collected which have not yet been transferred to wefox Insurance AG by the payment service providers as of the reporting date.

5) Cash at bank and in hand

wefox Insurance AG maintains various relationships with commercial banks in Liechtenstein, Germany, Poland and Switzerland to conduct its business.

6) Other assets

This position includes the rental deposit for offices in Warsaw (Poland) and Vaduz (Liechtenstein).

7) Prepayments and accrued income

Prepayments and accrued income consist of prepaid consulting expenses as well as a discounted tax credit resulting from the losses of the financial years 2018 until 2024.

8) Capital and reserves

Capital and reserves changed as follows in the year under review:

EUR thousand	Called-up capital	Organisation fund	Capital reserves	Profit or loss brought forward	Total
Opening balance 01.01.2023	5.550	12.850	74.769	-63.345	29.824
Inflows / outflows			20.400		20.400
Currency adj. 2022				-11	-11
Annual results 2023				-35.822	-35.822
Balance as of 31.12.2023	5.550	12.850	95.169	-99.178	14.390
Balance per 01.01.2024	5.550	12.850	95.169	-99.178	14.390
Inflows / outflows			32.180		32.180
Currency adj. 2023					0
Annual results 2024				-24.831	-24.831
Balance as of 31.12.2024	**5.550**	**12.850**	**127.349**	**-124.009**	**21.739**

The share capital consists of EUR thousand ordinary shares with a nominal value of EUR 1 each. The subscribed capital is fully paid up.

A total of EUR 32’180 thousand was contributed to the capital reserves of wefox Insurance AG in the year under review. These break down as follows:

27.03.2024: EUR 5.750 thousand

21.05.2024: EUR 4.150 thousand

27.06.2024: EUR 3.000 thousand

05.08.2024: EUR 7.280 thousand

23.09.2024: EUR 6.500 thousand

20.12.2024: EUR 5.500 thousand

9) Technical provisions

The technical provisions consist of accruals for unearned premiums from policies sold and provisions for reported and outstanding claims, considering contractual reinsurance.

EUR thousand	31/12/2023	+ / -	31/12/2024
Premiums brought forward			
Gross amount	54’757	-29’863	24’894
Thereof: Share of reinsurers	-50’495	36’779	-13’716
Premiums brought forward, net	4’262	6’915	11’177
Provisions for unsettled insurance claims			
Gross amount	121’022	16’040	137’062
Thereof: Share of reinsurers	-25’641	5’366	-20’275
Provisions for unsettled insurance claims, net	95’381	21’406	116’787
Provision for bonuses and rebates			
Gross amount	27’571	12’073	39’644
Thereof: Share of reinsurers	0	0	0
Provision for bonuses and rebates, net	27’571	12’073	39’644
Equalisation provision	2’027	-296	1’731
Other technical provisions			
Gross amount	386	-385	0
Thereof: Share of reinsurers	-308	308	0
Other technical provisions, net	77	-77	0
Total technical provisions	**129’317**	**40’022**	**169’340**

10) Other provisions - tax provisions and other provisions

This item includes insurance and fire protection taxes payable to Germany and Switzerland in the amount of EUR 365 thousand (previous year: EUR 7’451 thousand). The bonus program for employees resulted in the amount of EUR 196 thousand (previous year: EUR 0 thousand).

11) Liabilities from direct insurance business

This item includes brokerage commissions.

12) Accruals and deferred income

During the reporting period, there was an increase in accruals and deferred income in the amount of EUR 690 thousand, primarily driven by adjustments related to ongoing obligations and contingencies associated with certain contractual arrangements.

13) Earnings per insurance class

	Property & financial loss		Liability		Car		Total	
EUR thousand	2024	2023	2024	2023	2024	2023	2024	2023
Gross written premiums	218’718	156’239	2	1’319	40’323	79’339	259’043	236’896
Gross earned premiums	248’828	156’239	23	1’319	50’670	79’339	299’520	236’896
Gross claims incurred	- 244’609	- 162’577	- 209	- 1’748	- 64’171	- 83’958	- 308’989	- 248’283
Operating expenses for own account	- 3’906	- 8’170	- 3	- 481	- 19’370	- 23’116	- 23’279	- 31’766
Reinsurance balance	2’658	- 4’361	- 318	- 124	7’458	- 3’341	9’798	- 7’826

Operating expenses for own account consist of acquisition costs as well as administration expenses and commissions and profit shares received from ceded reinsurance business. The reinsurance balance consists of ceded gross written premiums, ceded change in unearned premiums and ceded claims incurred.

