



MINERVA
INSURANCE

SOLVENCY AND FINANCIAL CONDITION REPORT 2025

A. Executive Summary	3
A.1 Purpose of the report	3
A.2 Business and Performance	3
A.3 System of Governance	3
A.4 Risk Profile	4
A.5 Valuation for Solvency Purposes	5
A.6 Capital Management	6
A.7 Material changes during 2025	7
A.8 Annex I	8
B. Business Performance	9
B.1 Business	9
B.2 Underwriting performance	13
B.3 Investment Performance	16
B.4 Performance of other activities	17
B.5 Any other material information	17
C. System of Governance	18
C.1 General information on the system of governance	18
C.2 Fit and proper requirements	25
C.3 Risk management system including the Own Risk and Solvency Assessment	26
C.4 Internal control system	32
C.5 Compliance Policy and Compliance Function	34
C.6 Internal Audit Function	34
C.7 Actuarial Function	35
C.8 Outsourcing	36
C.9 Adequacy of the system of governance	37
C.10 Any other information	37
D. Risk Profile	38
D.1 Underwriting Risk	39
D.2 Market risk	41
D.3 Credit risk	45
D.4 Liquidity risk	47
D.5 Operational risk	48
D.6 Other material risks	49
D.7 Any other information	49
E. Valuation for solvency purposes	50
E.1 Assets	50
E.2 Technical provisions	52
E.3 Other Liabilities	56
E.4 Alternative methods for valuation	57
E.5 Any other information	57
F. Capital Management	58
F.1 Own Funds	58
F.2 Solvency Capital Requirement and Minimum Capital Requirement	59
F.3 Use of duration-based Equity Risk Sub-Module in the calculation of the SCR	62
F.4 Differences between the Standard Formula and any Internal Model Used	62
F.5 Non-compliance with the MCR and non-compliance with the SCR	62
F.6 Any Other information	62
APPENDICES	63
Appendix A: The Company's Organisational Structure	64
Annex I - Quantitative Reporting Templates	65

A. Executive Summary

A.1 Purpose of the report

This report represents the Solvency and Financial Condition Report (SFCR) of Minerva Insurance Company Public Limited (hereinafter “Minerva” or “Company”) for the year ended 31 December 2025. The purpose of this report is to satisfy the public disclosure requirements under the European Union Directive 2009/138 (Solvency II Directive) transposed into local legislation (Law on Insurance and Reinsurance Services and Other Related Issues Law) including the EU Delegated Regulation 2015/35 supplementing the above Directive.

The report presents different aspects of Minerva’s solvency and financial condition. In particular it sets out Minerva’s business and performance, system of governance, risk profile, valuation methods used in preparation of its Balance Sheet on a Solvency II basis and overview of its capital management and contains both qualitative and quantitative information.

The Report should be read in conjunction with quantitative reporting templates presented in Annex I of this report.

A.2 Business and Performance

Minerva Insurance Company Public Limited was founded and began its operations in 1970. Minerva is a composite insurer operating in Cyprus.

The Company is licenced under article 19 of the Insurance and Reinsurance Services and Other Related Issues Law to underwrite accident and health, motor (including third party liability), marine and transit risks, fire and other property damage and general liability insurance business.

The Company underwrites a wide range of General Insurance Products (non-life). Its portfolio comprises of 76,60% motor products and 23,40% non-motor products.

During the year ended 2025 the Company increased its total (life and non-life) Gross Written Premium (GWP) to €23,1 million (2024: 21,1 million) representing an increase of 9,41% compared to last year. The Company has generated a profit of €1,214 thousand compared to €641 thousand profit in 2024.

The Company maintains a solid capital position. At the reference date, the Solvency Capital Requirement amounted to €9,910 million and the eligible own funds available to cover this requirement amounted to €14,276 million. Hence, the ratio of eligible own funds to SCR at the reference date amounted to 144,05% and the Solvency II surplus amounted to €4,366 million.

The Business performance of the Company is further analysed in section B of this report.

A.3 System of Governance

Minerva’s Board recognises the importance of strong corporate governance and has the responsibility of ensuring its long-term sustainability. The three lines of defence model is in place and the Board of Directors, which bears the ultimate responsibility for ensuring that corporate governance arrangements within the Company are sufficient and adequate, monitors and oversees specific areas of the business through its various committees. The governance structure sets out clear accountabilities and responsibilities across all the functions of the Company and in particular the key functions.

In order to strengthen its internal control system, the Company has maintained the following internal control functions, in accordance with Solvency II requirements:

- Risk Management Function
- Actuarial Function
- Internal Audit Function
- Compliance Function

Additionally, Minerva in anticipation of the regulatory requirements has formalised its written policies and procedures and improved its overall risk management and internal control system based on the nature, complexity and size of the Company.

The System of governance of the Company is further analysed in section C of this report.

A.4 Risk Profile

The risk profile of Minerva is predominately driven by non-life underwriting risk, market risk and counterparty default risk.

The primary basis used by Minerva to quantify the risks is the Solvency Capital Requirement (SCR) which is calculated as Solvency II Own Funds at risk.

The following table shows Minerva's diversified SCR by most significant components as at 31 December:

SCR by risk type	2025 - €'000	2024 - €'000
Non-life underwriting risk	5,699	5,196
Market risk	5,059	4,865
Counterparty risk	1,293	1,338
Life and health risk	358	346
Operational risk	635	587
Diversification	(3,134)	(3,002)
Loss absorbing capacity of deferred taxes	-	-
Solvency Capital Requirement (SCR)	9,910	9,330

The Risk profile of the Company is further analysed in section D of this report.

A.5 Valuation for Solvency Purposes

The valuation of the assets and liabilities of the Solvency II Balance Sheet is carried out by the Valuation Policy and Reserving Policy endorsed by the Company's Board of Directors.

The Company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS's) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

As at the valuation date the total value of Company's assets amounted to €41,972m on an IFRS basis and €44,162m on a Solvency II basis. The difference in the value of assets between the two bases is due to the difference in various valuation methods used between Solvency II and IFRS17.

As at the valuation date the IFRS liabilities amounted to €27,142m. This compares to €29,886m of Company's Solvency II technical provisions calculated as at the same valuation date. The difference in the value of both assets and liabilities between the two bases is due to the difference in various valuation methods used between Solvency II and IFRS17.

The €554k difference is accounted as follows:

Own Funds Reconciliation	€'000
Equity (IFRS Financial Statements)	14,830
Intangible Assets	(58)
Reinsurance Recoverable	(1,012)
Reinsurance Payable	1,031
Technical provisions	(1,236)
Lease Liability	110
Subordinated Liabilities	635
Deferred tax	(24)
Own Funds (Solvency II)	14,276

The valuation for solvency purposes of the Company is further analysed in section E of this report.

A.6 Capital Management

At 31 December 2025, the Own Funds of the Company amounted to €14,276.

The coverage ratio of the Company is 144,05% as at the valuation date and is analysed as follows:

Own Funds	€'000
Ordinary share capital	3,281
Share premium account related to ordinary share capital	1,610
Reconciliation reserve	8,588
Other own fund items approved by the supervisory authority	797
Total Basic Own Funds	14,276

The following table shows the SCR split by risk modules as at 31 December:

Solvency Capital Requirement	2025 - €'000	2024 - €'000
Market risk	5,059	4,865
Counterparty default risk	1,293	1,338
Life Underwriting risks	147	161
Health underwriting risk	211	185
Non-Life underwriting risk	5,699	5,196
Sum of risk components	12,409	11,745
Diversification effects	(3,134)	(3,002)
Diversified risk	9,275	8,743
Intangible asset risk	-	-
Basic SCR	9,275	8,743
Operational risk	635	587
Adjustments	-	-
SCR	9,910	9,330

Under Solvency II all insurance entities must satisfy at any point in time the requirements of having sufficient available capital to meet the Minimum Capital Requirement (MCR) to retain its licence to sell insurance business in Cyprus.

The Company was compliant with the MCR throughout the year under review.

As at the valuation date, the MCR of the Company was determined to be €4,000m which means that the Company needs to have at least €4,000m of available capital (own funds) to retain its licence to sell insurance business in Cyprus. Given its available capital is at a level of €14,276m, the Company can cover its minimum capital requirement by 3,57 times.

The Capital management of the Company is further analysed in section F of this report.

A.7 Material changes during 2025

1. On 4th of August 2025, the Executive Chairman transferred a 50.794% ownership stake by way of a gift to his children: "The Group of: Koutsokoumnis Kypros, Erricos, Alina, and Asiana." It is noted that this transaction does not affect the Executive Chairman's direct and indirect participation, which remains at 50.834%.
2. On 4th of August 2025, the Company's Board of Directors decided to distribute interim dividends for the financial year 2023 for the amount of €98,435 and the payment was made on 10th of November 2025.
3. The geopolitical situation in Middle East escalated on 28 February 2026 due to the armed conflict. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The conflict has caused significant volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures. Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

Challenges for companies may include disruptions to supply chains, higher energy and raw material costs and increased uncertainty in operational and financial planning.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

There are events that are indicative of conditions that arose after the reporting period. Therefore, these are considered as a non-adjusting event and thus, are not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2025.

The Company has no direct exposure to the Middle East, as such, does not expect any direct impact.

Although the Company has no direct exposure, the conflict may still create negative effects on the Cypriot economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. In addition, potential adverse effects on the tourism sector, which constitutes a key pillar of the Cypriot economy, may further influence economic activity and business

conditions. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's financial position, financial performance and cash flow position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for appropriate actions in case the effects become prolonged.

A.8 Annex I

Annex I, shows the quantitative templates submitted to the local Regulator on behalf of the Company for the valuation date. The following templates are reproduced in this Annex:

Code	Template Name
S.02.01.02	Balance Sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.12.01.02	Life and Health SLT Technical Provisions
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-Life insurance claims
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 or non-life insurance activity

B. Business Performance

This section of the report describes Minerva's business structure, key operations and financial performance over the reporting period.

B.1 Business

B.1.1 Name and legal form

Minerva Insurance Company Public Limited (hereafter the "Company", "Minerva") was incorporated in Cyprus on 29 October 1970 as a private limited liability company and on 20 November 1997 was converted into a public company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. In December 1997 the Company made a public issue of new shares and was listed in the Cyprus Stock Exchange with company Registration Number HE3282.

Its registered office is at 165 Athalassas Avenue, Anna Maria Court, 2024, Strovolos, Cyprus.

The principal activity of the Company is the transaction of general insurance business. All the Company's insurance business is conducted in the Republic of Cyprus.

The Company operates through its headquarters that are located in Nicosia and its branches which are located in the cities of Larnaca, Limassol, Paphos and Famagusta.

B.1.2 Supervisory authority

The Superintendent of Insurance is the competent authority for the supervision of the insurance sector in the Republic of Cyprus and exercises all the powers granted by the Law on Insurance and Reinsurance Services and Other Related Business of 2016 to 2025 and by the relevant Regulations, for the purpose of protecting the policyholders and the insurance beneficiaries. The supervisor contact details are:

Insurance Companies Control Service

Address: P.O. Box 23364, 1682 Nicosia, Cyprus

Telephone Number: (+357) 22602990

Fax Number: (+357) 22302938

E-mail: insurance@mof.gov.cy

B.1.3 External Auditors

The Company's appointed auditor for the year ended 31 December 2025 was Ernst & Young Cyprus Ltd with the following contact details:

Address: 10 Esperidon Street, 1087 Nicosia

P.O.Box 21656, 1511 Nicosia, Cyprus

Telephone Number: (+357) 22209999

Fax Number: (+357) 22209996

The information in this Report has been subject to external audit according to the Orders of the Superintendent of Insurance. The Auditor's Report is presented in Appendix B.

B.1.4 Shareholders

The shareholders of the Company that had directly or indirectly significant participation (over 5%) in the Company's share capital presented below:

	31/12/2025	28/03/2026
Group of: Koutsokoumnis Kypros, Erricos, Alina and Asiana	50,794%	50,794%
Legal estate of Costakis Koutsokoumnis	21,913%	21,913%
Kypros K. Koutsokoumnis	8,128%	8,128%

B.1.5 Legal structure of the group

Minerva Insurance does not belong to any insurance group and does not have any ultimate controlling parent company.

Minerva is the holding company of the companies presented on the following table:

Company	Principal activities	Direct or indirect share (%)	NBV - €'000
Minerva Estate Limited	Investments on immovable property	100	2,462,066
Artozaco Properties Limited	Investments on immovable property	100	5,970,831
Minerva Financial Services Public Limited	Financing and investment services	99,66	-
Citi Principal Investments Limited	Financing and investment services	97,17	-
Minerva Credit Limited	Dormant company	99,99	-
Citi Secretarial Limited	Dormant company	97,17	-
Minerva Mutual Funds Limited	Dormant company	99,66	-
Total Investment			8,432,897

B.1.6 Material lines of business and geographical areas
Motor insurance

The Company writes motor insurance in Cyprus. This consists of both property and liability benefits, and therefore, includes both shorter and longer tail coverage. The payments that are made quickly indemnify the policyholder against the value of loss on motor physical damage claims and property damage (liability) claims, at the time the incident occurs, subject to any limits or excesses. The payments that take longer to finalise, and are more difficult to estimate, relate to bodily injury claims. These indemnities cover the motor vehicle against compensation payable to third parties for death or personal injury.

Liability (Professional Indemnity, Employers Liability, Public Liability, Engineering)

The Company writes liability insurance in Cyprus. Under these contracts, compensation is paid for injury suffered by individuals, including employees or members of the public. The main liability exposures are in relation to bodily injuries.

Fire insurance and other damage on property

The Company writes insurance against fire and other damage on property in Cyprus. Property insurance indemnifies, subject to any limits or excesses, the policyholder against the loss or damage to their own material property.

Accident and health insurance

Personal Accident products pay benefits of fixed amount in the event of an accident or cover the medical expenses due to accident. Medical insurances offered on an individual basis (either stand alone or as supplementary benefits to life policies) provide only inpatient cover while group medical policies provide both inpatient and outpatient cover. Generally, medical insurances indemnify the insured person fully or partially for the cost of medical treatment due to either accident or illness.

Yacht, Marine and Cargo

The company writes very few of the above insurance risks covering the loss or damage of ships, yachts, cargo, terminals, and any transport or cargo by which property is transferred, acquired, or held between the points of origin and final destination.

Life Business

The Company ceased writing new life business as from 15th November 2012. A closed portfolio consisting of 343 in force and paid-up policies is currently administered by the Company's life department of which the majority (240) are unit linked type policies and the remaining are conventional endowment and whole life policies with and without profit participation and standalone term policies.

Life Business - Unit-linked insurance contracts

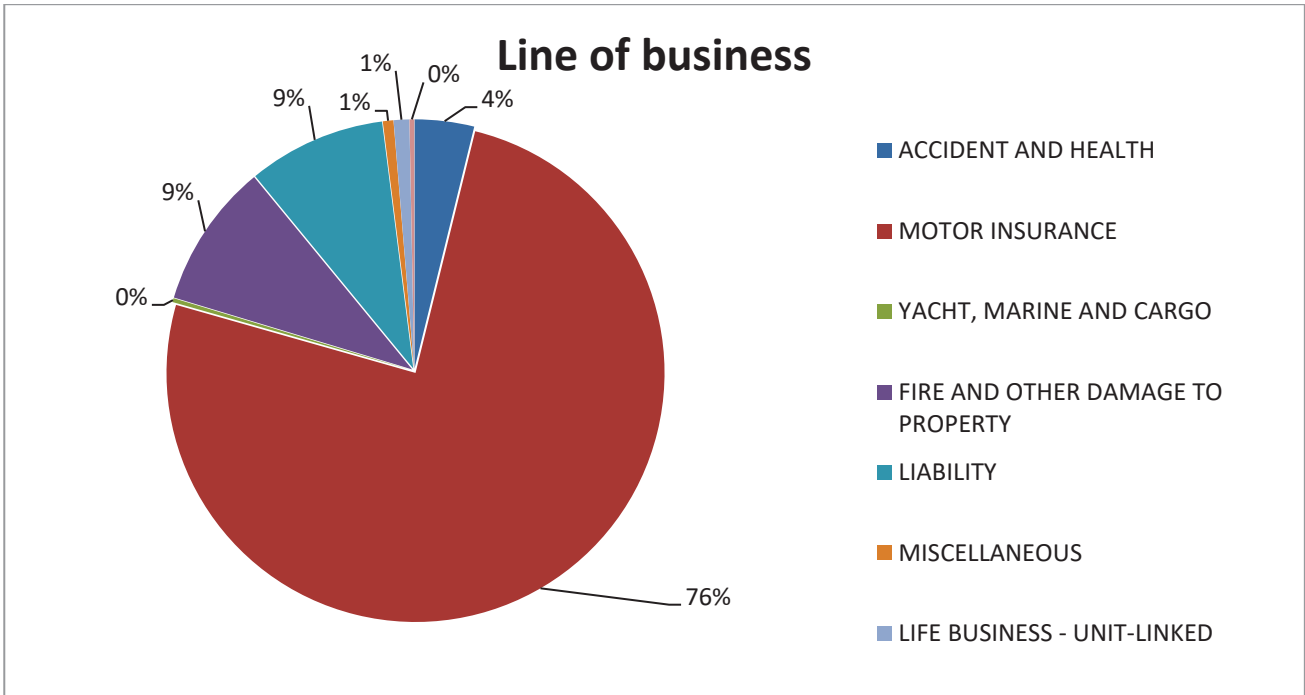
These are contracts without fixed benefits and consist mainly of regular unit-linked endowments and whole of life products where the primary purpose is to provide an investment return. In addition, the policyholder is also insured against death. Unit-linked contracts operate by investing the policyholders' premiums into pooled investment funds of the Company. The policyholders' share of the fund is represented by units. The benefit is payable on maturity, or death if earlier. The amount payable on death is subject to a guaranteed minimum amount. The maturity or surrender value depends on the investment performance of the underlying fund and the level of charges levied by the Group for policy administration fees, mortality and other charges. A small number of these contracts also provide a minimum guaranteed surrender value at specific dates.

