

PROTECTING WHAT MATTERS MOST.

SFCR

Solvency and Financial Condition Report
as of 31 December 2025

GRAWE Insurance Company (Cyprus) Ltd

Table of contents

- Summary..... 4
- A. BUSINESS AND PERFORMANCE..... 7**
 - A.1 Business 7
 - A.2 Underwriting performance10
 - A.3 Investment performance.....13
 - A.4 Performance of other activities15
 - A.5 Any other information15
- B. SYSTEM OF GOVERNANCE.....16**
 - B.1 General information on the system of governance16
 - B.2 Fit and proper requirements22
 - B.3 Risk management system24
 - B.4 Internal control system30
 - B.5 Internal Audit function.....32
 - B.6 Actuarial function.....33
 - B.7 Outsourcing.....33
 - B.8 Any other information34
- C. RISK PROFILE.....35**
 - C.1 Underwriting risk36
 - C.2 Market risk40
 - C.3 Credit risk.....42
 - C.4 Liquidity risk43
 - C.5 Operational risk44
 - C.6 Any other information45
- D. VALUATION FOR SOLVENCY PURPOSES47**
 - D.1 Assets50
 - D.2 Technical provisions.....53
 - D.3 Other liabilities.....58
 - D.4 Alternative methods of valuation.....60
 - D.5 Any other information60
- E. CAPITAL MANAGEMENT.....61**
 - E.1 Own funds.....61
 - E.2 SCR and MCR64
 - E.3 Use of the duration-based equity-risk sub-module in the calculation of the SCR66
 - E.4 Differences between the standard formula and any internal models used66
 - E.5 Non-compliance with the MCR and SCR.....66
 - E.6 Any other information66

List of abbreviations68
Annex69
Glossary79
Independent Auditor’s Report80

Note regarding figures and rounding:

In general, figures are presented as per thousand. Hence rounding errors are possible. Unless specified differently, calculations are based on data as per balance sheet date 31 December 2025.

Summary

GRAWE Insurance Company (Cyprus) Limited (hereafter “GRAWE Cyprus” or the “Company”) is 100% owned by Grazer Wechselfeitige Versicherung AG (hereafter “GRAWE AG”). GRAWE AG assumed sole ownership and control of the Company on 16 July 2025 following the acquisition of its 25,479,412 ordinary shares. Subsequently, on 2 August 2025, the Company’s legal name was changed from Prime Insurance Company Limited to GRAWE Insurance Company (Cyprus) Limited.

GRAWE AG is an Austrian company which has grown since its initial founding by Archduke Johann of Austria in 1828 from its original form as a fire damage insurer into an international group in Central and Eastern Europe which unites insurance undertakings, real estate and financial services under one roof.

Since its establishment in 1999, GRAWE Cyprus has offered a range of life and general insurance products. Its strategy is built upon reliability, stability, security, and independence, alongside a commitment to serving every customer with integrity.

A Business and Results

The Company is licensed by the Cyprus Insurance Companies Control Service to underwrite the following insurance classes:

	Life Business	Non-Life Business
Classes	1, 3 and 4	1, 2, 3, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16, 17 and 18

GRAWE Cyprus also maintains a Branch in Greece, closed to new business since April 2020, under the Freedom of Establishment Act.

GRAWE Cyprus reported a total gross written premium of kEUR 54,653 across its Life and Non-Life segments for the reporting year (PY: kEUR 49,390). Net claims incurred during this period amounted to kEUR 20,783 (PY: kEUR 21,057). According to IFRS separate financial statements, the company generated a profit after taxes of kEUR 3,199 (PY: kEUR -1,043).

The income from investments (incl. liquid funds) in the separate financial statements according to IFRS amounted to kEUR 4,687 (PY: kEUR 5,848). The core investment goal continues to be maintaining the necessary liquidity and capital strength to honour all policyholder obligations consistently.

B System of Governance

The system of governance means the management and control system of GRAWE Cyprus. The organisation, tasks and authorisations of the Governance functions are defined in the company’s internal policies. In addition, the system of governance guarantees compliance with the compensation and outsourcing regulations as well as the fit and proper requirements of the Board of Directors and of key function holders.

After the acquisition by GRAWE AG, following material changes can be reported within the Board of Directors during the year 2025:

- Dr. Othmar Ederer – non-executive Board member and Chairman

- Mag. Klaus Scheitegel – non-executive Board member
- Mmag. Paul Swoboda – non-executive Board member
- Petros Petrides, BSc, FCA – non-executive Board member
- Aristodemos Aristodemou, BA, FCCA – non-executive Board member

Following material changes can be reported in the system of governance after the reporting period (as of 31 March 2026):

- Mrs. Nina Fikardos, MSc BSc Risk Management function, pursuant to the outsourcing agreement with Grawe Re.
- Mr. Nearchos Nearchou, BSc, ACA – Internal Audit function, pursuant to the outsourcing agreement with Grawe Re.
- Mrs. Lila Kartelia, BSc, L.L.C – Compliance function, pursuant to the outsourcing agreement with Haviaras and Philippou LLC.

C Risk Profile

The risk profile of GRAWE Cyprus remains unchanged in comparison to previous year. The main risk categories for the solvency capital requirement (SCR) according to the Solvency II standard formula as per last year, the Life & Non-Life Business underwriting risk and Market risk.

D Valuation for Solvency Purposes

GRAWE Cyprus prepares its separate financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of Cyprus Company Law Cap. 113.

Assets and liabilities are measured either at fair value or at amortised cost which is deemed a fair approximation of their fair value. These values are either directly presented in the IFRS statement of financial position or disclosed in the accompanying notes to the financial statements.

For the Solvency II balance sheet, GRAWE Cyprus utilizes the fair values determined under IFRS, provided these valuations align with Solvency II principles. Therefore, following differences arise between IFRS financial statements and the Solvency II balance sheet:

- Differences in the valuation of technical provisions, reinsurance recoverables and reinsurance payables
- Differences in the valuation of deferred tax assets/liabilities.

E Capital Management

As at 31 December 2025, the Solvency Capital Requirement (SCR) amounted to kEUR 15,879 (PY: kEUR 15,193). Eligible own funds rose significantly to kEUR 29,496, compared with kEUR 21,337 in the previous year, demonstrating a substantial strengthening of GRAWE Cyprus's capital base. This notable improvement further reinforces the Company's financial resilience and supports its ability to meet the necessary solvency coverage requirements for existing and future customers.

The SCR coverage ratio improved significantly to 185.8% as at 31 December 2025 (PY: 140.4%). The Minimum Capital Requirement (MCR) remained at kEUR 8,000 (PY: kEUR 8,000), while the MCR coverage ratio increased to 368.7% (PY: 266.7%).

The requirements to cover the SCR were constantly fulfilled during the whole reporting period.

Statement of the Board of Directors

The following solvency and financial condition report of GRAWE Cyprus was prepared in accordance with the Law and the corresponding European regulations. It provides the truest possible reflection of the solvency and financial condition and gives a description on the business, the system of governance, the risk profile and the assets, liabilities and own funds as well as the solvency balance sheet.

This report was approved for publication with the resolution by the Board of Directors dated 6 April 2026.

A. BUSINESS AND PERFORMANCE

A.1 Business

A.1.1 Business strategy

The business model of GRAWE Cyprus is characterised by independence, prudent underwriting and customer-oriented service. Its principal success factors are the calculation of risk-adequate premiums and the provision of service-oriented customer support. The Company also attaches significant importance to robust internal and external control systems, as well as to a corporate culture based on mutual respect, open communication, trust and social responsibility.

GRAWE Cyprus pursues a retail-focused business strategy, with private customers and small businesses constituting its main target group. Its products are distributed through networks of tied agents and brokers across Cyprus. Life business is distributed primarily through the tied agents network, while non-life business is distributed through both tied agents and brokers. In the life segment, the main products offered are regular premium unit-linked policies with supplementary benefits. In the non-life segment, the principal lines of business are motor, fire and liability insurance.

In relation to investments, GRAWE Cyprus attaches particular importance to security, long-term stability and profitability, in compliance with applicable legal and regulatory requirements. This is reflected in the Company's prudent long-term investment strategy, which generally avoids speculative positions in capital markets as well as non-transparent or complex financial instruments. Furthermore, diversification parameters and investment limits are established for each asset category.

Based on the above-mentioned business principles, the following risk-related principles can be derived for Grawe Cyprus:

1. Safeguarding the continuance and sustainable prosperity of the company
2. Safeguarding the financial objectives
3. Achievement of the strategic objectives
4. Compliance with the legal provisions
5. Customer oriented service

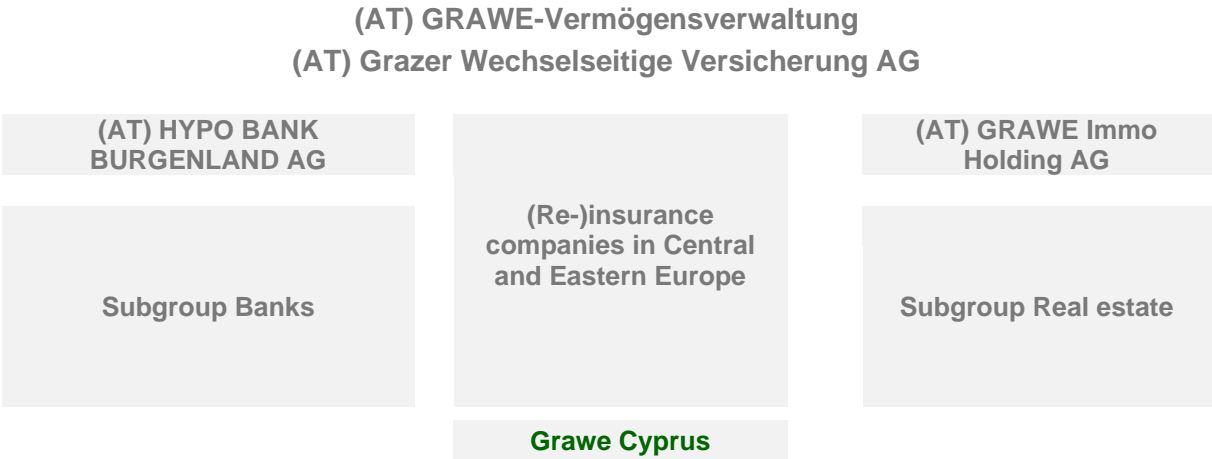
The risk management and the internal control systems of Grawe Cyprus are aligned with the strategy of the company and thus ensure that both the financial and the strategic objectives are achieved as well as the legal and Solvency requirements are met.

A.1.2 Ownership structure and group affiliation

GRAWE Cyprus is a 100% subsidiary of GRAWE AG. At the top of GRAWE Group and as direct owner of GRAWE AG, with shares in the volume of 100% of its capital, there is GRAWE-Vermögensverwaltung, with its registered office in Graz, a mutual insurance association and a mixed financial holding company pursuant to the Austrian Financial Conglomerate Act.

GRAWE Cyprus is incorporated entirely into the consolidated annual financial statements of GRAWE-Vermögensverwaltung, Herrengasse 18-20, 8010 Graz, Austria.

The following simplified GRAWE Group structure shows the integration of GRAWE Cyprus in the GRAWE Group as of 31 December 2025.



A.1.2.1 Affiliated undertakings

As of 31 December 2025, GRAWE Cyprus had two affiliated undertakings.

<u>Name</u>	<u>Country of incorporation</u>	Holding	
		2025	2024
		%	%
Imparmantal Limited	Cyprus	100	100
Balisea Shipping Co Limited	Gibraltar	100	100

A.1.3 Auditor

The annual financial statements of GRAWE Cyprus are audited by the appointed professional services company, PricewaterhouseCoopers Ltd., as of the balance sheet reference date 31 December 2025.

Contact details:
 PricewaterhouseCoopers Limited
 43 Demostheni Severi Avenue
 1080 Nicosia
 Cyprus
 Tel: +357 22 555 000
 www.pwc.com.cy

A.1.4 Supervisory authority

The responsible supervisory authority for GRAWE Cyprus is the Superintendent of Insurance (SI) which is also the Head of the Insurance Companies Control Service (ICCS).

Contact details:

Insurance Companies Control Service (ICCS)

P.O. Box 23364

1682 Nicosia

Cyprus

Tel.: +357 22 602 952

<http://mof.gov.cy/en/directorates-units/insurance-companies-control-service>

A.2 Underwriting performance

The following tables provide an overview of the underwriting performance for non-life and life insurance.

Gross amount	Premiums written		Earned premiums	
	2025	2024	2025	2024
	kEUR	kEUR	kEUR	kEUR
Non-Life insurance	26,190	24,432	25,587	24,140
Life insurance	28,463	24,958	28,463	24,958
Total	54,653	49,390	54,050	49,097

Of the total gross premiums written, 47.9% (PY: 49.5%) were attributable to Non-Life insurance and 52.1% (PY: 50.5%) to life insurance. Overall, gross written premium increased by 10.7% compared to the previous year.

This growth was primarily driven by the positive development of new business and improved retention of the existing portfolio. The increase resulted from both non-life insurance, which recorded growth of 7.2% and life insurance, which achieved premium growth of 14.0% during the reporting year.

Gross amount	Claims incurred		Operating expenses	
	2025	2024	2025	2024
	kEUR	kEUR	kEUR	kEUR
Non-Life insurance	10,048	12,195	10,188	9,568
Life insurance	10,734	8,862	8,025	6,908
Total	20,783	21,057	18,213	16,475

Overall, claims incurred recorded a decrease of -17.6% primarily driven by lower claims within medical expense and motor insurance within Non-Life. Incurred claims in Life insurance increased by 21.1% due to higher maturities compared to previous year.

Operating expenses increased by 10.5% in the 2025 financial year, mainly due to rebranding initiatives and marketing campaigns implemented following the company's acquisition, together with the additional operating costs required for the establishment and operation of two new branches created with insurance intermediaries who joined the company.

In the 2025 financial year, the total profit for the year amounted to kEUR 3,199 (PY: kEUR -1,043). This consisted of kEUR -69 (PY: kEUR -3,930) attributable to non-life insurance and kEUR 3,268 (PY: kEUR 2,888) attributable to life insurance.

The number of policies at GRAWE Cyprus increased by 6.0% during the 2025 financial year, reaching 67,445 policies.

Number of policies	2025	2024
Non-Life insurance	44,228	42,167
Life insurance	23,217	21,483
Total	67,445	63,650

A.2.1 Non-Life insurance

In the 2025 financial year, premiums written and earned, claims incurred, operating expenses, and the reinsurance balance within the non-life insurance sector are broken down by major lines of business as follows:

	Premiums written		Earned premiums	
	2025	2024	2025	2024
Gross amount	kEUR	kEUR	kEUR	kEUR
Medical expense insurance	8,935	8,888	8,999	9,165
Motor vehicle insurance	8,557	7,821	8,292	7,603
Fire insurance	3,090	2,818	2,939	2,636
Other motor insurance	2,852	2,607	2,764	2,534
Workers' compensation insurance	1,599	1,275	1,509	1,237
General liability insurance	1,048	928	978	872
Marine, aviation and transport insurance	109	94	106	91
Total	26,190	24,432	25,587	24,140

Premiums written in non-life insurance increased across all lines of business in the 2025 financial year. Approximately 34.1% (PY: 36.4%) of the gross premiums written is attributable to medical expense insurance, followed by motor vehicle insurance with a share of 32.7% (PY: 32.0%). Overall, total premiums written across these two lines of business increased by 4.7% compared with the previous year.

Regarding the detailed development of premiums in non-life insurance, please refer to reporting templates S.05.01.01 and S.04.05.21 in the appendix of this report.

Gross amount	Claims incurred		Operating expenses	
	2025	2024	2025	2024
	kEUR	kEUR	kEUR	kEUR
Medical expense insurance	2,847	3,448	2,994	2,947
Motor vehicle insurance	6,091	8,258	4,253	4,106
Fire insurance	748	276	1,322	1,108
Other motor insurance	0	0	470	461
Workers' compensation insurance	194	154	712	562
General liability insurance	159	24	390	345
Marine, aviation and transport insurance	9	34	47	40
Total	10,048	12,195	10,188	9,568

The combined ratio is a key performance indicator in non-life insurance. It is the sum of the expense ratio, which represents the ratio of operating expenses to earned premiums and the loss ratio, which represents the ratio of claims incurred to earned premiums. The combined ratio for the total business decreased compared to the previous year, amounting to 79.4% in the 2025 financial year (PY: 90.2%). The decrease in the loss ratio was mainly driven by the motor line of business, which recorded a significantly lower ratio compared to the previous year. A reduction was also noted in the loss ratio of the health line of business.

	2025	2024
Key performance indicator	in %	in %
Loss ratio	39.3	50.5
Expense ratio	40.1	39.6
Combined ratio	79.4	90.2

A.2.2 Life insurance

The following statement presents the composition of premiums written and earned in life insurance, broken down by major categories, contract type and separated into contracts with and without profit participation.

by category	Premiums written		Earned premiums	
	2025 kEUR	2024 kEUR	2025 kEUR	2024 kEUR
Unit-linked life insurance	26,069	22,666	26,069	22,666
Term insurance	1,024	978	1,024	978
Life riders	1,369	1,313	1,369	1,313
Total	28,463	24,958	28,463	24,958

In the 2025 financial year, premiums written for the total life insurance business recorded an increase of 14.0%. This growth is primarily attributable to strong performance in unit-linked life insurance. This growth is primarily attributable to strong performance in unit-linked life insurance, the onboarding of new insurance agents from the market and the successful introduction of a loyalty bonus scheme for the existing sales force, which is directly linked to increased new business production.