Premium income broken down according to regional origin:

EUR thousand	2024	2023
Other EEA treaty states	17’679	123’571
Other states	241’364	113’326
Gross premiums written	259’043	236’896

14) Expenses for insurance operations for own account

EUR thousand	2024	2023
Personnel expenses		
Salaries	-3.820	-4.185
Pension fund contributions and other social benefits	-657	-676
Other personnel expenses	-65	-29
Total personnel expenses	**-4.542**	**-4.890**
Other Administrative expenses		
Services from affiliated companies	-1.364	-6.508
Consulting and audit	-1.047	-1.986
Rent expenses	-122	-101
Other operating expenses	-3.752	-4.585
Total administrative expenses	**-6.285**	**-13.180**
Acquisition expenses / brokerage commissions	-19.198	-17.284
Commissions received under the reinsurance program	6.746	3.588
Total operating expenses for own account	**-23.279**	**-31.766**

This item consists of the amounts of personnel expenses, administrative expenses, acquisition costs / brokerage commissions and the commission of the reinsurance program and amounts to EUR 23.279 thousand (previous year: EUR 31.766 thousand).

The auditing fees amounted to EUR 190 thousand for the year 2024.

15) Investment income

Interest payments on loans granted and fixed-term deposits are carried under this item.

16) Investment expenses

This item includes costs related to interest on bank guarantees and depreciation of insurance receivables due to bad debt. The total expenses for the year have increased by EUR 950 thousand compared to the previous year. This increase is primarily attributable to the impact of activated bank guarantees at the end of 2023, which began accruing interest in 2024, as well as the depreciation of insurance receivables in Poland.

17) Other expenses from ordinary business activities

This account includes the impact of exchange rate revaluations and other adjustments related to the company’s operations. The recorded expenses reflect fluctuations in currency values and other factors affecting financial performance during the year.

Supplementary information about the financial statements

Number of employees

At the end of the reporting period, 18 employees (previous year: 25 employees) were employed by wefox Insurance AG.

Contingent Liability

wefox Insurance AG recognises a contingent liability of up to EUR 2.0m towards CONSAP s.p.a., 00198 Roma, Italy. Insurance companies participating in the agreement between Insurers for Direct Compensation ("CARD") in Italy are required to provide a guarantee in in favour of the Clearing House owned by the Italian ministry of finance. Since 2023 this it is compulsory to participate in the CARD convention for insurance companies with an MTPL licence in Italy.

Miscellaneous statements

In the reporting year, a sponsorship of CHF 94 thousand was granted to Liechtensteiner Skiverband (LSV). Dr. Alexander Ospelt, Chairman of the Board of Directors, was involved as president of the LSV until 2023 and now as honorary member.

In the reporting year, Ospelt & Partner and Legacon rendered services for CHF 352 thousand. Dr. Alexander Ospelt, Chairman of the Board of Directors, is a Partner in this law firm and trust.

On the date of this financial statement, wefox Insurance AG secured credit letters from the following related parties. These bank guarantees are deemed eligible as Tier 2 capital for solvency purposes:

Date	Financial Institute	Amount - '000	Currency	Related Party
27/06/2023	LGT Bank AG	900	CHF	Alexander Ospelt (Chairman of BoD)
20/12/2023	LGT Bank AG	1'000	EUR	Alexander Ospelt (Chairman of BoD)
21/12/2023	Basler Kantonalbank	1'000	EUR	Jeton Topalli (form. wefox Schweiz Country Head)

Events after the Balance Sheet date

LPTA - Loss Portfolio Transfer Agreement

On January 17th 2025, wefox Insurance entered a reinsurance agreement with DARAG AG, a company which is specialised in legacy insurance solutions, primarily focusing on run-off insurance and reinsurance transactions. It provides capital relief and risk management services by acquiring and managing discontinued insurance portfolios. Under this agreement, all risks of the runoff books, who were so far not covered under a reinsurance treaty are now 100% reinsured with DARAG.

Polish Book Transfer

On March 28th 2025, wefox Insurance concluded the transfer of its entire Polish book to Direct pojišťovna, a.s. Direct is a Czech insurance company. All risks and liabilities in connection with the Polish book are handed over to the new owner, the respective reinsurance contracts were either novated or commutated

Capital Injection

On March 28th 2025, wefox Insurance AG received a capital injection of EUR 6.500 thousand to strengthen the Capital Reserves.

There are no other matters requiring disclosure (PGR, Art. 1091ff & VersAV Note 1).

Proposed appropriation of available earnings

1. At the disposal of the general assembly [1)]

EUR thousand	2024	2023
Profit/loss carried forward from the previous year	-99.178	-63.356
Result from the financial year	-24.831	-35.822
Balance sheet profit/loss as of 31.12	-124.009	-99.178

2. Appropriation of the balance sheet result [1)]

EUR thousand	2024	2023
Allocation to the statutory reserve		
Profit/loss carried forward	-124.009	-99.178
Balance sheet profit/loss as of 31.12	-124.009	-99.178

Vaduz, 07.04.2025

wefox Insurance AG

Chairman of the Board of Directors	Chief Insurance Officer
Dr. Alexander Ospelt	Peter Huber

[1)] Values 2023 updated due to an adjustment for FX effects from 2022 in the amount of EUR -11k.

wefox Insurance AG

Vaduz

Statutory auditor's report to the General Meeting
on the financial statements 2024

Statutory auditor's report

to the General Meeting of wefox Insurance AG
Vaduz

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of wefox Insurance AG (the "Company"), which comprise the balance sheet as at 31 December 2024 (excluding the confirmation statement of the responsible actuary below the balance sheet), the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policy.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance for the year then ended in accordance with Liechtenstein law.