Life Business – Non unit linked

In addition, the Company maintains non-unit linked contracts all written before 2003. These contracts may be of pre-defined duration, or whole of life, and they accrue for specific benefits both in the case of maturity of the contract, or death whichever is earlier. The surrender value of the contract is either pre-determined or defined

for each contract by the Company. A small number of these contracts participate on the profits of Life Business as defined for each contract by the Company.

The following graph shows an analysis of the line of business of the Company as at 31 December 2025 based on written premiums as at the reporting period:



B.1.7 Significant changes that have a material impact on the undertaking

There are no other significant changes that have a material impact on the Company other than those disclosed in the section A.7 above.

B.2 Underwriting performance

B.2.1 Non-Life Portfolio

The Company registered a growth of 9,58% (2024: 11,12%) in its GWP mainly attributed to the income from motor vehicle liability and other motor insurance, income protection insurance, general liability and fire and other damage to property insurance.

Gross Written Premium €	2025	2024	%change
Medical expense insurance	878,323	679,025	29,35%
Income protection insurance	86,083	105,819	-18,65%
Motor vehicle third party	13,453,634	12,548,361	8,34%
Motor vehicle comprehensive	4,043,647	3,587,065	8,99%
Marine, aviation and transport insurance	74,752	51,579	44,93%
Fire and other damage to property insurance	2,253,814	1,910,798	17,95%
General liability insurance	1,902,120	1,820,527	4,48%
Miscellaneous financial loss	149,553	140,005	6,82%
Total	22,841,926	20,843,179	9,58%

The incurred claims of the Company in 2025, increased by 40,02%, compared to last year, mainly attributed to the increased exposure in motor business.

Incurred Claims €	2025	2024	%change
Medical expense insurance	253,471	244,747	3,56%
Income protection insurance	(8,859)	41,411	-121,39%
Motor vehicle third party	7,599,805	5,111,703	48,67%
Motor vehicle comprehensive	2,033,402	2,519,604	-19,30%
Marine, aviation and transport insurance	589	392	50,26%
Fire and other damage to property insurance	1,627,924	545,502	198,43%
General liability insurance	700,647	257,097	172,52%
Miscellaneous financial loss	8,438	3,616	133,35%
Total	12,215,417	8,724,072	40,02%

The Company forecasts its results over its business planning horizon as part of its Own Risk and Solvency Assessment. According to our forecasts, we expect to maintain the same levels of growth and profitability to be enhanced further.

B.2.2 Life Portfolio

The Company registered a reduction of 7,60% (2024: reduction of 19,64%) in its Gross Written Premium mainly attributed to the runoff nature of the business. The life portfolio incurred loss of €134,414 for the year ended 31 December 2025 (2024: gain €4,253).

B.2.3 Application of IFRS 17

The Company applied IFRS 17 for the first time on 1 January 2023. The standard brought significant changes to the accounting for insurance and reinsurance contracts and have a material impact on the Group's financial statements in the period of initial application.

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts.

Contracts issued by the Company classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company uses judgment to assess whether a contract transfers significant insurance risk, by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance. The Company issues contracts under which it accepts significant insurance risk from its policyholders, which classified as insurance contracts. The Company does not expect significant changes on the classification of contracts to insurance or investment contracts arising from the application of these requirements.

In addition to issuing insurance contracts, the Company holds reinsurance contracts to mitigate certain risk exposures. A reinsurance contract is an insurance contract issued by a reinsurer to compensate the Company for claims arising from one or more insurance contracts issued by the Company. Reinsurance policies held by the Company are still considered to transfer significant insurance risk if they transfer substantially all of the insurance risk associated with the reinsured portions of the underlying insurance policies to the reinsurer. The Company does not expect any impact on the classification of the reinsurance contracts held arising from the application of these requirements.

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM).

The Premium Allocation Approach (PAA) is an optional simplified measurement model in IFRS 17 that is available to insurance policies that meet the eligibility criteria.

The Group applied the Premium Allocation Approach to all contracts in the non-life segment because the following criteria are met at inception.

- **Insurance contracts and loss-occurring reinsurance contracts:** The coverage period of each contract in the group is one year or less.

- **Risk-attaching reinsurance contracts:** The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

For the life segment the Group measures a group of contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario discounted and weighted by the estimated probability of that outcome to derive an expected present value.

All cash flows discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity characteristics of the contracts. Cash flows that vary based on the returns on any underlying items adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Group would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The contractual service margin (CSM) of a group of contracts represents the unearned profit that the Group recognize as it provides services under those contracts.

A more detailed analysis on the full methodology as adopted by the Company is described in the financial statements for the year ended 31 December 2025.

B.2.4 Underwriting performance over the business planning horizon

The anticipated growth of business volumes by product line are as follows:

Gross Written Premium €	2026 - €'000	2027 - €'000
Medical expense insurance	834	793
Income protection insurance	86	86
Motor vehicle liability insurance	14,060	14,131
Other motor insurance	2,676	2,690
Marine, aviation and transport insurance	75	75
Fire and other damage to property insurance	2,300	2,346
General liability insurance	1,903	1,903
Miscellaneous financial loss	150	150
Total	22,084	22,174

Overall, the projected portfolio of Minerva is expected to remain profitable over the business planning horizon. Availability of reinsurance remains critical for the Company to maintain its competitiveness as well as its risk-taking capacity.

B.3 Investment Performance

The composition of the Company's investment portfolio (excluding Unit Linked) as at 31 December was as follows:

Asset type	2025	2024
	€	€
Property, plant and equipment	13,081,535	12,501,271
Holdings in related undertakings	8,432,897	8,502,950
Equities	547,765	365,207
Bonds	357,740	514,114
Cash and cash equivalents	1,552,086	873,155

A graph shows the above analysis is presented in section D.2 below.

B.3.1 Income and expenses arising from investments by asset class

An analysis of the Company's income and expenses arising from investments by assets class is analysed below:

Type	2025	2024
	€	€
Property, plant and equipment held for own use	276,811	284,554
Gain on disposal/FV charge on equities/other shares - listed	463,175	204,941
Gain on FV change and on disposal of investment properties	55,927	87,966
Other investments	135,521	110,470
Dividend income	314,902	35,238

Income arising comprises of rental income, dividends and gains on fair value changes and disposal of listed shares and investment properties.

B.3.2 Any gains and losses recognised directly in equity

During the year the following items have been recognised directly in the Other Comprehensive Income:

Type	2025	2024
	€	€
Profit on revaluation of property	125,008	48,845
FV adjustment on investment in subsidiaries	(70,053)	383,995
Profit on revaluation of available for sale investment	7,006	14,837
Deferred tax on revaluation of property	(19,218)	1,614
Dividend paid	98,435	-

B.3.3 Investment Projections

When compiling projections, no market movements are factored. Dividends are projected to remain stable year on year based on the most recent data available and interest on debt securities reflects actual coupons receivable. Rental income projections are based on contracts in force.

B.4 Performance of other activities

There have been no other significant activities undertaken by the Company other than its insurance and related activities.

B.5 Any other material information

There is no other material information regarding the business and performance of the Company which has not already been disclosed in the sections above.

C. System of Governance

This section sets out information in relation to Minerva's system of governance. It provides a description of Minerva's key functions as defined by Solvency II regulations (Risk Management, Compliance, Internal Audit, and Actuarial functions).

This section also describes the internal control system which utilised the Three Lines of Defence model.

C.1 General information on the system of governance

The Company is committed to implement a sound governance framework through which the main objectives are set and obtained. The Board of Directors has the ultimate responsibility to ensure that the management of the business is based on the following principles:

- Transparent organisational structure
- Strategic objectives and corporate values communicated throughout the Company
- Clear lines of responsibility and accountability throughout the Company
- Board of Directors members and Senior Management are qualified for their positions, have a clear understanding of their role in corporate governance and are able to exercise sound independent judgment about the affairs of the Company and that Fit and Proper requirements are met
- There is appropriate oversight of the Company's activities through the three lines of defence model
- Effective utilisation of the work conducted by internal and external auditors, as well as other control functions, given their critical contribution to sound corporate governance
- Compensation policies and practices are consistent with the Company's ethical values, objectives, strategy and control environment

The Corporate Governance framework for the Company is based on the 'three lines of defence model' which supports the implementation of a robust internal control system and is aligned with the "four eye principle" that the Company is required to comply.

The First Line of Defence owns the risk and is responsible for identifying, recording, reporting, managing the risks and ensuring that the right controls and assessments are in place to mitigate these risks.

The Second Line of Defence sets the policy and guidelines for managing the risks and provides advice, guidance and challenge to the First Line of Defence on effective risk management.

The Third Line of Defence is Internal Audit which independently ensures that the Company manages the risk effectively.

The “Three Lines of Defence Model” is presented in the diagram below:

BOARD OF DIRECTORS			
	CHIEF EXECUTIVE OFFICER		
	GENERAL MANAGERS		
	Line 1: Management	Line 2: Control	Line 3: Assurance
Board Committees		RISK & RESERVING COMMITTEE	AUDIT COMMITTEE
		INVESTMENT COMMITTEE	
Management Committees	EXECUTIVE COMMITTEE		
Functions/Business Areas	UNDERWRITING	RISK MANAGEMENT FUNCTION	INTERNAL AUDIT
	ACTUARIAL FUNCTION		
	CLAIMS	LEGAL	
	FINANCE		
	SUPPORT (IT, HR)	COMPLIANCE FUNCTION	

C.1.1 The Board of Directors (BoD)

The BoD which is the ultimate supervisory body of the Company is responsible for leading and controlling the Company, devising strategies and plans for their implementation and reviewing and evaluating the Company’s performance against such strategies and plans.

The BoD organises and directs the affairs of the Company in a manner that seeks to protect its policyholders’ funds, maximize the value of the Company for the benefit of its shareholders, while complying with regulatory requirements and relevant governance standards.

The BoD is responsible for setting the appropriate “tone at the top” by providing appropriate organisational values, ethics and priorities and by establishing and embedding an organisational culture that supports the effective operation of the system of governance.

Furthermore, the members of the BoD act as advisers and counsellors to the CEO and Senior Management and oversee the Senior Management’s performance.

The Directors are responsible for the general governance of the Company, its proper administration and management and for the general supervision of its affairs.

C.1.1.1 Election and Appointment of Board Members

The Directors are appointed by election at the annual general meeting of the Company.

The Board of Directors consists of four executive directors (including the Chairman) and six non-executive directors.

The current members of the Board of Directors of the Company are presented below:

Marios Koutsokoumnis – Executive Chairman / CEO

Michael Mylonas – Executive Director

Danis Kliriotis – Executive Director

Kypros M. Koutsokoumnis – Executive Director (appointed on 04 August 2025)

Constantinos Malekos – Non-Executive Director

Andreas Shiakas – Non-Executive Director

Christoforos Antoniadis – Non-Executive Director

Andreas Philippou – Non-Executive Director

Constantinos Antoniou – Non-Executive Director

Avgerinos Hartsiotis – Non-Executive Director

All members of the Board remained fit and proper according to the Solvency II requirements.

- Mr. Marios Koutsokoumnis is a graduate of the English University of Economics, ACII and Chartered Insurer of the Chartered Insurance Institute in London. He was a General Manager of the General Business of Minerva Insurance Company Public Limited from 1983 to 16 December 1999 on which he left the Company. On 14th of March 2018 was appointed as Executive Chairman and Chief Executive Officer of the Company.
- Mr. Michael Mylonas holds BA in Economics and BSc in International Business of American Universities. Currently, holds the position of General Manager in the Insurance and Development Services Department of Minerva Insurance Company Public Ltd.
- Mr. Danis Kliriotis studied in the United Kingdom. He is a Fellow Certified Chartered Accountant (FCCA). He worked at KPMG Audit Firm for the period from January 1991 until December 1996. Today he holds the position of General Manager in the field of Administration and Financial Services of the Company and he is the Chief Financial Officer (CFO) of the Company. Mr. Kliriotis is a member the Board of Directors and the Audit Committee of Cyprus Forest Industries Public Ltd. He is a member of the Association of Certified Public Accountants of Cyprus (ICPAC) where he is a member in the committee of Financial Directors. The period 2019-2022 he was President of the Corporate Social Responsibility committee of ICPAC and previously member of other committees. He is also Mentor of the relevant ICPAC mentor program. Additionally, he is a member of various reflective committees of Cyprus Organization for Standardization.
- Mr. Kypros Koutsokoumnis was born in 1986 in Nicosia. He holds a BBA (Bachelor of Business Administration) degree and graduated in 2013 from the University of Miami, in Florida of the United States. He has worked at the company 4K Holdings, whose main operations focused on private

investments. Since 2018, he holds the position of Chief Operating Officer at Minerva Insurance Company Public Limited, where his main responsibilities include the strategic development of the company, managing all departments, as well as the distribution and sales network, with a focus on efficiency, service quality, and continuous improvement, while emphasizing responsibility, professional development, and excellent customer service. With deep knowledge of the Cypriot insurance framework and a commitment to innovation and sustainable development, he aims to contribute to the further strengthening of the Company's reliability and competitiveness through his participation on the Board of Directors.

- Mr. Constantinos Malekos studied Economics at the London School of Economics with specialization in actuarial science. He is founder and CEO of NewLife Insurance Consultants as well as Epos Insurance Agents from 1994 until today. He worked from 1983 to 1994 in Universal Life Insurance Company initially as Insurance Group Manager and subsequently as Sales Manager. He is the founder and CEO of NewLife Insurance Consultants and Epos Insurance Agents from 1994 until today. He was a director at Fred TV and non-executive director at Hotforex-HF Markets (Europe) Ltd.
- Mr. Andreas Shiakas studied Economics and Business at Higher School of Athens. He is a Certified Public Accountant (Member of the Association of Chartered Certified Accountants), Certified Internal Auditor, (CIA- Member of the Institute of Internal Auditors of the United States), Certified Government Financial Manager (CGFM) and holds a Master's Degree in Human Resources. He was a Director of Apserou Shiaka & Co Ltd from 2009 until 20218. He served as Director of the Audit Office of Co-operative Bank from 2000 to 2009. He also served as Senior Auditor at the Audit Office of the Republic of Cyprus since from 1985 to 2000. He previously worked as an auditor in accounting firms in London and Athens, while from 2018 until today, he provides through the company "ASC Training Ltd" consulting services and professional seminars in auditing firms all over Cyprus.
- Mr. Christoforos Antoniadis was born in Nicosia and he is a businessman and has a significant knowledge and experience in financial sector. He holds a BA (econ) diploma from Manchester University and he is a member of the Institute of Chartered Accountants in England and Wales. He is licensed investment consultant and he also holds the Advanced Certificate from the Cyprus Securities and Exchange Commission. He worked for KPMG (Manchester and Nicosia Offices), for Cyprus Development Bank (Investment Banking Division) and as Director in CRL and the Group of Egnatia Financial Services Limited as director of capital management from 2005-2007. He was shareholder and executive director in the Argus group of companies for sixteen years. Mr. Antoniadis is currently an independent financial advisor in various boards of companies and investment funds and is also member of the Board of Directors of CIFA (Cyprus Investment Funds Association).
- Mr. Andreas Philippou is a Fellow Chartered Accountant member of the Institute of Chartered Accountants in England and Wales. He began his studies in the United Kingdom and he has obtained BSc (Honors) in Hotel and Institutional Management and then Master in International Business Administration in collaboration with a French university. As a professional accountant, Mr. Andreas Philippou, has an international career experience in the United Kingdom, Cyprus, Ukraine and Middle East. He has been a partner in major international auditing firms for the last 11 years and we was the leader on audits of large multinationals and other prestigious organizations. Upon his return in Cyprus, has established the auditing firm Philippou Auditors Ltd in which he holds the position of Chief Executive Officer, in November 2020. He is a member of Association of Certified Public Accountants of Cyprus.
- Mr. Constantinos Antoniou is a Certified Public Accountant (Member of the Association of Chartered Certified Accountants). He worked for KPMG Audit Firm from 1999 to 2006. He was a Partner and Head of Audit and VAT at KPSA Chartered Accountants for the period from 2007 to 2019. In 2020, he founded CSM Audit Tax Advisory Limited, a firm providing mainly audit and specialising in indirect taxation (VAT).

He is a Member of the Association of Chartered Certified Accountants, Member of the Institute of Certified Public Accountants of Cyprus and Member of the Cyprus VAT Association.