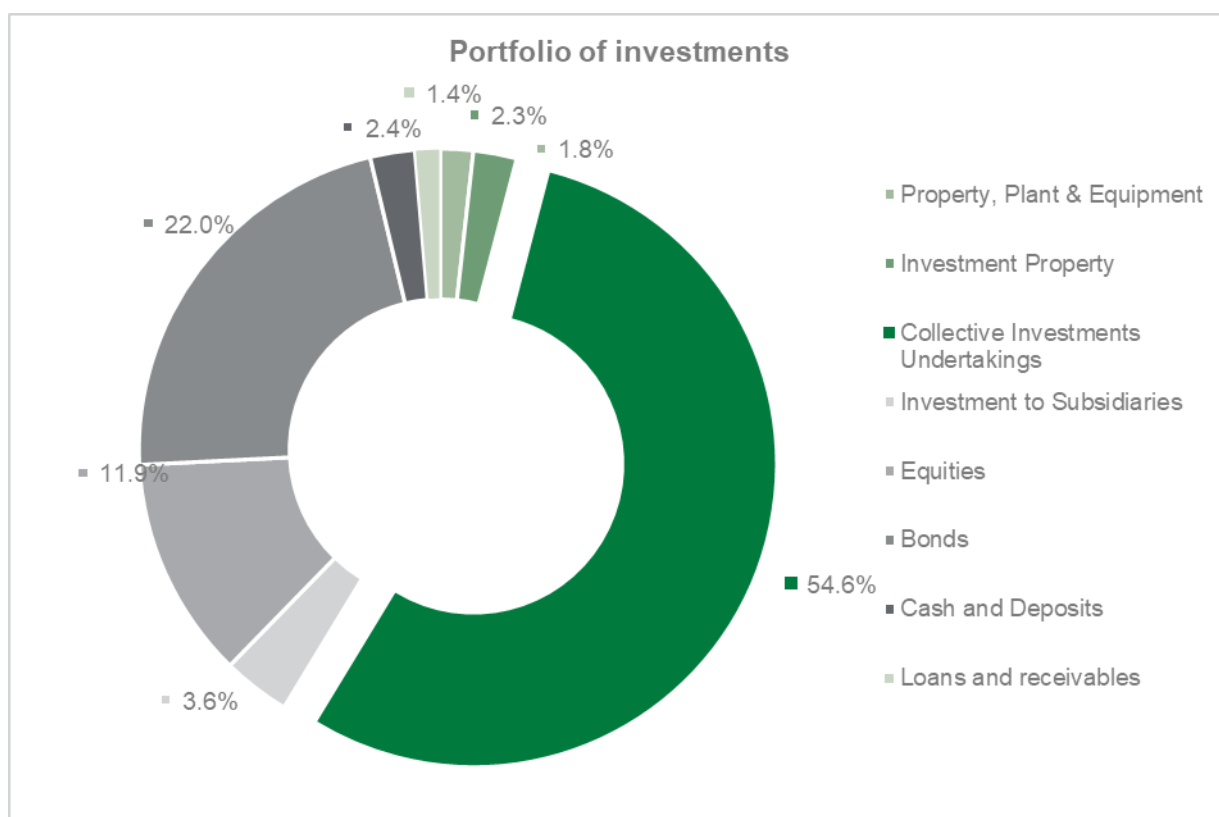
A.3 Investment performance

Investment performance remains important to the overall profitability of GRAWE Cyprus. The Company determines its strategic asset allocation based on, inter alia, thorough analysis and asset-liability modelling. This framework is designed to maximize returns within predefined risk tolerance limits, ensuring that no unwanted investment risk is incurred.

GRAWE Cyprus's investment portfolio is managed by experienced asset managers within the asset management department of GRAWE AG.

In the separate financial statements, the investments of GRAWE Cyprus (incl. liquid funds) amounted as of 31 December 2025 to kEUR 129,388 (PY: kEUR 113,408). Included in the total investment values are also the cash at bank and accrued interest stemming from the financial assets that are included in loans and other receivables in the separate statement of financial position.

The total portfolio of the investments as measured in accordance with IFRS (incl. properties, cash at bank and in hand) is comprised as follows as of 31 December 2025:



The investments as of the reference date 31 December 2025 do not include any investments in securitisations.

The basis of valuation of the book values in the separate financial statements in accordance with IFRS and the comparison to Solvency II is presented in section D.

A.3.1 Result of the investment

The total net investment income incorporates current income from investments and realised/unrealised gains and losses from the following investment groups:

Result of the investments	Investment Income and realised Profits 2025		Change to PY
	kEUR	In %	In %
Government bonds OCI	32	1	67
Corporate Bonds and Structure Notes OCI	34	1	-67
Investments FVTPL	443	9	-17
Unit linked investments	4,153	89	-19
Loans and receivables including bank balances	25	1	-32
Total result of the investments	4,687	100	-20

Investment income in 2025 decreased by 20% compared to the previous year, mainly driven by slower growth in financial assets measured at fair value. The strong valuation gains recorded in 2024 were not sustained in 2025, amid increased market volatility and less favourable financial market conditions, including elevated geopolitical uncertainty, particularly in the latter part of the year.

In the reporting year, the separate financial statements of GRAWE Cyprus include profits or losses and other comprehensive income that were recognised directly in equity as per the below table:

	2025	2024
	kEUR	kEUR
Income for the year		
Profit for the year	3,199	-1,043
Other comprehensive income:		
<i>Items that may be reclassified subsequently to the Income Statement:</i>		
<i>Available-for-sale financial assets</i>		
Revaluation Reserve bonds positive OCI	111	337
Revaluation Reserve bonds negative OCI	-126	-314
Other comprehensive gain/loss for the year, net of tax	-14	23
Total comprehensive income for the year	3,185	-1,020

A.4 Performance of other activities

All material income and expenses were explained in the preceding sections. Furthermore, there are no other material items of income or expense to be reported for the 2025 financial year.

A.5 Any other information

All material information regarding the business activities and performance is contained in the preceding sections.

The majority of the current investment portfolio is expected to be liquidated and reinvested in the year 2026 following the Company's strategic realignment of its investment portfolio, in line with the Group's broader asset management framework and capital allocation strategy.

B. SYSTEM OF GOVERNANCE

B.1 General information on the system of governance

B.1.1 Appropriateness

The system of governance of GRAWE Cyprus presented below, ensures sound and prudent management and is appropriate to the nature, scale, and complexity of its business activities. The adequacy and effectiveness of the internal control systems and other components of the governance system are regularly reviewed by the Internal Audit function.

Governance-related audit topics, such as the establishment of individual governance functions or outsourcing arrangements, are incorporated into the annual internal audit plan.

B.1.2 Board of Directors and key functions

B.1.2.1 Board of Directors

The management of the company lies within the responsibility of the Board of Directors which consists of seven Board members (2 executive Board members and 5 non-executive Board members). The company is represented jointly by two members of the Board of Directors.

The allocation of responsibilities within the Board of Directors is defined in the rules of procedures of the company in which also transactions are listed that require the prior approval of the shareholder.

As of 31 December 2025, the Board of Directors of GRAWE Cyprus consisted of:

- Mr. Dr. Othmar Ederer (Chairman, non-executive Board member)
- Dr. Panayiotis Panayiotou (Managing Director, executive CEO)
- Mr. Marinos Iacovides (executive CFO)
- Mr. Mag. Klaus Scheitegel (non-executive Board member)
- Mr. Mmag. Paul Swoboda (non-executive Board member)
- Mr. Aristodemos Aristodemou, BA, FCCA (non-executive Board member)
- Mr. Petros Petrides, BSC FCA (non-executive Board member)

Dr. Ederer is responsible for supervising the other members of the Board of Directors.

Mr Panayiotou is responsible for the areas HR, life & non-life insurance and claims, IT services, internal reporting, controlling, marketing and project management as well as the AML function, whereas all the BoD members are collectively responsible for the areas of Risk Management, Compliance and Internal Audit.

The responsibilities of Mr. Iacovides are the areas of accounting, finance and asset management.

Mr. Petrides and Mr. Aristodemou form the Audit Committee and are additionally responsible for supervising the Board of Directors.

Each member of the Board of Directors has to present the important issues of the areas of responsibility at the Board meetings to make them subject of joint consultation and decision-making. On demand of a Board member, important matters of another area of responsibility shall be dealt with in the overall Board; especially the Chairman can submit questions of any area of responsibility to the Board for resolution.

B.1.2.2 Key functions (Governance functions)

In addition to the Board of Directors, the four Governance functions, namely the Risk Management, Compliance function, Internal Audit function and Actuarial function are set up at GRAWE Cyprus as "key functions".

B.1.2.2.1 Risk Management function

The Risk Management function draws up and defines the risk strategy and determines risk limits. The Risk Management function analyses risk-relevant data, aggregates risks and highlights risk concentrations. In addition, the Risk Management function prepares a report that gives an overview of the company's overall risk situation (ORSA) and updates the existing risk management policy at least annually.

B.1.2.2.2 Compliance function

The Compliance function monitors compliance with the external and internal requirements and advises the Board of Directors in particular with regard to compliance with the regulations valid for operating the business. It assesses the compliance risk, the possible effects of changes of the legal environment on the business of GRAWE Cyprus and evaluates the appropriateness of the internal measures of the company to comply with the requirements.

B.1.2.2.3 Internal Audit function

The Internal Audit function provides independent and objective auditing and consulting services. For this purpose, it draws up an annual audit plan based on a risk-weighted audit map, which must be approved by the Board of Directors and is submitted to the Audit Committee for information.

Using a risk-based audit approach, Internal Audit conducts ongoing and comprehensive audits regarding the legality, regularity, and efficiency of all business operations. It also performs audits on the adequacy and effectiveness of the internal control systems (ICS) and other components of the governance system.

B.1.2.2.4 Actuarial function

The Actuarial function performs coordination, control, and advisory tasks. It coordinates and validates the calculation of technical provisions in accordance with Solvency II.

The Actuarial function assesses the sufficiency and quality of the data underlying the calculation of technical provisions and compares the best estimates with experience values.

In addition, it is responsible to assess the pricing adequacy and advise the Board on the overall underwriting policy and the reinsurance arrangements.

It contributes to the effective implementation of the risk management system

B.1.3 Material changes in the system of governance

As of Q1 2026 the following material changes within the system of governance occurred:

- Outsourcing to Grawe Re the Risk Management and Internal Audit Functions: Mrs. Nina Fikardos, MSc BSc – Risk Management function & Mr. Nearchos Nearchou, BSc, ACA – Internal Audit function
- Outsourcing to Haviaras & Philippou LLC the Compliance Function: Mrs. Lila Kartelia, BSc., L.L.C.

B.1.4 Compensation policy and compensation practices

B.1.4.1 Principles of the compensation policy and importance of fixed and variable compensation components

The principles of the compensation policy are aligned to the corporate strategy, the mission statement of the Group, the goals and values as well as the long-term interests and the permanent performance of GRAWE Cyprus and include measures to avoid conflicts of interest. The compensation policy is in line with the business and risk management strategy of GRAWE Cyprus and its risk profile.

The compensation practices are reconcilable with a solid and effective risk management, conducive to it and do not encourage the taking of risks that exceed the risk tolerance thresholds of GRAWE Cyprus. Within the overall compensation, the ratio between fixed and variable components is appropriate, whereat on the one hand the fixed compensation is high enough that an absolute economic dependence of the employee on the receipt of the variable component is avoided, and on the other hand, a flexible policy with respect to the variable compensation components is possible without restriction and thus, also the granting of a variable compensation can be renounced completely.

B.1.4.2 Individual and collective performance criteria

At GRAWE Cyprus, the variable compensation components are linked to individual and collective performance criteria.

B.1.4.2.1 Employees with and without management or profit responsibility

The so-called "bonus" is a variable compensation component that can be granted for extraordinary performances (e.g. successful project completion) and is paid out as lump sum amount to the employees.

The Managing Director and executive management determine a total bonus pool based on the Company's annual profits. This proposed allocation is submitted to the Board of Directors for

final approval. Following authorization, the pool is distributed by the Managing Director among employees based on their individual performance assessments for the preceding financial year.

B.1.4.2.2 Executives (including Board of Directors)

Executives can get a variable compensation in form of an annual bonus. The performance-related compensation components primarily depend on the earnings and financial position of GRAWE Cyprus and are particularly focused on strengthening the own funds situation and the sustainable safeguarding of the competitiveness.

B.1.4.2.3 Sales representatives

In relation to commission-based remuneration, GRAWE Cyprus maintains commission structures that are strictly aligned with market standards. The Company proactively monitors these rates to mitigate potential conduct risks, specifically focusing on the prevention of mis-selling and policy churning (inappropriate policy replacement).

B.1.4.3 Supplementary pension or early retirement schemes

There is currently no supplementary pension or early retirement scheme for members of the Board of Directors.

B.1.5 Material transactions

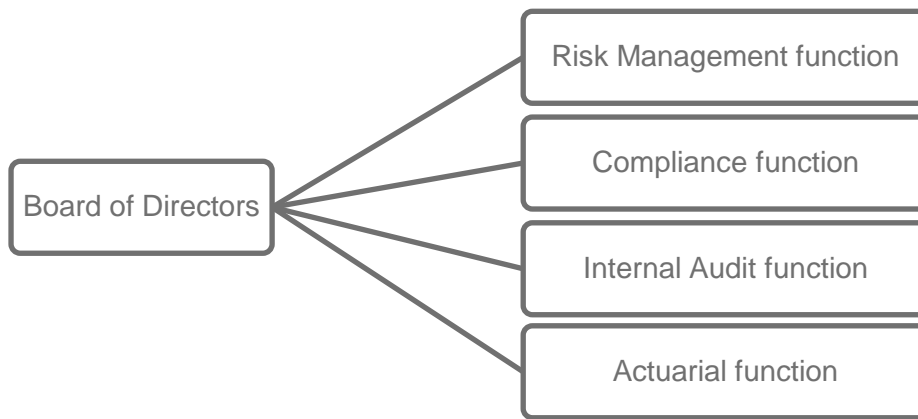
In Q3 2025 a change of ownership of the Company occurred through which GRAWE Cyprus “formerly known as Prime Insurance” became a 100% subsidiary of GRAWE AG.

B.1.6 Governance structure

Due to the limited size of the company a Governance Committee will be established in the future just if required by law or due to the size of the company.

B.1.6.1 Organisational integration

In the following, the integration of the system of governance in the business organisation of GRAWE Cyprus is depicted in graphical form:



B.1.6.2 Authorisations, resources and operational independence

The Heads of the Governance functions have the authorisations and resources required to carry out their respective function. They are appropriate to the nature, scope and complexity of the business of GRAWE Cyprus.

The Heads of the Internal Audit, Actuarial, Compliance and Risk Management function are professionally independent and report directly to the Board of Directors. For the Actuarial function and Internal Audit function personnel leasing agreements exist with a subsidiary of GRAWE AG.

All Heads of the Governance functions can only be appointed, re-appointed or dismissed by resolution of the overall Board of Directors.

B.1.6.3 Reporting and advising

B.1.6.3.1 Risk Management function

The reporting distinguishes between standard reporting at fixed intervals (annually or quarterly) and ad-hoc reporting.

The standard reporting of the Risk Management function is divided into the annual risk assessment for the following year, conducted as part of the GRAWE Cyprus planning process, and the quarterly reporting of risks incurred during the financial year.

Reports are submitted by the respective risk owners to the Risk Management function. Based on this information, the Risk Management function prepares risk reports, which are then submitted to the Board of Directors.

Furthermore, an ORSA report is prepared at least once a year on behalf of the Board and submitted to them for approval. In addition to the Board, the recipients of the report include the governance functions, and, in an appropriate format, other members of management of GRAWE Cyprus, as well as the relevant supervisory authority.

The Risk Management function advises the Board on risk-related issues and proposes corresponding measures as well as cross-departmental actions for risk mitigation and monitoring.

B.1.6.3.2 Compliance function

The reporting obligations of the Compliance function apply to the Compliance Officer as well as the Compliance contact persons and include both regular and ad-hoc reporting. The Compliance Officer submits a written report to the Board of Directors once a year (Annual Compliance Report). Additionally, the Compliance Officer reports to the Board immediately regarding significant compliance issues (Ad-hoc Compliance Report).

Reporting by the Compliance contact persons is conducted as part of the risk management process. Furthermore, the Compliance contact persons report to the Compliance Officer regarding compliance risks, compliance measures, and other compliance-related topics within their area of responsibility. These findings are incorporated into the Compliance Officer's annual report. Significant compliance issues must be reported to the Compliance Officer immediately.

The Compliance function advises the Board, particularly with regard to compliance with the regulations governing the operation of insurance business and the implementation of compliance measures.

B.1.6.3.3 Internal Audit function

Upon completion of an audit, the Internal Audit function promptly prepares an audit report detailing the results of its activities. The reports are to be communicated to the overall Board of Directors. Once approved or acknowledged by the Board, the audit reports are distributed to the heads of the audited or affected departments.

Irrespective of these reports, should the Internal Audit function consider the continued existence, development, or functional viability of GRAWE Cyprus to be endangered or materially impaired, it shall immediately and verifiably inform all members of the Board of Directors. Furthermore, immediate reporting to the Board occurs if such reporting enables the early rectification of significant identified impairments or limits their escalation.

In the context of consultancy services, the Internal Audit function provides support for projects (in particular consulting regarding the design of internal control systems and implementation of projects) and workflows, in particular in respect of IT-support, in order to ensure compliance and to achieve the implementation of adequate controls.

B.1.6.3.4 Actuarial function

The Actuarial function prepares a written report for the Board of Directors at least once a year. This report documents the tasks performed by the actuarial function as well as the results achieved; it clearly identifies any deficiencies and provides recommendations for their rectification. In addition, the Actuarial function reports to the Board on any major issues arising within its area of responsibility (ad-hoc reporting).

The Actuarial function provides the Board with information regarding the calculation of technical provisions. This includes an analysis of the reliability and adequacy of the calculation, as well as the level of uncertainty associated with the estimation of the technical provisions.

B.2 Fit and proper requirements

The following Fit and Proper requirements apply to all persons who effectively run the undertaking or hold other key functions.

B.2.1 Requirements of skills, knowledge and expertise

B.2.1.1 General

With regard to the professional qualifications of members of the Board of Directors and other Key Function Holders, both the knowledge acquired through theoretical training and practical experience must be taken into account. A holistic assessment of the relevant criteria is to be conducted. For members of the Board of Directors, the specific allocation of responsibilities is decisive, while for other key function holders, it must be ensured that requirements are applied to the deputies of the function heads in a proportional manner, relative to the duration of representation as well as the nature, scale, and complexity of the business activities.

B.2.1.2 Board of Directors

B.2.1.2.1 Training and professional experience

Members of the Board of Directors must have completed relevant academic studies and courses, and/or external or internal training, and/or possess equivalent professional education and ongoing development.

At least two members of the Board are required to have at least three years of management experience as an executive or expert. For other members, experience in other fields that are of material importance to the operation of the insurance business, combined with a management role in relevant companies, is sufficient.

B.2.1.2.2 Know-How

Members of the Board of Directors must demonstrate knowledge in the areas of insurance and financial markets, business strategy and business models, system of governance, financial analysis, accounting and actuarial analysis as well as supervisory law and regulatory requirements.

Viewed as a whole, the Board must possess sufficient professional qualifications. Individual members with extensive specialist knowledge can – particularly in consideration of the allocation of responsibilities – compensate for less extensive knowledge of other members in these specific areas.

B.2.1.3 Key function holders

B.2.1.3.1 Training and professional experience

The holders of key functions must demonstrate subject-specific training or professional experience combined with ongoing professional development. Sufficient professional qualification in areas relevant to insurance and reinsurance undertakings is generally assumed if a relevant degree has been completed and at least three years of relevant professional experience can be demonstrated. If these requirements are not met, an individual assessment is conducted to determine whether the person concerned possesses sufficient theoretical and practical knowledge. In this context, other relevant training may be considered sufficient instead of a specific degree.