Basis for opinion

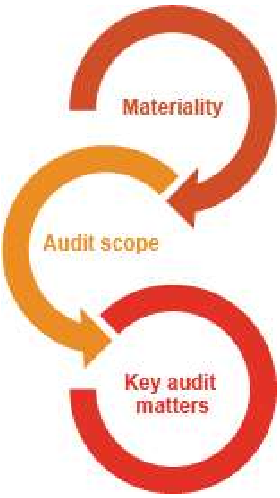
We conducted our audit in accordance with Liechtenstein law and International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the provisions of Liechtenstein law and the requirements of the audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: EUR 2'500'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As a key audit matter, the following area of focus has been identified:

- Provisions for unsettled insurance claims

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 2'500'000
Benchmark applied	Gross premiums written
Rationale for the materiality benchmark applied	We chose gross premiums written as the benchmark because, in our view, income statement metrics are relevant benchmarks in the insurance industry.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Provisions for unsettled insurance claims

Key audit matter	How our audit addressed the key audit matter
In the financial statements, the Company reports EUR 137 million gross under the "Provisions for unsettled insurance claims" balance sheet item (so called claims provisions). Insurance companies are required to recognise claims provisions to the extent necessary in accordance with reasonable business judgment to ensure that they can meet their obligations from insurance contracts on a continuous basis. Defining assumptions for the purpose of measuring claims provisions requires the Board of Directors and Management, in addition to complying with the requirements of commercial and regulatory law, to make estimates of future events and to apply appropriate measurement methods. The methods used to determine the amount of the claims provisions and the calculation parameters are based on judgments and assumptions made by the Board of Directors and Management. Minor changes to those assumptions or to the methods used may have a material impact on the measurement of the claims provisions. Due to the material significance of the amounts of these provisions for the assets, liabilities and financial performance of the Company as well as the scope for judgment on the part of the Board of Directors and Management and the associated uncertainties in the estimations made, the measurement of the claims provisions is of particular significance in the context of our audit. The measurement model of the claims provisions are detailed in the notes to the financial statements on page 8 and further details on the position are provided on page 11.	As part of our audit we have worked with our internal actuarial specialists to assess the assumptions made by the Board of Directors and Management and used by the Company. In doing so, we based our assessment on our industry expertise and experience, among other things, and considered recognised methods. Depending on the risk profile and materiality considerations, we have performed the following types of audit procedures over the actuarially determined reserves of the Company: • Independent re-projections: A detailed calculation of best estimate reserves by our actuarial specialists based on data provided by the Company. • Assessment of methods and assumptions: A detailed assessment of the appropriateness of the methods and assumptions applied by the Company to determine the level of reserving. This includes inquiry of management and may include sensitivity analysis. • Diagnostics: These procedures include inquiry of management and analytical procedures (e.g. analysis and testing of key indicators, development of reserves and claims patterns). For case reserves, we have selected samples of claims files and performed test of details over them. This includes testing the existence of the claim, review of the documentation in the claims file, adherence to reserving guidelines as well as the correct transfer of data and amounts to the accounting systems. Based on these audit procedures, we consider the models and assumptions used in the valuation of claims provisions as reasonable.

Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises that information included in the annual report, but does not include the financial statements, the management report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information in the annual report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, we have the responsibility to read the other information and to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, on the basis of our 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 financial statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Liechtenstein law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with Liechtenstein law and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

Further information pursuant to article 10 of Regulation (EU) No 537/2014

We were elected as statutory auditor by the General Meeting on 28 March 2024. We have been the statutory auditor of the Company without interruption since the financial year ending 31 December 2018.

We declare that the audit opinions contained in this statutory auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of Regulation (EU) No 537/2014.

We have provided the following services, which were not disclosed in the financial statements or in the management report, in addition to the statutory audit for the audited company:

- Regulatory audit according to the Liechtenstein insurance regulation

Further, we declare that no prohibited non-audit services pursuant to article 5 in accordance with article 10 para. 2 lit. f Regulation (EU) No. 537/2014 were provided.

Further confirmations according to article 196 PGR and article 54 para. 3 VersAV

The accompanying management report has been prepared in accordance with the applicable legal requirements, is consistent with the financial statements and, in our opinion, based on the knowledge obtained in the audit of the financial statements and our understanding of the Company and its environment does not contain any material misstatements.

We further confirm that the financial statements and the proposed appropriation of available earnings comply with Liechtenstein law, the articles of incorporation and the regulatory requirements. We recommend that the accompanying financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Michael Stämpfli	Christian Konopka
Liechtenstein Certified Public Accountant Auditor in charge	

Zurich, 7 April 2025

Enclosures:

- Management report
- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of available earnings