- Mr. Avgerinos Hartsiotis holds a law degree LLB Hons and graduated in 2013 from the University of Leicester in the United Kingdom. In 2014 completed the Legal Practice Course (LPC) at the University of Law of the United Kingdom. He was registered in the register of the Cyprus Bar Association in 2015 and was employed at the Marios Hartsiotis & Co. D.E.P.E. As from January 2024 is the Managing Partner of the Company. He has been extensively involved in insurance law and served as a legal advisor to various insurance companies. He also involved as an advisor of the Insurance Companies Control Service of the Republic of Cyprus for the preparation of draft laws concerning the insurance industry. He is as a member of the Board of Directors of the Forum of Insurance Lawyers and Member of the Board of Directors of the Cyprus Bar Association. He chairs the Youth Committee and Practicing Lawyers while also being appointed as a supervisor of the Insurance Law Committee and the Technology Committee of the Cyprus Bar Association. He is a member of various associations and non-profit organizations and actively promotes various issues of public interest through speeches and articles in the press.

C.1.1.2 Board Meetings

The BoD shall meet formally at least four times per annum in the context of its regular duties in the annual business cycle. Additional meetings may also be held upon such need as identified by the senior management or by members of the BoD or its Committees.

C.1.1.3 Board Committees

For its more effective operation the BoD established the following Committees with oversight responsibility over key functions. The ultimate responsibility and approval of relevant issues remain with the BoD.

Committee	Brief Terms of Reference	Composition
Audit Committee	Ensures the functioning of an effective internal control system, reviews the reports and the work performed by the internal and external auditors and approves the main accounting principles and assumptions used in the preparation of financial statements.	<ol style="list-style-type: none"> 1. Andreas Shiakas (Chairman) 2. Constantinos Malekos 3. Constantinos Antoniou
Investment Committee	Formulates recommendations regarding the investment strategy and monitors its implementation.	<ol style="list-style-type: none"> 1. Christoforos Antoniades (Chairman) 2. Marios Koutsokoumnis 3. Danis Kliriotis 4. Michael Mylonas
Risk and Reserving Committee	Ongoing risk control and challenge of the business with regards to risk taking against the BoD risk appetite and adequacy of reserving.	<ol style="list-style-type: none"> 1. Andreas Philippou (Chairman) 2. Constantinos Malekos 3. Marios Koutsokoumnis 4. Danis Kliriotis 5. Michael Mylonas

C.1.2 Organisational Structure

The Organisational structure and reporting lines of the Company are designed to:

- Enable delegation of responsibilities and clear accountabilities and responsibilities
- Facilitate prompt transfer of information to appropriate staff as needed
- Prevent conflicts of interest
- Ensure the prudent and effective management of the Company

As previously mentioned, the Company's ultimate supervisory body is the BoD.

The Senior Management, through the CEO has the day-to-day responsibility for the implementation of the Company's approved strategy and reports to the BoD. Reporting to the BoD is both structured, through planned meetings and regular reporting and ad hoc as required. The operation and responsibilities of senior management are outlined in this Report.

The Business Functions of the Company have the responsibility for the implementation of the BoD's strategy in their business functions. They report directly to the CEO with regards to their day-to-day duties.

In order to minimize the probability of a potential conflict of interest and preserve their operational independence, the key control functions have additional direct reporting lines to the BoD or Board Committees. These additional reporting lines are implemented in order to ensure that these functions have the ability to escalate important issues directly to the BoD. Consequently, the Risk, Compliance and Actuarial Functions have a reporting line to the Risk and Reserving Committee.

The Organisational structure of the Company is presented in Appendix A.

C.1.3 Key Functions

In accordance with the Solvency II framework the Key Functions recognised by the BoD are the following:

- Actuarial Function
- Risk Management Function
- Compliance Function
- Internal Audit Function

Details of the duties of these functions are shown in subsequent sections.

Each key function reports directly to the Board without any restrictions and the Board is ultimately responsible for reviewing the performance of the key functions and considering any recommendations made by these functions.

The Board is also responsible for ensuring that all key functions are operationally independent, which implies that each function should be free from any undue influence, control or constraint from any other key function or the Board itself.

The positions of each function in the "Three Lines of Defence Model" are also clearly shown in the diagram in the previous section.

C.1.4 Material changes in the system of governance over the reporting period

There were no material changes in the system of governance during the reporting period except of the following:

- On 4th of August 2025, Mr. Kypros M. Koutsokoumnis was appointed as executive member of the Board of Directors.
- On 1st of May 2025, Mrs. Elena Chrysostomou was appointed as the Compliance Officer of the Company, succeeding Mrs. Maria Nicolaou.

C.1.5 Remuneration policy and practices for the BoD and employees

The Company's remuneration is in line with the market norms in order to enable the Company attract competent and experienced resources and ensure that any resources that it engages do not take excessive risks that could be detrimental to the Company. Also, remuneration policies and practices are structured in such a way so as to be linked with the business strategy and objectives and to avoid potential incentives for unauthorised risk taking.

In general, the remuneration of all employees is based on an assessment of the individual's performance against objectives.

The Company, considers both financial and non-financial variables for the assessment of the performance of its Senior Management, BoD and key function holders some of which are the following:

- The overall strategy of the Company
- The Code of Ethics of the Company
- The compliance policy and compliance plan of the Company
- Financial performance of the organization in relation to market conditions, competition and the Company's own strategy
- Non-financial targets relating to the contribution to the performance of the Company or function.
- Non-financial factors relating to skills, personal development, compliance with the Company's internal rules and procedures, compliance with the code of ethics and standards of professional conduct under the Fit and Proper requirements.

Additionally, the remuneration of personnel responsible for activities that involve significant risk, should be aligned with the achievement of the objectives of their responsibilities.

The remuneration policy and the analysis of directors' remuneration is described in note 37 of the company's Financial Statements.

The transactions of the Company with related parties are disclosed in note 37 of the Financial Statements. All transactions with related parties are conducted on an arm's length basis.

C.1.6 Information about material transactions during the reporting period

There were no material transactions during the reporting period.

C.2 Fit and proper requirements

Insurance and reinsurance undertakings shall ensure that all persons who effectively run the undertaking or hold other key functions at all times fulfil fit and proper requirements. Prior to the appointment of any member of the BoD and member of senior management of Key Function the Company carries out an evaluation of the fitness and propriety of that individual. Furthermore, such appointments are subject to approval by the Superintendent of Insurance.

The function delegated with the responsibility for the Fit and Proper test is the Compliance Function. The Compliance Function also bears the responsibility for monitoring the fitness and propriety of individuals on an ongoing basis.

The fit and proper test criteria satisfy at a minimum the relevant regulatory requirements as well as additional criteria laid down by the Company.

The Fitness test assesses the individual's professional and technical competence through a consideration of:

- previous experience, knowledge and professional qualifications and whether these are adequate to enable sound and prudent management of the Company;
- proof of due skill, care, diligence and compliance with the relevant standards of the area/sector he/she has worked in;

The Propriety test assesses honesty, integrity, reputation and financial soundness of the individual by considering their:

- reputation, including an enquiry as to whether there have been any criminal or financial antecedents or past experience with regulatory authorities which may cast doubt on the ability of that person to adequately discharge his/her duties in line with applicable rules, regulations and guidelines.

The assessment is facilitated through:

- personal questionnaires
- academic and/or professional qualification certificates
- certificate of non-bankruptcy
- clear criminal record certificate
- personal resume and
- personal declaration

In particular, with regards to members of the BoD they must always have the collective knowledge of the financial and insurance market, business strategy, system of governance, financial and actuarial analysis and the regulatory framework and requirements.

The detailed criteria and documentation requirement in the context of the fit and proper test are described in the Company's governance policy which is also subject to review on an annual basis.

The fitness of employees is implemented through the recruitment process.

Furthermore, all Directors and members of staff must comply with the Company's Code of Conduct and Ethics and policies.

Persons in key Positions / Functions

The persons holding key function roles in the Company are as follows:

Position / Function	Name
Chief Executive Officer	Marios Koutsokoumnis
General Manager (Finance and Administration) - CFO	Danis Kliriotis
General Manager (Insurance and Development)	Michael Mylonas
General Manager (Chief Operating Officer)	Kypros M. Koutsokoumnis
Head of Finance	Andri Hanna
Risk Management & Actuarial Function	George Skordis
Claims Manager	Nantia Tselinga
Information Technology Manager	Christos Dorotheou
Compliance Function	Elena Chrysostomou
Internal Audit Function	Eftychia Democratous
Chief Information Security Officer	Kyriacos Nicolaou

C.3 Risk management system including the Own Risk and Solvency Assessment

C.3.1 Description of the undertaking's risk management system

The Company has implemented an effective risk management system which is designed to ensure timely identification and assessment of existing and emerging risk exposures as well their effective management. The risk management system is comprehensively addressed in the Company's risk management policy which provides for the risk governance, a risk appetite statement and the risk management framework.

The risk management policy comprises of sub-policies for all main categories of risk namely: Underwriting Risk, Investment and Asset Liability Risk, Credit Risk, Liquidity Risk, Concentration Risk, Operational Risk and Reinsurance. It is approved by the BoD and is reviewed at least once a year.

C.3.1.1 Risk Appetite Statement

The risk appetite statement lays down the level and nature of risks that are considered acceptable for the Company and the constraints within which it should operate in pursuing its strategy.

The Company manages its risk appetite through a set of limits. The limits are set, not such that they are likely to be fully used, but rather so that limited exceptions are reported. The aggregate risk limits and the risk category limits are to be used by the Risk Management Function (RMF) for the monitoring and reporting of overall risk exposure and by the BoD and Risk Committee for making decision on the Company's risk profile.

Overall, the Company sees itself as a low-risk entity and risk tolerance limits have been set to reflect that.

The Company has a target of maintaining a solvency coverage ratio at all times in excess of 115%.

In this context, tolerance limits are set for all risk categories to ensure that on a worst-case scenario basis, risk exposures will not lead to losses threatening this target solvency ratio.

C.3.1.2 Risk Governance

The risk governance of the Company forms an integral part by defining the role of each function of the Company in the Risk Management Framework. It is organised in a way that ensures the establishment of clear responsibility boundaries, the proper segregation of duties and the avoidance of conflicts of interest at all levels.

As mentioned in previous sub-sections, the system of governance is based on the “three lines of defence model” safeguarding that risk management is embedded into the organisational structure and decision-making processes of the Company and that the risk management system is supported by appropriate internal controls and by information systems that provide relevant, accurate and reliable information.

C.3.1.3 Risk Management Processes

The risk management framework is a continuous process encompassing of the following key stages:

➤ Risk Identification

The identification process is facilitated by a continuous use and review of internal and external sources of information.

Quantitative risks are identified through observation of the Company’s exposures through its financial records. Emerging risks are identified through external data or information.

Qualitative risks are identified through identification of events, actions or inactions (risks) that have the potential to materially impact the achievement of the objectives or the intended operation of functions and business processes. These can relate to both threats to operations or failures to take advantage of opportunities.

Stress testing, scenario analysis and sensitivity analysis are also adopted for the purposes of identifying risk exposures over the business planning horizon through the ORSA process which is described in the next section.

➤ Risk Assessment / Measurement

The main metric for assessing quantifiable risk exposures is the 99.5% value at risk. This is a measurement of the maximum loss occurring from predefined events with a probability of 1 in 200. Additional risk metrics are a predefined set of key risk indicators encompassing all risk areas. All risk metrics correspond to a risk tolerance limit explicitly stated within the risk appetite statement. This enables the comparison of actual risk exposures against the Company’s tolerances indicating where further mitigating action is necessary.

Non-quantifiable risks are measured and ranked based on established criteria for frequency and severity. The frequency and severity associated with risks are assessed on an inherent and residual basis, having considered both the existence and effectiveness of the controls, by following a four-step process:

- Assessing the frequency of risk events and their resulting severity (inherent risk);
- Identifying the controls in place that prevent or detect the occurrence of the risk event or mitigate its severity;
- Assessing the design and performance of each control; and
- Assessing the frequency of risk events and their resulting severity, having considered the effectiveness of existing controls (residual risk).

Once identified and measured, material risks are documented in the Risk Register. Risk and control owners are assigned to each risk to ensure accountability for managing all material risks and the related controls. The Risk Register is monitored regularly and amended where necessary to capture changes in risks facing the business or in the controls used to mitigate existing risks.

➤ Risk Control and Mitigation

The Company has a strong risk controls culture to ensure the mitigation of all risks in its risk universe. Controls are developed and used to safeguard the integrity of the Company's processes and systems.

Additionally, the RMF evaluates and adopts appropriate risk transfer methods to mitigate its exposure to the identified risks. Such methods may include purchasing reinsurance coverage, using derivatives as hedging instruments.

Unexpected risks exposures are also covered by own funds, in accordance with the Solvency II requirements.

Company's policies on risk transfer including the use of reinsurance or other instruments is documented in the Company's Reinsurance and Other Risk Mitigation Techniques Policy.

Once Company has identified and quantified its risks, it can implement a strategy for mitigating them with appropriate policies, procedures, systems, and controls. Within the established risk appetite and tolerance, the Company would retain a certain portion of risk, transfer another portion (through insurance), and then finance those risks it could not insure.

➤ Risk Monitoring and Reporting

The RMF has the responsibility to ensure that all material risk exposures are monitored on an on-going basis and that any risks that fall outside the approved risk appetite of the Company are identified and appropriately escalated to the Risk Committee.

Specifically, the RMF monitors the following for each risk:

- Actual exposure vs. limit at an aggregate base
- Key Risk Indicators
- Risk data and model validation
- Appropriateness and assumptions of risk measurement methodologies
- Unusual or material events
- Early warning indicators (in the internal and external environment of the Company)
- Policy breaches

In addition, on an annual basis:

- the Risk Register is formally reviewed by the Risk Management Function and any actions deemed necessary following such review are brought to the attention of the Board; and
- the Risk Management Function runs stress and scenario tests and reports the results and suggested courses of action to the Board

C.3.2 Significant Risk Exposures

The main risk exposures as at 31 December as measured through the Solvency II standard formula are shown in the table below:

99.5% Value at risk (SCR)	2025 - €'000	2024 - €'000
Market risk	5,059	4,865
Counterparty default risk	1,293	1,338
Life Underwriting risks	147	161
Health underwriting risk	211	185
Non-Life underwriting risk	5,699	5,196
Operational risk	635	587

C.3.3 Material Risks not included in the calculation of the Solvency Capital Requirement

There were no material risks other than those captured in the calculation of the SCR.

C.3.4 Prudent Person Principle

The Company manages its investments in a prudent manner and in accordance with “The Prudent Person Principle”. The performance and risk profile of the investment portfolio is monitored on a quarterly basis.

C.3.5 Credit Assessments

Credit assessments are used for the Company’s main counterparties through its reinsurance program and its asset portfolio. The ratings used are those of the main global rating agencies such as AM Best, Standard & Poor’s, Fitch and Moody’s. The ratings are obtained by the asset managers and the reinsurers themselves and are verified through ad hoc research through the internet.

The Company considers these external ratings as adequate for the purpose of the credit risk assessment of these counterparties unless information emerges which is thought to compromise their credit worthiness and has not yet been allowed for by the rating agencies.

C.3.6 Own Risk and Solvency Assessment (ORSA)

C.3.6.1 ORSA Process

In line with the Company’s ORSA policy, ORSA can be defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage and report the short and long term risks the Company faces or may face and to determine the own funds necessary to ensure that the Company’s overall solvency needs are met at all times. The ORSA policy is the policy which governs the ORSA process.

Strategic decisions such as the introduction of new products, utilisation of additional distribution channels etc. are assessed and evaluated in the light of their effect on the Company’s risk situation and risk-bearing capacity.

The Company follows the steps below to implement its ORSA:

- i. **Define the driving factors** - Such factors include the size and complexity of the Company, its importance to the sector, proportionality issues, internal governance issues and supervision perceptions about the Company and supervision expectations in relation to ORSA.
- ii. **Identify and classify risks, including governance** - The Company identifies the material risks it faces at a particular point in time. This includes risks considered in the SCR formula, as well as risks not included in the standard formula such as liquidity, strategic and business risks. The assessment is done using the impact and probability of the risk occurring. The Company assigns a materiality threshold for this exercise. The risks that exceed the materiality threshold will be the ones where the Company will have to make decisions i.e. mitigate them, transfer them, stop the operation, assign more capital, etc.
- iii. **Assessment and measurement of risks** - the Company collects data, quantifies and aggregates risks using different approaches such Stress Testing, Scenario Testing Sensitivity Analysis, Reverse Stress Testing. The assessment is done using predefined risk metrics. This also includes an assessment of the Solvency II standard formula and whether it adequately reflects the underlying risk profile of the Company.
- iv. **Capital Allocation** - According to its risk profile, the Company determines the necessary risk capital required at that point in time.
- v. **Capital planning** - The Company projects its risk profile based on its business plan and prepares a capital plan over the business planning horizon. The capital plan depends on its strategic objectives and financial projections and assumptions on future economic conditions.
- vi. **Stress testing** - The Company applies stress and scenario testing to the forward-looking capital plan and develops actions that can be taken in unforeseen circumstances in the future. Stress tests complement the use of the standard formula by assessing the financial effect of events or sequence of events that lead to specific adverse scenarios. Thus, they can be used to understand the Company's vulnerability to its various risk exposures and the level of financial strain that it can withstand.
- vii. **Communicate and document the results** - The Company presents the results of the process to senior management and the BoD and prepares the ORSA Report. The BoD reviews and challenges the results of the ORSA through discussions.
- viii. **Confirm that the ORSA process is embedded in the decision making of the Company** - The Company confirms that the above procedure is not independent from the "business as usual" process of the Company. As a result, the RMF reports the Company's risks and stress tests and the BoD and Senior Management make decisions upon the results of these procedures. In addition, the Company shows that it considers the impact on its capital in its financial projections.