B.2.1.3.2 Know-How

In-depth knowledge is required for the Heads of a Governance function. This includes knowledge of insurance and financial markets, business strategy and business models, as well as an understanding of the regulatory framework applicable to the respective function.

The Head of the Risk Management, the Head of Compliance and the Head of Internal Audit must possess knowledge of the system of governance.

The Head of the Risk Management and the Head of the Actuarial function are required to have expertise in financial analysis, accounting, and actuarial analysis.

Furthermore, the Head of the Actuarial function must demonstrate sufficient actuarial and financial mathematical knowledge appropriate to the nature, scale, and complexity of the risks inherent in the business activities of GRAWE Cyprus, as well as relevant experience regarding applicable professional and other standards.

B.2.2 Procedures for the fit and proper evaluation

B.2.2.1 Board of Directors

The Board of Directors holds collective responsibility for the fit and proper assessment of its members. Operational tasks, such as obtaining, processing, and preparing the necessary documentation, may be delegated to the Board member responsible for HR.

A formal aptitude assessment for prospective Board members must be conducted prior to appointment to ensure the Board can base its final decision on the assessment results. Candidates are required to submit the following documentation:

- A comprehensive CV;
- Evidence of academic and professional qualifications;
- References detailing the duration and scope of relevant professional experience;
- A current criminal record certificate (Police Clearance).

Prospective members must generally satisfy all requirements and attributes mandated by applicable legislation.

As part of the selection process, a formal interview may be conducted, allowing current Board members to evaluate the candidate through verbal questioning. The Supervisory Authority must be notified immediately following an appointment; where possible, this notification should be submitted at least one month prior to the effective appointment date.

B.2.2.2 Key function holders

The Board of Directors holds the final authority regarding the appointment of key function holders. In evaluating technical aptitude, the Board member responsible for HR may consult internal resources or specialized departments, such as Internal Audit, to ensure a comprehensive assessment of the candidate's expertise.

The Board member responsible for HR is tasked with documenting and filing all relevant records and the results of the aptitude assessments.

All potential candidates undergo a multi-stage, structured selection process. In addition to semi-structured interviews and assessment procedures, this process utilizes psychometric and qualification-diagnostic potential analysis tools to evaluate a candidate's suitability for the role.

The aptitude assessment for new key function holders is conducted as part of either an internal or external recruitment process. For this assessment, the following documentation must be submitted:

- A comprehensive CV;
- Evidence of academic and professional qualifications;
- References detailing the duration and scope of relevant professional experience;
- A current criminal record certificate.

The prospective Key Function Holder must satisfy all requirements and professional attributes mandated by applicable legislation.

The Supervisory Authority must be notified immediately following the official appointment of a Key Function Holder.

B.3 Risk management system

GRAWE Cyprus defines risk management as the comprehensive set of harmonized regulations, measures, and procedures designed to identify, monitor, and mitigate the risks to which the Company is exposed.

The objective of risk management is not to eliminate risk entirely, but rather to ensure that risks are assumed in a conscious, goal-oriented manner. The Company systematically assesses, controls, and monitors these risks, while maintaining contingency plans to promptly counteract any adverse developments.

A primary goal of the risk management system is to foster a company-wide risk culture. This involves embedding risk awareness into all decision-making processes and business operations at every level of the organization. To support this, GRAWE Cyprus provides comprehensive risk information and training for both new and existing employees as a fundamental component of its professional development program.

B.3.1 Risk strategy

The following risk policy principles of GRAWE Cyprus are derived from the business principles explained in section A.1.1:

- 1. Ensuring the continuity of the undertaking (going concern)
- 2. Securing financial objectives
- 3. Achieving strategic goals
- 4. Compliance with legal and regulatory requirements

The sustainable provision and protection of own funds are central factors in ensuring the continuity of the undertaking (going concern). To calculate solvency requirements and minimum capital levels, GRAWE Cyprus aligns itself, on the one hand, with statutory requirements – specifically the risk-based determination of the Solvency Capital Requirement using the Standard Formula under Solvency II – and, on the other hand, with the company’s own risk assessment based on internal calculations and analyses.

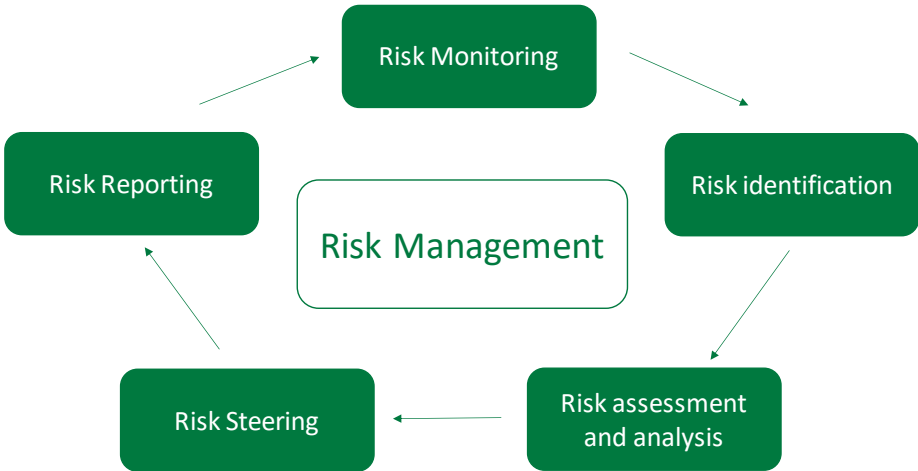
The harmonization of business and risk strategies is achieved, among other things, within the framework of the annual planning process as well as through the ongoing calculation of key performance indicators (KPIs) and scenario analyses.

Furthermore, multi-year projections within the Own Risk and Solvency Assessment (ORSA) process are used to draw conclusions regarding the adequacy of own funds over the planning horizon. This process analyses whether strategic objectives can be achieved, whether long-term compliance with solvency capital requirements is ensured, or if remedial measures are necessary.

The risk management system and other internal control systems of GRAWE Cyprus are tailored to the company’s complexity and risk profile, thereby ensuring that financial and strategic goals are met and that statutory solvency requirements are fulfilled.

B.3.2 Risk management process

The individual steps of the risk management process are shown in the following chart.



The first step in the risk management process is the **risk identification**. It involves an analysis of the current situation of the risk management by scrutinising critical areas of the company as well as processes and by identifying risks in core processes and finding corresponding measures to mitigate or prevent risks. The main focus thereby is predominantly on the risks with the potentially greatest financial effects.

At first the identified risks are classified into risk categories and into underlying individual risks. The categorisation simplifies the reconciliation and analysis of the risks as well as their steering.

During the initial identification of the risks of GRAWE Cyprus, clear responsibilities for the risks were defined; whereby the assigned risk owners are responsible for the evaluation and the steering of these risks.

In order to standardize the identification and assessment of risks across the individual departments of GRAWE Cyprus, a standardized risk inventory is provided alongside general valuation guidelines for the assessment of both potential and occurred risks.

The second step in the risk management cycle is the **risk assessment and analysis**. As far as possible, the identified risks are quantified. Qualitative assessments are used for risks that cannot be quantified or are difficult to quantify. The assessment of the potential risks is carried out in the form of expert estimations by using risk evaluation matrices based on risk level and probability of occurrence (= risk assessment). The selected risk level and the probability of occurrence result in the expected value of a risk per year. The standard risk assessment of the potential risks is implemented once a year as part of the planning process (third quarter).

Furthermore, the risk analysis process determines the materiality of the identified risks and establishes a risk ranking. In subsequent analyses and in the determination of appropriate risk mitigation measures, particular focus is placed on the material risks of GRAWE Cyprus.

Following the risk assessment and analysis, continuous **risk steering** is performed. This process links the regulatory Solvency Capital Requirement (SCR) results – calculated according to the Standard Formula – with the internal risk profile, the Overall Solvency Needs, and the established risk limits. It must be ensured that adequate capital is allocated for all material risks. This is guaranteed by translating risk-relevant information into specific measures (such as exiting certain business lines, adjusting products, or making changes to the investment strategy), while taking the principle of cost-effectiveness into account.

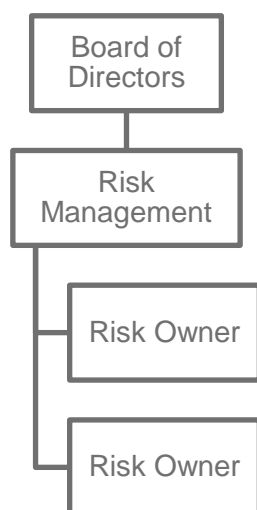
Risk reporting, as a further essential step in the risk management process, is carried out on a regular basis. In addition, ad-hoc reporting is provided for under certain conditions.

Risk monitoring is conducted continuously, with the defined Risk Owners responsible for monitoring identified risks. This is ensured through the verification of compliance with risk limits and the continuous observation of risk indicators. Furthermore, the effectiveness of implemented risk mitigation measures, as well as developments in the insurance and capital markets, are monitored to ensure a rapid response to any changes.

To assess the overall risk profile, a one-year period is defined, supplemented by a three-year risk perspective in line with the planning horizon of GRAWE Cyprus.

B.3.3 Implementation of the Risk Management function

The Risk Management function is organisationally implemented as follows:



The Risk Management function, although outsourced to a subsidiary in GRAWE AG, is appropriately integrated into the organisational structure and decision-making processes of GRAWE Cyprus. It is represented in various corporate management bodies (such as various annual meetings organised by the Group, planning and forecast meetings, risk meetings with the Board of Directors) and possesses extensive access to information necessary for assessing the risk situation.

Furthermore, there is a regular exchange of information between the Board of Directors and the Risk Management function on current risk-relevant topics. The Risk Management function reports directly to the overall Board of Directors and maintains sufficient independence in the performance of its duties; it is appointed or dismissed only by the Board of Directors. For further details on the Risk Management function, it is referred to section B.1.

The overall Board of Directors holds ultimate responsibility for the implementation of an appropriate risk management system.

Responsibilities within the risk management process are defined as follows:

- **Risk Owners:** Responsible for the assessment, control, and monitoring of individual risks.
- **Actuarial Function:** Responsible for identifying and assessing risks related to the formation of technical provisions and reviewing the adequacy of the methods used.
- **Compliance Function:** Responsible for identifying and assessing compliance risks.
- **Internal Audit:** Develops risk-based audit planning and evaluates the effectiveness of the risk management system during its audits.
- **Human Resources Department:** Implements the remuneration policy which, in conjunction with the risk strategy, aims to ensure prudent corporate management and strengthen risk management effectiveness.

The Risk Management function is responsible for coordinating and supporting the Risk Owners and consolidating results to determine the overall risk profile of GRAWE Cyprus.

Regarding the primary tasks and responsibilities of the Risk Management function, please refer to section B.1.2.2.1. The authorities, resources, and operational independence are described in section B.1.6.2.

Reporting lines run from the Risk Owners to Risk Management, and from the Risk Management function to the Board of Directors and Group Risk Management. Details on reporting and advisory activities by the Risk Management function are provided in section B.1.6.3.1.

B.3.4 Risk management for users of Internal Models

For the calculation of the solvency capital requirement according to Solvency II (Pillar 1), GRAWE Cyprus only uses the standard formula.

B.3.5 Own risk and solvency assessment

The primary objective of the Own Risk and Solvency Assessment (ORSA) is to provide a comprehensive view of the company's actual risk profile and solvency requirements, taking into account Solvency II own funds. This assessment incorporates the strategic, financial, and risk-related objectives of the business strategy as well as the risk limits defined within the risk strategy. All material risks of GRAWE Cyprus are included, regardless of whether they are quantifiable or not.

The ORSA links the risk management system with corporate management, serving as a bridge between capital requirements, supervision, internal control, and disclosure. It is conducted in alignment with the business strategy, while also considering the risk and investment strategies. Furthermore, a forward-looking perspective is integrated to ensure that potential future risks are included in the overall risk assessment.

As part of the risk-bearing capacity review, the internal solvency ratio is determined by comparing the overall Solvency Needs (internal solvency capital requirement) with the available own funds.

The ORSA serves as a key management tool for the Board of Directors and a central source of information for other key function holders of GRAWE Cyprus, and the Supervisory Authority. The design of the ORSA process reflects the nature, scale, and complexity of the risks inherent to the business activities of GRAWE Cyprus.

B.3.5.1 Description of the ORSA process

The starting point for the ORSA process at GRAWE Cyprus is the defined risk strategy, which must be aligned with the overall business strategy. In this context, risk limits and risk appetite are defined, and existing limits are reviewed. Subsequently, the company's internal Overall Solvency Needs (OSN) are determined based on the risk profile identified during the risk management process (see section B.3.2).

In the risk-bearing capacity calculation, the overall solvency needs are compared against available Pillar 1 own funds. These own funds are categorized by quality into Tier 1, Tier 2, or Tier 3. This comparison yields the internal solvency ratio for a one-year horizon.

The forward-looking perspective is a vital component of the ORSA process. The results of both the one-year and three-year perspectives are summarized in the ORSA report. Additionally, the ORSA process involves an alignment between the SCR calculated under Solvency II and the results from the internal company perspective. This includes an analysis of the significance of any deviations between the Company's risk profile and the assumptions underlying the standard formula.

Furthermore, continuous compliance with the regulations governing solvency and minimum capital requirements (SCR and MCR), as well as the regulations on technical provisions, must be ensured. The risk assessment and calculation assumptions underlying the ORSA—along with the findings from the ORSA process and the SCR calculation—are summarized in the ORSA report. These results are discussed and approved by the Board of Directors. These insights are integrated into management decisions and may lead to adjustments in the business or risk strategy. Following the Board's approval, the ORSA report is submitted to the ICCS (Insurance Companies Control Service) within two weeks.

B.3.5.2 Organisational structure and decision-making processes in the ORSA

The Board of Directors holds ultimate responsibility for an effective ORSA process. It is essential that the Board understands the underlying assumptions of the ORSA calculations, critically challenges the results, and derives informed management decisions from them. These decisions, in turn, form the updated basis for the ongoing ORSA process. To support strategic business decisions, the Board is provided with various alternative calculations (what-if scenarios) that incorporate the potential impact on results caused by modified input parameters or specific assumptions regarding risk factors.

The Risk Management function is responsible for coordinating and executing the ORSA process. This is done in close cooperation with the specific departments and governance functions that contribute to the ORSA report.

B.3.5.3 Frequency of the ORSA

The ORSA process is conducted annually as a standard procedure, aligned with the planning cycle of GRAWE Cyprus. The ORSA report is formally approved by the Board of Directors. The findings from the report are subsequently integrated into the business and risk strategies, as well as the Board's decision-making processes.

Should significant changes occur in the risk profile or the own funds position of GRAWE Cyprus, the Board of Directors may mandate the performance of an ad-hoc ORSA. Such changes may be triggered by internal decisions and factors (such as a fundamental change in the investment or in the reinsurance policy, the commencement or termination of a fundamental business field or the purchase or sale of a fundamental strategic investment) or also by external factors.

It should be noted that the 2025 ORSA report was still prepared based on the previous outsourced standard, the 2026 ORSA will largely align with the official GRAWE Group standard.

B.3.5.4 Determination of the overall solvency needs

The risk profile of GRAWE Cyprus is derived from the risk assessments performed during the valuation process. In addition, the results of the SCR calculations according to the standard formula are analysed.

To determine the internal overall solvency needs, specific internal methodologies based on Value-at-Risk (VaR) calculations are developed for the largest risk positions, supplemented by internal stress tests and scenario analyses. These primarily cover market risks and underwriting risks. Remaining risks are assessed, in part, using expert judgment. It should be noted that the calculation of the overall solvency needs incorporates all material risks – including those not accounted for in the standard formula. Furthermore, risks that are not adequately reflected in the standard formula – such as the valuation of OECD government bonds as risk-free – are replaced by a risk-appropriate internal valuation.

The overall solvency needs from an internal risk perspective are derived by aggregating the identified material risks. This aggregation is conducted within the ORSA process, utilizing the correlation matrices of the standard formula.

B.3.5.5 Interaction between capital management and risk management

As detailed in section B.3.5.1, the risk-bearing capacity calculation involves a comparison between the determined overall solvency needs and the available own funds as of the reporting date. Beyond the sheer quantity of own funds, their quality and volatility (Tiering) are also decisive factors.

Furthermore, GRAWE Cyprus ensures that realistic plans for capital raising are in place should the need arise. A medium-term capital management plan, updated annually, presents the own funds and own fund requirements, including projections across the business planning horizon. These plans actively incorporate insights and data from the risk management system and the ORSA report.

If these projections indicate that the solvency ratio of GRAWE Cyprus is at risk of falling below the internally defined threshold, a corresponding capital action plan must be developed.

B.4 Internal control system

B.4.1 Description

The Board of Directors is responsible for the establishment, monitoring, and ongoing adjustment of an adequate and effective internal control system. This system ensures compliance with applicable legal and administrative regulations by GRAWE Cyprus, the effectiveness and efficiency of business operations in relation to corporate objectives, and the availability and reliability of both financial and non-financial information.

The internal control system is based on the "Three-Lines of Defence" concept.

The first line of defence comprises of risk owners (sales, underwriting, claims handling, IT, etc.). They make immediate operational risk management decisions to ensure compliance with

established goals and limits. The second line of defence consists of the Risk Management function, the Compliance function and the Actuarial function. The third line of defence consists of the Internal Audit function, which continuously evaluates the effectiveness and efficiency of the internal control system based on risk-oriented audit plans and supports the development of effective controls, particularly through follow-up audits.

The internal control system includes administrative and accounting procedures, an internal control framework, an adequate reporting system at all levels of GRAWE Cyprus, and a Compliance function. GRAWE Cyprus has issued a specific internal control system policy to formalize these structures

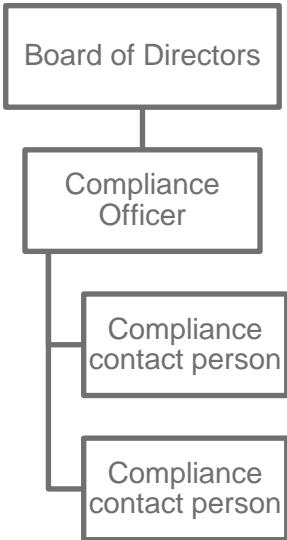
The central documentation of key core processes including described controls, coordination, and the verification of completeness regarding updates and further development is the responsibility of the relevant department. The Risk Management department initiates the process mapping of core operations and supports process owners and employees in this task. By assigning documented activities to specific roles, responsibility for the execution of controls is clearly defined.