C.3.7 Governing the ORSA

The ultimate responsibility for the ORSA process lies with the BoD. The BoD defines the corporate objectives and the risk strategies of the Company which form significant inputs to the ORSA. The BoD also defines the stress testing program and also reviews, challenges and approves the ORSA Report. The BoD also sets the ORSA policy and reviews it every year.

The function which is the most responsible for carrying out the ORSA is the Risk Management Function. However, due to its very nature, the ORSA requires input from across the whole Company and hence the Risk Management Function coordinates the ORSA process in conjunction with all the other functions as risk owners.

Significant input is required from the Finance Function for the preparation of the financial projections in accordance with the Company's business plan and from the Actuarial Function in quantifying future risks and assisting with the financial modelling of forecasted solvency assessments.

C.3.8 ORSA and decision-making processes

ORSA is considered as a very valuable assessment in addressing the risks inherent with the Company's strategy and the BoD confirms that it is embedded in the decision-making processes of the Company. In particular, the ORSA allows the management to take into account all the risks associated with the Company's business strategies and the required level of capital that the Company requires commit, explore alternative options and assess their impact and decide on the optimal strategy and advice to BoD accordingly.

C.3.9 Frequency of the ORSA

The Company currently intends to perform the ORSA annually. Furthermore, the assessment will be performed immediately following any significant changes to the environment that the Company operates.

These changes include, but are not limited to:

- Significant changes to the financial and political environment in which the Company operates
- Significant operational losses
- Material changes to the new business volumes
- Planned changes to the operating model of the Company
- Significant changes in the Company's risk profile

C.3.10 Solvency needs and Risk Profile

In 2025, the Company undertook a detailed risk and solvency assessment as well as a forward-looking assessment of capital requirements comprising of the years 2025-2028. These assessments encompass all material risks that the Company faces or could expect to face over its planning period.

The assessment also addressed the adequacy of the standard formula and how it relates to the underlying risk profile of the Company. The assessment provided satisfactory evidence for the adequacy of the standard formula and comfort that we can continue using this as a key risk metric. Furthermore, it provided confidence that the capital requirements address the material risk exposures and the available own funds provide a satisfactory buffer in safeguarding business continuity beyond the 99.5% confidence threshold.

Any risks not covered by capital are believed to be adequately mitigated through the control measures applied internal and no additional capital beyond the SCR was deemed necessary.

The following table summarises the financial and solvency projections over the business planning horizon. The BoD confirms that it has adequate capital availability for implementing its strategy.

Capital Adequacy €'000	Y/E 2025	Y/E 2026	Y/E 2027	Y/E 2028
Solvency Capital Requirement - SCR	9,910	10,351	10,730	11,120
Minimum Capital Requirement - MCR	4,000	4,000	4,000	4,000
Eligible own funds	14,276	15,751	17,307	18,880
Solvency ratio	145,66%	152,18%	161,30%	169,78%

C.4 Internal control system

Internal control is a process effected by Company's Board of Directors, management, and other personnel and is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting and non-financial information
- Compliance with applicable laws and regulations
- Achievement of the Company's objectives and strategy

Every member of the Company has a role in the system of internal control. Internal control is people-dependent and its strength depends on people's attitude toward internal control and their attention to it:

- The Board is responsible for setting the strategy, tone, culture and values of the Company
- Risk Management, Compliance and Actuarial function design policies and procedures to ensure that an effective internal control system is established within the Company
- The Internal Audit function monitors the effectiveness of the internal control system

There are five interrelated components of effective internal control, which are discussed in the following sections:

- Control Environment
- Risk Management
- Control Activities
- Reporting
- Monitoring

Each of these are outlined below and described in detail in the Company's Internal Control Policy.

C.4.1 Control environment

The control environment sets the tone of the Company, influencing the control consciousness of its people. It is the foundation for all other components of the Company's internal control system, providing discipline and structure. Control environment factors include:

- Integrity and ethical values
- Commitment to competence
- Management's philosophy and operating style
- Organisational structure
- Assignment of authority and responsibility
- HR policies and practices

C.4.2 Risk Management

The risk management system entails the identification and analysis of relevant risks which threaten the achievement of the Company's objectives, forming a basis for determining how the risks should be managed. As an integral part of its Risk Management system, the Company identifies all reasonably foreseeable material risks and assesses the frequency and severity of such risks, recording such identification and assessment in the Risk Register.

The process is overseen by the Board and Risk Management function. The risk management process is described in detailed in the Company's Risk Management Policy.

C.4.3 Control Activities

Control activities are the policies and procedures that are designed to ensure that management directives are carried out, strategies are properly implemented and the necessary actions are taken to address material risks to the achievement of the Company's objectives. Control activities occur throughout the entire Company, at all levels and in all functions. They include a range of activities as diverse as:

- approval and authorization requirements, as required by the Company's procedure manual;
- segregation of duties, as reflected in the Company's organisational structure and in other controls outlined in the procedure manual;
- controls required by the Company's various policies, such as the Outsourcing Policy;
- verifications, reconciliations, reviews, controls over assets and other controls as identified in the procedure manual and which are primarily aimed at implementing the four-eyes principle

The Company has appropriate documented policies, procedures, techniques, and mechanisms in place for each of its business areas (e.g. Underwriting, Claims) and control functions (Risk and Compliance). All relevant objectives and associated risks for each significant activity are identified in conjunction with conducting the risk identification process.

Up to date Company policies and procedures are distributed to all relevant personnel, who read and understand them. Management oversees the implementation of the Company's policies and procedures and ensure that control activities are properly applied. Monitoring personnel review the functioning of established control activities and remain alert for instances in which excessive control activities should be streamlined. They act timely on exceptions, implementation problems, or information that requires follow-up.

Control activities are regularly evaluated to ensure that they are still appropriate and working as intended.

C.4.4 Reporting

Financial and other information must be identified, captured and communicated in a form and timeframe that enables the management and the BoD to carry out their responsibilities. Management accounts, solvency assessments and risk reports are submitted to the BoD on a quarterly basis. Moreover, all key functions report to the Board at least once a year on their activities, the adherence to their respective Company's policies together with any proposals for changes to the policy as considered necessary by the relevant function.

C.4.5 Monitoring of internal controls

The Company has established the necessary monitoring mechanisms that facilitate the understanding of the Company's situation and provide the Board with relevant information for the decision-making process. Management and monitoring personnel know their responsibilities for internal control and make control and control monitoring part of their regular operating processes.

Regular monitoring occurs during normal operations and includes on-going management activities and actions taken by all personnel when performing their duties. It is performed continually and on a real-time basis, reacts dynamically to changing conditions and is ingrained in the Company's operations.

The effectiveness of the internal control system is monitored on a continuous basis by business areas and control owners, any deficiencies of the system are identified and rectified in a timely manner. As part of the internal control monitoring, the quality of performance over time is assessed and the findings of audits and other reviews are promptly resolved.

C.5 Compliance Policy and Compliance Function

The Compliance Function of the Company is outsourced.

The Compliance Function ensures that compliance awareness is promoted internally and externally and that compliance is an integral part of the corporate culture of all licensed entities. Employees within the organization receive adequate training on compliance on a set periodic basis and are encouraged to identify and report all breaches as necessary so that corrective action can be immediately taken and risks mitigated.

The role of the Compliance Function includes:

- a) advising the Board of Directors on compliance with any legislation, regulations and any other applicable laws, in so far as they apply to the Company,
- b) the assessment of possible impact as regards changes in the legal environment on the Company,
- c) the identification and assessment of any compliance/regulatory risks
- d) providing the Board of Directors with regular reports on the progress of the Compliance plan, and any other matters which need to be brought to the attention of the Board of Directors

C.6 Internal Audit Function

The Company establishes and maintains an Internal Audit Function, the objectives of which are:

- To prepare, at least on an annual basis, a risk assessment and audit plan.
- to independently examine and evaluate the functioning and effectiveness of the internal controls and all other elements of the system of governance;
- to assess compliance with internal strategies, policies, processes and reporting procedures
- to conduct audits on the functions and transactions of the Company, in order to verify that all regulations, operational procedures and preventative control mechanisms governing each type of transactions and the safeguarding of assets are stringently applied
- to evaluate the efficiency of the organizational structure and reporting lines, in order to ensure that the segregation of duties and the business continuity operate effectively

The Internal Audit Policy and principles are outlined in the Internal Audit Charter and the Internal Audit manual which are approved by the Audit Committee of the BoD and reviewed at least annually for their adequacy.

The Internal Audit Function reports to the Board through the Audit Committee.

The Internal Audit Function has an unrestricted right to obtain information relevant to the discharge of its responsibilities. This entails the prompt provision of all necessary information, the availability of all essential documentation and the ability to look into all activities and processes of the Company. To this effect, the Internal Audit Function has full, free and unrestricted access to all the personnel of the Company who shall, in turn, ensure that the Internal Audit Function obtains the necessary information about, and has the necessary access to, the Company's outsourced functions.

C.7 Actuarial Function

The Actuarial Function is a critical function for the Company. It is subject to the fit and proper criteria and according to the relevant legislation it should at all times be carried out by persons who are fit and proper to carry out the duties outlined below, in an objective manner and free from any undue influences. The Actuarial Function of the Company is executed by a Fellow of the Institute of Actuaries who fulfils all the above criteria.

The Actuarial Function reports to the Chief Executive Officer and to the BoD and is subject to the audit of the Internal Audit Function regarding the adequacy and effectiveness of its procedures. The operating procedures of the function are described in detail in the Actuarial Function Manual.

The role of the Actuarial Function is to establish and maintain appropriate procedures, processes and systems sufficient to allow the Company to reasonably estimate its insurance obligations and exposures and the related capital requirements, in line with applicable laws and recognised professional standards. In this context, the Actuarial Function coordinates the assessment and validation of internal data to determine the level of compliance with recognised standards for data quality and, if necessary, recommends improvements.

Furthermore, the Actuarial Function is involved in the profit testing process of new products assessing them for profitability, capital intensiveness, risk profile, system compatibility and marketability. It also contributes all financial modelling in relation to risk management activities and the ORSA in particular.

The Actuarial Function is responsible to:

- Calculate the technical provisions on a quarterly basis in accordance with all relevant regulatory requirements
- Submit reports in relation to the above calculations to the BoD and inform them about the reliability and adequacy of the technical provisions
- Provide modelling assistance for the calculation of Solvency Capital Requirements on a quarterly basis
- Assess the adequacy and quality of data used during the calculation of technical provisions
- Profit testing of new products
- Express an opinion for the overall underwriting and reinsurance policy
- Contribute to the effective implementation of the risk management system
- Provide the modelling for carrying out the financial and solvency projections of the ORSA
- Investigations to the Company's experience in terms of claims, lapses, expenses and new business volumes

C.8 Outsourcing

The Company outsources its Compliance Function.

The Company has opted to outsource this function given the high level of specialisation and the limited availability of such skills in the domestic market. Furthermore, we have selected providers with significant expertise in their areas who can introduce knowhow and skillset in a beneficial way for the Company. Outsourcing is also believed to be a cost-efficient approach for the selected function.

The Company acknowledges that outsourcing does not in any way relieve the Company of ultimate responsibility for the outsourced functions. In line with regulatory requirements, Minerva has appointed one member of the Board with the responsibility of oversight of that function who has been approved by the Insurance Companies Control Service. Furthermore, the performance of provider is regularly reviewed and monitored by the BoD.

C.8.1 Outsourcing Policy

The criteria for the selection of service providers and the process for their appointment is laid down in the Company's outsourcing policy which is approved by the BoD and reviewed once a year. In particular the Outsourcing Policy states that when choosing a service provider for any critical or important functions or activities the Company ensures that:

- The potential service provider has the ability and capacity and any authorisation required by law to deliver the required functions or activities satisfactorily, taking into account the undertaking's objectives and needs
- The service provider has adopted all means to ensure that no explicit or potential conflict of interests with the Company impairs the needs of the outsourcing undertaking
- It enters into a written agreement with the service provider which clearly allocates the respective rights and obligations of the undertaking and the service provider
- The general terms and conditions of the outsourcing agreement are authorised and understood by the CEO. The outsourcing does not represent a breach of any data protection regulation or any other laws
- The service provider is subject to provisions on the safety and confidentiality of information relating to the Company or to its policyholders or beneficiaries

In order to ensure against an undue increase in Operational Risk, when outsourcing critical or important functions or activities the Company shall:

- Verify that the service provider has adequate financial resources to take on the additional tasks the Company plans to transfer and to properly and reliably discharge its duties towards the Company and that the staff of the service provider is chosen on the basis of criteria that give reasonable assurance that they are sufficiently qualified and reliable
- Make sure the service provider has adequate contingency plans in place to deal with emergency situations or business disruptions and has periodic testing of backup facilities where that is necessary having regard to the function, service or activity outsourced

Furthermore, the Policy lays down the minimum required contents of an outsourcing agreement safeguarding the quality of service provided, protecting the interests of the Company, ensuring that conflicts of interest are avoided and that the service provider cooperates with internal or external auditors as well as the supervisory authority.

C.9 Adequacy of the system of governance

In light of the Company's nature, scale and complexity, the system of governance and in particular the critical functions are considered adequate. It is important that all key persons fulfil the fit and proper requirement tests that have been applied by the Company.

C.10 Any other information

There is no other material information regarding the system of governance of the undertaking.

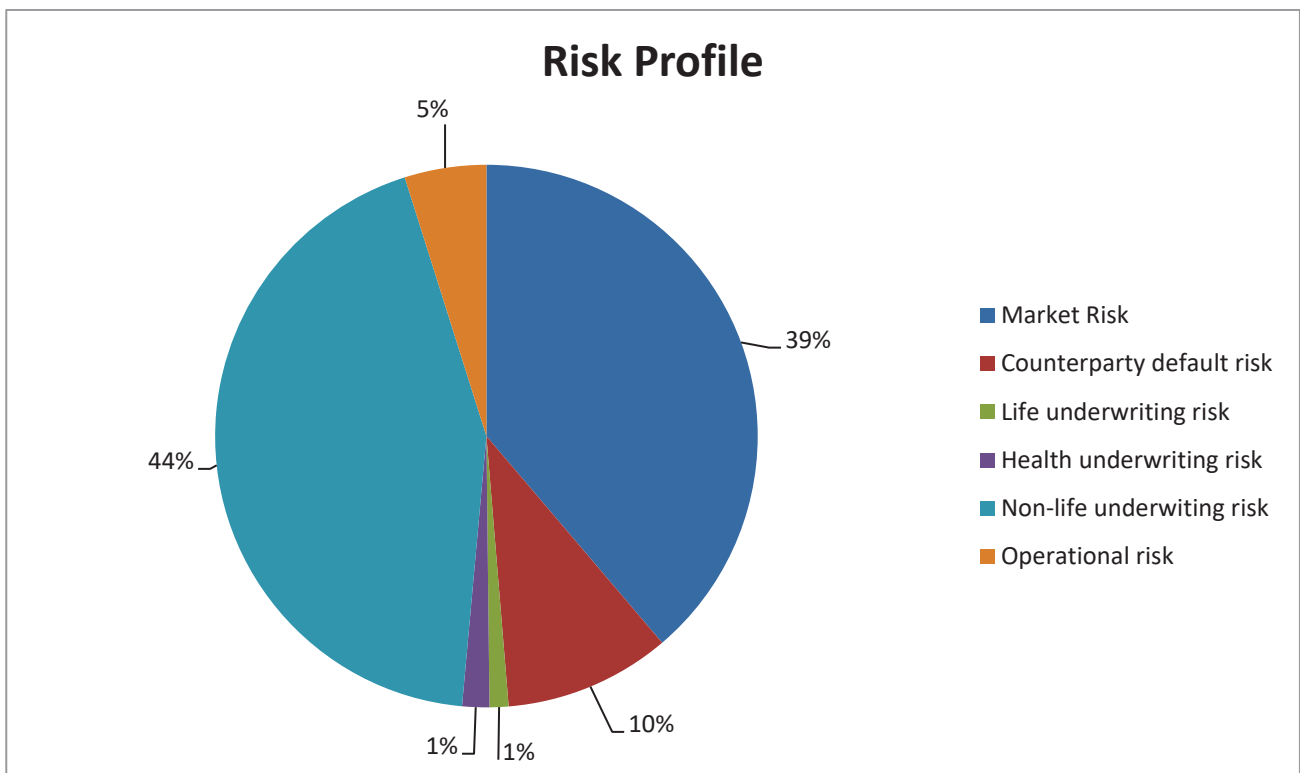
D. Risk Profile

This section of the report provides information on Minerva’s risk exposure. A description of material risks is provided along with measures used to assess these risks and how they are mitigated.

Quantifiable risks are assessed through the 99.5% Value at risk as measured with the Solvency II standard formula (SCR). The Company aims to hold sufficient capital at all times to protect itself from losses occurring due to such risks. Non-quantifiable risks are measured through qualitative analyses and a frequency/severity approach.

In addition to capital, the Company manages all risks through its processes and procedures and its internal control framework and by monitoring exposures and benchmarking those against its risk appetite.

The table below shows the SCR allocated by risk type as at 31 December 2025:



Non-life underwriting risk forms around 43,69% of the total risk portfolio of the Company. The second largest exposure, 38,78% of undiversified SCR, arises from market risk and specifically the property and interest rate risks. The third material risk exposure of the Company is the result of the counterparty default risk.

The risk profile of the Company as at 31 December 2025 was in line with its risk strategy.

D.1 Underwriting Risk

Underwriting risk is defined as the risk of loss, or adverse change in the value of insurance liabilities, due to inadequate pricing and/or reserving practices. Underwriting risk may be caused by the fluctuations in timing, frequency and severity of insured events and claim settlements in comparison to the expectations at the time of underwriting.

The Company controls and monitors its underwriting risk by ensuring that:

- reasonable and effective controls are in place to support the risk selection and underwriting process;
- the Company's reinsurance programme provides secure coverage appropriate to the Company's strategy, level of capital and risk profile;
- the risks arising out of reinsurance as a risk mitigation technique are properly understood, addressed and monitored;
- claims are managed fairly and recorded properly in line with reinsurance agreements and all amounts recoverable from reinsurers are duly collected;
- a consistent methodology for the calculation of, and the accounting for, outstanding loss reserves (OSLR) and incurred but not reported reserves (IBNR) is maintained.

With regards to geographical diversification, we note that our portfolio is diversified both geographically and in respect of the type and time of cat losses. Furthermore, the portfolio contains no sub-portfolios split per region that might generate positively correlated losses.

The life portfolio of the Company is on a runoff state; hence the Life underwriting risk is relatively small compared to the non-life underwriting risk.

D.1.1 Risk Assessment/Measurement

The Company measures its Underwriting risk primarily using the standard formula, the adequacy of which was assessed during the latest ORSA. The measurement addresses three sources of risk; Premium and Reserve Risk, Lapse Risk and Catastrophe risk. These exposures are assessed by calculating the impact on the own funds when allowing in the projections for a number of risk events.

The results of the risk assessment as described above are summarised below:

	99.5% value at risk	
	2025 - €'000	2024 - €'000
Premium & Reserve Risk	5,498	5,027
Lapse Risk	268	155
Catastrophe Risk	644	556

D.1.2 Risk Concentration

No material risk concentrations have been identified. This is because of:

- The Company's diversified insurance portfolio;
- Reinsurance: The Company manages its exposure to any one risk and to catastrophic events using reinsurance. Thus, the loss to the Company is generally limited to its retention.

No future risk concentrations are anticipated over the business planning period.

D.1.3 Risk Mitigation

D.1.3.1 Reinsurance

The Company uses reinsurance to protect against claims volatility. Proportional and non-proportional reinsurance arrangement is in place for all product lines. The actuarial function also issues an opinion on the adequacy of reinsurance arrangements annually. The credit rating and the financial condition of the key reinsurance counterparties are reviewed, so that corrective action is taken in the event of deterioration in their financial quality.

The effectiveness of the current reinsurance structure as well as that of potential reinsurance agreements considered are also assessed in the ORSA with respect to their impact on profitability and solvency coverage ratio over the business planning horizon.

Use of reinsurance protection enables the Company to manage and optimise its underwriting portfolio, whilst protecting its balance sheet and maintaining its exposure to the risk limits set by the Board of Directors. The steps taken to ensure that both the reinsurance structure and the reinsurance counterparties are appropriate have enabled the Company to remain profitable with little volatility in its financial results.

During the year there were some reinsurance arrangements alterations based on the needs and objectives of the Company.

D.1.3.2 Portfolio Monitoring

The senior management of the Company receives and reviews:

- Regular reports on the gross written premium, risks written, claims and reserves; and
- Regular detailed profitability analyses and reviews undertaken by the Actuarial Function

The management of the Company undertakes the reviews above to ensure that the Company is protected against the risk of inadequate pricing. The frequency of the reviews will enable the management to take quick action to resolve any issues identified.

The continued effectiveness of the risk mitigation techniques and controls described above is monitored continuously by the Senior Management. In the event of any findings or shortcomings identified, quick action is taken and the risk mitigation techniques are adjusted accordingly.

The Company will continue to use the risk mitigation techniques mentioned above, continuously aiming at enhancing them to reduce risk. The Company does not plan to enter or purchase any additional risk mitigation products over the planning period.

D.1.4 Risk Sensitivity

As part of the business and capital planning processes, the risk management function carries out stress tests including the assessment of alternative scenarios to feed into the ORSA. This ensures that potential adverse scenarios are considered and negative outcomes can be adequately mitigated through controls implemented, through timely remedial actions or through the commitment of additional capital.

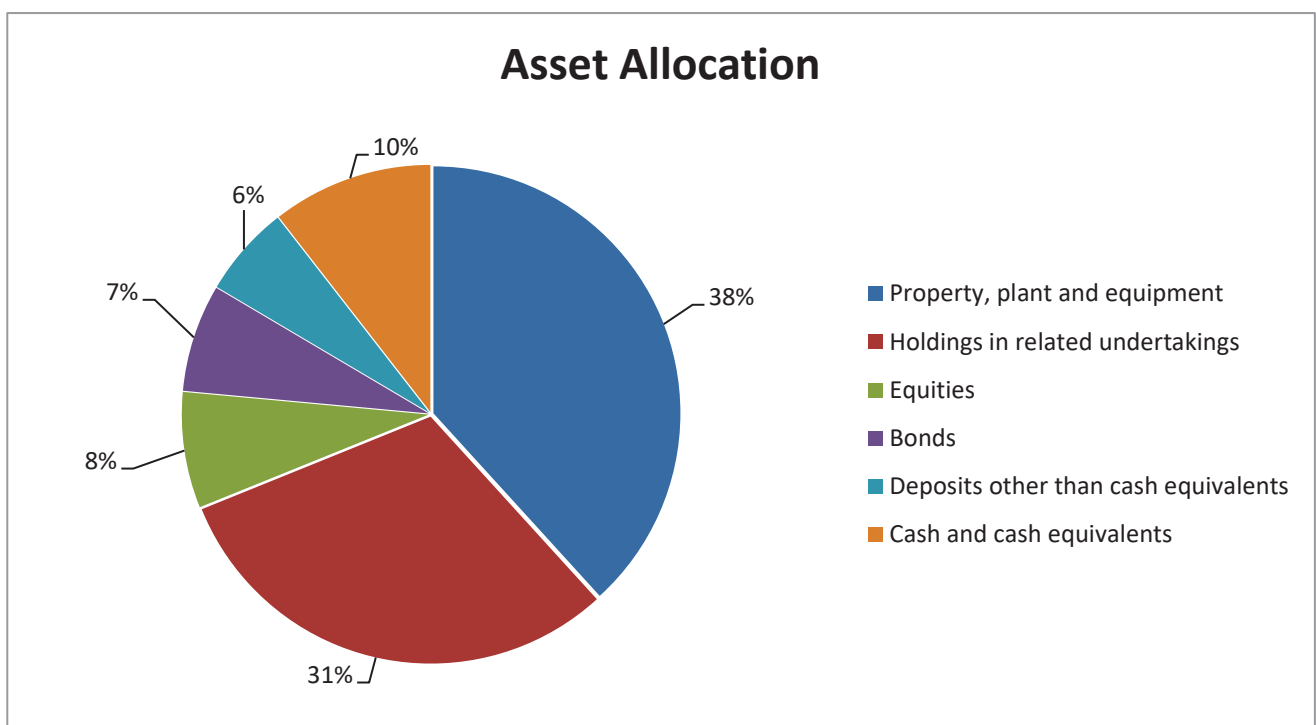
The stress test performed in relation to underwriting risk as reported in the 2025 ORSA Report is described below.

Under the scenario a 25% reduction of motor written and earned premiums is assumed as a result of the booming of on-line and direct business or product innovation driven by technology innovation such as “usage-based insurance” or “pay as you drive” or “pay how you drive” requiring investment in GPS or Radio Frequency Connector or any other new technology which will enable premiums to be charged on the basis of usage, time of the day and place the vehicle is used, distance and driver’s behaviour, i.e. not just on how much you drive but how, where, and when one drives.

Based on the results of the stress scenario above the Company’s risk exposures are in line with its strategy and that adequate processes and controls are in place to ensure that such risk exposures are identified, measured, mitigated where necessary and reported.

D.2 Market risk

The Company is exposed to market risk through its asset portfolio and in particular from the level or volatility of market prices of assets, liabilities and financial instruments which have an impact upon the value of the assets of the Company.



As at 31 December 2025, Company’s investment assets include property, plant and equipment, investment in related undertakings, equities, bonds, deposits other than cash equivalents and cash. Market risk arises in the following forms both on the asset and on the liability side as the value of technical provisions depends on market conditions:

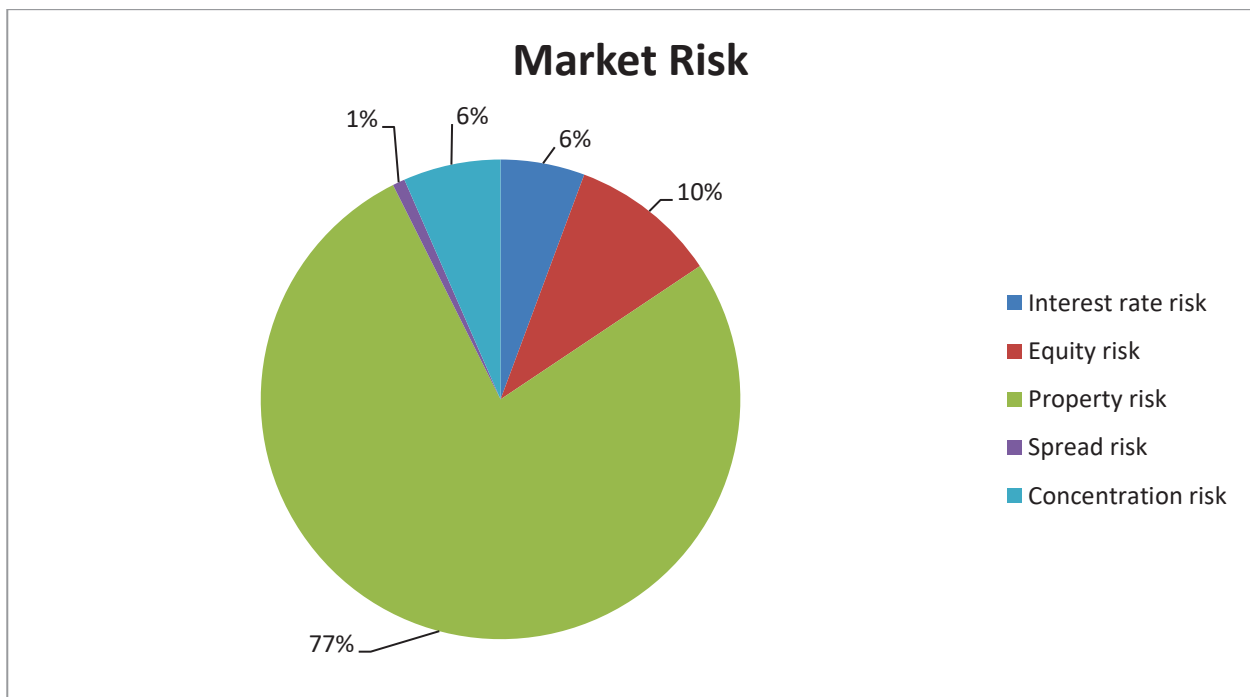
- **Interest rate risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the term structure of interest rates, or in the volatility of interest rates
- **Equity risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of equities
- **Property risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of real estate

D.2.1 Risk Assessment/Measurement

The Company measures its market risk using the standard formula, the adequacy of which was assessed during the latest ORSA. The measurement is done separately for the sub-categories mentioned above. Then the aggregate market risk measure allows for diversification between its components.

The Company also adopts other risk assessment tools such as stress and scenario testing (both on the current position and over the business planning horizon), maintenance of a risk register, comparison of actual exposure and risk tolerance limits and use of Key Risk Indicators.

With the support of the Risk Management Function, the Company assesses the impact of any material investment decisions on its solvency coverage ratio.



The primary source of market risk is property risk arising from exposure to investment in real estate. The overall current market risk exposure is considered to be high.

- **Interest Rate Risk**

As at 31 December 2025 the 99.5% value at risk for interest rate risk was €324,679 (2024: € 424,988).

- **Equity Risk**

The total Equity portfolio of the Company as at 31 December 2025 was €1,422,295 (2024: €868,434) and the total SCR for Equity risk on the same date was €568,893 (2024: €273,612).

- **Property Risk**

The Company has a significant portion of its asset portfolio invested in properties. The composition of the property portfolio is as follows:

The total property portfolio of the Company as at 31 December 2025 was €20,643,128 (2024: €20,516,046) and the total SCR for property risk on the same date was €4,402,467 (2024: €4,398,280)

- **Currency Risk**

The Company has no exposure to foreign exchange as at the reference date.

D.2.2 Risk Concentration

One of the main market risk sub-modules of the Company is Concentration Risk. The Company's portfolio is concentrated to property investments.

The investment mix is not expected to change significantly over the business planning period and hence the Company anticipates the same level of market risk concentration.

D.2.3 Risk Mitigation

Market risk is mitigated through the continued review and monitoring of the Company's investment exposures.

In addition, the management of the Company regularly reviews investments to ensure that the portfolio is invested in line with the risk appetite of the Company.

The Company does not plan to enter or purchase any additional market risk mitigation products over the planning period.

D.2.4 Prudent Person Principle

The Solvency II regulations require investment of assets in accordance to the "Prudent Person Principle". In light of this, the Company has aligned its investment policy and ALM strategy with this principle.

The Company regularly reviews the financial condition of its investment counterparties and ensures that the currency, nature and duration of assets is appropriate to the characteristics of its liabilities, avoiding excessive reliance on any one counterparty or asset class or geographical location. The Company has not invested in derivatives or other inadmissible financial instruments.

D.2.5 Risk Sensitivity

D.2.5.1 Stress tests and scenario analyses

As part of the business and capital planning processes, the risk management function carries out stress tests including the assessment of alternative scenarios to feed into the ORSA. This ensures that potential adverse

scenarios are considered and negative outcomes can be adequately mitigated through controls implemented, through timely remedial actions or through the commitment of additional capital.

The stress tests performed in relation to underwriting risk as reported in the 2025 ORSA Report are described below.

➤ **Scenario 1: “Bank triggered Property Crash Scenario” (BPTPC scenario)” - Reverse Stress Scenario**

Under this scenario a prolonged period of low housing prices is triggered by a deterioration of the commercial banks non-performing loans, an increase in the bank’s required bad debt provisions and a consequent increase of house supply, necessitated from non performing mortgage loans and the bank’s consequent solvency problems, and ultimately leading to a prolonged period of declining house prices and an ultimate and permanent reduction of 21%. or triggered by any other macro-economic, financial or demographic factor (a 30% reduction has also been tested)

➤ **Scenario 2: “Bail in” Scenario**

Under this scenario as a result of a local or global recession one or two of the banks, with which the Company and its subsidiaries keep 60% of its term deposits, is forced under the new European Directive to follow a “bail in” procedure which ultimately proves to be unsuccessful and the Company loses 100% of its deposits in that bank or banks. The insurance industry is assumed not to be exempted from the bail in mechanism under this scenario as is currently the case. It is further assumed that the bail in will not reduce the Company’s SCR from concentration risk since the bail in will relate to a bank or banks which the Company currently holds less than the risk-free threshold for concentration risk SCR calculation purposes.

➤ **Scenario 3: “Insurtech”**

“Insurtech” refers to the use of technology innovations designed to find cost savings and efficiency from the current insurance industry model.

This scenario analyses the risk emerging from “Insurtech”. These risks arise from the fact that insurance industry is ripe for innovation thorough exploring avenues that traditional insurance firms have less incentive to exploit, such as offering ultra-customized policies, and using new streams of data from Internet-enabled devices and artificial intelligence to dynamically price premiums according to observed behavior (e.g. from companies such as amazon and Google) in general but also from local competitors which may launch a new "Pay as you/how you drive" technology in motor business.

➤ **Scenario 4: Net Zero, Biodiversity & High inflation scenario: climate change (net-zero emissions) and inflation risks - Reverse Stress Scenario**

When performing this task the ORSA team, consisting of the Risk and Actuarial Function the Head of Finance, the CFO, COO and CEO of the company, uses stress scenario testing and reverse stress scenario analyses in an effort to help the Company prepare for the unexpected, unforeseen, adverse and surprising events associated with the climate change and inflationary pressures.