Risks identified within these processes, along with their corresponding controls, IT systems, roles, and documents, are managed in uniform "pool models" to ensure a comprehensive overview and standardized terminology. A comprehensive process map for GRAWE Cyprus consolidates the processes of individual areas and highlights cross-departmental interfaces.

The internal control system of GRAWE Cyprus consists of a multitude of controls, where the most important ones are signing authorities, a consistent four eye principle, adequate separation of duties, a comprehensive limit system and internal guidelines and policies.

B.4.2 Implementation of the Compliance function

The Compliance function is an integral component of the internal control system. At GRAWE Cyprus, the Compliance function is implemented through a decentralized matrix organization, which is structured as follows:



The Board of Directors is responsible for ensuring the appropriate organization of the Compliance function. In doing so, it ensures that the function is adequately resourced and capable of acting independently. The Board of Directors is accountable for the implementation of Solvency II compliance requirements and initiates all compliance-relevant measures and directives.

The Compliance Officer is the designated head of the Compliance function. In the performance of their duties, the Compliance Officer reports directly to the Board of Directors and is independent and free from professional instructions. In the event of the Compliance Officer's absence, their duties and authorities are exercised by their deputy.

Compliance contact persons exercise the compliance function for their respective business areas and ensure that all material compliance topics relevant to those departments are addressed.

In addition to the Solvency II compliance function, other compliance areas include compliance in accordance with prevention of money laundering and terrorist financing. These various compliance areas are organized horizontally in relation to one another. Based on general governance requirements, these areas coordinate their activities and engage in a regular exchange of information.

Regarding the primary tasks and responsibilities of the Compliance function, please refer to section B.1.2.2.2. The authorisations, resources and operational independence are described in section B.1.6.2.

Details on reporting and advisory activities by the Compliance function are provided in section B.1.6.3.2.

B.5 Internal Audit function

B.5.1 Implementation of the Internal Audit function

At GRAWE Cyprus, the Internal Audit function has been set up to carry out and to report directly to the overall Board of Directors. The Board ensures the appropriate organisation and resourcing of the Internal Audit function. It decides on the measures to be taken based on the findings of Internal Audit and ensures the implementation of these measures.

The Head of Internal Audit is responsible for the planning, steering, and monitoring of internal audit activities, as well as representing the function externally.

Regarding the primary tasks and responsibilities of the Internal Audit function, please refer to section B.1.2.2.3. The authorities, resources, and operational independence are described in section B.1.6.2.

The reporting and advisory activities of the Internal Audit function are presented in section B.1.6.3.3.

B.5.2 Objectivity and independence

Internal Audit performs its duties autonomously, independently, objectively, impartially and, above all, independently of the processes it audits. The staff of the Internal Audit department work exclusively for Internal Audit and are not entrusted with any other tasks. In the performance of audits, reporting, and the evaluation of audit findings, the function is not subject to instructions from any other party. Internal Audit operates free from undue influence in defining the audit scope, performing engagements, and reporting.

Internal Audit staff maintain an impartial and unbiased approach in their auditing services. Any potential conflicts of interest are disclosed.

B.6 Actuarial function

The Actuarial function of GRAWE Cyprus reports directly to the Board of Directors and is professionally independent. The Board of Directors ensures the appropriate organization and resourcing of the Actuarial function. It decides which recommendations made by the Actuarial function regarding the remediation of deficiencies are to be followed and ensures the implementation of these recommendations.

Regarding the primary tasks and responsibilities of the Actuarial Function, please refer to section B.1.2.2.4. The authorities, resources, and operational independence are described in section B.1.6.2.

The reporting and advisory activities of the Actuarial Function are presented in section B.1.6.3.4.

B.7 Outsourcing

B.7.1 Outsourcing policy

The outsourcing policy of GRAWE Cyprus is defined in the outsourcing policy and is essentially structured as follows:

An outsourcing arrangement can be classified either as a simple outsourcing or as the outsourcing of a critical or important operational function or activity (hereinafter also referred to as "critical outsourcing").

A critical or important operational function or activity is defined as a function or activity without which GRAWE Cyprus would be unable to continue its business operations without significant impairment, would be unable to provide its services to policyholders and beneficiaries in a sustainable and faultless manner, or would be unable to meet material governance requirements or essential requirements regarding measures for the prevention of money laundering and terrorist financing

The outsourcing of a critical or important operational function or activity entails additional requirements beyond those for simple outsourcing. The obligations of GRAWE Cyprus in connection with an outsourcing arrangement therefore depend on whether it is a simple or a

critical outsourcing. In any case, GRAWE Cyprus remains responsible for the fulfilment of all regulatory requirements, including in the case of intra-group outsourcing.

GRAWE Cyprus does not proceed with the outsourcing of a critical or important operational function or activity if it would significantly impair the quality of its system of governance or excessively increase its operational risk. Furthermore, such outsourcing must neither impair the supervision of compliance with the regulations applicable to the operation of contractual insurance by the ICCS nor jeopardize the sustainable and faultless provision of services to policyholders and beneficiaries.

For every outsourcing arrangement, the relevant outsourcing contract stipulates that the service provider cooperates with the ICCS in relation to the outsourced task and that GRAWE Cyprus, its statutory auditors, and the ICCS have effective access to the data and business premises of the service provider regarding the outsourced task.

B.7.2 Outsourcing of critical or important operational functions or activities

GRAWE Cyprus had outsourced the Risk Management function up to 31 December 2025 to Deloitte Actuarial Services Limited.

As of Q1 2026, the Risk Management function and Internal Audit function have been outsourced to Grawe Re, Compliance Function and GDPR Compliance have been outsourced to Haviaras & Philippou LLC, and Asset Management has been outsourced to its mother company GRAWE AG.

B.8 Any other information

Any important information regarding the governance system is described in the relevant section.

C. RISK PROFILE

The risk profile is derived from the identification of all risks from a medium- and long-term perspective as of a specific reporting date across the business planning horizon. From this, conditions can be derived under which the existence of GRAWE Cyprus could be jeopardized.

To represent the risk profile of GRAWE Cyprus, all incurred and potential risks are recorded individually and on an aggregated basis, taking into account implemented risk mitigation techniques and other measures. To determine the risk profile, all risk positions from the internal risk assessment (see sections B.3.2 and B.3.5.1) are analysed and prioritised. Furthermore, the results of the statutory SCR calculations are analysed and incorporated into the risk profile.

To limit risks, GRAWE Cyprus has defined internal risk limits. These are the boundaries the Company imposes on itself when assuming risks. Compliance with these limits is achieved through a well-functioning internal control system and efficient risk mitigation measures. Should limit breaches occur in individual cases, an escalation process is triggered. This process defines who must be informed and which measures must be taken to ensure the risk that caused the breach is returned within the intended limitations as quickly as possible.

The data basis for determining the current risk profile is primarily based on the results of the SCR calculation using the standard formula as of 31 December.2025.

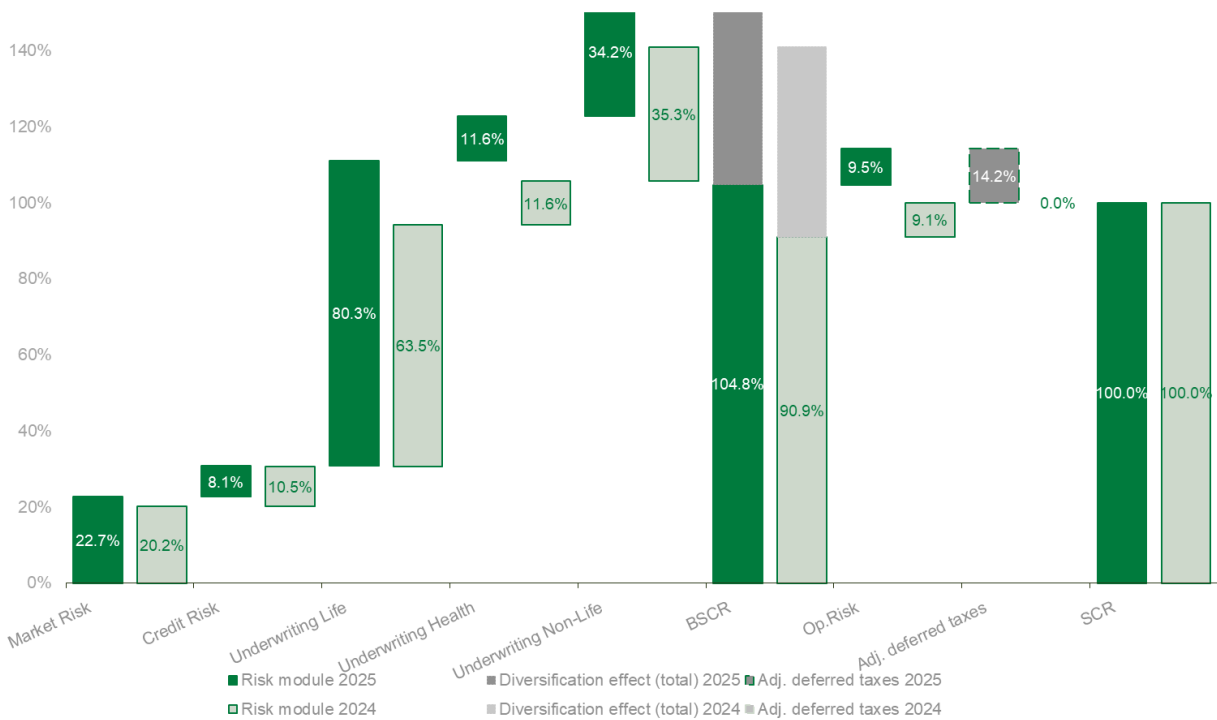
Looking ahead, the internal overall solvency needs (OSN) will be conducted in 2026 based on a uniform valuation principle in accordance with the GRAWE Group standard. Once finalized, these results will be integrated into the risk profile to provide a harmonized view of the Company's internal capital requirements.

In all cases, the own funds requirement resulting from the Solvency II standard formula must be provided. Should the future internal OSN identify higher capital requirements than the standard formula, these will also be covered by sufficient own funds.

With regard to the calculation of the solvency capital requirement, reference is made to the statements in section E.2. GRAWE Cyprus does not transfer any risks to special-purpose vehicles and does not hold any participation in such either. There are no off-balance-sheet positions as of the reference date 31 December 2025. Neither company-specific parameters, nor the matching adjustment nor the volatility adjustment are applied.

The risk profile from the SCR result as per 31 December 2025 is comprised as follows:

Distribution of the SCR among the risk modules (SCR)
without diversification effect as of 31.12.2025 and 31.12.2024



The material risk positions of the SCR calculation are the underwriting risk Life followed by the underwriting risk Non-Life, market risk and underwriting Health similar to Non-Life. The detailed risk values of the SCR calculation can be found in section E.2.

Definition Materiality

At GRAWE Cyprus, risks are classified as material if they are either assessed within the "critical/red area" in the internal risk assessment or exceed the threshold of 10% of the SCR provided they hold **strategic significance** for GRAWE Cyprus.

To provide a detailed explanation of GRAWE Cyprus' risk profile, this report outlines all risks that meet the above-mentioned criteria.

C.1 Underwriting risk

Underwriting risk is defined as the risk of loss or of an adverse change in the value of insurance liabilities, resulting from inadequate pricing or insufficient technical provisions.

The following section provides a breakdown of underwriting risk into Non-Life, Life, and Health (similar to Non-Life).

Non-Life underwriting risks consist of the following risks:

- Premium and reserve risk
- Catastrophe risk
- Lapse risk

The only material risk is premium and reserve risk.

The most significant underwriting risks **Life** in GRAWE Cyprus are:

- Lapse risk
- Expense risk

Health underwriting risk comprises of the following risks:

- Premium and reserve risk
- Catastrophe risk

Premium risk refers to the risk that actual underwriting results for the current financial year deviate from expectations (e.g., due to a high frequency of mass claims, numerous major losses, natural catastrophes, etc.). **Reserve risk** describes the uncertainty associated with forecasting the settlement of claims that have already occurred (e.g., late-reported claims, changes in legislation, a sharp rise in inflation, or increased individual claim expenses).

Catastrophe risk in Non-Life and Health results from uncertainty of pricing and provisioning assumptions related to extreme or irregular events.

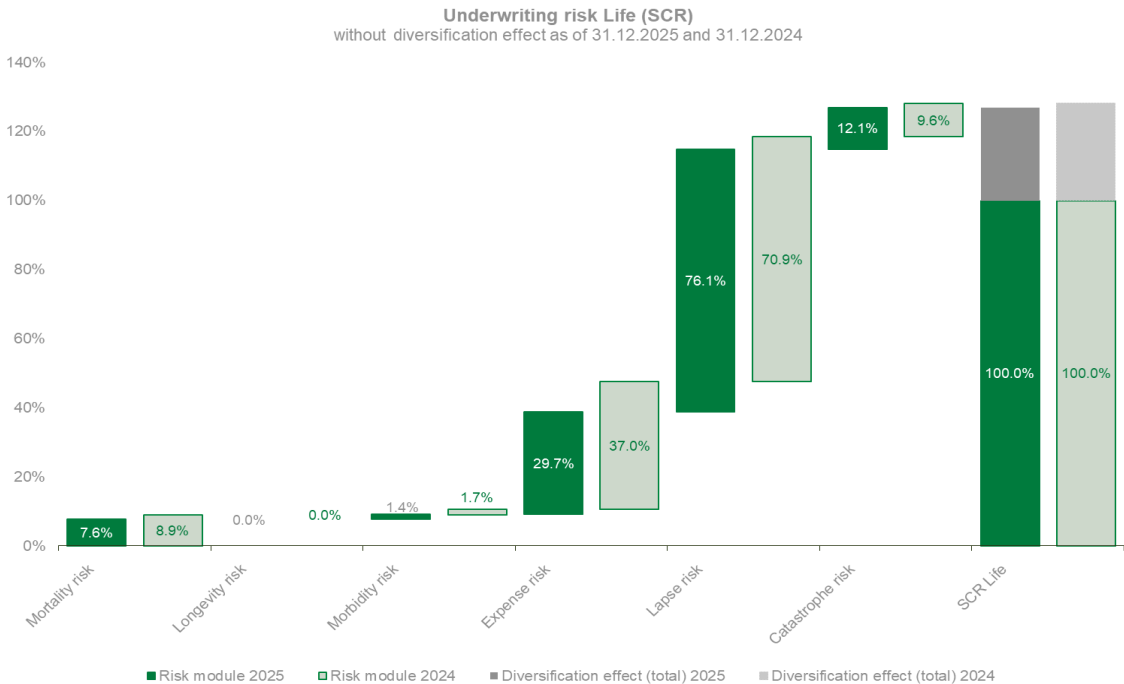
Lapse risk is defined as losses caused by policyholder behaviour (such as lapses, terminations, renewals and surrenders) that differs from best-estimate assumptions.

Expense risk covers the risk of unforeseen rises of incurred expenses for servicing insurance contracts.

C.1.1 Risk exposure

The highest underwriting exposure stems from Life, which represents 80.3% (PY: 63.5%) of the total SCR, followed by Non-Life with 34.2% (PY: 35.3%) and Health similar to Non-Life with 11.6% (PY: 11.6%).

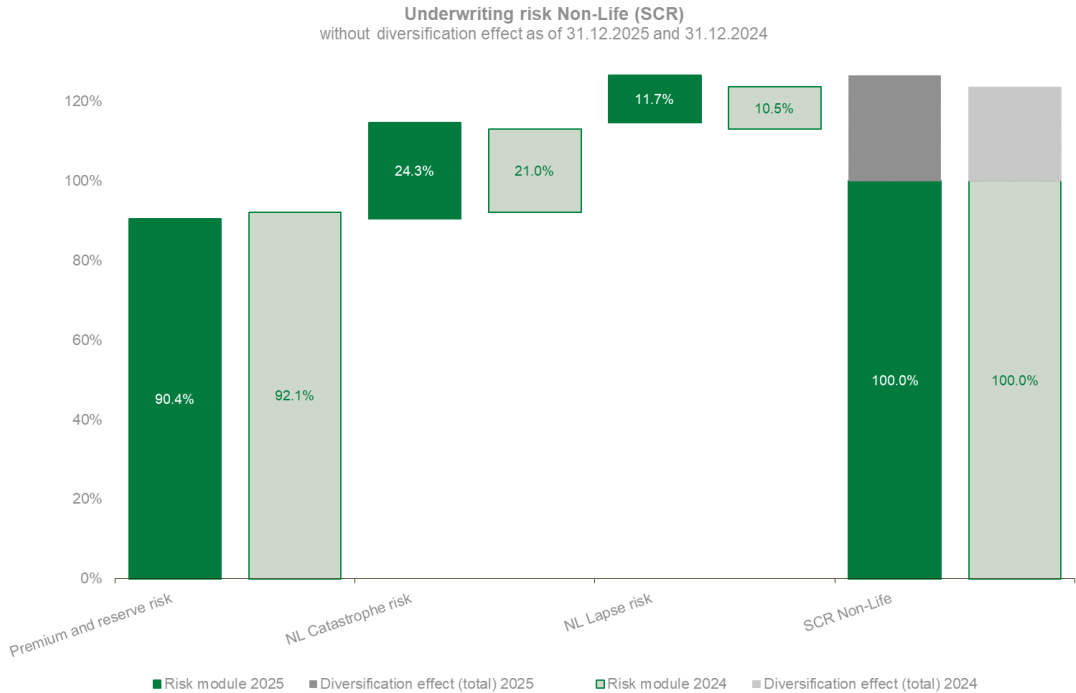
Underwriting risk Life



Life underwriting risk accounts for a significant portion of GRAWE Cyprus' risk profile. Within this segment, lapse risk at 61.2% (PY: 45.0%) and expense risk at 23.9% (PY: 23.5%) of the SCR have the greatest impact on the capital requirement.