Climate change constitutes a serious risk for society, including insurance and reinsurance undertakings. The detrimental impact of global warming on natural and human systems is already visible today and without further international climate action, the global average temperature and associated physical risks will continue to increase,

- I. raising underwriting risk of (re) insurance companies,
- II. impacting asset values and
- III. challenging their business strategies.

The objective of this Reverse Stress scenario is to test resilience of the company against a climate change and high inflation scenario and particularly:

- I. **Physical risks:** risks that arise from the physical effects of climate change. They include: Acute physical risks, which arise from particular events, especially weather-related events such as storms, floods, fires or heatwaves that may damage production facilities and disrupt value chains as well as chronic physical risks, which arise from longer-term changes in the climate, such as temperature changes, rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity.
- II. **Transition risk:** risks that arise from the transition to a low-carbon and climate resilient economy to a sustainable economy which can arise in the short term

Biodiversity Risk

The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems. Biodiversity risks are part of nature-related risks.

The Orsa team considers the increased probability of a new pandemic and the direct and indirect effects of such a nature-related physical risk emerging directly or indirectly from factors deteriorating biodiversity as the most likely risk.

The stress test focuses on the impact on the company's investments. Therefore, the climate change and new epidemic induced by biodiversity related risks scenario is applied to the balance sheet. The scenario sets investment type specific shocks, reflecting the corresponding impairment of the investments.

Under all of the above scenarios and reverse stress scenario the Company's resilience is satisfactory.

D.3 Credit risk

Credit risk refers to the risk of loss or of adverse change in the financial situation, resulting from fluctuations in the credit standing of counterparties. The Company is exposed to credit risk rising from the following exposures:

- Cash at bank

- Bank deposits
- Reinsurance recoverable
- Premium receivables

D.3.1 Risk Assessment/Measurement

The Company measures its credit risk using the standard formula, the adequacy of which was assessed during the latest ORSA. With respect to exposures to banks and reinsurers the assessment depends highly on the credit rating of the counterparties which defines the probability of default. On the other hand, for premium receivables the assessment is based on how long overdue these are and the probability of default is determined based on that.

Credit risk as measured through the SCR is composed of counterparty default risk by 96.4%, and spread risk by 3,6%. Credit risk forms 10,8% of the total undiversified SCR.

The overall credit risk exposure is considered to be medium.

Credit risk is not expected to change materially over the business planning horizon.

D.3.2 Risk Concentration

The Company's exposure to credit risk is mainly driven by Premium receivables.

The counterparty loss given default is summarised in the table below:

Counterparty	LGD (€)
R+V Versicherung AG, Rückversicherung, Wiesbaden, Germany	604,548
Hannover Ruck SE	773,260
VIG RE zajišťovna, a.s.	152
Swiss Reinsurance Company Ltd	7,628
Eurobank Cyprus Ltd	36,230
Debtors from sale of property	1,296
Bank of Cyprus	737,487
Receivables from Intermediaries due for more than 3 months	-
All type 2 exposures other than receivables from Intermediaries due for more than 3 months	4,917,189

The Company does not anticipate that the credit risk will change materially over the planning period.

D.3.3 Risk Mitigation

The credit rating and the financial condition of all key counterparties are reviewed at least quarterly and management is ready to take action in the event of deterioration in the credit quality.

The Company does not plan to enter or purchase any additional credit risk mitigation products over the planning period.

D.3.4 Risk Sensitivity

As part of the business and capital planning processes, the risk management function carries out stress tests including the assessment of alternative scenarios to feed into the ORSA. This ensures that potential adverse scenarios are considered and negative outcomes can be adequately mitigated through controls implemented, through timely remedial actions or through the commitment of additional capital.

This “Bail in” Scenario mentioned above was also used to assess the sensitivity of the Company to the exposure in Cypriot Banks. The Company’s risk exposures are in line with its strategy and that adequate processes and controls are in place to ensure that such risk exposures are identified, measured, mitigated where necessary and reported.

D.4 Liquidity risk

Liquidity risk is defined as the risk that the Company is unable to realise investments and other assets (or realise them at excessive cost) in order to settle its financial obligations when they fall due.

The liquidity risk of the Company is generally very low as:

- A significant proportion of the assets is invested in short-terms products, including cash and bank deposits.
- Most of the assets held are highly tradable which enables fast and low-cost liquidation of assets.

The composition of the asset portfolio is not expected to change over the business planning horizon in a way that would introduce liquidity risk.

D.4.1 Risk Assessment/Measurement

The Company’s liquidity requirements are assessed regularly in order to meet the Company’s stated liquidity objectives.

D.4.2 Risk Concentration

Sources of cash in and cash out flows such as insurance premiums, claims expenses etc., are diversified and to a large extent independent. This risk concentration within liquidity risk is limited.

The Company does not anticipate deterioration in its liquidity position or risk during the business planning period.

D.4.3 Risk Mitigation

The Company also minimizes liquidity risk by:

- ensuring that the accounting function designs and implements proper controls, documented in the procedure manual, to ensure that inflows are actively managed, monitored and followed up;
- ensuring that income generated from the investment portfolio is duly received by the Company;
- catering for unexpected cash flows, since the quota for highly liquid assets provides a good buffer over and above the maximum historic cash outflows;
- considering the effect of any proposed new business on liquidity and liquidity risk at Board level;
- closely monitoring the timing of claims payments and reinsurance recoveries.

The Company does not deem necessary to adopt any risk mitigation techniques given the low level of its liquidity risk.

D.4.4 Expected profit included in future premiums

As at valuation date, there are no future premiums cash-flows within the contract boundaries of unexpired policies and therefore there is no expected profit included for future premiums.

The contract boundaries are defined as:

- the future date where the insurance or reinsurance undertaking has a unilateral right to terminate the contract; or
- the future date where the insurance or reinsurance undertaking has a unilateral right to reject premiums payable under the contract; or
- the future date where the insurance or reinsurance undertaking has a unilateral right to amend the premiums or the benefits payable under the contract in such a way that the premiums fully reflect the risks.

D.5 Operational risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, systems, or from external events. This risk encompasses all exposures faced by the Company's functions in the course of conducting the Company's business, including but not limited to, accounting and financial reporting, business continuity, claims management, information technology and data processing, legal and regulatory compliance, outsourcing and reinsurance.

D.5.1 Risk Assessment/Measurement

The Company commits capital as a buffer to absorb losses due to operational risks as measured through the standard formula.

D.5.2 Risk Concentration

Currently there are no material operational risk concentrations.

The operational risk profile of the Company is not expected to change over the business planning period.

D.5.3 Risk Mitigation

The Company addresses its operational risk through the following:

- an internal control system is in place
- a business continuity plan is in place to ensure continuity and regularity in the performance of activities
- Regular Internal Audit
- Performance management and reviews to ensure employees are satisfied with their work and perform to the best of their abilities
- Legal advice is sought at the earliest opportunity from specialised lawyers

- Peer review of material work and appropriate underwriting, claims and other authority limits in place
- Insurance against property damage that could cause business disruption

The Company will continue to use the risk mitigation techniques mentioned above, continuously aiming at enhancing them to reduce risk. The Company does not plan to enter or purchase any additional operational risk mitigation products over the planning period.

D.5.4 Risk Sensitivity

Due to the complexity of the Operational risk, no explicit sensitivities have been performed for the particular risk. The Company capital provides an adequate buffer to absorb losses due to operational risks as higher than those assumed by standard formula.

D.6 Other material risks

Not all quantifiable risks have been explicitly formulated in the SCR. As a consequence, some risks which are not explicitly included in the SCR may be relevant for the Company. The following risks are identified as follows:

D.6.1 Insurance risk / Underwriting risk

The risk of loss, or of adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions. Insurance/underwriting risk includes the fluctuations in the timing, frequency and severity of insured events, with relation to the Company's expectations at the time of underwriting. This risk can also refer to fluctuations in the timing and amount of claims settlements.

D.6.2 Compliance risk

Compliance risk is the risk of legal or regulatory sanctions, material economic loss, or loss to reputation the Company may suffer as a result of its non-compliance with laws and regulations which govern our business activities. The Company has been constantly complying with the legislative directions given by the insurance superintendent

D.6.3 Business risk

It includes strategic and reputational risks. Strategic risk is the risk of the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. Reputational Risk is the risk of potential loss through the deterioration of its reputation or standing due to a negative perception of the Company's image among customers, counterparties, shareholders or supervisory authorities and any other stakeholders.

D.6.4 Political risk

This refers to external factors which are beyond the control of the Company, such as sovereign developments and government actions which may adversely affect the operations of the Company, its strategy and vision.

D.7 Any other information

There is no other material information regarding the risk profile of the Company.

E. Valuation for solvency purposes

This section of the report provides a description of the bases, methods and main assumptions employed in the valuation of Minerva's assets and liabilities. This section also provides an explanation of material differences between valuations presented in Minerva's financial statements under International Financial Reporting Standards (IFRS's) and Solvency II valuations.

E.1 Assets

E.1.1 Value of assets

All assets listed in the table below are valued in accordance with the Solvency II Framework. Assets and liabilities are valued on the assumption that the Company will pursue the business as a going concern. The valuation methods for IFRS assets incorporates the implementation of IFRS17.

The Company does not have any off-balance sheet assets or liabilities.

As at 31 December, the Company held the following Assets:

Asset Class (€'000)	2025		2024	
	Solvency II	IFRS Valuation	Solvency II	IFRS Valuation
Investments	25,702	25,702	23,098	23,098
Deferred Tax Asset	-	-	-	-
Reinsurance Assets	4,479	5,491	3,566	4,086
Property, plant and equipment held for own use	3,288	3,288	2,653	2,653
Intangible Assets	-	58	-	83
Cash and cash equivalents	1,552	2,833	873	2,453
Insurance and intermediaries' receivables	3,012	-	3,106	-
Other Assets	6,129	4,600	6,304	4,553
Total Assets	44,162	41,972	39,600	36,926

E.1.2 Description of bases, methods and main assumption used for valuation for solvency purposes

Investments:

The fair value of quoted financial assets is based on quoted market prices at the end of the reporting period. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

Reinsurance Assets:

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurers' share of technical provisions or receivables from reinsurers (unless netted off against amounts payable to reinsurers). These assets consist of short-term balances due from reinsurers (classified within receivables), as well as receivables (classified as reinsurers' share of technical provisions) that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts.

Properties:

Investment properties are initially measured at cost including related transaction costs. Investment properties are subsequently carried at fair value, representing open market value determined annually by external valuers, or by virtue of a directors' valuation. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The Company proceed with the valuation of all its properties by external independent valuer as at 31 December 2025.

Cash and Cash Equivalents:

They represent mainly bank deposits to current accounts. They are measured at fair value which is equivalent to the face value plus accrued interest.

Insurance and intermediaries' receivables:

Insurance and intermediaries' receivable balances represent premiums owed from policyholders. Outstanding premiums are measured at fair value and due to the short-term nature of the receivable no adjustments to valuation are required. The value of insurance and intermediaries' receivables in the Company's financial statements is the same as for Solvency II. These relate to business written before the 1st of January 2018 since as from that date the new guideline issued by the Superintendent is applied.

Other Assets:

They comprise of amounts receivable from Hire Risk Pool and other trade receivables. They are measured at fair value.

E.1.3 Differences between IFRS and Solvency II valuation

The differences in valuation between Solvency II and IFRS's are the following:

Reinsurance recoverable:

Reinsurance Recoverable represents the difference between Gross and Net provisions. Under Solvency II valuation these are valued on a best estimate basis.

Insurance reserves:

Insurance reserves under IFRS are calculated on a different basis than the basis used for Solvency II as also analysed in point E.2.4 below.

Intangible Assets:

Intangible Assets are not recognised as assets in Solvency II valuation rules.

E.2 Technical provisions

E.2.1 Value of Technical Provisions

E.2.1.1 Non-life Portfolio

The Technical provisions are defined as the probability-weighted average of future cash flows, discounted to take into account the time value of money considering all possible future scenarios. Technical provisions are grouped into the following key components:

- Claims Provisions: Best Estimate of provisions relating to the earned exposure
- Premium Provisions: Best Estimate of provisions that relate to the unearned exposure
- Risk Margin: Additional provision to bring the best estimate to the level required to transfer the insurance obligations to a third party

The table below presents the actual claims and premium provisions for the year ended 31 December 2025:

€	Claims Provision		Premium Provision		Risk Margin
	Gross BE	RI Recoverable	Gross BE	RI Recoverable	
Line Of Business					
Medical expense	-	-	(92,181)	29,658	5,981
Income protection	21,586	2,250	(7,010)	2,255	2,268
Workers' compensation	-	-	-	-	-
Motor third party liability	10,747,058	2,105,191	2,973,473	22,642	511,256
Other motor	(17,022)	38,164	565,989	4,307	69,106
Marine and transport	674	387	3,259	8,538	1,682
Fire and other property damage	1,570,223	1,335,938	429,952	497,751	53,397
General liability	1,183,363	263,427	262,178	117,324	75,251
Credit and Suretyship	-	-	-	-	-
Legal expenses	-	-	-	-	-
Assistance	-	-	-	-	-
Miscellaneous	21,848	12,730	20,889	20,219	1,617
Total	13,527,730	3,758,087	4,156,549	702,694	720,558

E.2.1.2 Life Portfolio

The value of the Company's technical provisions is equal to the sum of the best estimate and the risk margin, which are calculated separately. The table below shows the value of technical provisions as at 31 December 2025 both gross and net of reinsurance recoverable (RI) by line of business:

€	Insurance with profit participation	Unit-linked insurance	Other life insurance	Total
Gross Best Estimate	696,158	1,863,690	548,896	3,108,744
Risk Margin	2,616	14,153	10,792	27,561
Gross technical provisions	698,774	1,877,843	559,688	3,136,305
RI Recoverable	-	-	(16,473)	(16,473)
Net Technical Provision	698,774	1,877,843	543,215	3,119,832

The best estimate corresponds to the probability-weighted average of future cash-flows, taking account of the time value of money, using the risk-free interest rate term structure prescribed by European Insurance and Occupational Pensions Authority (EIOPA) for the valuation date.

The estimated future cash flows take account of all the cash inflows and outflows that are expected to be required to settle the insurance obligations over the lifetime thereof, including expenses expected to be incurred in servicing these obligations.

The estimates take account of the uncertainties surrounding the cash flow projections.

Future policyholder behaviour relating to contractual options, namely the likelihood of policy lapse during the remaining period is duly considered where applicable.

The projected future cash flows are based on the Company's past experience and the actuary's expectations regarding the future cash flows that are expected to arise from the underlying insurance contracts.

The best estimate is calculated on a gross basis i.e. without deduction of the amounts recoverable from reinsurance contracts.

E.2.2 Description of the bases, methods and main assumptions used

E.2.2.1 Claims Provision

The provision for claims outstanding relates to claim events that have already occurred, regardless of whether the claims arising from those events have been reported or not. The components of the claims provision under IFRS are the Case-by-Case Estimates (OSLR), the Incurred But Not Reported (IBNR), the Incurred But Not Enough Reported (IBNER) and the reserve for Claims Handling Expenses. Under Solvency II, the reserves are discounted to allow for the time value of money.

Several methods have been applied to calculate this reserve namely the Chain Ladder on Paid and Incurred claims, the Loss Ratio method and the Bornhuetter Ferguson method. The methods applied, capture both the IBNR and IBNER reserves. The IBNER was determined by subtracting the IBNR calculation from the total reserve.

When triangulation methods are used, there are a number of issues to consider that may invalidate the underlying assumption that the future claims development is likely to be in line with the past claims

development (i.e. Distortions caused by “Large Losses”, Changes in claims handling procedures, Changes in Claims reporting processes, One-off Claims Reviews, Changes in Reserving Policy, Changes in Legislation etc.)

Therefore, actuarial judgment was used during the reserving process rather than the mechanical application of a triangulation method to the data. In particular, considerable care should be taken in applying the method that prevents unusual and one-off aspects in the data which have a significant impact on the results.

In general, the development factors were chosen based on the average and weighted average of the development factors of the 10 previous accident years but also taking into account any trends of either deterioration or improvement during the last 3-4 accident years.

The small number of non-motor claims makes it difficult to apply any statistical modelling for the purpose of their valuation. Due to the small number of these claims, we believe that the Company should continue the practice of applying case estimates that are reviewed and adjusted frequently and appropriately. These reported case estimates can be considered robust and valid reserving basis.

E.2.2.2 Premium Provision

The calculation of the best estimate of the premium provision relates to all future cash flows arising from future events, in relation to unexpired policies. Such cash flows relate mostly to future claims, administration expenses and reinsurance.

Premium provision is determined on a prospective basis taking into account the expected cash inflows, cash outflows and time value of money. The main expected cash flows were estimated by applying an appropriate prospective combined ratio to the Unearned Premium Reserve.

On the basis of the data analysis, this methodology and its underlying model and assumptions are deemed to be realistic for each line of business. The conditions rendering this method valid are met, namely:

- it can be expected that the combined ratio, explained below, remains stable over the run-off period of the premium provision;
- a reliable estimate of the combined ratio can be made;
- the unearned premium provision is an adequate exposure measure for estimating future claims and expenses during the unexpired risk period.

The Combined Ratio is defined as the sum of the expense ratio, the claims ratio and the reinsurance cost ratio. This enables the claims forecast and the expense forecast to be modelled separately. For the purpose of this valuation, we assumed that “Expenses”, under the Premium Provision, include all expense items, except acquisition costs as allocated to each line of business by the Company.

The difference between the Premium Provision and the current UPR represents profits (losses if negative) that are expected to emerge during the remaining duration of unexpired policies.

E.2.2.3 Life Insurance BE

The BEL for Life Insurance is calculated as the expected present value of all future cash flows arising in relation to 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 (with no volatility adjustment) as at the valuation date, published by EIOPA.

E.2.2.4 Reinsurance Recoverables

Reinsurance Recoverables represent the difference between Gross and Net provisions. For the Claim Provision, the reinsurance recoverables were determined as the reinsurers' share on the current outstanding case by case reserves. For the Premium Provision, we have assumed zero reinsurance recoverables for classes with non-proportional reinsurance. Reduction of the reinsurance recoverables to allow for expected losses due to the default of counterparty has also applied.

E.2.2.5 Risk Margin

The risk margin is equivalent to the amount that would be paid to another insurance company to take over the Company's insurance obligations. The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the Company's reinsurance obligations over the lifetime thereof. This rate, called the Cost-of-Capital, is prescribed by EIOPA and currently stands at 6%.

E.2.2.6 Discounting

The payment pattern of the reserves, for each line of business, has been derived using the historical payment pattern, as observed in the Paid Claims triangles. The euro risk free curve (with no volatility adjustment) as at the valuation date, published by EIOPA, has been used for discounting. As expected, the impact of discounting was very small due to the short-term nature of the business and the prevailing low interest rates.

E.2.3 Level of Uncertainty

For Life portfolio, uncertainty relates primarily to how future actual experience will differ from the best estimate assumptions used to calculate the technical provisions. The key assumptions are expenses, lapse rates and mortality rates. A robust assumption setting process, which includes the performance of experience investigations on at least an annual basis, is followed in order to ensure the uncertainty is well understood and minimised.

For Non-life Portfolio ultimate claims, when fully settled, will turn out to be different from the results shown in this report. This uncertainty results from a number of sources and is normal for any actuarial investigation. Some of the sources contributing to uncertainty include:

- The inherent uncertainty in the process of statistical estimation
- The extent to which past development patterns are an indication of likely future development patterns
- Uncertainty in the level of future claims inflation, particularly bodily injury claims
- Uncertainty with regard to claim propensity and severity given the change in the mix of business experienced recently

To calculate the statistical uncertainty in the Motor business we used the Mack method (stochastic simulations), which is a generally accepted actuarial method.

In addition to the above, a number of methods have been used to calculate this Motor reserve (i.e. Chain Ladder on Incurred Claims, the Bornhuetter Ferguson method and the Average Cost per Claim).

E.2.4 Differences between Solvency II Valuation and IFRS Valuation

The main valuation principles of Solvency II leading to differences from reserves shown in the Financial Statements are:

- Removal of any implicit or explicit margin for prudence
- Allowance for time value of money through the discounting of future cash flows. For Solvency II purposes EIOPA yield curve is used without volatility adjustment whereas under IFRS17 EIOPA yield curve is used with volatility adjustment.
- Allowance is possible for negative IBNER where it is expected that there will be a favourable development of case-by-case reserves
- Consideration of ENIDs (Events Not In Data) such as Binary and Extreme events
- The UPR/URR only allows for policies inforce at the valuation date. The Premium Provision needs to include all policies that the (re)insurer is obligated to, at the valuation date, including policies that have not yet incepted.
- There is no explicit allowance in the UPR/URR for ENIDs. Where an AURR is needed, it is sufficient for the URR calculation to allow for reasonably foreseeable events only.
- Different methodologies are used for the calculation of risk margin for Solvency II valuation and risk adjustment under the current IFRS valuation.
- In addition to differences streaming from requirements to value in line with gross liabilities, there are also differences in requirements specific to the valuation of reinsurance. These include the requirement to allow for expected non-payment due to default or dispute.

E.2.5 Additional Disclosures

There was no material change in the methodology used when compared to 31 December 2024.

E.3 Other Liabilities

E.3.1 Value of other liabilities

The Company held the following liabilities as at 31 December:

Liability Class (€'000)	2025		2024	
	Solvency II	IFRS Valuation	Solvency II	IFRS Valuation
Technical Provisions	21,541	20,305	17,479	16,523
Deferred tax liabilities	788	764	761	737
Any other liabilities, not elsewhere shown	7,557	6,073	8,328	5,995
Total Liabilities	29,886	27,142	26,568	23,255

E.4 Alternative methods for valuation

The valuation methods for IFRS assets and IFRS liabilities has changed during the year under review due to the implementation of IFRS17.

E.5 Any other information

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

F. Capital Management

This section of the report provides information on Minerva's own funds and Solvency Capital Requirement (SCR).

F.1 Own Funds

F.1.1 Objectives, policies and processes

The objective of capital management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. These should be of sufficient quality to meet the eligibility requirements in Article 82 of the Delegated Regulation. The Company holds regular meetings with senior management and BoD, at least quarterly, in which the ratio of eligible own funds over SCR and MCR are reviewed. As part of own funds management, the Company prepares annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the base of the ORSA, contains a three-year projection of funding requirements and this helps focus actions for future funding.

F.1.2 Information on the structure, amount and quality of own funds at the end of the reporting period and at the end of the previous reporting period

The following table shows the structure of own funds as at the year end.

Own Funds €'000	2025	2024
Ordinary share capital	3,281	3,281
Share premium account related to ordinary share capital	1,610	1,610
Reconciliation reserve	8,588	7,344
Other own fund items approved by the supervisory authority	797	797
Total Basic Own Funds	14,276	13,032

F.1.3 Eligible amount of own funds to cover SCR & MCR

The composition of Own Funds as at 31 December 2025 and the classification into tiers is shown below:

Eligible Own Funds €'000	Total	Tier 1	Tier 2	Tier 3
Ordinary share capital (net of own shares)	3,281	3,281	-	-
Share premium account related to ordinary share capital	1,610	1,610	-	-
Reconciliation reserve	8,588	8,588	-	-
Other own funds not specified above	797	-	797	-
Total Eligible Own Funds	14,276	13,479	797	-

The composition of own funds across tiers have been changed during the year due to the increase of share capital as described in the previous sections.

All of the above own fund's items are eligible to cover the SCR and MCR.

F.1.4 Material terms and conditions of the main items of own funds held by the undertaking

On 4th of August 2025, the Executive Chairman transferred a 50.794% ownership stake by way of a gift to his children: "The Group of: Koutsokoumnis Kypros, Erricos, Alina, and Asiana." It is noted that this transaction does not affect the Executive Chairman's direct and indirect participation, which remains at 50.834%.

F.1.5 IFRS Equity vs Own Funds

The following summary table shows the comparisons and movement in the IFRS and Solvency II valuation of assets, liabilities and Own Funds as at 31 December 2025:

	Solvency II €000	IFRS Valuation €000	Movement €000
Total Assets	44,162	41,972	2,190
Total Liabilities	29,886	27,142	2,744
Total Own Funds	14,276	14,830	554

The movement in the valuation of assets and liabilities arises from the differences in the valuation of IFRS and Solvency II standards, mainly due to differences in gross technical provisions and reinsurance recoverables (explained in section E above).

F.1.6 The expected developments of the undertaking's own funds over its business planning period

The development of own funds over the Company's business planning period based on the most recent ORSA projections are summarised in the table below:

Eligible Own Funds to meet SCR - €000	YE2025	YE2026	YE2027	YE2028
Total Own Funds	14,276	15,751	17,307	18,880

F.1.7 Whether there is any intention to repay or redeem any own-fund item

There is no intention to repay or redeem any own-fund item.

F.1.8 Plans to raise additional own funds

There are no plans to raise additional own funds.

F.2 Solvency Capital Requirement and Minimum Capital Requirement

F.2.1 Amounts of SCR and MCR

As at 31 December 2025, the SCR of the Company amounted to €9,910 and the MCR amounted to €4,000.

F.2.2 Breakdown of SCR by risk modules

The following table shows the SCR split by risk modules:

Solvency Capital Requirement	2025 - €'0000	2024 - €'0000
Market risk	5,059	4,865
Counterparty default risk	1,293	1,338
Life Underwriting risks	147	161
Health underwriting risk	211	185
Non-Life underwriting risk	5,699	5,196
Sum of risk components	12,409	11,745
Diversification effects	(3,134)	(3,002)
Diversified risk	9,275	8,743
Intangible asset risk	-	-
Basic SCR	9,275	8,743
Operational risk	635	587
Adjustments	-	-
SCR	9,910	9,330

F.2.3 Simplifications

No simplifications have been used for any of the modules or sub-modules of the SCR with the exception of the methodology used for the calculation of the risk margin where a statistical model for its approximation was used (method 2 of Guideline 62 as a decision making basis regarding the methods to be used for projecting future Solvency Capital Requirements) which is based on the approximation of the whole SCR for each future year, by using a proportional approach, inter alia by using the ratio of the best estimate at that future year to the best estimate at the valuation date. This simplification was adopted for the risk margin calculation relating to non-life underwriting risk premium and reserve risk and in respect of motor business only.

F.2.4 Undertaking-specific parameters

The Company has not used undertaking-specific parameters for any of the parameters of the standard formula.

F.2.5 Information on the inputs used to calculate the MCR

The inputs used in the calculation of the MCR are presented in the table below:

Minimum Capital Requirement	2025 - €'000	2024 - €'000
Linear MCR	2,949	2,263
SCR	9,910	9,330
MCR cap	4,459	4,199
MCR floor	2,477	2,333
Combined MCR	2,949	2,333
Absolute floor of the MCR	4,000	4,000
MCR	4,000	4,000

F.2.6 The expected development of the undertaking's SCR and MCR over the business planning period

The table below shows the forward-looking figures for the SCR over the business planning horizon:

Solvency Capital Requirement	YE2026 - €'000	YE2027 - €'000	YE2028 - €'000
Market risk	5,245	5,400	5,563
Counterparty default risk	1,330	1,384	1,440
Life Underwriting risks	133	119	108
Health underwriting risk	201	203	205
Non-Life underwriting risk	5,947	6,196	6,448
Sum of risk components	12,856	13,302	13,764
Diversification effects	(3,189)	(3,285)	(3,386)
Diversified risk	9,667	10,017	10,378
Intangible asset risk	-	-	-
Basic SCR	9,667	10,017	10,378
Operational risk	684	713	742
Adjustments	-	-	-
SCR	10,351	10,730	11,120
MCR	4,000	4,000	4,000
Eligible own funds	15,751	17,307	18,880
Solvency ratio	152,18	161,30%	169,78%

The figures above demonstrate that over the business planning horizon, the Company expects to further strengthen its current levels of capital adequacy.

The MCR is not expected to change over the business planning horizon.

F.3 Use of duration-based Equity Risk Sub-Module in the calculation of the SCR

No duration-based equity risk sub module has been used in the calculation of the SCR.

F.4 Differences between the Standard Formula and any Internal Model Used

No internal or partial model is used for the calculation of the SCR.

F.5 Non-compliance with the MCR and non-compliance with the SCR

F.5.1 Non-compliance with the MCR & SCR

The Company has been continuously compliant with the both the MCR and the SCR throughout the year.

F.5.2 Any reasonably foreseeable risk of non-compliance with the MCR or SCR

Based on the projections of the solvency position performed as part of the ORSA and on the resilience the Company has shown to the stress tests performed, there is no reasonably foreseeable risk of non-compliance with the MCR or SCR.

F.5.3 Plans to ensure compliance with SCR and MCR is maintained

The Company will closely monitor actual experience compared to what was assumed in the ORSA projections. Should any material deviation occur, an investigation will take place to identify the underlying source and take corrective actions.

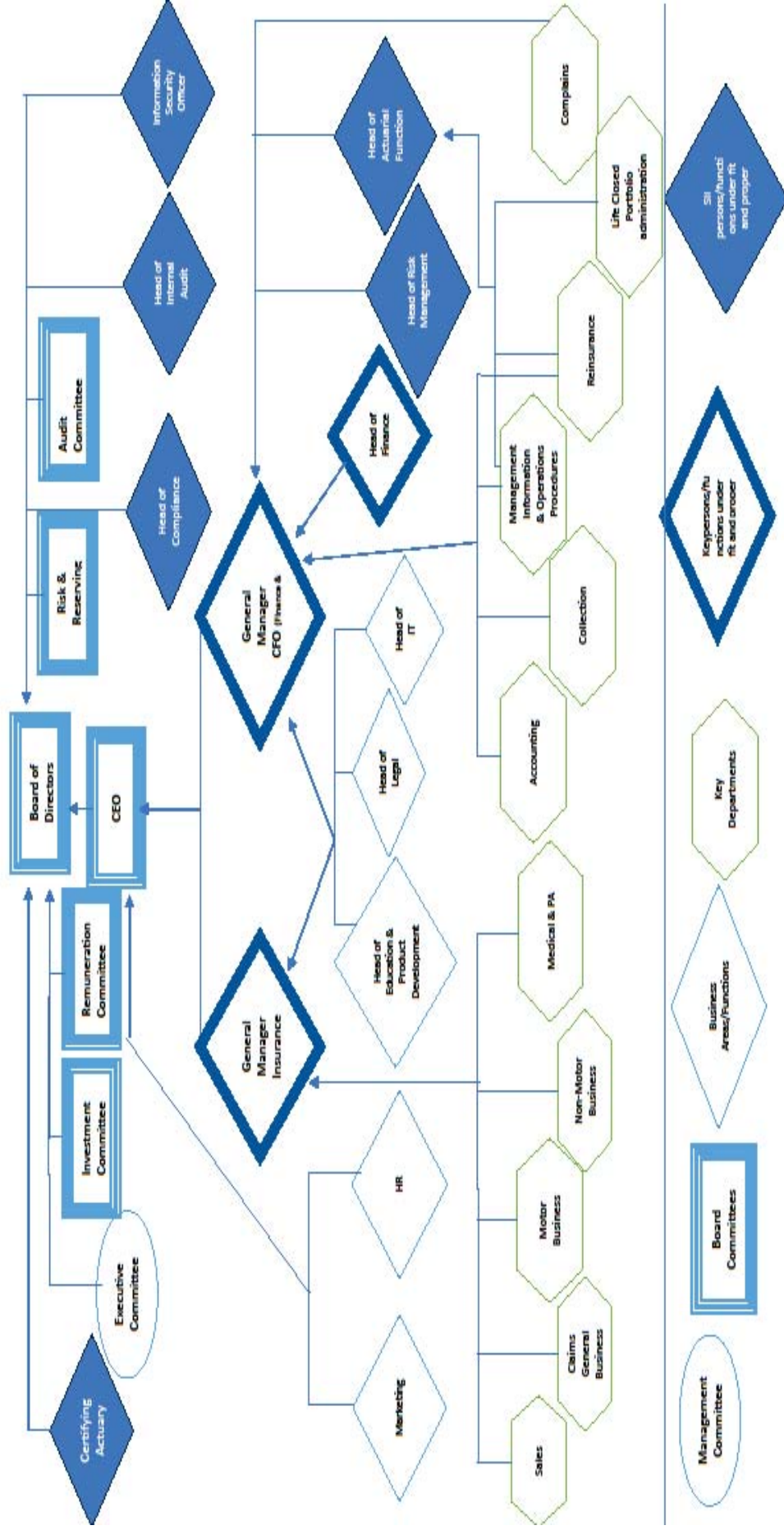
Moreover, ORSA projections will continue to be performed every year so as to ensure each and every year that the business strategy of the Company will be in line with its target solvency ratio.

F.6 Any Other information

No other material information regarding the capital management of the Company.