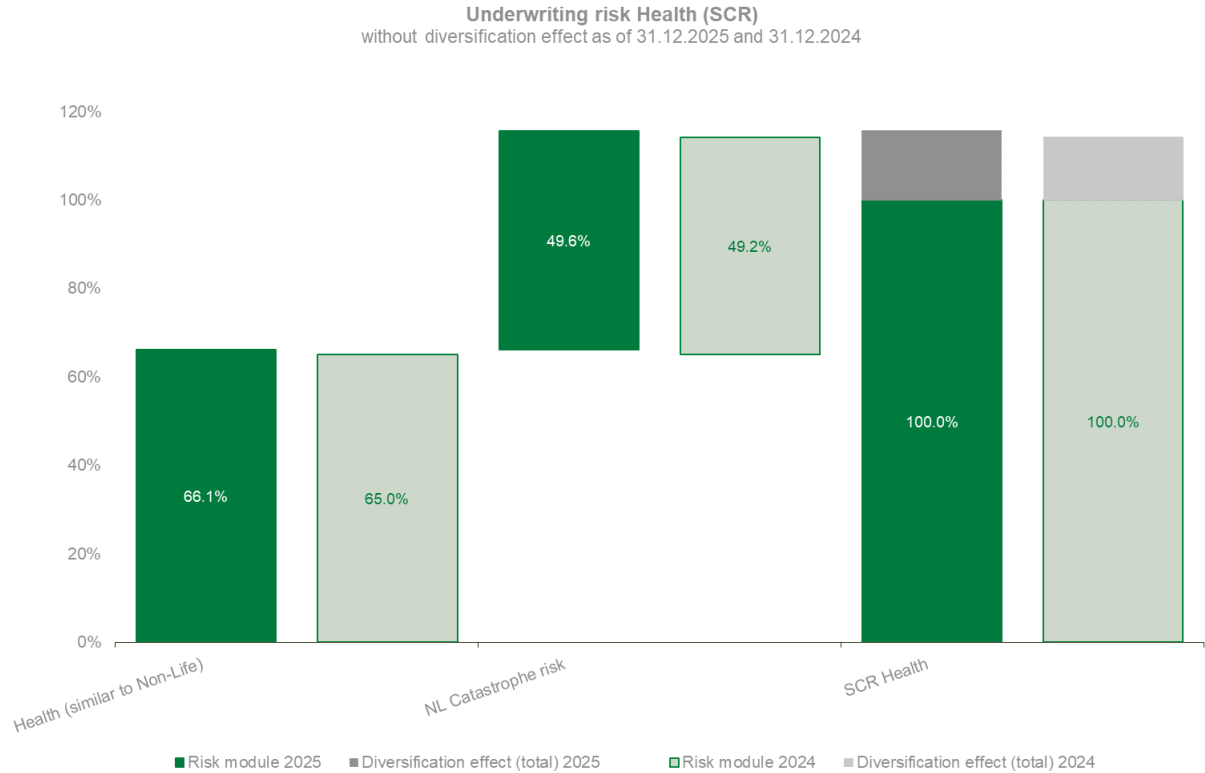
The **lapse risk** of GRAWE Cyprus is determined by the scenario lapse increase as future profits are lost.

Underwriting risk Non-Life



Within underwriting risk Non-Life the only material risk is premium and reserve with 30.9% (PY: 32.5%) of the SCR, which slightly decreased compared to previous year.

Underwriting risk Health



While the aggregate Health underwriting module exceeds the 10% materiality threshold, its constituent sub-modules are individually immaterial.

Prudent Person Principle applied on the coverage of technical provisions

The Prudent Person Principle, as set forth in Article 139 of the Law, requires that all assets be invested with a focus on security, quality, liquidity, and profitability. For unit-linked business, this principle mandates that assets are managed to ensure the company can fulfil its insurance contract liabilities as they fall due.

In the financial statements, insurance contract liabilities for unit-linked business (Life) are measured in accordance with IFRS 17. These liabilities reflect the obligation to pay policyholders the value of the underlying investment units. They are recognized to ensure that the company’s commitments are permanently backed by the corresponding assets.

The assets held to cover these liabilities are invested in the best interest of policyholders. Since the investment risk is borne by the policyholder, the objective is direct asset-liability matching. This ensures that the market value of the assets held corresponds to the fulfilment cash flows promised under the contracts. The company ensures high standards in fund selection and administration, while considering its risk-bearing capacity.

Compliance with the Prudent Person Principle is guaranteed by the aforementioned measures.

C.1.2 Risk concentration

Risk concentrations can jeopardise the solvency or liquidity of the insurance company. They may arise, for instance, from

- individual counterparties,
- groups of connected counterparties
- geographic areas or industry sectors as well as
- natural disasters or catastrophes.

Based on the SCR results, no concentrations have been identified within the underwriting modules.

C.1.3 Risk mitigation

Risk mitigation techniques encompass all methods that enable insurance undertakings to transfer a portion or the entirety of their risks to another party. The risk mitigation techniques are subsequently explained in accordance with Articles 208 et seq. of the Level 2 Delegated Regulation.

In the area of underwriting risk, reinsurance is utilized as a risk mitigation measure. This allows for the coverage of peak risks and exposures and the homogenization of insurance portfolios.

GRAWE Cyprus exclusively employs traditional reinsurance instruments and are applied across all business segments.

C.1.4 Liquidity risk future profits

The amount of Expected Profits Included in Future Premiums (in short EPIFP) is taken into account in the liquidity management.

The EPIFP is a Tier 1 own funds component (as part of the reconciliation reserve) and amounts to kEUR 20,501 (PY: kEUR 13,911) in the area of life insurance in GRAWE Cyprus as of 31 December 2025. In the area of non-life insurance no EPIFP was included.

C.1.5 Risk sensitivity

To support business and capital planning, the Risk Management function performs stress testing within the ORSA framework. This process ensures the identification of adverse scenarios and ensures that negative impacts are managed via robust internal controls, strategic interventions, or capital strengthening measures.

C.2 Market risk

GRAWE Cyprus defines **market risk** as the risk of loss or adverse change in the financial situation, resulting, directly or indirectly, from the fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments.

C.2.1 Risk exposure

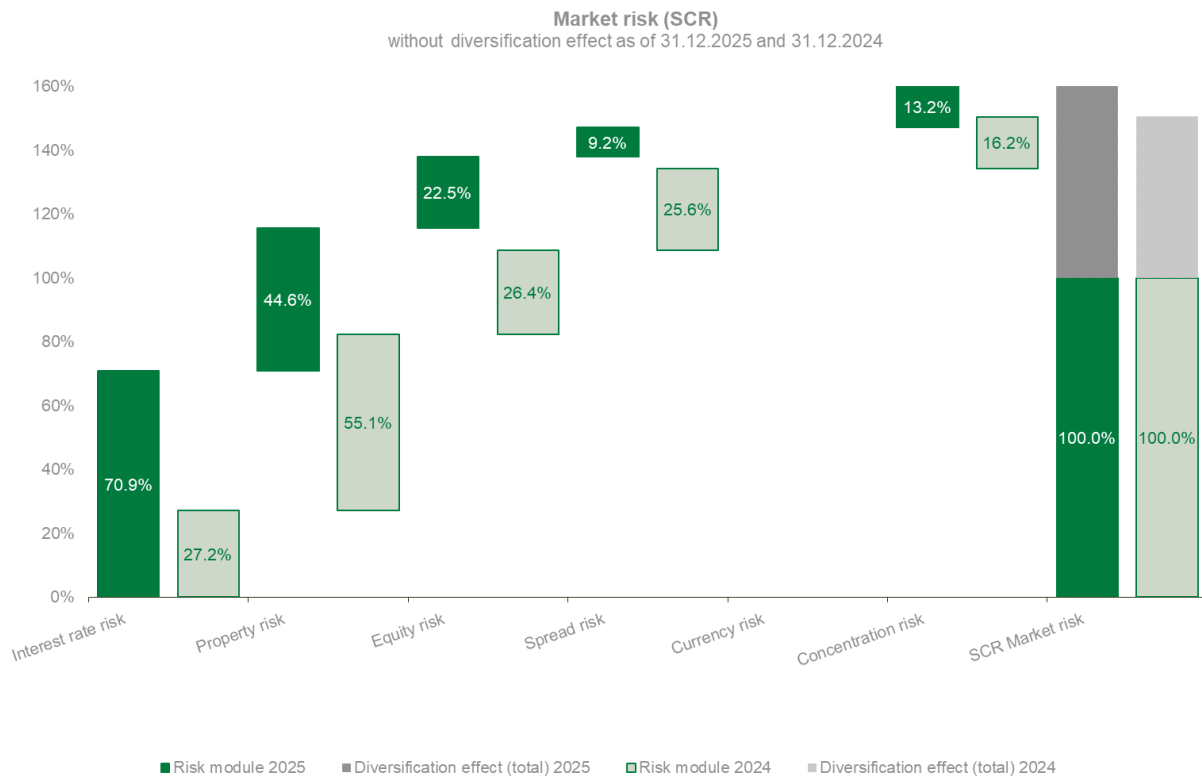
Market risks are divided into the following sub-risks, which equal the specification of the standard formula:

- interest rate risk,
- equity risk,
- property risk,
- spread risk,
- currency risk and
- concentration risk.

Market risk is the third-largest risk exposure for GRAWE Cyprus accounting for 22.7% (PY: 20.2%) of the total SCR. Within this category, only interest rate risk and property risk are material.

Article 139 of the Law stipulates that “all assets shall be invested in such a manner as to ensure the security, quality, liquidity and profitability of the entire portfolio ”.

Investment management is governed by the principle of freedom of investment, subject to the Prudent Person Principle. Within this framework, GRAWE Cyprus places significant emphasis on the monitoring and management of investment risks.



Among the market risks **interest rate risk** represents the highest risk position with a share of 16.1% (PY: 5.5%) on the SCR. Interest rate risk results from changes in the market value of interest-bearing financial instruments caused by changes in the interest curve. In addition, also the sensitives of the liabilities are taken into account. The increase in interest rate risk is due to a change in the company’s investment profile.

The level of property risk is driven, on the one hand, by the market value and, on the other, by the 25% property shock prescribed in the Standard Formula. Compared to the previous year, property risk has increased due to the appreciation of property market values.

C.2.2 Risk concentration

Risk concentrations are deemed material if they exceed a threshold of 10% of the SCR. For the 2025 reporting period, the total concentration risk remained below this level and was therefore classified as immaterial. For further details, refer to section C.2.1.

C.2.3 Risk mitigation

GRAWE Cyprus utilizes derivative financial instruments within its investment funds as a specific risk mitigation technique. These derivatives primarily consist of futures and options employed to hedge equity and bond positions held within the investment funds.

C.2.4 Risk sensitivity

To support business and capital planning, the Risk Management function performs stress testing within the ORSA framework. This process ensures the identification of adverse scenarios and ensures that negative impacts are managed via robust internal controls, strategic interventions, or capital strengthening measures.

C.3 Credit risk

Credit risk, also referred to as default risk or counterparty default risk, is defined as the risk of loss or of an adverse change in the financial situation resulting from fluctuations in the credit standing of issuers of securities, counterparties, and any other debtors to whom GRAWE Cyprus is exposed. This risk manifests in the form of counterparty default risks, spread risks, or market risk concentrations.

As the specific components of credit risk related to spread risk and market risk concentrations are addressed in section C.2, this section focuses exclusively on counterparty default risk.

C.3.1 Risk exposure

Counterparty default risk at GRAWE Cyprus primarily arises from exposures to commercial bank deposits and potential defaults by reinsurance partners.

The risk module accounts for 8.1% (PY: 10.5%) of the total SCR.

Non-Life reinsurance is provided by the Group. As a result of the good solvency capital base both at GRAWE Cyprus and at the GRAWE Group, the probability of default can be very well assessed and is thus minimised. Life and Health reinsurance counterparty risk is minimal due to the very high credit rating of the current Life & Health Business reinsurers.

In the selection of the reinsurance partners, a minimum rating of A- according to Standard & Poor's and/or Moody's or, in case of long processing time contracts, a minimum rating of A+ are aspired. If reinsurance contracts are concluded, they are only placed within the Group, whereby these companies do not have any rating but an excellent equivalent solvency ratio (above 300%). Thus, the risk of default is very low.

With regard to banks, business relationships are entered primarily with banks with a minimum rating of A according to Standard & Poor's and/or Moody's. If there is no rating available of one of the mentioned rating agencies, an internal evaluation of the business partner is carried out by in-depth analysis. Results from other rating agencies, annual reports, market experience, or other sources of information can be the basis for this.

C.3.2 Risk concentration

Cash positions are diversified across multiple commercial banks and money market funds. However, short-term liquidity levels may fluctuate over time, driven by operational liquidity requirements, fund availability, and prevailing market conditions. The exposure limits defined for external commercial banks apply equally to Group-internal institutions and are strictly adhered to in all circumstances.

C.3.3 Risk mitigation

In the area of counterparty default risk, no risk mitigation techniques are applied beyond the internal risk-minimising measures such as strict selection at the reinsurance partner and commercial banks as well as diversification of the business partners.

C.3.4 Risk sensitivity

The Company has not performed any risk sensitivity tests for credit risk.

C.4 Liquidity risk

Liquidity risk represents the potential inability of GRAWE Cyprus to liquidate assets to meet its maturing financial commitments.

Primary drivers of this risk are:

- reduced market value or limited liquidity of assets,
- unintended maturity mismatches between assets and liabilities,
- erosion of the company's overall financial standing or
- inadequate liquidity buffer or ratio.

C.4.1 Risk exposure

While liquidity risk is not explicitly captured by the Solvency II standard formula, its assessment remains fundamental to the overall management and financial stability of the company. In particular, the occurrence of a material risk event such as a major natural disaster could potentially lead to a liquidity shortfall.

GRAWE Cyprus assesses its liquidity requirements on a monthly basis to ensure alignment with its strategic liquidity objectives. Each month, the accounting department performs a cash flow projection to verify that all maturing obligations will be covered by expected inflows, primarily from premium receipts. Furthermore, assets are notionally mapped against key

obligations such as technical reserves, tax liabilities, and own funds to ensure adequate liquidity coverage across all categories.

C.4.2 Risk concentration

No material risk concentrations were identified at GRAWE Cyprus in relation to liquidity risk.

C.4.3 Risk mitigation

GRAWE Cyprus maintains a robust liquidity buffer that consistently exceeds its short-term funding requirements. Besides regular cash flow reports and cash flow planning, the company has established a liquidity contingency plan to coordinate necessary response measures and mitigate the impact of any potential liquidity distress.

C.4.4 Risk sensitivity

The liquidity risk has a strong connection to other risks. For this reason, any increased liquidity need has already been assessed with other scenarios.

C.5 Operational risk

Operational risk is the risk of loss arising from the inadequacy or failure of internal processes, personnel, or systems, or from external events. This definition also encompasses legal risks, as well as risks associated with Anti-Money Laundering and Counter-Terrorist Financing. Typical examples of operational risk include business interruptions caused by events such as fire, flooding, or IT failures that impede or prevent the continued operation of business activities. Furthermore, this category includes damages resulting from cyber-attacks, deficiencies in IT security, intentional fraud, errors in daily workflows, and risks arising from human error.

As operational risks are generally more difficult to identify and assess than other risk categories, GRAWE Cyprus places significant emphasis on their various manifestations and ensures they are addressed in a comprehensive manner.

C.5.1 Risk exposure

The operational risk of GRAWE Cyprus is calculated according to the standard formula, based on premiums collected and amounts to 9.5% (PY: 9.1%) of the SCR.

Particularly in the area of operational risks, the focus is not on quantification but on the development of suitable measures for the early identification of the risks and on the avoidance and reduction of its consequences (cf. section C.5.3)

If there are complaints from customers, these will be recorded and processed as quickly as possible according to internal defined regulations.

C.5.2 Risk concentration

Currently there are no material operational risk concentrations.

C.5.3 Risk mitigation

GRAWE Cyprus employs a comprehensive framework to mitigate operational risk, which includes:

- Business Continuity Management: A formal plan designed to ensure the continuity and regularity of all key business functions and services.
- Internal Audit Function: Periodic and independent audits to verify the effectiveness of risk management and governance.
- Internal Control System: A robust system of checks and balances integrated into daily operations.
- The "Four-Eyes" Principle: Rigorous peer reviews of all material work and high-value transactions to prevent errors.
- Predefined Authority Frameworks: The enforcement of strict underwriting, claims, and financial authority limits to prevent unauthorized or excessive exposure.
- Risk Transfer via Insurance: Comprehensive insurance coverage against property damage and associated business disruptions to safeguard the company's physical assets.

C.5.4 Risk sensitivity

Due to the complexity of the operational risk, no explicit sensitivities have been performed for the particular risk.

C.6 Any other information

Adjustment term deferred taxes

The adjustment term deferred taxes amounts as at 31 December 2025 to kEUR -2,261 (PY: 0). The adjustment term is calculated by applying the tax rate to the difference between assets and liabilities under the two regimes (IFRS vs Solvency II).

Disclosure in accordance with s.9 of the Cyprus Law on the Encouragement of the Long-Term Active Participation of Shareholders of 2021 – Investment Strategy and Arrangements with Asset Managers

GRAWE Cyprus has commissioned Grazer Wechselseitige Versicherung AG with the assessment of the premiums of policyholders and its insurance products in compliance with the LAW. The agreement is concluded for an indefinite period of time.

The Investment Strategy's objective is to generate long-termed stable revenues while ensuring a capital guarantee, whereat the assessment is undertaken in accordance with the legal requirements for the insurance products. Therefore, separate incentives for a co-ordination of

Grazer Wechselseitige Versicherung's investment strategy with the profile and duration of the liabilities of GRAWE Cyprus are not provided.

The Investment Strategy and the accordingly applicable legal provisions allow for a broad diversification of the assets. Stocks traded on a regulated market only represent a small percentage of the investment strategy, which is why there haven't been provided any incentives to make medium to long-term improvements of the performance of those companies, in which there has been invested, via active contribution of Grazer Wechselseitige Versicherung AG.

Grazer Wechselseitige Versicherung AG's performance is evaluated continuously. For its activities in the field of asset management there has been agreed upon a charge in an amount customary in the market. The monitoring of the portfolio turnover costs is ascertained by the reporting required by law. A specific portfolio turnover range has not been defined.

The required information on the investment strategy in accordance with s.9 of the Cyprus Law on the Encouragement of the Long-Term Active Participation of Shareholders of 2021 is given in the Solvency and Financial Condition Report (SFCR), which is available on the website under Download – Reports.

D. VALUATION FOR SOLVENCY PURPOSES

The valuation of assets and liabilities for GRAWE Cyprus is based on the principle of fair value. In accordance with Article 9(1) and (2) of the Delegated Regulation (EU) 2015/35, IFRS Accounting Standards serve as the primary framework for these valuations, provided they are consistent with the fair valuation principles of Solvency II.

Consequently, fair value generally corresponds to the market value determined under IFRS, as adopted by the Commission in accordance with Regulation (EC) No 1606/2002, unless specific Solvency II provisions dictate otherwise.

Pursuant to Article 77 of the Law, GRAWE Cyprus applies the following valuation criteria for the economic balance sheet:

- Assets: Valued at the amount for which they could be exchanged between knowledgeable, willing parties in an arm's length transaction.
- Liabilities: Valued at the amount for which they could be transferred or settled between knowledgeable, willing parties in an arm's length transaction.

In line with Article 7 of the Delegated Regulation, all valuations are conducted on a going-concern basis. Furthermore, the Technical Provisions are calculated in strict adherence to the specialized regulations set out in Articles 76 to 86 of the Solvency II Directive (2009/138/EC).

The values in the separate financial statements are determined according to IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, chapter 113.

The following section presents the solvency balance sheet of GRAWE Cyprus as of 31 December 2025, as reported in the QRT S.02.01, including a comparison with the previous reporting period. The presentation is restricted to the specific classes of assets and other liabilities defined in the Solvency II balance sheet template, in accordance with the Implementing Technical Standards regarding the procedures, formats and templates for the Solvency and Financial Condition Report.

Detailed information regarding the material bases, methods and assumptions used for valuation for solvency purposes can be found in section D.1 (Assets) and D.3 (Other liabilities).

Moreover, for these positions quantitative and qualitative explanations of any material differences between the valuation for solvency purposes and the valuation used in the statutory financial statements prepared in accordance with IFRS are illustrated.

The solvency balance sheet of GRAWE Cyprus, based on the QRT S.02.01 as of 31 December 2025 is presented as follows:

Solvency Balance Sheet

		2025	2024
		kEUR	kEUR
Assets			
Goodwill	R0010	0	0
Deferred acquisition costs	R0020	0	0
Intangible assets	R0030	0	0
Deferred tax assets	R0040	796	0
Pension benefit surplus	R0050	0	0
Property, plant & equipment held for own use	R0060	3,594	3,519
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	32,467	28,512
Property (other than for own use)	R0080	856	1,130
Holdings in related undertakings, including participations	R0090	4,687	0
Equities	R0100	0	4,700
Equities - listed	R0110	0	0
Equities - unlisted	R0120	0	4,700
Bonds	R0130	26,556	6,937
Government Bonds	R0140	25,508	918
Corporate Bonds	R0150	1,048	6,018
Structured notes	R0160	0	0
Collateralised securities	R0170	0	0
Collective Investments Undertakings	R0180	0	15,480
Derivatives	R0190	0	0
Deposits other than cash equivalents	R0200	368	265
Other investments	R0210	0	0
Assets held for index-linked and unit-linked contracts	R0220	91,951	79,421
Loans and mortgages	R0230	0	0
Loans on policies	R0240	0	0
Loans and mortgages to individuals	R0250	0	0
Other loans and mortgages	R0260	0	0
Reinsurance recoverables from:	R0270	2,252	2,297
Non-Life and Health similar to non-life	R0280	3,546	3,612
Non-Life excluding Health	R0290	2,965	2,950
Health similar to Non-life	R0300	581	662
Life and health similar to Life, excluding health and index-linked and unit-linked	R0310	435	282
Health similar to Life	R0320	0	0
Life excluding Health and index-linked and unit-linked	R0330	435	282
Life index-linked and unit-linked	R0340	-1,729	-1,598
Deposits to cedants	R0350	0	0
Insurance and intermediaries receivables	R0360	1,435	1,175
Reinsurance receivables	R0370	248	0
Receivables (trade, not insurance)	R0380	934	809
Own shares (held directly)	R0390	0	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0	0
Cash and cash equivalents	R0410	1,508	2,218
Any other assets, not elsewhere shown	R0420	0	0
Total assets	R0500	135,184	117,950

		2025	2024
		kEUR	kEUR
Liabilities			
Technical provisions – Non-life	R0510	20,617	20,959
Technical provisions – Non-life (excluding health)	R0520	17,617	17,594
Technical provisions calculated as a whole	R0530	0	0
Best Estimate	R0540	16,872	16,872
Risk margin	R0550	744	722
Technical provisions - health (similar to Non-life)	R0560	3,001	3,365
Technical provisions calculated as a whole	R0570	0	0
Best Estimate	R0580	2,888	3,256
Risk margin	R0590	113	109
Technical provisions - Life (excluding index-linked and unit-linked)	R0600	-4,206	-2,856
Technical provisions - Health (similar to Life)	R0610	0	0
Technical provisions calculated as a whole	R0620	0	0
Best Estimate	R0630	0	0
Risk margin	R0640	0	0
Technical provisions – Life (excluding health and index-linked and unit-linked)	R0650	-4,206	-2,856
Technical provisions calculated as a whole	R0660	0	0
Best Estimate	R0670	-6,594	-5,316
Risk margin	R0680	2,388	2,461
Technical provisions – index-linked and unit-linked	R0690	79,149	71,765
Technical provisions calculated as a whole	R0700	0	0
Best Estimate	R0710	73,969	67,423
Risk margin	R0720	5,180	4,342
Other technical provisions	R0730	0	0
Contingent liabilities	R0740	0	0
Provisions other than technical provisions	R0750	0	0
Pension benefit obligations	R0760	0	0
Deposits from reinsurers	R0770	0	0
Deferred tax liabilities	R0780	3,057	144
Derivatives	R0790	0	0
Debts owed to credit institutions	R0800	0	0
Financial liabilities other than debts owed to credit institutions	R0810	0	0
Insurance & intermediaries payables	R0820	2,309	0
Reinsurance payables	R0830	2,197	2,498
Payables (trade, not insurance)	R0840	657	2,456
Subordinated liabilities	R0850	0	0
Subordinated liabilities not in Basic Own Funds	R0860	0	0
Subordinated liabilities in Basic Own Funds	R0870	0	0
Any other liabilities, not elsewhere shown	R0880	1,908	1,646
Total liabilities	R0900	105,688	96,613
Excess of assets over liabilities	R1000	29,496	21,337

D.1 Assets

D.1.1 Explanation of the valuation differences per category of asset

D.1.1.1 Intangible assets

In the solvency balance sheet as of 31 December 2025, intangible assets are valued at EUR 0. Intangible assets in the separate financial statements under IFRS also amount to EUR 0 as they are fully amortised.

D.1.1.2 Deferred tax assets

Deferred tax assets in the solvency balance sheet as of 31 December 2025 amount to kEUR 796. In contrast, net deferred tax assets in the separate financial statements under IFRS amount to EUR 0.

D.1.1.3 Property, plant and equipment

Property, plant and equipment are presented at cost net of accumulated depreciation and any possible impairment. Depreciation on property, plant and equipment is calculated on a monthly basis using the straight-line method over their estimated useful lives using the rates shown in the table below:

	Annual %
Buildings	3
Leasehold property improvements	10
Computer equipment	20
Furniture and fittings	10
Motor vehicles	20
Electrical installations	10

No depreciation is provided on land. The assets residual values and useful life are reviewed, and adjusted if appropriate, at each reporting date.

The depreciation expense is recognized in the administration expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, plant and equipment for own use is calculated according to the description above and the value was kEUR 3,594 in both, the separate financial statements under IFRS and the balance sheet reported under Solvency II.

D.1.1.4 Equities, bonds and investment funds other than assets held for index-linked funds

Equities, bonds and investment funds excluding those held for unit- and index-linked life insurance are measured at fair value in the separate financial statements in accordance with IFRS. For the Solvency II balance sheet, the value of these assets likewise corresponds to their fair value at the reporting date.

As of 31 December 2025, there are no valuation differences between the economic balance sheet and the IFRS separate financial statements for equities, bonds, and collective investment undertakings. Under IFRS 9, these financial investments are measured at market value, which aligns with Solvency II valuation principles. Under both frameworks, the total value of these investments amounts to kEUR 32,467, including accrued interest from investments measured at fair value through other comprehensive income (FVOCI).

D.1.1.5 Assets held for unit-linked contracts

Assets held for unit-linked contracts, including related cash at bank, are measured at fair value. Consequently, there are no valuation differences for these assets between the economic balance sheet and the IFRS annual financial statements. In total, these assets amount to kEUR 91,951.

D.1.1.6 Receivables from insurance and intermediaries

Receivables towards policy holders and receivables to insurance brokers are indicated under this item. Commission advances are only included in the receivables towards insurance brokers if there is actually an entitlement to reclaim them.

Receivables in the economic balance sheet are valued with the economic value with the amount of kEUR 1,435. In the process, it is assumed that all receivables have a term of up to 12 months. The consideration of these short-term receivables is done at the nominal value less an allowance for expected premium receipts and therefore corresponds to the amount in the financial statements under IFRS, excluding any not-past due future premiums which are removed from this line for Solvency II purposes.

D.1.1.7 Reinsurance receivables

Reinsurance receivables in Solvency II amount to kEUR 248, whereas in IFRS are recorded with the amount of kEUR 0. This difference arises due to difference in classification and measurement of related balances under IFRS 17 compared to Solvency II.

D.1.1.8 Receivables (trade not insurance)

The receivables (trade not insurance) primarily include receivables from previously affiliated companies. In addition, receivables from other collective insurance arrangements and other debtors that are not classified as reinsurance or insurance receivables.

Receivables in the economic balance sheet are valued with the amount of kEUR 934. In the process, it is assumed that all receivables have a term of up to 12 months. These short-term

receivables are considered with the nominal value less expected credit losses; this corresponds to the approach in the separate financial statements according to IFRS.

D.1.1.9 Cash and cash equivalents

The item includes domestic cash and deposits at banks.

The liquid funds are valued at the nominal value in the separate financial statements according to IFRS. This value corresponds to the present value pursuant to the IFRS. There are thus no differences between the approach of the economic balance sheet and the book value in the separate financial statements according to IFRS.

As of 31 December 2025 cash and cash equivalents amounted to kEUR 1,508 in the economic balance as well as in the balance sheet according to IFRS.

D.1.1.10 Any other assets, not elsewhere shown

This item includes the offsetting item between the departments, accruals and deferrals. The other assets in the economic balance sheet are valued at the economic value. For reasons of proportionality, the book value of the economic balance sheet corresponds to the book value in the annual financial statements according to IFRS and amounts to kEUR 0 as of 31 December 2025.

D.1.1.11 Deferred tax

The deferred tax equals the expected future tax profits (deferred tax assets) or tax payments (deferred tax liability). The evaluation of deferred taxes is based on the difference between the value of each individual asset and each individual liability in the economic balance sheet and in the fiscal balance sheet. The temporary differences determined in such a way are multiplied with the individual corporate tax rate. There is no discounting of the deferred taxes.

Permanent differences between the economic balance sheet and the IFRS balance sheet do not trigger any tax deferrals pursuant to IAS 12.

A positive value may only be assigned to deferred tax assets if it is probable that there will be taxable profits in future against which the deferred tax claim can be offset, whereby all legal and administrative regulations regarding temporal restrictions for the carry forward of not yet used tax credits or the carry forward of not yet used fiscal losses are taken into account.

Deferred tax assets and liabilities in Cyprus are offset when there is a legal enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

The deferred tax assets are indicated under the item "Deferred tax assets" of the assets in the economic balance sheet and the deferred tax liabilities under the item "Deferred tax liability". There is no netting with the posted deferred tax liabilities in the economic balance sheet.

In the economic balance a tax rate of 15% was applied for the valuation of deferred taxes for GRAWE Cyprus. As indicated in section D.1.1.2 a deferred tax asset of kEUR 796 was created as at 31 December 2025. Due to different valuation methods between IFRS 17 and Solvency

If a deferred tax asset is created within Technical Provisions unit linked. The Best Estimate under both frameworks is derived similarly, primarily based on cash flow projections, which are largely consistent between IFRS 17 and Solvency II. However, the determination of the risk margin diverges significantly due to the application of different confidence levels for the risk margin.

Regarding deferred tax liabilities please refer to section D.3.1.2.

D.2 Technical provisions

Technical provisions represent the expected future claims and expenses. They are calculated for the solvency balance sheet according to actuarial principles. Technical provisions consist of a best estimate and a risk margin. The calculation of the risk margin is explained in section D.2.5.

D.2.1 Non-Life

D.2.1.1 Premium provision

The best estimate of the premium provision corresponds to the present value of all expected payments for future claims and expenses, less all expected future premium income from existing contracts. The calculation is carried out using the discounted cash flow method (present value of expected outflows minus present value of expected inflows). The discounting of these running-off cash flows results in the premium provision.

31.12.2025

Line of Business	Gross kEUR	Net Reinsurance kEUR	kEUR
Medical expense insurance	1,174	993	181
Motor vehicle insurance	2,835	3,023	-188
Fire insurance	311	291	19
Other motor insurance	0	0	0
Workers' compensation insurance	144	166	-21
General liability insurance	116	84	32
Marine, aviation and transport insurance	13	9	4
Total	4,593	4,566	26

31.12.2024

Line of Business	Gross kEUR	Net Reinsurance kEUR	kEUR
Medical expense insurance	1,213	966	247
Motor vehicle insurance	2,631	2,918	-287
Fire insurance	280	210	70
Other motor insurance	0	0	0
Workers' compensation insurance	155	171	-16
General liability insurance	128	95	33

Marine, aviation and transport insurance	12	8	4
Total	4,419	4,368	51

D.2.1.2 Claims provision

The best estimate of the claims provision corresponds to the probability-weighted average of future cash flows for obligations arising from claims that have already occurred. However, the full extent of some claims is not yet known, and their ultimate cost must therefore be estimated using mathematical and statistical methods. The cash flows arise from the claim reserves set aside in the year of claim occurrence, which are only consumed in subsequent periods. These cash flows are discounted using the risk-free interest rate term structures provided by EIOPA.

31.12.2025

Line of Business	Gross kEUR	Net kEUR	Reinsurance kEUR
Medical expense insurance	1,116	726	391
Motor vehicle insurance	12,603	9,845	2,758
Fire insurance	548	300	249
Other motor insurance	3	2	1
Workers' compensation insurance	453	422	31
General liability insurance	438	352	86
Marine, aviation and transport insurance	5	1	4
Total	15,167	11,648	3,519

31.12.2024

Line of Business	Gross kEUR	Net kEUR	Reinsurance kEUR
Medical expense insurance	1,280	869	411
Motor vehicle insurance	12,908	10,290	2,618
Fire insurance	415	59	356
Other motor insurance	26	-3	29
Workers' compensation insurance	608	588	20
General liability insurance	468	344	124
Marine, aviation and transport insurance	5	1	4
Total	15,709	12,148	3,561

D.2.2 Life

D.2.2.1 Best Estimate Life

Unit linked insurance

For the Unit-Linked business the best estimate has been derived from the value of the units allocated to the policies that were in force on the valuation date and the present value of the expected future cashflows related to these policies. The cash flow projections are performed

on a best estimate basis (i.e., without any prudence margins) and discounting is performed using the EUR risk free curve as at the valuation date, published by EIOPA.

Other life insurance

The best estimate for Other Life Insurance is calculated as the expected present value of all future cashflows arising in relation to other life insurance policies (premiums, expenses, claims etc.). The cash flow projections are performed on a best estimate basis (i.e., without any prudence margins) and discounting is performed using the EUR risk free curve as at the valuation date, published by EIOPA.

Value of best estimates

Technical provisions consist of the best estimate and the risk margin. Under Solvency II, best estimates can be presented on a gross and net basis, i.e., before and after accounting for reinsurance recoverables. Reinsurance recoverables are calculated as the expected future recoveries from the reinsurer, less the expected future premiums payable to the reinsurer.

31.12.2025

Line of Business	Gross kEUR	Net kEUR	Reinsurance kEUR
Unit-linked insurance	73,969	75,698	-1,729
Other Life insurance	-6,594	-7,029	435
Total	67,375	68,669	-1,294

31.12.2024

Line of Business	Gross kEUR	Net kEUR	Reinsurance kEUR
Unit-linked insurance	67,423	69,021	-1,598
Other Life insurance	-5,316	-5,599	283
Total	62,107	63,422	-1,315

D.2.3 Relevant changes in the assumptions for the calculation of best estimates

D.2.3.1 Non-Life

As it is common practice, development factors have been updated.

D.2.3.2 Life

A number of assumptions have been updated, the most important of which are:

- Premium taxes (set to zero as per the recent tax reform)
- Mortality rates
- Lapse rates

- Inflation rates
- Expenses
- Interest rates

D.2.4 Description of the uncertainty level associated with technical provisions

The calculation of the technical provisions was carried out in accordance with the requirements for technical provisions (Articles 76 to 86 of the Solvency II Directive). Uncertainty relates primarily to how future actual experience will differ from the best estimate assumptions used to calculate the technical provisions.

D.2.4.1 Uncertainties and valuation differences between IFRS and Solvency II

In Non-Life, uncertainties exist regarding the following:

- Interest rate assumptions
- Outstanding claims developments

Cash flows are estimated using claims triangles. The discount factors are prescribed by the EIOPA yield curve.

The best estimate in Life is calculated from the following three components:

- Contractual cash flows
- Discount factors, and
- Probabilities

While the contractual cash flows are strictly determined by the nature of the contractual agreements, the estimation of the discount factors is significantly influenced by the risk-free yield curve prescribed by EIOPA. To assess this uncertainty, the two interest rate shocks of the SCR scenarios are calculated. Qualitative and quantitative explanation of the valuation differences per LOB, differences in the basics, methods and assumptions used

The differences between Solvency II values and values according to IFRS result from valuation differences pointed out in the table below:

	IFRS	Solvency II
Valuation Non-Life		
Premium provision	Similar to old IFRS 4 concept of unearned premium	Future cashflows basis over the remaining duration of unexpired policies
Claim provision	Payment pattern and EIOPA risk free yield curve plus volatility adjustment	EIOPA risk free yield curve
Risk Margin/ Risk adjustment	<ul style="list-style-type: none"> • Confidence level 75% • Underwriting risk required capital as a starting point • Non-financial risk 	<ul style="list-style-type: none"> • Confidence level 99.5% • 6% cost of required capital on underwriting and non-hedgeable financial risk

Valuation Life		
Valuation Best Estimate	IFRS 17 for insurance contracts	Standard formula according to Solvency II
	EIOPA plus volatility adjustment	EIOPA risk free yield curve
Valuation Claims Reserves	Limited discounting due to short term claims development	No discounting
Risk Margin/ Risk adjustment	<ul style="list-style-type: none"> Confidence level 75% Underwriting risk required capital as a starting point Non-financial risk	<ul style="list-style-type: none"> Confidence level 99.5% 6% cost of required capital on underwriting and non-hedgeable financial risk

For both lines of business, significant reserving differences arise from the differences in expense assumptions. Solvency II projections allow for all expenses whilst IFRS projections allow for attributable expenses only which are roughly 25% less than the total expenses.

The values of Technical Provisions (sum of Best Estimate and Risk Margin) as well as the IFRS reserves net of reinsurance are presented below:

Line of Business	IFRS kEUR	Solvency II kEUR
Non-life excl. Health	18,756	14,652
Health	882	2,420
Unit-Linked	89,588	78,714
Other Life	315	-2,477
Total	109,541	93,308

D.2.4.2 Description matching adjustment and portfolio

The Company has not used the LTG measure.

D.2.4.3 Statement on the use of the volatility adjustment

The Company has not used the volatility adjustment.

D.2.4.4 Statement on the use of the transitional risk-free interest rate

The Company has not used the transitional risk-free interest rate-term structure.