APPENDICES

Appendix A: The Company's Organisational Structure



Annex I
S.02.01.02
Balance sheet

	Solvency II value C0010
Assets	
Intangible assets	R0030 -
Deferred tax assets	R0040 -
Pension benefit surplus	R0050 -
Property, plant & equipment held for own use	R0060 3 288 298
Investments (other than assets held for index-linked and unit-linked contracts)	R0070 25 701 730
Property (other than for own use)	R0080 9 793 237
Holdings in related undertakings, including participations	R0090 8 432 897
Equities	R0100 547 765
Equities - listed	R0110 529 862
Equities - unlisted	R0120 17 903
Bonds	R0130 357 739
Government Bonds	R0140 357 739
Corporate Bonds	R0150 -
Structured notes	R0160 -
Collateralised securities	R0170 -
Collective Investments Undertakings	R0180 6 570 092
Derivatives	R0190 -
Deposits other than cash equivalents	R0200 -
Other investments	R0210 -
Assets held for index-linked and unit-linked contracts	R0220 1 868 316
Loans and mortgages	R0230 725 730
Loans on policies	R0240 699 701
Loans and mortgages to individuals	R0250 -
Other loans and mortgages	R0260 26 029
Reinsurance recoverables from:	R0270 4 477 254
Non-life and health similar to non-life	R0280 4 460 781
Non-life excluding health	R0290 4 426 618
Health similar to non-life	R0300 34 163
Life and health similar to life, excluding health and index-linked and unit-linked	R0310 16 473
Health similar to life	R0320 -
Life excluding health and index-linked and unit-linked	R0330 16 473
Life index-linked and unit-linked	R0340 -
Deposits to cedants	R0350 -
Insurance and intermediaries receivables	R0360 3 011 644
Reinsurance receivables	R0370 2 050
Receivables (trade, not insurance)	R0380 -
Own shares (held directly)	R0390 -
	R0400 -
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0410 1 552 086
Cash and cash equivalents	R0420 3 535 156
Any other assets, not elsewhere shown	R0500 44 162 264
Total assets	
	Solvency II value C0010
Liabilities	R0510 18 404 837
Technical provisions – non-life	R0520 18 474 193
Technical provisions – non-life (excluding health)	R0530 -
Technical provisions calculated as a whole	R0540 17 761 884
Best Estimate	R0550 712 309
Risk margin	R0560 - 69 356
Technical provisions - health (similar to non-life)	R0570 -
Technical provisions calculated as a whole	R0580 - 77 605
Best Estimate	R0590 8 249
Risk margin	R0600 1 258 462
Technical provisions - life (excluding index-linked and unit-linked)	R0610 -
Technical provisions - health (similar to life)	R0620 -
Technical provisions calculated as a whole	R0630 -
Best Estimate	R0640 -
Risk margin	R0650 1 258 462
Technical provisions – life (excluding health and index-linked and unit-linked)	R0660 -
Technical provisions calculated as a whole	R0670 1 245 054
Best Estimate	R0680 13 408
Risk margin	R0690 1 877 843
Technical provisions – index-linked and unit-linked	R0700 -
Technical provisions calculated as a whole	R0710 1 863 690
Best Estimate	R0720 14 153
Risk margin	R0740 -
Contingent liabilities	R0750 -
Provisions other than technical provisions	R0760 -
Pension benefit obligations	R0770 -
Deposits from reinsurers	R0780 787 673
Deferred tax liabilities	R0790 -
Derivatives	R0800 2 825 112
Debts owed to credit institutions	R0810 1 064 142
Financial liabilities other than debts owed to credit institutions	R0820 -
Insurance & intermediaries payables	R0830 -
Reinsurance payables	R0840 -
Payables (trade, not insurance)	R0850 -
Subordinated liabilities	R0860 -
Subordinated liabilities not in Basic Own Funds	R0870 -
Subordinated liabilities in Basic Own Funds	R0880 3 668 492
Any other liabilities, not elsewhere shown	R0900 29 886 561
Total liabilities	R1000 14 275 703
Excess of assets over liabilities	

INITIALLED FOR PURPOSES
OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

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	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-	Health insurance (direct business)		Annuities stemming from non-life insurance contracts and relating to health	Health reinsurance (reinsurance accepted)	Total (Health insurance similar to life insurance)		
	C0020	C0030	C0040	C0050	C0060	C0070				C0080	C0090				C0100	C0150
R0010																
Technical provisions calculated as a whole																
R0020																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole																
RM																
Technical provisions calculated as a sum of BE and																
Best Estimate																
Gross Best Estimate	696.158	1.714.628	1.714.628	149.062	149.062	548.896	3.108.744		3.108.744							
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default						16.473	16.473		16.473							
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	696.158		1.714.628	149.062		532.423	3.092.271		3.092.271							
Risk Margin	2.616	14.153			10.792		27.561		27.561							
Amount of the transitional on Technical Provisions																
Technical Provisions calculated as a whole																
Best estimate																
Risk margin																
Technical provisions - total	698.774	1.877.843			559.688		3.136.305		3.136.305							
Expected profits included in future premiums (EPIFP)																
R0370																

Annex I
S.17.01.02
Non-life Technical Provisions

	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	C0180
R0010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	92,181	7,010	2,973,473	565,989	3,259	429,932	262,178	20,219	20,219	20,219	20,219	20,219	20,219	20,219	20,219	20,219	20,219
R0060	29,658	2,255	22,642	4,307	8,538	497,751	117,524	670	670	670	670	670	670	670	670	670	670
R0140	121,839	9,265	2,950,831	561,682	5,279	67,799	144,854	21,848	21,848	21,848	21,848	21,848	21,848	21,848	21,848	21,848	21,848
R0150	-	-	10,747,058	17,022	674	1,370,223	1,183,363	12,730	12,730	12,730	12,730	12,730	12,730	12,730	12,730	12,730	12,730
R0160	-	2,250	2,105,191	38,164	387	1,335,938	263,407	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118	9,118
R0240	-	19,336	8,641,867	55,186	287	234,283	919,936	42,737	42,737	42,737	42,737	42,737	42,737	42,737	42,737	42,737	42,737
R0250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R0260	92,181	14,576	13,720,531	548,967	3,933	2,000,175	1,445,541	9,788	9,788	9,788	9,788	9,788	9,788	9,788	9,788	9,788	9,788
R0270	121,839	10,071	11,592,698	306,496	4,992	166,486	1,064,790	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617	1,617
R0280	5,981	2,268	511,256	69,106	1,682	55,397	75,351	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354	44,354
R0320	86,200	16,844	14,231,787	618,073	5,615	2,053,572	1,520,792	32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949	32,949
R0330	29,658	4,505	2,127,833	42,471	8,925	1,533,689	380,751	11,405	11,405	11,405	11,405	11,405	11,405	11,405	11,405	11,405	11,405
R0340	115,858	12,339	12,103,954	575,602	3,310	219,883	1,140,041	17,684,279	17,684,279	17,684,279	17,684,279	17,684,279	17,684,279	17,684,279	17,684,279	17,684,279	17,684,279
	4,460,781	13,944,056															

Technical provisions calculated as a whole
 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP, calculated as a whole
 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
 Recoverable from reinsurance/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



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

	Gross solvency capital requirement		Simplifications
	C0110	C0100	C0100
Market risk	R0010	5.058.758	
Counterparty default risk	R0020	1.292.705	XXXXXXXXXX
Life underwriting risk	R0030	147.215	
Health underwriting risk	R0040	210.506	
Non-life underwriting risk	R0050	5.699.508	
Diversification	R0060	- 3.134.113	XXXXXXXXXX
Intangible asset risk	R0070	-	XXXXXXXXXX
Basic Solvency Capital Requirement	R0100	9.274.579	XXXXXXXXXX

Basic Solvency Capital Requirement (USP)

	USP
	C0090
Life underwriting risk	R0030
Health underwriting risk	R0040
Non-life underwriting risk	R0050

Calculation of Solvency Capital Requirement

	C0100
Operational risk	R0130 635.393
Loss-absorbing capacity of technical provisions	R0140 -
Loss-absorbing capacity of deferred taxes	R0150 -
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160 -
Solvency Capital Requirement excluding capital add-on	R0200 9.909.972
Capital add-on already set	R0210 -
of which, capital add-ons already set - Article 37 (1) Type a	R0211
of which, capital add-ons already set - Article 37 (1) Type b	R0212
of which, capital add-ons already set - Article 37 (1) Type c	R0213
of which, capital add-ons already set - Article 37 (1) Type d	R0214
Solvency capital requirement	R0220 9.909.972
Other information on SCR	
Capital requirement for duration-based equity risk sub-module	R0400 -
Total amount of Notional Solvency Capital Requirements for remaining part	R0410 -
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420 -
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430 -
Diversification effects due to RFF nSCR aggregation for article 304	R0440 -

Approach to tax rate	Yes/No
	C0109
Approach based on average tax rate	R0590 0

Calculation of loss absorbing capacity of deferred taxes	LAC DT
	C0130
LAC DT	R0640
LAC DT justified by reversion of deferred tax liabilities	R0650
LAC DT justified by reference to probable future taxable economic profit	R0660
LAC DT justified by carry back, current year	R0670
LAC DT justified by carry back, future years	R0680
Maximum LAC DT	R0690

INITIALLED FOR PURPOSES
R01 30 YOUNG CYPRUS LIMITED

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

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
	C0010	C0020	C0030	C0040	C0050
R0010	3.281.230	3.281.230	-	-	-
R0030	1.610.256	1.610.256	-	-	-
R0040	-	-	-	-	-
R0050	-	-	-	-	-
R0070	-	-	-	-	-
R0090	-	-	-	-	-
R0110	-	-	-	-	-
R0130	8.587.550	8.587.550	-	-	-
R0140	-	-	-	-	-
R0160	-	-	-	-	-
R0180	796.667	-	-	796.667	-
R0220	-	-	-	-	-
R0230	-	-	-	-	-
R0290	14.275.703	13.479.036	-	796.667	-
R0300	-	-	-	-	-
R0310	-	-	-	-	-
R0320	-	-	-	-	-
R0330	-	-	-	-	-
R0340	-	-	-	-	-
R0350	-	-	-	-	-
R0360	-	-	-	-	-
R0370	-	-	-	-	-
R0390	-	-	-	-	-
R0400	-	-	-	-	-
R0500	14.275.703	13.479.036	-	796.667	-
R0510	14.275.703	13.479.036	-	796.667	-
R0540	14.275.703	13.479.036	-	796.667	-
R0550	14.275.703	13.479.036	-	796.667	-
R0580	9.909.972	-	-	-	-
R0600	4.000.000	-	-	-	-
R0620	144,05%	-	-	-	-
R0640	356,89%	-	-	-	-

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

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

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

Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

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

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

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

Reconciliation reserve

Expected profits

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

Total Expected profits included in future premiums (EPIFP)

	C0060
R0700	14.275.703
R0710	-
R0720	-
R0730	5.688.153
R0740	-
R0760	8.587.550
R0770	-
R0780	-
R0790	-

INITIALLED FOR PURPOSES
OF IDENTIFICATION
ERNST & YOUNG CYPRUS LIMITED

Annex I
S.28.02.01
Minimum Capital Requirement - Both life and non-life insurance activity

Non-life activities		Life activities	
MCR _{non-life} Result		MCR _{life} Result	
	C0010		C0020
	2 873 183		-

Linear formula component for non-life insurance and reinsurance obligations

	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	-	818 972	-	-
R0030	10 071	-	-	-
R0040	-	-	-	-
R0050	11 592 698	13 441 258	-	-
R0060	506 496	2 558 491	-	-
R0070	-	31 093	-	-
R0080	1 666 486	592 455	-	-
R0090	1 064 790	1 325 932	-	-
R0100	-	-	-	-
R0110	-	-	-	-
R0120	-	-	-	-
R0130	9 788	9 665	-	-
R0140	-	-	-	-
R0150	-	-	-	-
R0160	-	-	-	-
R0170	-	-	-	-

- 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

Non-life activities		Life activities	
MCR _{non-life} Result		MCR _{life} Result	
	C0070		C0080
	76 246		-

Linear formula component for life insurance and reinsurance obligations

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	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	-	-	696 158	-
R0220	-	-	-	-
R0230	-	-	1 863 600	-
R0240	-	-	532 423	-
R0250	-	-	-	37 516 747

- 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

Overall MCR calculation

	C0130
R0300	2 949 429
R0310	9 909 972
R0320	4 459 487
R0330	2 477 493
R0340	2 949 429
R0350	4 000 000
R0400	4 000 000

Minimum Capital Requirement

Non-life activities		Life activities	
MCR _{non-life} Result		MCR _{life} Result	
	C0140		C0150
	2 873 183		76 246
	9 655 785		256 184
	4 344 203		115 283
	2 413 446		64 046
	2 873 183		76 246
	4 000 000		-
	4 000 000		76 246

Notional non-life and life MCR calculation

- Notional linear MCR
- Notional SCR excluding add-on (annual or latest calculation)
- Notional MCR cap
- Notional MCR floor
- Notional Combined MCR
- Absolute floor of the notional MCR
- Notional MCR



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	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	878,329	86,083	-	17,497,282	-	74,752	2,253,814	1,902,112	-	-	-	149,554					22,841,927
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0130																	-
Reinsurers' share	R0140	59,404	38,464	-	736,925	-	43,877	1,662,762	577,276	-	-	-	139,997	-	-	-	-	3,258,705
Net	R0200	818,925	47,619	-	16,760,357	-	30,875	591,052	1,324,837	-	-	-	9,557	-	-	-	-	19,583,222
Premiums earned																		
Gross - Direct Business	R0210	737,339	92,467	-	16,692,091	-	61,460	2,059,209	1,821,445	-	-	-	137,699					21,601,710
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0230																	-
Reinsurers' share	R0240	73,470	41,271	-	739,690	-	35,935	1,498,230	1,821,445	-	-	-	137,699	-	-	-	-	4,347,739
Net	R0300	663,870	51,196	-	15,952,402	-	25,525	560,979	-	-	-	-	-	-	-	-	-	17,253,971
Claims incurred																		
Gross - Direct Business	R0310	48,385	1,301	-	8,903,798	-	2,411	1,490,439	698,746	-	-	-	19,431					11,164,511
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0330																	-
Reinsurers' share	R0340	65,967	8,332	-	3,514,836	-	241	1,479,458	184,683	-	-	-	4,430	-	-	-	-	5,249,087
Net	R0400	17,582	7,031	-	5,388,962	-	2,170	10,981	514,063	-	-	-	23,861	-	-	-	-	5,915,424
Expenses incurred	R0550	370,233	23,729	-	7,616,030	-	20,967	416,020	621,084	-	-	-	46,944	-	-	-	-	9,115,007
Other expenses	R1200																	-
Total expenses	R1300																	9,115,007

		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	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	-	9,242	196,520	50,178	-	-	-	-	255,940
Reinsurers' share	R1420	-	450	22,740	14,652	-	-	-	-	37,842
Net	R1500	-	8,792	173,780	35,526	-	-	-	-	218,098
Premiums earned										
Gross	R1510	-	9,704	197,245	52,686	-	-	-	-	259,635
Reinsurers' share	R1520	-	472	23,877	14,652	-	-	-	-	39,001
Net	R1600	-	9,232	173,368	38,034	-	-	-	-	220,634
Claims incurred										
Gross	R1610	-	114,516	34,239	46,108	-	-	-	-	194,864
Reinsurers' share	R1620	-	-	-	-	-	-	-	-	-
Net	R1700	-	114,516	34,239	46,108	-	-	-	-	194,864
Expenses incurred	R1900	-	1,597	33,958	8,670	-	-	-	-	44,225
Total expenses	R2600									
Total amount of surrenders	R2700	-	8,932	106,152	-	-	-	-	-	115,083

Gross undiscounted Best Estimate Claims Provisions

(absolute amount)

Year	Development year											Year end (discounted data)			
	0	1	2	3	4	5	6	7	8	9	10&+				
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360	
Prior	R0100													R0100	224,714
N-9	R0160	2,138,428	1,103,574	805,167	410,986	463,996	577,139	488,785	404,304	170,464	139,224			R0160	135,511
N-8	R0170	2,369,284	1,709,357	1,241,793	767,560	622,759	532,018	591,329	248,439	264,469				R0170	251,701
N-7	R0180	2,658,361	1,300,805	788,491	362,221	484,108	567,967	441,238	464,401					R0180	434,403
N-6	R0190	1,625,136	812,677	685,369	1,252,365	1,163,731	1,177,800	1,337,925						R0190	1,230,303
N-5	R0200	2,338,551	1,019,889	2,280,259	957,043	675,709	1,030,636							R0200	930,677
N-4	R0210	2,841,038	1,143,514	882,775	615,345	662,523								R0210	580,580
N-3	R0220	4,397,245	1,365,052	1,015,480	940,517									R0220	831,462
N-2	R0230	3,426,983	1,682,717	1,518,741										R0230	1,334,103
N-1	R0240	4,045,719	1,928,924											R0240	1,754,341
N	R0250	6,171,623												R0250	5,798,079
													Total	R0260	13,505,874



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Independent Auditor's Report

To the Board of Directors of Minerva Insurance Company Public Limited

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

Opinion

We have audited the following Solvency II Quantitative Reporting Templates ("QRTs") contained in Annex I to Commission Implementing Regulation (EU) No 2015/2452 of 2 December 2015, of Minerva Insurance Company Public 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.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
- S.28.02.01 - Minimum Capital Requirement - Both life and 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, the Commission Delegated Regulation (EU) 2015/35, the Commission Delegated Regulation (EU) 2016/467 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' Code of Ethics for Professional Accountants (including International Independent Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the relevant QRTs of the Solvency and Financial Condition Report in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

Other information

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

Narrative sections:

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

QRTs (contained in Annex I to Commission Implementing Regulation (EU) No 2015/2452 of 2 December 2015):

- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.19.01.21 - Non-Life insurance claims

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

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

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

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

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

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

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

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

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

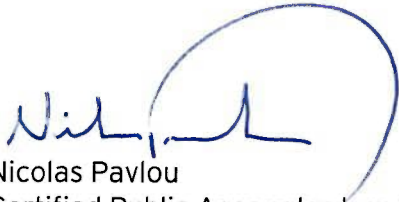
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the relevant QRTs of the Solvency and Financial Condition Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of the basis of preparation used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Solvency and Financial Condition Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Other Matter

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



Nicolas Pavlou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
7 April 2026