D.2.5 Calculation of the risk margin

In addition to the best estimate, the technical provisions also include the risk margin. The risk margin is calculated in accordance with the standard formula using the cost-of-capital approach. The underlying concept of this approach is that the entire portfolio is transferred to

a reference undertaking, which invests risk-free and runs off this portfolio. The cost of holding solvency capital for risks that remain despite risk-free investment is reflected by the risk margin. In this sense, the risk margin corresponds to a type of 'safety margin' that indicates how much additional risk capital the reference undertaking must hold. The cost-of-capital rate prescribed in the Solvency II standard formula is 6%.

In addition to underwriting risks, unavoidable market risks, counterparty default risk – concerning reinsurers, outstanding balances with intermediaries, and receivables from policyholders – as well as operational risk must be included in the calculation. The future Solvency Capital Requirements (SCRs) for each individual year and each line of business (LoB) are projected until the run-off of the portfolio. The cost of providing the future solvency capital requirements is determined using the cost-of-capital rate and discounted using the risk-free yield curve. The applied method substantively corresponds to Simplification No. 1 of the EIOPA Guidelines on the valuation of technical provisions (EIOPA-BoS-14/166 EN).

The following table shows the risk margins per LoB and the total technical provisions (TP) as the sum of the best estimates already shown and the risk margin.

Line of Business	31.12.2025		31.12.2024	
	Risk Margin	TP	Risk Margin	TP
	kEUR	kEUR	kEUR	kEUR
Medical expense insurance	84	1,803	77	1,912
Motor vehicle insurance	689	13,557	685	13,893
Fire insurance	32	623	14	282
Other motor insurance	0	0	0	-3
Workers' compensation insurance	29	617	32	791
General liability insurance	23	460	23	462
Marine, aviation and transport insurance	1	11	0	9
Total Non-Life	857	17,070	831	17,347
Unit-linked insurance	5,180	80,878	4,342	73,363
Other Life insurance	2,388	-4,641	2,461	-3,138
Total Life	7,567	76,237	6,803	70,225

D.3 Other liabilities

D.3.1 Explanation of the valuation differences per category of liability

D.3.1.1 Provisions other than technical provisions

In IAS 37.36, the IFRS standardises the consideration of the provisions with the most probable value or with the expected value pursuant to IAS 37.39. From the current perspective, no fundamental deviations to the book value according to IFRS result in this position; therefore, the approach in the separate financial statements according to IFRS corresponds to the valuation approach in the economic balance sheet.

D.3.1.2 Deferred tax liabilities

The deferred tax liabilities are indicated under the item "Deferred tax liabilities" of the liabilities in the economic balance sheet. There is no netting with the posted deferred tax assets in the economic balance sheet.

The tax rate used is 15% and the amount reported is kEUR 3,057 and is derived from the below differences in liabilities between the solvency balance sheet values and the annual financial statements under IFRS values.

	Solvency Balance Sheet	Financial Statements IFRS	Deferred Liability Tax Rate 15%
	kEUR	kEUR	kEUR
Technical Provisions Non-life excl. Health	17,617	20,929	497
Technical Provisions (unit-linked)	79,149	89,490	1,551
Technical Provisions Life	-4,206	159	655
Reinsurance recoverables	3,400	2,075	199
Reinsurance receivables	248	0	37
Deferred income tax liability (from IFRS)			119
Total			3,057

D.3.1.3 Payables (trade, not insurance)

Other liabilities are valued with the repayment amount. There are no differences between the approach of the economic balance sheet and the book value in the separate financial statements according to IFRS.

D.3.1.4 Reinsurance payables

Reinsurance payables are the liabilities to be settled and resulting from the invoicing for the reinsurance ceded.

An offsetting with receivables is only to be done if this offsetting is legally permissible on the reference date for the invoicing; an offsetting with custodian account receivables is, however, not permitted under any circumstances.

There are no differences between the approach of the economic balance sheet and the book value in the separate financial statements according to IFRS.

D.3.1.5 Any other liabilities, not elsewhere shown

This item contains lease liabilities as well as tax obligations. There are no differences between the approach of the economic balance sheet and the book value in the separate financial statements according to IFRS.

D.4 Alternative methods of valuation

There is no alternative methods of valuation used in GRAWE Cyprus.

D.5 Any other information

All material information regarding the valuation for solvency purposes is contained in the preceding sections.

E. CAPITAL MANAGEMENT

E.1 Own funds

Under Solvency II, the own funds requirement of an insurance company is based on its actual risk profile (cf. statements in section C). The higher the risks to which an insurance company is exposed, the higher the solvency capital requirement (SCR) and the minimum capital requirement (MCR) that the company must cover with eligible own funds.

The determination of own funds eligible to cover the SCR and MCR is based on a three-step process:

In a first step, own funds are calculated in the solvency balance sheet as the excess of assets over liabilities. This excess is disclosed in the presentation of the solvency balance sheet in section D. The solvency valuation of some assets and liabilities, deviates from the valuation according to existing IFRS accounting regulations (cf. statements in section D). The own funds reported in the economic balance sheet are referred to as basic own funds.

While subordinated liabilities may also be classified as basic own funds, the capital management policy of GRAWE Cyprus currently does not provide for the issuance of such instruments.

Furthermore, ancillary own funds (capital that can be called up from shareholders to offset losses) are not included in the economic balance sheet and may only be recognized upon approval by the relevant Supervisory Authority. The current capital management policy of GRAWE Cyprus does not envision the inclusion of ancillary own funds.

In the second step, own fund items are classified into three tiers (Tier 1, Tier 2, and Tier 3) based on their ability to absorb losses in accordance with their availability and duration. GRAWE Cyprus reports exclusively own fund items in its economic balance sheet that are undated, unencumbered, and permanently available, thus qualifying as Tier 1 capital.

Finally, limits on the eligibility of Tier 1, Tier 2, and Tier 3 capital may be applied where necessary, as certain own fund items may not possess full loss-absorption capacity in a stress scenario.

GRAWE Cyprus has formulated the objective within its internal capital management policy to hold exclusively Basic Own Funds of Tier 1 quality.

To achieve the objective of maintaining high-quality Tier 1 capital, the following rules must be strictly adhered during any capital measures:

- Only ordinary shares may be issued, in full compliance with the applicable statutory provisions governing share emissions.
- All own fund items must be fully paid-up or covered by high-quality assets at all times.
- Own fund items must not be encumbered by agreements, connected transactions, or group structures that could undermine their effectiveness or eligibility as capital.
- Neither subordinated liabilities nor ancillary own funds (as defined in relevant insurance legislation) may be issued.
- GRAWE Cyprus shall not hold any treasury shares.

No capital measures are planned within the business planning horizon through 2026.

In accordance with the law and the Articles of Association of GRAWE Cyprus, the General Meeting is responsible for passing resolutions regarding dividend payments. The Board of Directors is required to submit a dividend proposal to the General Meeting.

The proposal is developed with consideration for the economic and strategic interests of all stakeholders (in particular but not solely of the shareholders) and must specifically account for the following factors:

- Adherence to corporate and regulatory provisions regarding dividend distributions;
- Ensuring the company is equipped with sufficient own funds to meet all requirements as of 31 December of the preceding financial year;
- Material business events occurring after the reporting date that may have a negative impact on own funds or capital requirements;
- Detailed planning for the current financial year and the resulting forecasts for own funds and solvency requirements;
- The medium-term capital management plan and its associated solvency projections.

When presenting a proposal to the General Meeting, the Board of Directors must ensure that the dividend distribution does not cause either the current or the projected solvency ratio to fall below 150%.

E.1.1. Own funds according to IFRS

As of 31 December 2025 the paid-up capital of GRAWE Cyprus consists of 25,824,412 (PY: 25,824,412) units of shares with a nominal value of 0.85 EUR (PY: 0.85 EUR) each.

E.1.2. Own funds according to Solvency II

The own funds derived from the solvency balance sheet as of 31 December 2025, and in comparison to the previous year, consist of the items presented in the overview below.

GRAWE Cyprus holds neither subordinated liabilities nor ancillary own funds. Consequently, the total amount of own funds corresponds exactly to the total amount of basic own funds.

Due to their specific characteristics, the basic own funds of GRAWE Cyprus are classified exclusively as "Tier 1" in accordance with Art. 93(1)(a) of the Solvency II directive and Art. 69 to Art. 71 of the Delegated Regulation. These funds are fully eligible to cover both the SCR and the MCR without limit.

	Total 2025 kEUR	of which Tier 1 unlimited 2025 kEUR	Total 2024 kEUR	of which Tier 1 unlimited 2024 kEUR
Paid-up share capital	21,951	21,951	21,951	21,951
Capital reserves	3,157	3,157	3,157	3,157
Reconciliation reserve	4,389	4,389	-3,770	-3,770
Total of the basic own funds	29,496	29,496	21,337	21,337

The reconciliation reserve corresponds to the total excess of assets over liabilities, less the items specified in Art. 70(1) of the Delegated Regulation. No dividend payment was declared during the past financial year. Consequently, the Reconciliation Reserve of GRAWE Cyprus is calculated as follows::

	2025 kEUR	2024 kEUR
Excess of the assets over liabilities	29,496	21,337
Other basic own funds	-25,107	-25,108
Reconciliation reserve	4,389	-3,770

E.1.3. Explanation of valuation difference

The differences between the own funds in the solvency balance sheet and the own funds according to IFRS are composed of the following items:

	2025	2024
	kEUR	kEUR
Difference in valuation		
Difference in the valuation of assets	796	0
less: difference in the valuation of technical provisions	-16,648	-8,927
less: difference in the valuation of other liabilities	5,135	2,498
Total amount of the reserves from the annual financial statements	109,541	97,265
Contingency Reserve, not included in the own funds according to IFRS, therefore deduction		
Reserves from the annual financial statements, adjusted to reflect the valuation differences from Solvency II	98,824	90,836
Surplus of the assets over the liabilities that can be assigned to the other basic own funds	25,107	25,108
Surplus of the assets over the liabilities	29,496	21,337

The difference in the valuation of the assets result from the reinsurance valuation.

With the technical provisions, the Best Estimate overall is substantially below the book values in the IFRS balance sheet.

The differences in the valuation of other liabilities results from the carrying of deferred taxes as liabilities.

E.1.4. Deferred Taxes

As at 31 December 2025 deferred tax assets (DTA) amount to kEUR 796, which have been recognized in full within the solvency balance sheet. Since deferred tax liabilities exceed deferred tax assets and amount to kEUR 3,057, no net deferred tax assets exist as of the reporting date. Consequently, GRAWE Cyprus does not report any Tier 3 own funds derived from net deferred tax assets.

E.2 SCR and MCR

GRAWE Cyprus calculates the solvency capital requirement (SCR) using the Solvency II standard formula.

This is designed to reflect a capital level that enables the company to absorb unforeseen losses over the following year. The SCR is calibrated to correspond to a Value at Risk (VaR) of basic own funds at a 99.5% confidence level over a one-year horizon. It simulates a "1-in-200-year" stress event. This calibration ensures that all quantifiable risks to which the insurance undertaking is exposed are fully incorporated.

In applying the standard formula, GRAWE Cyprus uses simplifications for life catastrophe sub-module. The Company does not use undertaking-specific parameters (USPs). Furthermore, the company has not made use of the matching adjustment or the volatility adjustment.

As of the reporting date 31 December 2025, the SCR of GRAWE Cyprus amounted to kEUR 15,879 (PY: kEUR 15,193). The breakdown by risk module is presented as follows:

		2025	Share on SCR	2024	Share on SCR
Market risk	Interest rate risk	2,551	16.1%	833	5.5%
	Equity risk	809	5.1%	807	5.3%
	Property risk	1,607	10.1%	1,688	11.1%
	Spread risk	329	2.1%	784	5.2%
	Concentration risk	475	3.0%	495	3.3%
	Currency risk	0	0.0%	0	0.0%
	Diversification	-2,172	-13.7%	-1,546	-10.2%
TOTAL	3,599	22.7%	3,062	20.2%	
Counterparty default risk		1,294	8.1%	1,597	10.5%
Life underwriting risk	Mortality risk	975	6.1%	861	5.7%
	Longevity risk	0	0.0%	0	0.0%
	Disability risk	182	1.1%	163	1.1%
	Lapse risk	9,713	61.2%	6,838	45.0%
	Expense risk	3,788	23.9%	3,569	23.5%
	Revision risk	0	0.0%	0	0.0%
	Catastrophe risk	1,541	9.7%	923	6.1%
	Diversification	-3,441	-21.7%	-2,711	-17.8%
TOTAL	12,758	80.3%	9,643	63.5%	
Health underwriting risk	Health (similar to Life)	0	0.0%	0	0.0%
	Premium and reserve risk	1,432	9.0%	1,385	9.1%
	Lapse risk	0	0.0%	0	0.0%
	Health (similar to Non-Life)	1,432	9.0%	1,385	9.1%
	Catastrophe risk	1,074	6.8%	1,047	6.9%
	Diversification	-672	-4.2%	-675	-4.4%
TOTAL	1,834	11.6%	1,757	11.6%	
Non-Life underwriting risk	Premium and reserve risk	4,903	30.9%	4,934	32.5%
	Lapse risk	637	4.0%	561	3.7%
	Natural catastrophes	898	5.7%	503	3.3%
	Man-made catastrophes	967	6.1%	1,004	6.6%
	Other catastrophes	0	0.0%	0	0.0%
	Catastrophe risk	1,319	8.3%	1,123	7.4%
	Diversification	-1,435	-9.0%	-1,262	-8.3%
TOTAL	5,424	34.2%	5,356	35.3%	
		0		0	
Basic SCR (BSCR)		16,634	104.8%	13,817	90.9%
Operational risk		1,506	9.5%	1,376	9.1%
Adjustments technical provisions (Adj _{TP})		0	0.0%	0	0.0%
Adjustments deferred taxes (Adj _{DT})		-2,261	-14.2%	0	0.0%
Adjustments (Adjustment term)		-2,261	-14.2%	0	0.0%
SCR (capital requirement)		15,879	100.0%	15,193	100.0%

The ratio of eligible own funds to the SCR (=solvency ratio) stood at 185.8% (PY: 140.4%) as of the reporting date. The increase in the solvency ratio as of 31 December 2025, is attributable to the fact that the growth in own funds outpaced the increase in the SCR. Adequate capitalization was maintained throughout the entire reporting period.

The Minimum Capital Requirement (MCR) represents the absolute minimum level of capital that an insurance undertaking must maintain at all times to continue its business operations.

The calculation of the MCR follows a three-step procedure in accordance with Solvency II regulatory requirement:

1. **Linear MCR:** The linear MCR is determined as a function of the net best estimate, net written premiums, and the capital at risk for unit-linked and index-linked life insurance, each multiplied by predefined regulatory factors.
2. **MCR Corridor (Cap and floor):** The linear MCR calculated in Step 1 is then compared to the SCR. It must fall within a range of 25% to 45% of the SCR. If the linear MCR is below 25%, a floor of 25% of the SCR is applied. If it exceeds 45%, a cap of 45% of the SCR is used for the final step.
3. **Absolute floor:** Finally, the result from Step 2 is compared against a statutory absolute floor. If the calculated value is lower than this absolute floor, the MCR is increased to this minimum threshold.

The MCR of GRAWE Cyprus corresponds to 25% of the SCR (MCR floor). As of the reporting reference date 31 December 2025, the MCR of GRAWE Cyprus amounted to kEUR 8,000 (PY: kEUR 8,000). The ratio of the eligible own funds to the MCR (=MCR ratio) stood at 368.7% (PY: 266.7%).

The amount of adjustment term deferred taxes is kEUR -2,261.

E.3 Use of the duration-based equity-risk sub-module in the calculation of the SCR

Not relevant.

E.4 Differences between the standard formula and any internal models used

Not relevant.

E.5 Non-compliance with the MCR and SCR

Not relevant.

E.6 Any other information

Any relevant information was mentioned in the previous sections.

Nicosia, 6 April 2026

The Board of Directors

List of abbreviations

Adj _{DT}	Adjustment term for deferred taxes
Adj _{TP}	Adjustment term for technical provisions
AG	Aktiengesellschaft (joint stock corporation)
Art.	Article
BE	Best Estimate
BSCR	Basic solvency capital requirement of Pillar 1
CCL	Cyprus Company Law
cf.	Latin: <i>confer</i>
CoC	Cost of Capital
DR	Delegated Regulation
EC	European Commission
ECB	European Central Bank
e.g.	Latin: <i>exempli gratia</i>
EIOPA	European Insurance and Occupational Pensions Authority from 01 January 2011
EPIFP	Expected Profits Included in Future Premiums
etc.	etcetera
GRAWE AG	Grazer Wechselseitige Versicherung Aktiengesellschaft
HR	Human Resources
HRG	Homogeneous risk group
i.e.	In other words
IAS/IFRS	International accounting standards in the respective last valid version endorsed by the EU
ICCS	Insurance Companies Control Service
incl.	including
LAW	The Law on Insurance and Reinsurance Business and other Related issues of 2016 and additional Orders and Guidelines issued from the Superintendent.
LoB	Line of Business
Ltd.	Limited
MCR	Minimum capital requirement
OECD	Organisation for Economic Cooperation and Development
ORSA	Own risk and solvency assessment of Pillar 2
Par.	Paragraph
SCR	Solvency capital requirement of Pillar 1
SI	Superintendent of Insurance
TÜV	Technical Inspection Association (German: Technischer Überwachungsverein)
VaR	The Value at Risk (VaR) denotes the threshold value that with the determined probability (=confidence level) is not exceeded within a defined period of time (=holding period).
VaR95	The Value at Risk that denotes the threshold value that is not exceeded within a defined period of time with a 95% probability.

Annex

Annex I

S.02.01.02

Balance sheet

	Solvency II value
	C0010
Assets	
Intangible assets	R0030
Deferred tax assets	R0040 796
Pension benefit surplus	R0050
Property, plant & equipment held for own use	R0060 3,594
Investments (other than assets held for index-linked and unit-linked contracts)	R0070 32,467
Property (other than for own use)	R0080 856
Holdings in related undertakings, including participations	R0090 4,687
Equities	R0100
Equities - listed	R0110
Equities - unlisted	R0120
Bonds	R0130 26,556
Government Bonds	R0140 25,508
Corporate Bonds	R0150 1,048
Structured notes	R0160
Collateralised securities	R0170
Collective Investments Undertakings	R0180
Derivatives	R0190
Deposits other than cash equivalents	R0200 368
Other investments	R0210
Assets held for index-linked and unit-linked contracts	R0220 91,951
Loans and mortgages	R0230
Loans on policies	R0240
Loans and mortgages to individuals	R0250
Other loans and mortgages	R0260
Reinsurance recoverables from:	R0270 2,252
Non-life and health similar to non-life	R0280 3,546
Non-life excluding health	R0290 2,965
Health similar to non-life	R0300 581
Life and health similar to life, excluding health and index-linked and unit-linked	R0310 435
Health similar to life	R0320
Life excluding health and index-linked and unit-linked	R0330 435
Life index-linked and unit-linked	R0340 -1,729
Deposits to cedants	R0350
Insurance and intermediaries receivables	R0360 1,435
Reinsurance receivables	R0370 248
Receivables (trade, not insurance)	R0380 934
Own shares (held directly)	R0390
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400
Cash and cash equivalents	R0410 1,508
Any other assets, not elsewhere shown	R0420
Total assets	R0500 135,184

	Solvency II value
	C0010
Liabilities	
Technical provisions – non-life	R0510 20,617
Technical provisions – non-life (excluding health)	R0520 17,617
Technical provisions calculated as a whole	R0530
Best Estimate	R0540 16,872
Risk margin	R0550 744
Technical provisions - health (similar to non-life)	R0560 3,001
Technical provisions calculated as a whole	R0570
Best Estimate	R0580 2,888
Risk margin	R0590 113
Technical provisions - life (excluding index-linked and unit-linked)	R0600 -4,206
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 -4,206
Technical provisions calculated as a whole	R0660
Best Estimate	R0670 -6,594
Risk margin	R0680 2,388
Technical provisions – index-linked and unit-linked	R0690 79,149
Technical provisions calculated as a whole	R0700
Best Estimate	R0710 73,969
Risk margin	R0720 5,180
Contingent liabilities	R0740
Provisions other than technical provisions	R0750
Pension benefit obligations	R0760
Deposits from reinsurers	R0770
Deferred tax liabilities	R0780 3,057
Derivatives	R0790
Debts owed to credit institutions	R0800
Financial liabilities other than debts owed to credit institutions	R0810
Insurance & intermediaries payables	R0820 2,309
Reinsurance payables	R0830 2,197
Payables (trade, not insurance)	R0840 657
Subordinated liabilities	R0850
Subordinated liabilities not in Basic Own Funds	R0860
Subordinated liabilities in Basic Own Funds	R0870
Any other liabilities, not elsewhere shown	R0880 1,908
Total liabilities	R0900 105,688
Excess of assets over liabilities	R1000 29,496

Annex I

S.04.05.21

Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

	Home Country	Top 5 countries: non-life				
		C0011	C0012	C0013	C0014	C0015
R0010	GR	GR				
	C0010	C0020	C0021	C0022	C0023	C0024
Premiums written (gross)						
Gross Written Premium (direct)	R0020	25,686	504			
Gross Written Premium (proportional reinsurance)	R0021					
Gross Written Premium (non-proportional reinsurance)	R0022					
Premiums earned (gross)						
Gross Earned Premium (direct)	R0030	25,011	576			
Gross Earned Premium (proportional reinsurance)	R0031					
Gross Earned Premium (non-proportional reinsurance)	R0032					
Claims incurred (gross)						
Claims incurred (direct)	R0040	9,876	172			
Claims incurred (proportional reinsurance)	R0041					
Claims incurred (non-proportional reinsurance)	R0042					
Expenses incurred (gross)						
Gross Expenses Incurred (direct)	R0050	9,576	612			
Gross Expenses Incurred (proportional reinsurance)	R0051					
Gross Expenses Incurred (non-proportional reinsurance)	R0052					

Home country: Life insurance and reinsurance obligations

	Home Country	Top 5 countries: life				
		C0031	C0032	C0033	C0034	C0035
						
	C0030	C0040	C0041	C0042	C0043	C0044
Gross Written Premium	R1020	28,463				
Gross Earned Premium	R1030	28,463				
Claims incurred	R1040	10,734				
Gross Expenses Incurred	R1050	8,025				

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	8,935		1,599	8,557	2,852	109	3,090	1,048									26,190
Gross - Proportional reinsurance accepted	R0120																	
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140	2,423		66	544	181	83	2,090	512									5,900
Net	R0200	6,511		1,533	8,012	2,671	25	1,000	537									20,290
Premiums earned																		
Gross - Direct Business	R0210	8,999		1,509	8,292	2,764	106	2,939	978									25,587
Gross - Proportional reinsurance accepted	R0220																	
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240	2,457		66	542	181	82	1,992	463									5,783
Net	R0300	6,543		1,443	7,749	2,583	24	946	516									19,804
Claims incurred																		
Gross - Direct Business	R0310	2,847		194	6,091		9	748	159									10,048
Gross - Proportional reinsurance accepted	R0320																	
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340	968			-85		7	447	23									1,361
Net	R0400	1,879		194	6,175		2	301	136									8,687
Expenses incurred	R0550	2,994		712	4,253	470	47	1,322	390									10,188
Balance - other technical expenses/income	R1200																	
Total expenses	R1300																	10,188

	Line of Business for: life insurance obligations						Life reinsurance obligations		Total
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	
Premiums written									
Gross	R1410			26,069	2,393				28,463
Reinsurers' share	R1420			548	637				1,184
Net	R1500			25,522	1,757				27,279
Premiums earned									
Gross	R1510			26,069	2,393				28,463
Reinsurers' share	R1520			548	637				1,184
Net	R1600			25,522	1,757				27,279
Claims incurred									
Gross	R1610			10,474	260				10,734
Reinsurers' share	R1620			239	18				257
Net	R1700			10,235	242				10,477
Expenses incurred	R1900			7,255	770				8,025
Balance - other technical expenses/income	R2500								
Total expenses	R2600								8,025
Total amount of surrenders	R2700			10,001					10,001

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

	Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)	
		Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees	Contracts with options or guarantees	Contracts without options and guarantees				Contracts with options or guarantees						
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
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 as a whole	R0020															
Technical provisions calculated as a sum of BE and RM																
Best Estimate																
Gross Best Estimate	R0030		60,416	13,552		-5,046	-1,548			67,375						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		-1,412	-317		414	21			-1,294						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090		61,829	13,869		-5,460	-1,569			68,669						
Risk Margin	R0100	5,180			2,388					7,567						
Technical provisions - total	R0200	79,149			-4,206					74,942						

Annex I
S.17.01.02
Non-life Technical Provisions

Technical provisions calculated as a whole
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole
Technical provisions calculated as a sum of BE and RM
Best estimate
Premium provisions
Gross
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
Net Best Estimate of Premium Provisions
Claims provisions
Gross
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default
Net Best Estimate of Claims Provisions
Total Best estimate - gross
Total Best estimate - net
Risk margin
Technical provisions - total
Technical provisions - total
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total

	Direct business and accepted proportional reinsurance											Accepted non-proportional reinsurance				Total Non-Life obligation	
	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	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance		Non-proportional property reinsurance
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160		C0170
R0010																	
R0050																	
R0060	1,174		144	2,835		13	311	116									4,593
R0140	181		-21	-188		4	19	32									26
R0150	993		166	3,023		9	291	84									4,566
R0160	1,116		453	12,603	3	5	548	438									15,167
R0240	391		31	2,758	1	4	249	86									3,519
R0250	726		422	9,845	2	1	300	352									11,648
R0260	2,290		598	15,438	3	18	859	554									19,760
R0270	1,719		588	12,868	2	10	591	437									16,214
R0280	84		29	689	0	1	32	23									857
R0320	2,374		626	16,126	3	19	890	578									20,617
R0330	571		10	2,570	1	8	268	118									3,546
R0340	1,803		617	13,557	2	11	623	460									17,072

Annex I

S.19.01.21

Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year [AY]
--------------------------------------	--------------	--------------------

Gross Claims Paid (non-cumulative)

(absolute amount)

Year	Development year											In Current year	Sum of years (cumulative)				
	1	2	3	4	5	6	7	8	9	10 & +							
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110						
Prior	R0100													436	R0100	436	436
2016	R0160	11,187	4,697	1,310	923	1,681	881	212	127	45	179				R0160	179	21,241
2017	R0170	9,949	5,320	1,520	2,625	1,537	593	182	277	478					R0170	478	22,481
2018	R0180	10,867	6,183	2,851	506	448	505	6,406	187						R0180	187	27,953
2019	R0190	14,194	6,215	861	413	386	371	426							R0190	426	22,866
2020	R0200	8,456	3,140	436	234	89	8								R0200	8	12,363
2021	R0210	5,907	1,996	95	152	449									R0210	449	8,597
2022	R0220	6,236	2,496	379	92										R0220	92	9,203
2023	R0230	6,458	2,782	296											R0230	296	9,535
2024	R0240	6,657	2,677												R0240	2,677	9,334
2025	R0250	5,991													R0250	5,991	5,991
Total												R0260	11,218	150,001			

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

Year	Development year											Year end (discounted data)				
	1	2	3	4	5	6	7	8	9	10 & +						
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300					
Prior	R0100													1,837	R0100	1,543
2016	R0160	9,025	6,093	5,317	3,792	1,850	994	736	1,251	491	458				R0160	167
2017	R0170	9,236	7,105	5,417	2,692	1,651	1,494	1,849	913	552					R0170	247
2018	R0180	16,763	12,498	9,640	8,879	8,685	8,715	1,319	1,120						R0180	736
2019	R0190	7,276	3,698	2,807	2,114	2,635	2,004	1,371							R0190	2,773
2020	R0200	2,927	1,749	837	1,280	569	659								R0200	240
2021	R0210	3,675	1,545	2,012	1,631	1,174									R0210	1,169
2022	R0220	3,353	1,950	819	790										R0220	785
2023	R0230	3,868	1,502	793											R0230	715
2024	R0240	4,552	2,337												R0240	2,110
2025	R0250	4,904													R0250	4,683
Total												R0260	15,167			

Annex I
S.23.01.01
Own funds

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

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

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

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
 Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
 Unpaid and uncalled preference shares callable on demand
 A legally binding commitment to subscribe and pay for subordinated liabilities on demand
 Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
 Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
 Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
 Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
 Other ancillary own funds

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	21,951	21,951			
R0030	3,157	3,157			
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	4,389	4,389			
R0140					
R0160					
R0180					
R0220					
R0230					
R0290	29,496	29,496			
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					

Total ancillary own funds

Available and eligible own funds

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

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0400					
R0500	29,496	29,496			
R0510	29,496	29,496			
R0540	29,496	29,496			
R0550	29,496	29,496			
R0580	15,879				
R0600	8,000				
R0620	185.76%				
R0640	368.70%				

Reconciliation reserve

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

Reconciliation reserve

Expected profits

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

Total Expected profits included in future premiums (EPIFP)

C0060	
R0700	29,496
R0710	
R0720	
R0730	25,108
R0740	
R0760	4,389
R0770	
R0780	
R0790	

Annex I

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

Market risk
 Counterparty default risk
 Life underwriting risk
 Health underwriting risk
 Non-life underwriting risk
 Diversification
 Intangible asset risk

Basic Solvency Capital Requirement

Calculation of Solvency Capital Requirement

Operational risk
 Loss-absorbing capacity of technical provisions
 Loss-absorbing capacity of deferred taxes
 Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC

Solvency capital requirement excluding capital add-on

Capital add-on already set
 of which, capital add-ons already set - Article 37 (1) Type a
 of which, capital add-ons already set - Article 37 (1) Type b
 of which, capital add-ons already set - Article 37 (1) Type c
 of which, capital add-ons already set - Article 37 (1) Type d

Solvency capital requirement

Other information on SCR

Capital requirement for duration-based equity risk sub-module
 Total amount of Notional Solvency Capital Requirement for remaining part
 Total amount of Notional Solvency Capital Requirements for ring fenced funds
 Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios
 Diversification effects due to RFF nSCR aggregation for article 304

Approach to tax rate

Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

LAC DT
 LAC DT justified by reversion of deferred tax liabilities
 LAC DT justified by reference to probable future taxable economic profit
 LAC DT justified by carry back, current year
 LAC DT justified by carry back, future years
 Maximum LAC DT

	Gross solvency capital requirement	USP	Simplifications
	C0110	C0090	C0120
R0010	3,599		
R0020	1,294		
R0030	12,758		
R0040	1,834		
R0050	5,424		
R0060	-8,276		
R0070			
R0100	16,634		

	C0100
R0130	1,506
R0140	
R0150	-2,261
R0160	
R0200	15,879
R0210	
R0211	
R0212	
R0213	
R0214	
R0220	15,879
R0400	
R0410	
R0420	
R0430	
R0440	

	Yes/No
	C0109
R0590	1 - Yes

	LAC DT
	C0130
R0640	-2,261
R0650	-2,261
R0660	
R0670	
R0680	
R0690	

Annex I
S.28.02.01

Minimum capital Requirement - Both life and non-life insurance activity

	MCR components		
	Non-life activities	Life activities	
	MCR _(NL, NL)	MCR _(NL, L)	
	Result	Result	
	C0010	C0020	
Linear formula component for non-life insurance and reinsurance obligations	R0010	2,863	

Medical expense insurance and proportional reinsurance
Income protection insurance and proportional reinsurance
Workers' compensation insurance and proportional reinsurance
Motor vehicle liability insurance and proportional reinsurance
Other motor insurance and proportional reinsurance
Marine, aviation and transport insurance and proportional reinsurance
Fire and other damage to property insurance and proportional reinsurance
General liability insurance and proportional reinsurance
Credit and suretyship insurance and proportional reinsurance
Legal expenses insurance and proportional reinsurance
Assistance and proportional reinsurance
Miscellaneous financial loss insurance and proportional reinsurance
Non-proportional health reinsurance
Non-proportional casualty reinsurance
Non-proportional marine, aviation and transport reinsurance
Non-proportional property reinsurance

	Background information			
	Non-life activities		Life activities	
	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
	C0030	C0040	C0050	C0060
R0020	1,719	6,511		
R0030				
R0040	588	1,533		
R0050	12,868	8,012		
R0060	2	2,671		
R0070	10	25		
R0080	591	1,000		
R0090	437	537		
R0100				
R0110				
R0120				
R0130				
R0140				
R0150				
R0160				
R0170				

Linear formula component for life insurance and reinsurance obligations

	Non-life activities	Life activities
	MCR _(L, NL)	MCR _(L, L)
	Result	Result
	C0070	C0080
R0200		861

Obligations with profit participation - guaranteed benefits
Obligations with profit participation - future discretionary benefits
Index-linked and unit-linked insurance obligations
Other life (re)insurance and health (re)insurance obligations
Total capital at risk for all life (re)insurance obligations

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
	C0090	C0100	C0110	C0120
R0210				
R0220				
R0230			75,698	
R0240				
R0250				472,515

Overall MCR calculation

	C0130	
Linear MCR	R0300	3,723
SCR	R0310	15,879
MCR cap	R0320	7,145
MCR floor	R0330	3,970
Combined MCR	R0340	3,970
Absolute floor of the MCR	R0350	8,000
Minimum Capital Requirement	R0400	8,000

Notional non-life and life MCR calculation

	Non-life activities	Life activities	
	C0140	C0150	
Notional linear MCR	R0500	2,863	861
Notional SCR excluding add-on (annual or latest calculation)	R0510	12,208	3,670
Notional MCR cap	R0520	5,494	1,652
Notional MCR floor	R0530	3,052	918
Notional Combined MCR	R0540	3,052	918
Absolute floor of the notional MCR	R0550	4,000	4,000
Notional MCR	R0560	4,000	4,000

Glossary

Basis point:

100 basis points correspond to 1% and depict the change on financial markets.

Combined ratio:

The combined ratio is the sum of the expense ratio, which represents the ratio of acquisition and administrative expenses to earned premiums, and the loss ratio, which indicates the proportion of claims incurred relative to earned premiums.

Correlation:

A metric quantifying the degree to which two variables are linearly associated.

Credit spread:

In finance, a credit spread refers to the yield difference between an interest-bearing asset and a risk-free reference rate of the same maturity. It represents the additional risk premium an investor receives for opting for a non-risk-free investment.

Delphi-Method:

Multi-round expert interviews are used to determine risk magnitude and probability of occurrence. Typical and extreme results from the previous round are disclosed to the experts before each subsequent round. At GRAWE Cyprus, these rounds consist of an assessment by the risk owner, a discussion with the local risk manager, individual sessions during a workshop, and a management discussion.

Derivatives:

Derivatives are instruments of forward trading and are defined as financial instruments whose value is derived from the price performance of one or more underlying assets (underlying). The value of the derivative tracks the value of the underlying, reflecting either a positive or negative dependency.

Diversification effect:

The reduction of risk exposure through diversification, arising from the fact that the negative outcome of one risk can be offset by the more favourable outcome of another, provided these risks are not perfectly correlated.

Investment grade:

Investment Grade is the designation or status assigned to companies or securities that possess strong creditworthiness and "investment quality." The minimum rating required for investment grade is BBB (Standard & Poor's) or Baa (Moody's). Investments below this threshold are classified as non-investment grade, as they are typically speculative in nature and associated with higher risk.

Scenario analyses:

Analyses of the effects of a combination of different events.

SCR ratio:

The SCR ratio represents the ratio of eligible own funds to the solvency capital requirement under Solvency II.

Value at Risk:

Value at Risk is a widely recognized metric used for risk assessment. A Value at Risk of EUR 1 million at a 95% confidence level over a one-year holding period means that there is a 95% probability that the potential loss within one year will not exceed EUR 1 million.

Independent Auditor's Report



Independent Auditor's Report

To the Board of Directors of Grawe Insurance Company (Cyprus) 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 2023/895 of 4 April 2023, of Grawe Insurance Company (Cyprus) Limited (the “Company”), prepared as at 31 December 2025:

- S.02.01.02 – Balance sheet
- S.12.01.02 – Life and Health SLT Technical Provisions
- 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.28.02.01 – Minimum Capital Requirement – Both life and 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”.

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

Basis for opinion

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

Emphasis of Matter

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

Other information

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

Narrative sections:

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

QRTs (contained in Annex I to Commission Implementing Regulation (EU) No 2023/895 of 4 April 2023):

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

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

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

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

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



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

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

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

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

Our objectives are to obtain reasonable assurance about whether the relevant QRTs of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Solvency and Financial Condition Report.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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.

PricewaterhouseCoopers

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

PwC Central, 43 Demostheni Severi Avenue
CY-1080 Nicosia Cyprus

6 April 2026

PricewaterhouseCoopers Ltd, PwC Central, 43 Demostheni Severi Avenue, CY-1080 Nicosia, Cyprus P O Box 21612, CY-1591 Nicosia, Cyprus
T: +357 - 22 555 000, F: +357 - 22 555 001, www.pwc.com.cy

PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No.143594). Its registered office is at PwC Central, 43 Demostheni Severi Avenue, CY- 1080 Nicosia. A list of the company's directors, including for individuals the present and former (if any) name and surname and nationality, if not Cypriot and for legal entities the corporate name, is kept by the Secretary of the company at its registered office. PwC refers to the Cyprus member firm, PricewaterhouseCoopers Ltd and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.